
Sunoco Logistics Partners L.P.



Third Quarter 2009
Earnings Conference Call
October 26, 2009

Forward-Looking Statement

You should review this slide presentation in conjunction with the third quarter 2009 earnings conference call for Sunoco Logistics Partners L.P., held on October 26 at 2:00 p.m. EDT. You may listen to the audio portion of the conference call on our website at www.sunocologistics.com or by dialing (USA toll-free) 1-877-297-3442. International callers should dial 1-706-643-1335. Please enter Conference ID #34719298.

Audio replays of the conference call will be available for two weeks after the conference call beginning approximately two hours following the completion of the call. To access the replay, dial 1-800-642-1687. International callers should dial 1-706-645-9291. Please enter Conference ID # 34719298.

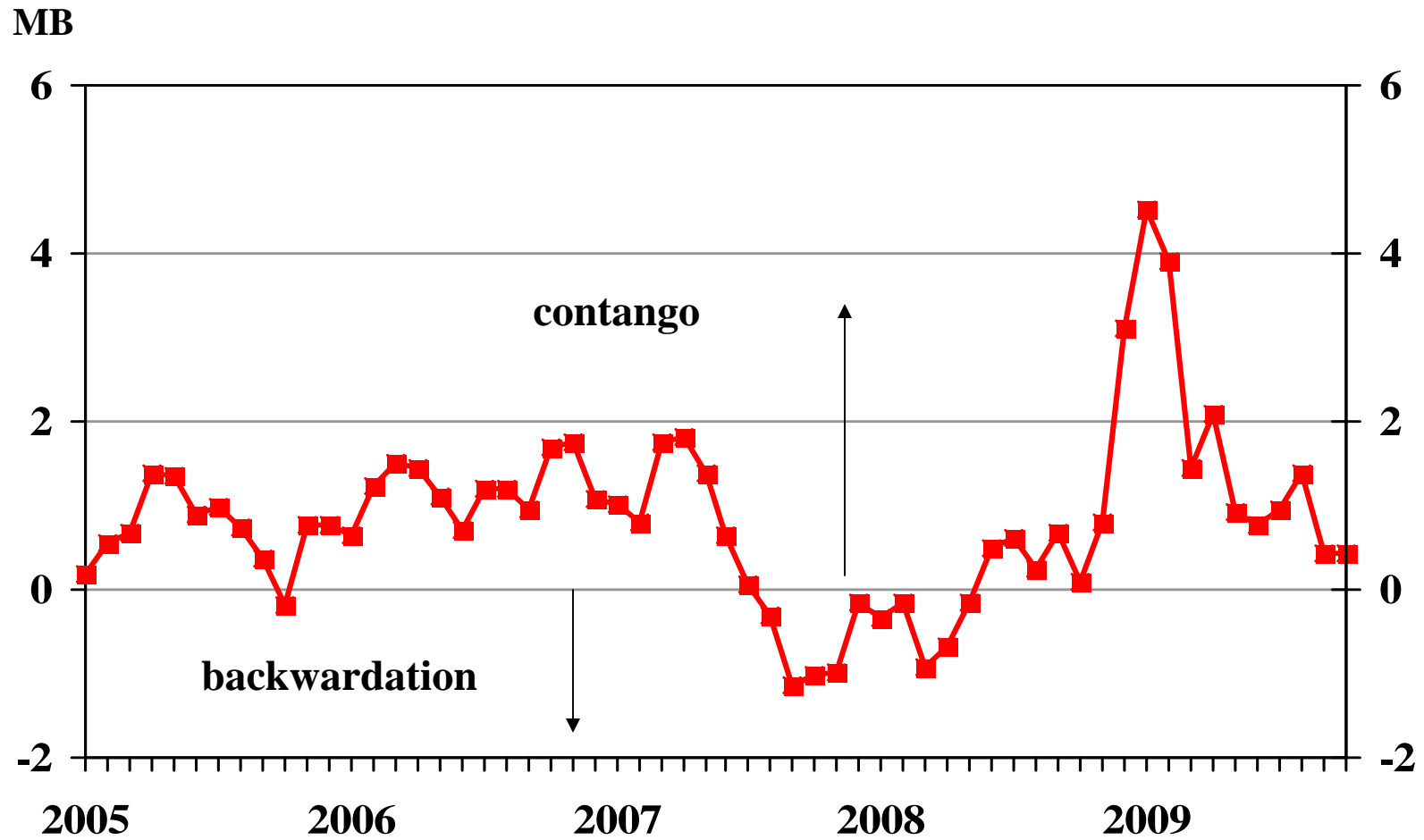
During the call, those statements we make that are not historical facts are forward-looking statements. Although we believe the assumptions underlying these statements are reasonable, investors are cautioned that such forward-looking statements involve risks that may affect our business prospects and performance, causing actual results to differ from those discussed during the conference call. Such risks and uncertainties include, among other things: our ability to successfully consummate announced acquisitions and organic growth projects and integrate them into existing business operations; the ability of announced acquisitions to be cash-flow accretive; increased competition; changes in the demand both for crude oil that we buy and sell, as well as for crude oil and refined products that we store and distribute; the loss of a major customer; changes in our tariff rates; changes in throughput of third-party pipelines that connect to our pipelines and terminals; changes in operating conditions and costs; changes in the level of environmental remediation spending; potential equipment malfunction; potential labor relations problems; the legislative or regulatory environment; plant construction/repair delays; and political and economic conditions, including the impact of potential terrorist acts and international hostilities.

These and other applicable risks and uncertainties are described more fully in our Form 10-Q, filed with the Securities and Exchange Commission on August 5, 2009. We undertake no obligation to update publicly any forward-looking statements whether as a result of new information or future events.

Q3 2009 Assessment

- Net income for the third quarter 2009 was \$48.5 million compared to \$50.3 million in the prior year's quarter
- Distributable cash flow increased to \$54.4 million, a 3.7% increase from third quarter 2008
- Completed construction of the Nederland to Motiva's Port Arthur pipeline and storage project
- Increased total distribution to \$1.065 (\$4.26 annualized) per unit, an 10.4 percent increase over the prior year's distribution
 - Represents the twenty-fifth distribution increase in the past twenty-six quarters
- Debt to EBITDA ratio of 2.5x for the last twelve months

WTI NYMEX Month 2 vs Month 1



Q3 2009 Financial Highlights

(\$ in millions, unaudited)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2009	2008	2009	2008
Sales and operating revenue	\$ 1,420.0	\$ 2,829.5	\$ 3,740.8	\$ 8,539.3
Other income	8.8	6.3	21.3	19.9
Total revenues	1,428.8	2,835.8	3,762.1	8,559.2
Cost of products sold and other operating expenses	1,342.0	2,752.6	3,450.5	8,316.7
Depreciation and amortization	12.2	10.0	35.3	29.5
Selling, general and administrative expenses	14.7	15.3	47.6	44.8
Impairment Charges	-	-	-	5.7
Total costs and expenses	1,368.9	2,777.9	3,533.4	8,396.7
Operating income	59.9	57.9	228.7	162.5
Interest cost and debt expense, net	12.6	8.5	36.3	25.9
Capitalized interest	(1.2)	(0.9)	(3.6)	(2.6)
Net Income	\$ 48.5	\$ 50.3	\$ 196.0	\$ 139.2

Q3 2009 Financial Highlights

(amounts in millions, except unit and per share unit amounts, unaudited)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2009	2008	2009	2008
Calculation of Limited Partners' interest:				
Net Income	\$ 48.5	\$ 50.3	\$ 196.0	\$ 139.2
Less: General Partners' interest	(13.4)	(9.7)	(38.9)	(26.2)
Limited Partners' interest in Net Income	<u>\$ 35.1</u>	<u>\$ 40.6</u>	<u>\$ 157.1</u>	<u>\$ 113.0</u>
Net Income per Limited Partner unit:				
Basic ⁽¹⁾	<u>\$ 1.13</u>	<u>\$ 1.42</u>	<u>\$ 5.22</u>	<u>\$ 3.94</u>
Diluted ⁽¹⁾	<u>\$ 1.13</u>	<u>\$ 1.41</u>	<u>\$ 5.19</u>	<u>\$ 3.92</u>
Weighted Average Limited Partners' units outstanding (in thousands):				
Basic	<u>30,981</u>	<u>28,657</u>	<u>30,085</u>	<u>28,648</u>
Diluted	<u>31,190</u>	<u>28,846</u>	<u>30,288</u>	<u>28,831</u>

(1) Effective January 1, 2009, the Partnership changed its calculation of earnings per unit to conform to updated accounting guidance that requires undistributed earnings to be allocated to the limited partner and general partner interests in accordance with the Partnership agreement. Prior period amounts have been restated for comparative purposes. This change resulted in an increase in net income per diluted LP unit of \$0.22 and \$0.56 for the three and nine months ended September 30, 2008 respectively.

Q3 2009 Financial Highlights

(\$ in millions, unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008	2009	2008
Capital Expenditure Data:				
Maintenance capital expenditures	\$ 6.3	\$ 7.8	\$ 15.3	\$ 15.7
Expansion capital expenditures	82.1	28.7	143.5	73.4
Total	<u>\$ 88.4</u>	<u>\$ 36.5</u>	<u>\$ 158.8</u>	<u>\$ 89.1</u>
	September 30,	December 31,		
	2009	2008		
Balance Sheet Data (at period end):				
Cash and cash equivalents	\$ 2.0	\$ 2.0		
Total Debt	889.4	747.6		
Total Partners' Capital	853.0	669.9		

Q3 2009 Financing Update

(\$ in millions, unaudited)

	Balance as of:	
	<u>September 30, 2009</u>	<u>December 31, 2008</u>
Revolving Credit Facilities ⁽¹⁾:		
\$400 million - due November 2012	\$ 258,723	\$ 323,385
\$100 million - due May 2009	-	-
\$62.5 million - due September 2011	31,250	-
Senior Notes:		
7.25% Senior Notes - due 2012	250,000	250,000
6.125% Senior Notes - due 2016	175,000	175,000
8.75% Senior Notes - due 2014	175,000	-
Less: unamortized bond discount	(599)	(754)
Total Debt	\$ 889,374	\$ 747,631

(1) As of September 30, 2009, the Partnership has unutilized borrowing capacity of \$167.5 million under its revolving credit facilities.

Refined Products Pipeline System

(amounts in millions, unless otherwise noted, unaudited)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2009 ⁽⁴⁾	2008 ⁽³⁾	2009 ⁽⁴⁾	2008 ⁽³⁾
Financial Highlights				
Sales and operating revenue	\$ 32.0	\$ 25.7	\$ 94.6	\$ 73.6
Other income	3.9	2.3	9.2	6.5
Total revenues	35.9	28.0	103.8	80.1
Operating expenses	14.4	11.1	43.7	33.6
Depreciation and amortization	3.2	2.2	9.6	6.6
Selling, general and administrative expenses	5.0	5.2	16.1	15.1
Operating income	\$ 13.3	\$ 9.5	\$ 34.4	\$ 24.8

Operating Highlights⁽¹⁾

Total shipments (mm barrel miles per day) ⁽²⁾	56.8	43.8	58.1	44.1
Revenue per barrel mile (cents)	0.612	0.638	0.595	0.609

(1) Excludes amounts attributable to equity ownership interests in the corporate joint ventures.

(2) Represents total average daily pipeline throughput multiplied by the number of miles of pipeline through which each barrel has been shipped.

(3) On January 1, 2009 the reporting segments were realigned. All prior period reporting segment results were recast for comparative purposes.

(4) Includes results from the Partnership's purchase of the MagTex refined products terminals from the date of acquisition.

Terminal Facilities

(amounts in millions, unless otherwise noted, unaudited)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2009	2008	2009	2008
Financial Highlights				
Sales and operating revenue	\$ 46.2	\$ 40.6	\$ 139.4	\$ 119.3
Other income	-	-	1.4	0.8
Total revenues	<u>46.2</u>	<u>40.6</u>	<u>140.8</u>	<u>120.1</u>
Operating expenses	15.7	17.9	48.4	45.5
Depreciation and amortization	5.2	4.2	14.5	12.1
Selling, general and administrative expenses	4.6	4.8	14.8	13.9
Impairment charge	-	-	-	5.7
Operating income	<u>\$ 20.7</u>	<u>\$ 13.7</u>	<u>\$ 63.1</u>	<u>\$ 42.9</u>
Operating Highlights				
Terminal throughput (000's bpd)				
Refined product terminals ⁽²⁾	465.2	437.0	463.0	428.1
Nederland terminal	559.9	545.1	619.3	541.5
Refinery terminals ⁽¹⁾	609.0	646.5	597.2	648.0

(1) Consists of the Partnership Fort Mifflin Terminal Complex, the Marcus Hook Tank Farm and the Eagle Point Dock.

(2) Includes results from the Partnership's purchase of the MagTex and the Romulus, MI refined products terminals from the date of acquisition.

Crude Oil Pipeline System

(amounts in millions, unless otherwise noted, unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008 ⁽³⁾	2009	2008 ⁽³⁾
Financial Highlights				
Sales and operating revenue	\$ 1,341.9	\$ 2,763.2	\$ 3,506.8	\$ 8,346.5
Other income	4.9	4.0	10.7	12.5
Total revenues	<u>1,346.8</u>	<u>2,767.2</u>	<u>3,517.5</u>	<u>8,359.0</u>
Cost of products sold and other operating expenses	1,311.9	2,723.6	3,358.3	8,237.6
Depreciation and amortization	3.9	3.6	11.2	10.7
Selling, general and administrative expenses	5.1	5.4	16.8	15.9
Operating income	<u>\$ 25.9</u>	<u>\$ 34.6</u>	<u>\$ 131.2</u>	<u>\$ 94.8</u>

Operating Highlights⁽¹⁾⁽⁴⁾

Terminal throughput (000's bpd)

Crude oil pipeline throughput (000's bpd)	611.0	649.3	648.2	672.9
Crude oil purchases at wellhead (000's bpd)	176.6	176.7	183.0	175.2
Gross margin per barrel of pipeline throughput (cents) ⁽²⁾	46.5	57.2	77.6	52.2

(1) Excludes amounts attributable to equity ownership interests in the corporate joint ventures.

(2) Represents total segment sales and other operating revenue minus cost of products sold and operating expenses and depreciation and amortization divided by crude oil pipeline throughput.

(3) On January 1, 2009 the reporting segments were realigned. All prior period reporting segment results were recast for comparative purposes.

(4) Includes results from the Partnership's purchase of the Excel pipeline from the acquisition date.

Sunoco Logistics Partners L.P.



Appendix

Non-GAAP Financial Measures

(\$ in thousands, unaudited)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2009	2008	2009	2008
Net Income	\$ 48,460	\$ 50,334	\$ 196,009	\$ 139,160
Add: Interest cost and debt expense, net	12,592	8,506	36,278	25,904
Less: Capitalized Interest	(1,171)	(977)	(3,629)	(2,613)
Add: Depreciation and amortization	12,240	10,010	35,328	29,499
Add: Impairment charge	-	-	-	5,674
EBITDA	\$ 72,121	\$ 67,873	\$ 263,986	\$ 197,624
Less: Interest expense	(11,421)	(7,529)	(32,649)	(23,291)
Less: Maintenance capital	(6,304)	(7,884)	(15,326)	(15,655)
Add: Sunoco reimbursements	-	-	-	1,851
Distributable Cash Flow ("DCF")	\$ 54,396	\$ 52,460	\$ 311,961	\$ 160,529

Non-GAAP Financial Measures

(1) In this release, the Partnership's EBITDA and DCF references are not presented in accordance with generally accepted accounting principles ("GAAP") and are not intended to be used in lieu of GAAP presentations of net income. Management of the Partnership believes EBITDA and DCF information enhance an investor's understanding of a business' ability to generate cash for payment of distributions and other purposes. In addition, EBITDA is also used as a measure in the Partnership's revolving credit facilities in determining its compliance with certain covenants. However, there may be contractual, legal, economic or other reasons which may prevent the Partnership from satisfying principal and interest obligations with respect to indebtedness and may require the Partnership to allocate funds for other purposes. EBITDA and DCF do not represent and should not be considered an alternative to net income or operating income as determined under United States GAAP and may not be comparable to other similarly titled measures of other businesses.

Non-GAAP Financial Measures

(\$ in thousands, unaudited)

Earnings before interest, taxes, depreciation and amortization ("EBITDA")	Twelve months ended September 30, 2009	
Net Income	\$	271,329
Add: Interest cost and debt expense		45,341
Less: Capitalized interest		(4,871)
Add: Depreciation and amortization		45,883
EBITDA	\$	357,682
Total Debt as of September 30, 2009	\$	889,374
Total Debt to EBITDA Ratio		2.5

Non-GAAP Financial Measures

(1) In this release, the Partnership's EBITDA and DCF references are not presented in accordance with generally accepted accounting principles ("GAAP") and are not intended to be used in lieu of GAAP presentations of net income. Management of the Partnership believes EBITDA and DCF information enhance an investor's understanding of a business' ability to generate cash for payment of distributions and other purposes. In addition, EBITDA is also used as a measure in the Partnership's revolving credit facilities in determining its compliance with certain covenants. However, there may be contractual, legal, economic or other reasons which may prevent the Partnership from satisfying principal and interest obligations with respect to indebtedness and may require the Partnership to allocate funds for other purposes. EBITDA and DCF do not represent and should not be considered an alternative to net income or operating income as determined under United States GAAP and may not be comparable to other similarly titled measures of other businesses.

Refined Products Pipeline System Recast

(amounts in millions, unless otherwise noted, unaudited)

	Q1 2008	Q2 2008	Q3 2008	Q4 2008
Financial Highlights⁽¹⁾				
Sales and other operating revenue	\$ 24.3	\$ 23.6	\$ 25.7	\$ 29.9
Other income	1.3	3.0	2.3	2.0
Total revenues	<u>25.6</u>	<u>26.6</u>	<u>27.9</u>	<u>31.9</u>
Operating expenses	11.6	10.9	11.1	14.8
Depreciation and amortization	2.2	2.2	2.2	2.7
Selling, general and administrative expenses	5.1	4.9	5.1	4.7
Operating income	<u>\$ 6.7</u>	<u>\$ 8.6</u>	<u>\$ 9.5</u>	<u>\$ 9.7</u>
Operating Highlights⁽¹⁾⁽²⁾				
Total shipments (mm barrel miles per day) ⁽³⁾	45.5	43.1	43.8	55.0
Revenue per barrel mile (cents)	0.587	0.601	0.638	0.590

(1) On January 1, 2009 the reporting segments were realigned. All prior period reporting segment results were recast for comparative purposes.

(2) Excludes amounts attributable to equity ownership interests in the corporate joint ventures.

(3) Represents total average daily pipeline throughput multiplied by the number of miles of pipeline through which each barrel has been shipped.

Crude Oil Pipeline System Recast

(amounts in millions, unless otherwise noted, unaudited)

	Q1 2008	Q2 2008	Q3 2008	Q4 2008
Financial Highlights ⁽¹⁾				
Sales and other operating revenue	\$2,330.7	\$ 3,252.5	\$ 2,763.2	\$ 1,500.0
Other income	3.6	5.0	4.0	2.4
Total revenues	<u>2,334.3</u>	<u>3,257.5</u>	<u>2,767.2</u>	<u>1,502.4</u>
Operating expenses	2,298.0	3,216.1	2,723.6	1,435.7
Depreciation and amortization	3.5	3.6	3.6	3.6
Selling, general and administrative expenses	5.5	5.0	5.4	5.3
Operating income	<u>\$ 27.3</u>	<u>\$ 32.8</u>	<u>\$ 34.6</u>	<u>\$ 57.8</u>
Operating Highlights⁽¹⁾⁽²⁾				
Crude oil pipeline throughput (000's bpd)	675.5	694.1	649.3	711.6
Crude oil purchases at wellhead (000's bpd)	171.5	177.4	176.7	185.0
Gross margin per barrel of pipeline throughput (cents) ⁽³⁾	48.5	51.2	57.2	93.4

(1) On January 1, 2009 the reporting segments were realigned. All prior period reporting segment results were recast for comparative purposes.

(2) Excludes amounts attributable to equity ownership interests in the corporate joint ventures.

(3) Represents total segment sales and other operating revenue minus cost of products sold and operating expenses and depreciation and amortization divided by crude oil pipeline throughput.