

BUCKEYE PARTNERS, L.P.
SELECTED FINANCIAL AND OPERATING DATA
Non-GAAP Reconciliations
(In thousands, except coverage ratio)
(Unaudited)

	Three Months Ended December 31,		Year Ended December 31,	
	2016	2015	2016	2015
Income from continuing operations	\$ 108,929	\$ 135,097	\$ 548,675	\$ 438,391
Less: Net income attributable to noncontrolling interests	(1,264)	(1,105)	(13,067)	(311)
Income from continuing operations attributable to Buckeye Partners, L.P.	107,665	133,992	535,608	438,080
Add: Interest and debt expense	50,829	44,233	194,922	171,330
Income tax expense	564	154	1,460	874
Depreciation and amortization (1)	66,439	57,074	254,659	221,278
Non-cash unit-based compensation expense	10,432	11,637	33,344	29,215
Acquisition and transition expense (2)	7,717	185	8,196	3,127
Litigation contingency accrual (3)	—	—	—	15,229
Hurricane-related costs (4)	16,795	—	16,795	—
Less: Amortization of unfavorable storage contracts (5)	—	(2,768)	(5,979)	(11,071)
Gains on property damage recoveries (6)	—	—	(5,700)	—
Gain on sale of ammonia pipeline	(5,299)	—	(5,299)	—
Adjusted EBITDA from continuing operations	\$ 255,142	\$ 244,507	\$ 1,028,006	\$ 868,062
Less: Interest and debt expense, excluding amortization of deferred financing costs, debt discounts and other	(46,531)	(40,019)	(177,996)	(154,469)
Income tax benefit (expense), excluding non-cash taxes	1,172	(816)	276	(1,536)
Maintenance capital expenditures (7)	(45,150)	(27,474)	(129,691)	(99,617)
Add: Hurricane-related maintenance capital expenditures (8)	6,054	—	6,054	—
Distributable cash flow from continuing operations	\$ 170,687	\$ 176,198	\$ 726,649	\$ 612,440
Distributions for coverage ratio (9)	\$ 174,397	\$ 154,402	\$ 664,198	\$ 603,153
Coverage ratio from continuing operations	0.98	1.14	1.09	1.02

- (1) Includes 100% of the depreciation and amortization expense of \$19.2 million and \$14.6 million for Buckeye Texas Partners LLC for the three months ended December 31, 2016 and 2015, respectively, and \$71.7 million and \$49.3 million for the years ended December 31, 2016 and 2015, respectively.
- (2) Represents transaction, internal and third-party costs related to asset acquisition and integration.
- (3) Represents reductions in revenue related to settlement of a FERC proceeding.
- (4) Represents costs incurred at our BBH facility as a result of Hurricane Matthew, which occurred in October 2016, consisting of \$11.0 million of operating expenses and a \$5.8 million write-off of damaged long-lived assets for the three months ended December 31, 2016.
- (5) Represents amortization of negative fair value allocated to certain unfavorable storage contracts acquired in connection with the BBH acquisition.
- (6) Represents recoveries of property damages caused by third parties, primarily related to an allision with a ship dock at our terminal located in Pennsauken, New Jersey.
- (7) Represents expenditures that maintain the operating, safety and/or earnings capacity of our existing assets, including hurricane-related expenditures.
- (8) Represents expenditures to repair or replace long-lived assets damaged as a result of Hurricane Matthew.
- (9) Represents cash distributions declared for LP Units outstanding as of each respective period. Amount for 2016 reflects actual cash distributions paid on LP Units for the quarters ended March 31, 2016, June 30, 2016 and September 30, 2016 and estimated cash distributions for LP Units for the quarter ended December 31, 2016 based on LP Units outstanding as of December 31, 2016.

BUCKEYE PARTNERS, L.P.
SELECTED FINANCIAL AND OPERATING DATA
Supplemental Non-GAAP Reconciliations
(In thousands, except coverage ratio)
(Unaudited)

	Three Months Ended December 31,	Year Ended December 31,
	2016	2016
Distributable cash flow from continuing operations	\$ 170,687	\$ 726,649
Add: Net interest expense impact (1)	1,472	1,472
Pro forma distributable cash flow from continuing operations.	<u>\$ 172,159</u>	<u>\$ 728,121</u>
Distributions for coverage ratio	\$ 174,397	\$ 664,198
Less: Distributions on units issued to pre-fund VTTI (2)	<u>(11,029)</u>	<u>(21,947)</u>
Pro forma distributions for coverage ratio	<u>\$ 163,368</u>	<u>\$ 642,251</u>
Coverage ratio from continuing operations	<u>0.98</u>	<u>1.09</u>
Pro forma coverage ratio excluding VTTI transaction	<u>1.05</u>	<u>1.13</u>

- (1) Amounts reflect interest expense related to November 2016 \$600.0 million 3.950% long-term debt issuance to pre-fund VTTI transaction offset by interest expense reduction from the pay-down of all borrowings on the Credit Facility with those proceeds.
- (2) Amounts reflect cash distributions declared for 8,912,500 LP Units at \$1.2375 per unit for the three months ended December 31, 2016, and at \$2.4625 per unit for the year ended December 31, 2016; reflecting all distributions declared on the units issued to pre-fund the VTTI transaction.