

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

	Three Months Ended June 30,		Six Months Ended June 30,		Twelve Months Ended June 30,
	2017	2016	2017	2016	2017
Net income	\$ 116,379	\$ 144,499	\$ 242,688	\$ 279,476	\$ 511,887
Less: Net income attributable to noncontrolling interests	(3,657)	(4,043)	(6,390)	(7,907)	(11,550)
Net income attributable to Buckeye Partners, L.P.	112,722	140,456	236,298	271,569	500,337
Add: Interest and debt expense	56,424	47,834	112,309	95,617	211,614
Income tax expense (benefit)	1,039	(27)	1,261	588	2,133
Depreciation and amortization (1)	64,838	63,322	130,326	124,748	260,237
Non-cash unit-based compensation expense	8,902	7,724	17,580	14,059	36,865
Acquisition and transition expense (2)	799	48	1,828	170	9,854
Hurricane-related costs (3)	613	—	3,016	—	19,811
Proportionate share of Adjusted EBITDA for the equity method investment in VTTI (4)	28,801	—	57,418	—	57,418
Less: Amortization of unfavorable storage contracts (5)	—	(2,768)	—	(5,536)	(443)
Gains on property damage recoveries (6)	(4,621)	—	(4,621)	—	(10,321)
Gain on sale of ammonia pipeline	—	—	—	—	(5,299)
Earnings from the equity method investment in VTTI (4)	(326)	—	(8,715)	—	(8,715)
Adjusted EBITDA	<u>\$ 269,191</u>	<u>\$ 256,589</u>	<u>\$ 546,700</u>	<u>\$ 501,215</u>	<u>\$ 1,073,491</u>
Less: Interest and debt expense, excluding amortization of deferred financing costs, debt discounts and other	(52,063)	(43,624)	(103,587)	(87,197)	(194,386)
Income tax (expense) benefit, excluding non-cash taxes	(473)	29	(695)	(588)	169
Maintenance capital expenditures	(40,494)	(29,881)	(73,080)	(51,447)	(151,324)
Proportionate share of VTTI's interest expense, current income tax expense and maintenance capital expenditures (4)	(10,690)	—	(18,708)	—	(18,708)
Add: Hurricane-related maintenance capital expenditures	4,879	—	10,429	—	16,483
Distributable cash flow	<u>\$ 170,350</u>	<u>\$ 183,113</u>	<u>\$ 361,059</u>	<u>\$ 361,983</u>	<u>\$ 725,725</u>
Distributions for coverage ratio (7)	<u>\$ 179,361</u>	<u>\$ 159,787</u>	<u>\$ 356,193</u>	<u>\$ 317,033</u>	<u>\$ 703,752</u>
Coverage ratio	<u>0.95</u>	<u>1.15</u>	<u>1.01</u>	<u>1.14</u>	<u>1.03</u>

- (1) Includes 100% of the depreciation and amortization expense of \$18.5 million and \$17.2 million for Buckeye Texas Partners LLC for the three months ended June 30, 2017 and 2016, respectively, \$36.0 million and \$34.0 million for the six months ended June 30, 2017 and 2016, respectively, and \$73.7 million for the twelve months ended June 30, 2017.
- (2) Represents transaction, internal and third-party costs related to asset acquisition and integration.
- (3) Represents operating expenses incurred at our BBH facility, as well as a \$5.8 million write-off of damaged long-lived assets recorded during the three months ended December 31, 2016, as a result of Hurricane Matthew, which occurred in October 2016.
- (4) Due to the significance of our equity method investment in VTTI B.V. ("VTTI"), effective January 1, 2017, we applied the definitions of Adjusted EBITDA and distributable cash flow, covered in our description of non-GAAP financial measures, with respect to our proportionate share of VTTI's Adjusted EBITDA and distributable cash flow. The calculation of our proportionate share of the reconciling items used to derive these VTTI performance metrics is based upon our 50% equity interest in VTTI, prior to adjustments related to noncontrolling interests in several of its subsidiaries and partnerships, which are immaterial.
- (5) Represents amortization of negative fair value allocated to certain unfavorable storage contracts acquired in connection with the BBH acquisition.
- (6) Represents gains on 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 cash distributions declared for LP Units and for distribution equivalent rights with respect to certain unit-based compensation awards ("DERs") outstanding as of each respective period. Amounts for the three, six and twelve months ended June 30, 2017 reflect actual cash distributions paid on LP Units and DERs for the quarters ended September 30, 2016, December 31, 2016 and March 31, 2017 and estimated cash distributions for LP Units and DERs for the quarter ended June 30, 2017, as applicable.