
Sunoco Logistics Partners L.P.



Fourth Quarter 2011
Earnings Conference Call
January 26, 2012

Forward-Looking Statements

You should review this slide presentation in conjunction with the fourth quarter 2011 earnings conference call for Sunoco Logistics Partners L.P., held on January 26 at 4:30 p.m. ET. You may listen to the audio portion of the conference call on our website at www.sunocologistics.com or by dialing (USA toll-free) 888-790-3592. International callers should dial 517-308-9379. Please enter Conference ID “Sunoco Logistics.” 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 888-282-0036. International callers should dial 203-369-3022.

During the call, those statements we make that are not historical facts are forward-looking statements. These forward-looking statements are not guarantees of future performance. Although we believe the assumptions underlying these statements are reasonable, investors are cautioned that such forward-looking statements involve risks and uncertainties that may affect our business and cause actual results to differ materially from those discussed during the conference call. Such risks and uncertainties include economic, business, competitive and/or regulatory factors affecting our business, as well as uncertainties related to the outcomes of pending or future litigation. Sunoco Logistics Partners L.P. has included in its Annual Report on Form 10-K for the year ended December 31, 2010, and in its subsequent SEC filings, cautionary language identifying important factors (though not necessarily all such factors) that could cause future outcomes to differ materially from those set forth in the forward-looking statements. For more information about these factors, see our SEC filings, available on our website at www.sunocologistics.com. We expressly disclaim any obligation to update or alter these forward-looking statements, whether as a result of new information, future events or otherwise.

This presentation includes certain non-GAAP financial measures intended to supplement, not substitute for, comparable GAAP measures. Reconciliations of non-GAAP financial measures to GAAP financial measures are provided in the slides at the end of the presentation. You should consider carefully the comparable GAAP measures and the reconciliations to those measures provided in this presentation.

Highlights

- Record quarterly performance:

 - É \$165 million Adjusted EBITDA

 - É \$110 million Distributable Cash Flow (DCF)

- Record full year performance:

 - É \$544 million Adjusted EBITDA

 - É \$388 million Distributable Cash Flow

 - É \$665 million of Expansion Capital Spending

Note: Fourth quarter and full year Adjusted EBITDA and DCF include an \$11 million charge for regulatory obligations recognized in connection with the Partnership's impairment assessment of certain assets affected by Sunoco, Inc.'s announcement to exit its refining operations.

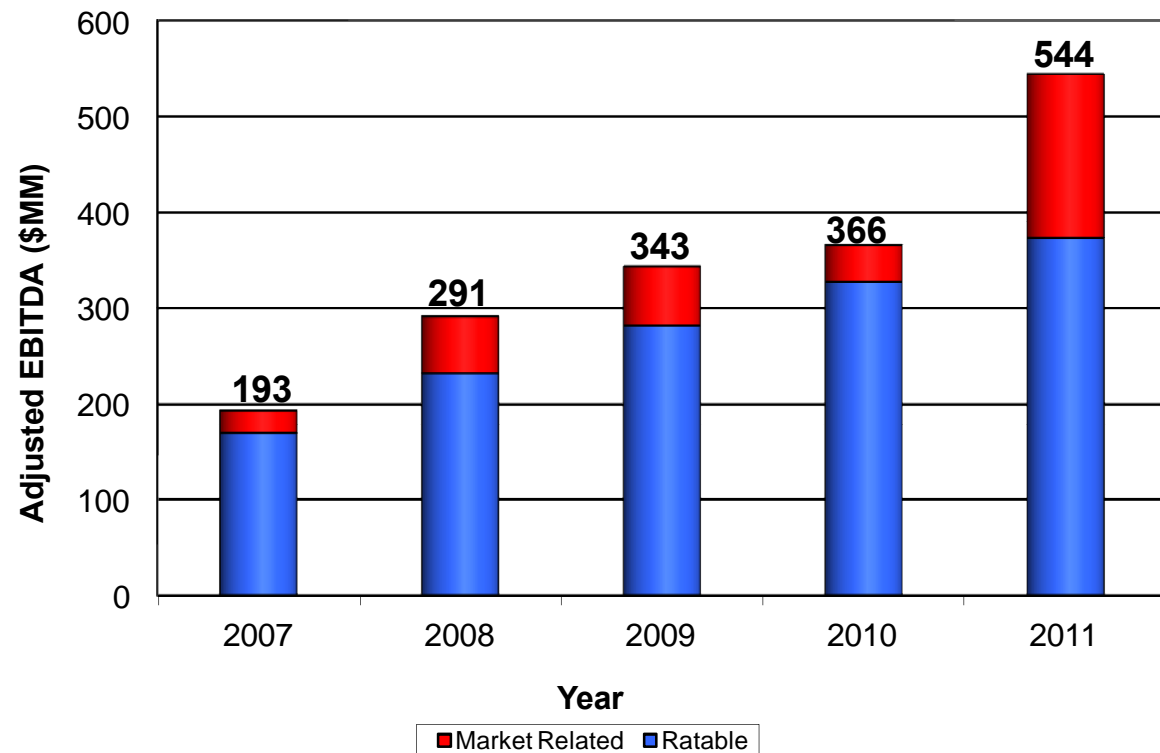
Highlights

- Grew ratable business 14% year over year
- Completed a three-for-one unit split⁽¹⁾ on December 2nd
- Increased distribution for 27th consecutive quarter
- 2012 Guidance:
 - É Increase the cash distribution by 7 %
 - É Approximately \$300 million of organic expansion capital
 - É Approximately \$50 million of maintenance capital

⁽¹⁾ All unit and per unit information presented herein is on a post-split basis.

Adjusted EBITDA: Ratable and Market Related

- Maximize asset base by taking advantage of market opportunities
- Distributions based on ratable cash
 - “ Market related cash flow increases coverage ratio



Record Expansion Capital Growth

- 2011 expansion capital of \$665 million included record organic and acquisition growth.

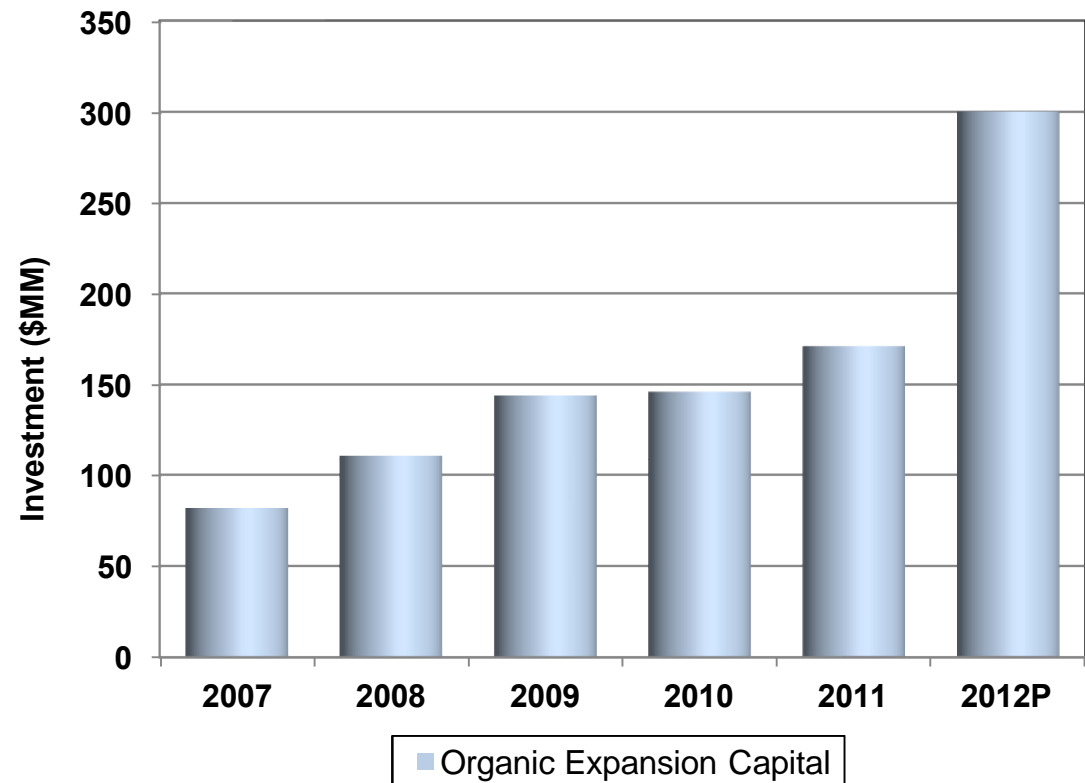
(amounts in millions)

	Full Year Ended	
	December 31,	
	2011	
Calculation of Expansion Capital:		
Organic Expansion Capital	\$	171
Major Acquisitions ⁽¹⁾		494
Total Expansion Capital	\$	665

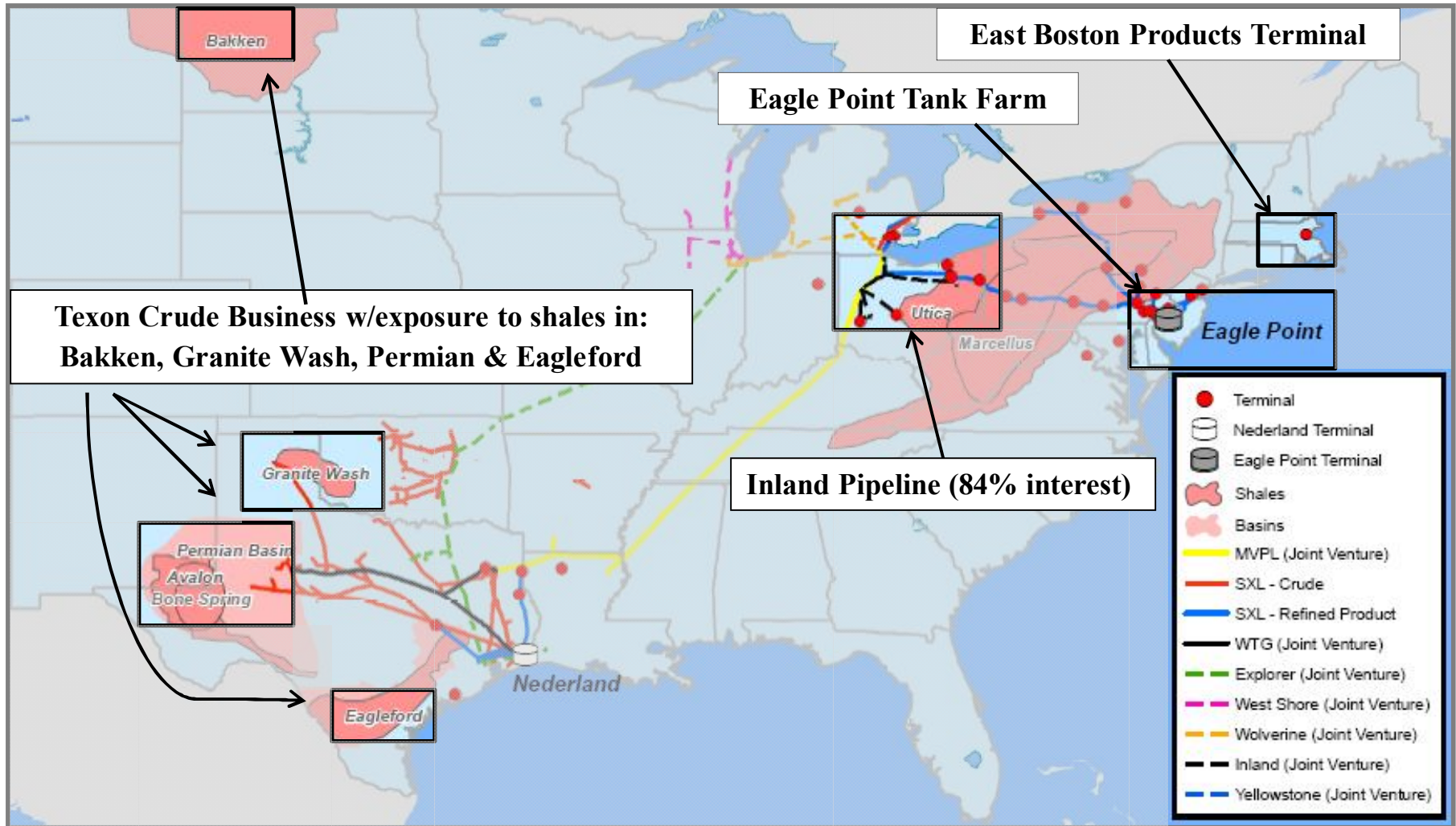
⁽¹⁾ Includes inventory.

Organic Expansion Capital

- Optimize current asset base
- Invest in organic extensions
- 2012 Organic investment projected to be approximately \$300 million including:
 - ” Butane blending
 - ” Nederland
 - ” Eagle Point
 - ” Mariner West
 - ” West Texas Crude Expansion



2011 Acquisitions



Q4 2011 Financial Highlights

(amounts in millions)

	Three Months Ended		Full Year Ended	
	December 31,		December 31,	
	2011	2010	2011	2010
Sales and other operating revenue	\$ 3,376	\$ 2,223	\$ 10,905	\$ 7,808
Other income	4	5	13	30
Total revenues	3,380	2,228	10,918	7,838
Cost of products sold and operating expenses	3,178	2,103	10,264	7,398
Depreciation and amortization	25	19	86	64
Impairment charge and related matters	42	3	42	3
Selling, general and administrative expenses	23	20	90	72
Total costs and expenses	3,268	2,145	10,482	7,537
Operating income	112	83	436	301
Interest cost and debt expense	28	21	96	78
Capitalized interest	(2)	(2)	(7)	(5)
Gain on investments in affiliates	-	-	-	128
Income before provision for income taxes	86	64	347	356
Provision for income taxes	7	4	25	8
Net Income	79	\$ 60	322	\$ 348
Net income attributable to noncontrolling interests	3	1	9	2
Net Income attributable to Sunoco Logistics Partners L.P.	\$ 76	\$ 59	\$ 313	\$ 346

Q4 2011 Financial Highlights

(amounts in millions, except per unit amounts)

	Three Months Ended		Full Year Ended	
	December 31,		December 31,	
	2011	2010	2011	2010
Calculation of Limited Partners' interest:				
Net Income attributable to Sunoco Logistics Partners L.P.	\$ 76	\$ 59	\$ 313	\$ 346
Less: General Partner's interest	(14)	(12)	(54)	(48)
Limited Partners' interest in Net Income	<u>\$ 62</u>	<u>\$ 47</u>	<u>\$ 259</u>	<u>\$ 298</u>
Net Income per Limited Partner unit:⁽¹⁾				
Basic	<u>\$ 0.60</u>	<u>\$ 0.47</u>	<u>\$ 2.56</u>	<u>\$ 3.13</u>
Diluted	<u>\$ 0.60</u>	<u>\$ 0.47</u>	<u>\$ 2.54</u>	<u>\$ 3.11</u>
Weighted Average Limited Partners' units outstanding:⁽¹⁾				
Basic	<u>103.3</u>	<u>99.2</u>	<u>101.3</u>	<u>95.2</u>
Diluted	<u>103.8</u>	<u>99.7</u>	<u>101.8</u>	<u>95.7</u>

⁽¹⁾ Amounts reflect the three-for-one unit split in the fourth quarter 2011.

Refined Products Pipelines

(financial amounts in millions)

	Three Months Ended		Full Year Ended	
	December 31,		December 31,	
	2011	2010	2011	2010
Financial Highlights				
Sales and other operating revenue	\$ 37	\$ 29	\$ 130	\$ 120
Operating income	\$ 9	\$ 10	\$ 33	\$ 44
Depreciation and amortization expense	\$ 4	\$ 3	\$ 17	\$ 15
Adjusted EBITDA ⁽¹⁾	\$ 12	\$ 13	\$ 49	\$ 59
Operating Highlights⁽²⁾⁽³⁾				
Pipeline throughput (thousands of bpd)	599	442	522	468
Pipeline revenue per barrel (cents)	67.5	71.7	68.3	70.0

⁽¹⁾ Amounts exclude earnings attributable to noncontrolling interests.

⁽²⁾ In May 2011, the Partnership acquired a controlling financial interest in the Inland refined products pipeline. As a result of this acquisition, the Partnership accounted for this entity as a consolidated subsidiary from the acquisition date. Volumes for the twelve months ended December 31, 2011 of 88 thousand bpd and the related revenue per barrel, have been included in the consolidated totals. From the date of acquisition, this pipeline had actual throughput of approximately 140 thousand bpd for the twelve months ended December 31, 2011.

⁽³⁾ Excludes amounts attributable to equity interests which are not consolidated.

Terminal Facilities

(financial amounts in millions)

	Three Months Ended		Full Year Ended	
	December 31,		December 31,	
	2011	2010	2011	2010
Financial Highlights				
Sales and other operating revenue	\$ 156	\$ 99	\$ 435	\$ 287
Operating income	\$ (11)	\$ 21	\$ 85	\$ 95
Depreciation and amortization expense	\$ 10	\$ 8	\$ 34	\$ 26
Adjusted EBITDA ⁽¹⁾	\$ 30	\$ 32	\$ 150	\$ 124

Operating Highlights

Terminal throughput (thousands of bpd):⁽²⁾

Refined products terminals	514	502	492	488
Nederland terminal	692	724	757	729
Refinery terminals	505	434	443	465

⁽¹⁾ Amounts include an \$11 million charge for regulatory obligations recognized in the fourth quarter 2011 in connection with the Partnership's impairment assessment of certain assets affected by Sunoco's announcement to exit its refining operations.

⁽²⁾ In July 2011 and August 2011, the Partnership acquired the Eagle Point tank farm and a refined products terminal located in East Boston Massachusetts, respectively. Volumes for these acquisitions are included from their acquisition dates.

Crude Oil Pipelines

(financial amounts in millions)

	Three Months Ended		Full Year Ended	
	December 31,		December 31,	
	2011	2010	2011	2010
Financial Highlights				
Sales and other operating revenue	\$ 86	\$ 76	\$ 319	\$ 221
Operating income	\$ 52	\$ 36	\$ 181	\$ 126
Depreciation and amortization expense	\$ 6	\$ 7	\$ 25	\$ 21
Adjusted EBITDA ⁽¹⁾	\$ 56	\$ 42	\$ 198	\$ 145

Operating Highlights⁽²⁾⁽³⁾

Pipeline throughput (thousands of bpd)	1,577	1,592	1,587	1,183
Pipeline revenue per barrel (cents)	58.9	50.9	55.0	50.7

⁽¹⁾ Amounts exclude earnings attributable to noncontrolling interests.

⁽²⁾ In July 2010, the Partnership acquired additional interests in the Mid-Valley and West Texas Gulf crude oil pipelines, which previously had been recorded as equity investments. The Partnership obtained a controlling financial interest as a result of these acquisitions and began accounting for these entities as consolidated subsidiaries from their respective acquisition dates. Volumes and the related revenues for the twelve months ended December 31, 2010 of 278 thousand bpd have been included in the crude oil pipeline throughput and revenue per barrel. From the date of acquisition, these pipelines had actual throughput of approximately 696 thousand bpd for the three and twelve months ended December 31, 2010. The amounts presented for the three and twelve month periods ended December 31, 2011 include amounts attributable to these systems for the entire period.

⁽³⁾ Excludes amounts attributable to equity interests which are not consolidated.

Crude Oil Acquisition and Marketing

(financial amounts in millions)

	Three Months Ended		Full Year Ended	
	December 31,		December 31,	
	2011	2010	2011	2010
Financial Highlights				
Sales and other operating revenue	\$ 3,135	\$ 2,048	\$ 10,163	\$ 7,282
Operating income	\$ 62	\$ 16	\$ 137	\$ 36
Depreciation and amortization expense	\$ 5	\$ 1	\$ 10	\$ 2
Adjusted EBITDA	\$ 67	\$ 17	\$ 147	\$ 38

Operating Highlights⁽¹⁾

Crude oil purchases (thousands of bpd) ⁽²⁾	690	606	663	638
Gross margin per barrel purchased (cents) ⁽²⁾⁽³⁾	103.4	35.6	61.9	20.0
Average crude oil price (per barrel)	\$94.02	\$85.18	\$95.14	\$79.55

⁽¹⁾ The Crude Oil Acquisition and Marketing segment gathers, purchases, markets and sells crude oil principally in Oklahoma and Texas. The segment consists of approximately 140 crude oil transport trucks; and approximately 110 crude oil truck unloading facilities.

⁽²⁾ Includes results from the crude oil acquisition and marketing business acquired from Texon L.P. in August 2011 from the acquisition date.

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

Q4 2011 Financial Highlights

(amounts in millions)

	Three Months Ended		Full Year Ended	
	December 31,		December 31,	
	2011	2010	2011	2010
Capital Expenditure Data:				
Maintenance capital expenditures	\$ 22	\$ 12	\$ 42	\$ 37
Expansion capital expenditures	69	58	171	137
Major Acquisitions ⁽¹⁾	-	-	494	252
Total	<u>\$ 91</u>	<u>\$ 70</u>	<u>\$ 707</u>	<u>\$ 426</u>
	December 31,	December 31,		
	2011	2010		
Balance Sheet Data (at period end):				
Cash and cash equivalents	\$ 5	\$ 2		
Total debt ⁽²⁾⁽³⁾	\$ 1,698	\$ 1,229		
Equity:				
Sunoco Logistics Partners L.P. Equity	\$ 1,096	\$ 965		
Noncontrolling interests	98	77		
Total Equity	<u>\$ 1,194</u>	<u>\$ 1,042</u>		

⁽¹⁾ Includes July 2011 acquisition of Eagle Point tank farm from Sunoco for \$100 million, consisting of: Class A (deferred distribution) units with a fair value of \$98 million and \$2 million in cash. This related party transaction was recorded at Sunoco's carrying value of \$22 million under generally accepted accounting principles.

⁽²⁾ Total debt at December 31, 2010 includes the \$100 million promissory note to Sunoco, Inc.

⁽³⁾ As of December 31, 2011, the Partnership had available borrowing capacity of \$550 million under its revolving credit facilities.

Non-GAAP Financial Measures

(amounts in millions)

	Three Months Ended		Full Year Ended	
	December 31,		December 31,	
	2011	2010	2011	2010
Net Income attributable to Sunoco Logistics Partners L.P.	\$ 76	\$ 59	\$ 313	\$ 346
Add: Interest expense, net	26	19	89	73
Add: Depreciation and amortization expense	25	19	86	64
Add: Impairment charge	31	3	31	3
Add: Provision for income taxes	7	4	25	8
Less: Gain on investments in affiliates	-	-	-	(128)
Adjusted EBITDA⁽¹⁾⁽²⁾	<u>165</u>	<u>104</u>	<u>544</u>	<u>366</u>
Less: Interest expense, net	(26)	(19)	(89)	(73)
Less: Maintenance capital expenditures	(22)	(12)	(42)	(37)
Less: Provision for income taxes	(7)	(4)	(25)	(8)
Distributable cash flow⁽¹⁾	<u>\$ 110</u>	<u>\$ 69</u>	<u>\$ 388</u>	<u>\$ 248</u>

(1) Management of the Partnership believes Adjusted EBITDA and distributable cash flow information enhances an investor's understanding of a business's ability to generate cash for payment of distributions and other purposes. Adjusted EBITDA and distributable cash flow do not represent and should not be considered an alternative to net income or cash flows from operating activities as determined under United States generally accepted accounting principles (GAAP) and may not be comparable to other similarly titled measures of other businesses.

(2) Amounts exclude earnings attributable to noncontrolling interests and include an \$11 million charge for regulatory obligations recognized in the fourth quarter 2011 in connection with the Partnership's impairment assessment of certain assets affected by Sunoco's announcement to exit its refining operations.