

Energy Transfer Partners, L.P.
Reconciliation of Non-GAAP Measures
Adjusted EBITDA

| | (Revised - see *) | |
|--|---|--|
| | Three Months Ended March 31, 2010 | Three Months Ended June 30, 2010 |
| Net income | \$ 240,111 | \$ 42,843 |
| Interest expense, net of interest capitalized | 104,962 | 103,014 |
| Income tax expense | 5,924 | 4,569 |
| Depreciation and amortization | 83,276 | 83,877 |
| Non-cash unit-based compensation expense | 7,196 | 7,404 |
| (Gains) losses on disposal of assets | 1,864 | (1,385) |
| (Gains) losses on non-hedged interest rate derivatives | - | - |
| Allowance for equity funds used during construction | (1,309) | (4,298) |
| Unrealized (gains) losses on commodity risk management activities* | 51,428 | 32,096 |
| Impairment of investment in affiliate | - | 52,620 |
| Proportionate share of joint ventures' interest, depreciation and allowance for equity funds used during construction | 13,446 | 8,989 |
| Other, net | (1,033) | 5,893 |
| Adjusted EBITDA | <u>\$ 505,865</u> | <u>\$ 335,622</u> |

| | (Revised - see *) | | | | |
|--|---|--|--|---|------------------------------------|
| | Three Months Ended March 31, 2009 | Three Months Ended June 30, 2009 | Three Months Ended September 30, 2009 | Three Months Ended December 31, 2009 | Year Ended December 31, 2009 |
| Net income | \$ 307,167 | \$ 150,738 | \$ 72,456 | \$ 261,181 | \$ 791,542 |
| Interest expense, net of interest capitalized | 82,045 | 100,680 | 101,503 | 110,046 | 394,274 |
| Income tax expense (benefit) | 6,932 | 4,559 | (2,897) | 4,183 | 12,777 |
| Depreciation and amortization | 72,603 | 76,174 | 81,684 | 82,342 | 312,803 |
| Non-cash unit-based compensation expense | 6,801 | 7,682 | 6,459 | 3,090 | 24,032 |
| (Gains) losses on disposal of assets | 426 | (181) | 1,088 | 231 | 1,564 |
| (Gains) losses on non-hedged interest rate derivatives | (13,726) | (36,842) | 18,241 | (6,912) | (39,239) |
| Allowance for equity funds used during construction | (20,427) | 1,839 | (30) | 8,061 | (10,557) |
| Unrealized (gains) losses on commodity risk management activities* | 94,239 | (39,538) | 12,297 | (93,792) | (26,794) |
| Proportionate share of joint ventures' interest, depreciation and allowance for equity funds used during construction | - | 2,953 | 6,698 | 12,680 | 22,331 |
| Other, net | (1,067) | 100 | (3,433) | 2,243 | (2,157) |
| Adjusted EBITDA | <u>\$ 534,993</u> | <u>\$ 268,164</u> | <u>\$ 294,066</u> | <u>\$ 383,353</u> | <u>\$ 1,480,576</u> |

| | (Revised - see *) | | | | |
|--|---|--|--|---|------------------------------------|
| | Three Months Ended March 31, 2008 | Three Months Ended June 30, 2008 | Three Months Ended September 30, 2008 | Three Months Ended December 31, 2008 | Year Ended December 31, 2008 |
| Net income | \$ 328,335 | \$ 165,674 | \$ 221,048 | \$ 150,966 | \$ 866,023 |
| Interest expense, net of interest capitalized | 55,549 | 68,416 | 67,792 | 73,944 | 265,701 |
| Income tax expense (benefit) | 5,862 | 10,042 | (7,150) | (2,074) | 6,680 |
| Depreciation and amortization | 58,828 | 62,421 | 70,508 | 70,394 | 262,151 |
| Non-cash unit-based compensation expense | 8,086 | 3,874 | 2,378 | 9,143 | 23,481 |
| (Gains) losses on disposal of assets | 1,451 | (515) | (2,520) | 2,887 | 1,303 |
| (Gains) losses on non-hedged interest rate derivatives | 600 | (355) | (394) | 51,137 | 50,988 |
| Allowance for equity funds used during construction | (9,888) | (15,660) | (19,726) | (18,701) | (63,975) |
| Unrealized (gains) losses on commodity risk management activities* | 34,225 | 6,003 | (34,390) | 28,146 | 33,984 |
| Goodwill impairment loss | - | - | - | 11,359 | 11,359 |
| Other, net | (8,349) | (1,942) | 804 | 181 | (9,306) |
| Adjusted EBITDA | <u>\$ 474,699</u> | <u>\$ 297,958</u> | <u>\$ 298,350</u> | <u>\$ 377,382</u> | <u>\$ 1,448,389</u> |

| | (Revised - see *) | | | |
|--|--|---|---|---|
| | (A) Fiscal Year Ended August 31, 2007 | (B) Four Months Ended December 31, 2006 | (C) Four Months Ended December 31, 2007 | (A) - (B) + (C) Twelve Months Ended December 31, 2007 |
| Net income | \$ 676,139 | \$ 160,445 | \$ 261,824 | \$ 777,518 |
| Interest expense, net of interest capitalized | 175,563 | 54,946 | 66,298 | 186,915 |
| Income tax expense | 13,658 | 3,120 | 10,789 | 21,327 |
| Depreciation and amortization | 179,162 | 48,767 | 71,333 | 201,728 |
| Non-cash unit-based compensation expense | 10,471 | 4,385 | 8,114 | 14,200 |
| (Gains) losses on disposal of assets | 6,310 | (2,212) | (14,310) | (5,788) |
| (Gains) losses on non-hedged interest rate derivatives | (31,032) | 1,319 | 1,013 | (31,338) |
| Allowance for equity funds used during construction | (4,948) | - | (7,276) | (12,224) |
| Unrealized (gains) losses on commodity risk management activities* | 8,501 | 10,926 | (13,201) | (15,626) |
| Other, net | (2,019) | (3,477) | 5,202 | 6,660 |
| Adjusted EBITDA | <u>\$ 1,031,805</u> | <u>\$ 278,219</u> | <u>\$ 389,786</u> | <u>\$ 1,143,372</u> |

Energy Transfer Partners, L.P.
Reconciliation of Non-GAAP Measures
Adjusted EBITDA

| | (Revised - see *) | |
|--|---|---|
| | Fiscal Year Ended August 31, 2005 | Fiscal Year Ended August 31, 2006 |
| Net income | \$ 349,350 | \$ 515,852 |
| Interest expense, net of interest capitalized | 93,017 | 113,857 |
| Income tax expense | 7,295 | 25,920 |
| Depreciation and amortization | 92,943 | 117,415 |
| Non-cash unit-based compensation expense | 1,608 | 7,038 |
| (Gains) losses on disposal of assets | 330 | (851) |
| Unrealized (gains) losses on commodity risk management activities* | (12,712) | 1,076 |
| Gain on sale of discontinued operations, net of income tax expense | (142,469) | - |
| Loss on extinguishment of debt | 9,550 | - |
| Other, net | 1,613 | (14,620) |
| Adjusted EBITDA | <u>\$ 400,525</u> | <u>\$ 765,687</u> |

Adjusted EBITDA is a non-GAAP financial measure. Management believes Adjusted EBITDA provided useful information to investors as a measure of comparison with peer companies, including companies that may have different financing and capital structures. The presentation of Adjusted EBITDA also allows investors to view our performance in a manner similar to the methods used by management and provides additional insight into our operating results.

The Partnership defines Adjusted EBITDA as total partnership earnings before interest, taxes, depreciation, amortization, and other non-cash items, such as non-cash compensation expense, gains and losses on disposals of assets, the allowance for equity funds used during construction, unrealized gains and losses on commodity risk management activities, non-cash impairment charges, and other non-operating income or expense items. Unrealized gains and losses on commodity risk management activities includes unrealized gains and losses on commodity derivatives, inventory fair value adjustments (including lower of cost or market adjustments), and the effect of previously recognized inventory fair value adjustments on margin.

Adjusted EBITDA is used by management to determine our operating performance and, along with other data, as internal measures for setting annual operating budgets, assessing financial performance of our numerous business locations, as a measure for evaluating targeted businesses for acquisition, and as a measurement component of incentive compensation.

* Beginning with the quarter ended June 30, 2010 and applied retroactively to all periods presented, the Partnership has included unrealized gains and losses on commodity risk management activities in its reconciliation of net income to Adjusted EBITDA.