2016 Analyst Day

New York City
March 31, 2016

MAGELLAN®
MIDSTREAM PARTNERS, L.P.
www.magellanlp.com | NYSE: MMP

Moving What Moves America®

Welcome and Agenda

Paula Farrell
Director, investor relations and planning

Today's Agenda

• Proven track record	Mike Mears, CEO
• Stable base business	
- Refined products, Marine storage	Jeff Selvidge, Sr. VP
- Crude oil	Robb Barnes, Sr. VP
• 15-minute break	
• Future growth	Mike Mears, CEO
• Finance review	Aaron Milford, CFO
• Closing remarks	Mike Mears, CEO
• Lunch	Magellan management

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Magellan Management Representatives

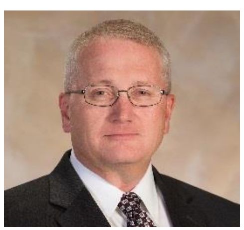
Mike Mears
Chairman, President and
Chief Executive Officer

Jeff Selvidge
Sr. VP Commercial,
Refined and Marine

Robb Barnes
Sr. VP Commercial,
Crude Oil

Aaron Milford
Chief Financial
Officer

Michael Aaronson
Sr. VP,
Business Development

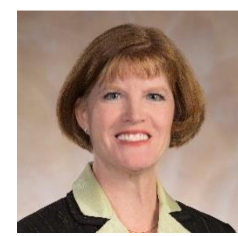


Stan Rogers
VP Commercial,
Refined Products

Mark Roles
VP Commercial,
Marine and Commodities

Bruce Heine
Director, Media
and Government Affairs

Jeff Holman
VP Finance and
Treasurer



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Director, Investor Relations
and Planning

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Forward-Looking Statements

Portions of this document constitute forward-looking statements as defined by federal law. Although management believes any such statements are based on reasonable assumptions, there is no assurance that actual outcomes will not be materially different. Among the key risk factors that may have a direct impact on the partnership's results of operations and financial condition are: (1) its ability to identify growth projects or to complete identified projects on time and at expected costs; (2) price fluctuations and changes in demand for refined petroleum products, crude oil and natural gas liquids, or changes in demand for transportation or storage of those commodities through its existing or planned facilities; (3) changes in the partnership's tariff rates or other terms imposed by state or federal regulatory agencies; (4) shut-downs or cutbacks at major refineries, petrochemical plants, ammonia production facilities or other businesses that use or supply the partnership's services; (5) changes in the throughput or interruption in service on pipelines owned and operated by third parties and connected to the partnership's terminals or pipelines; (6) the occurrence of an operational hazard or unforeseen interruption; (7) the treatment of the partnership as a corporation for federal or state income tax purposes or if the partnership becomes subject to significant forms of other taxation; (8) an increase in the competition the partnership's operations encounter; (9) disruption in the debt and equity markets that negatively impacts the partnership's ability to finance its capital spending and (10) failure of customers to meet or continue contractual obligations to the partnership. Additional information about issues that could lead to material changes in performance is contained in the partnership's filings with the Securities and Exchange Commission, including the partnership's Annual Report on Form 10-K for the fiscal year ended Dec. 31, 2015 and subsequent reports on Form 8-K. The partnership undertakes no obligation to revise its forward-looking statements to reflect events or circumstances occurring after today's date.

Proven Track Record

Mike Mears
Chairman, President and
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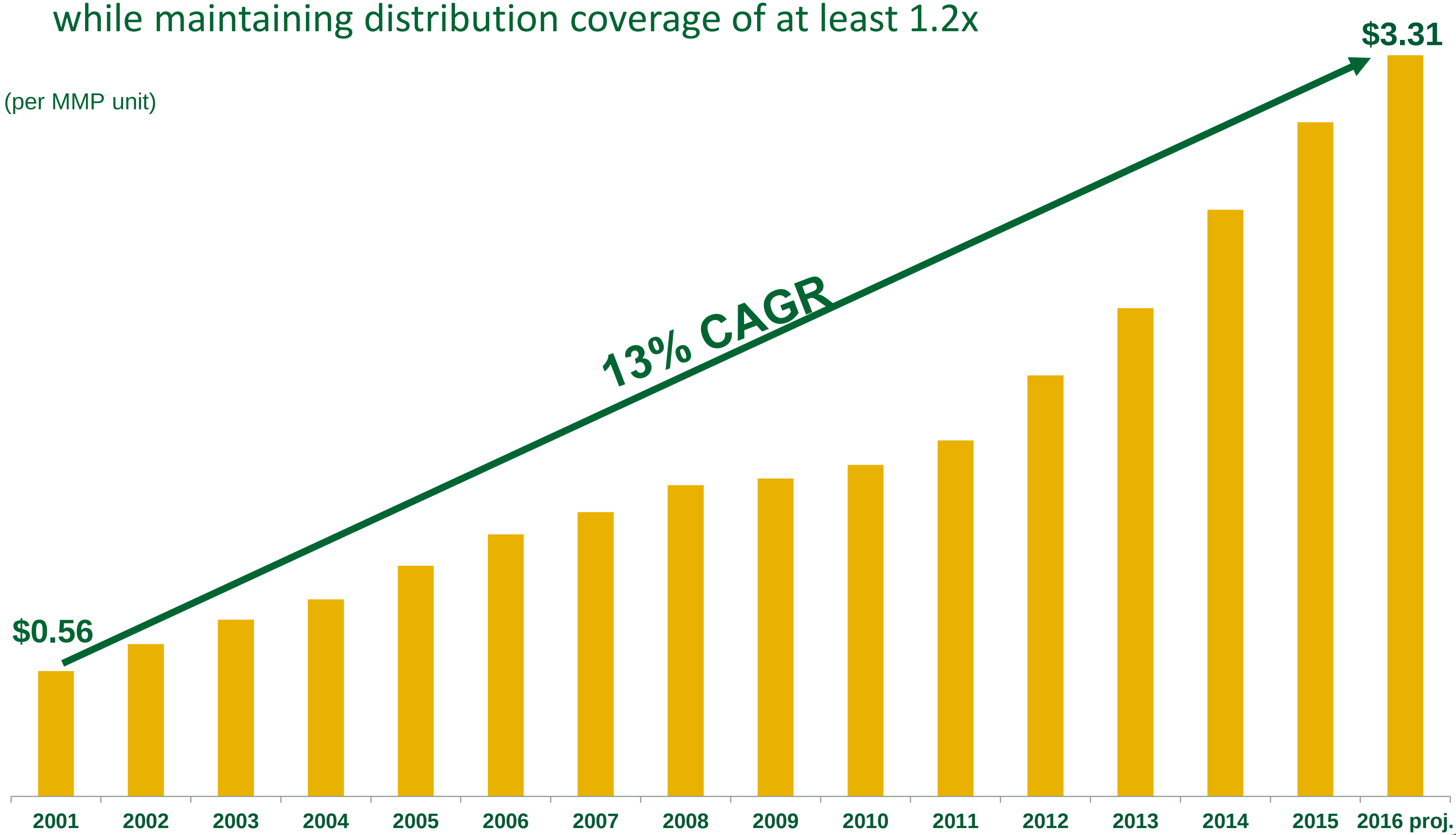
Distribution Growth Trend

- Proven history of distribution growth with 55 quarterly increases since IPO
- Targeting 10% annual distribution growth for 2016 and at least 8% for 2017 while maintaining distribution coverage of at least 1.2x



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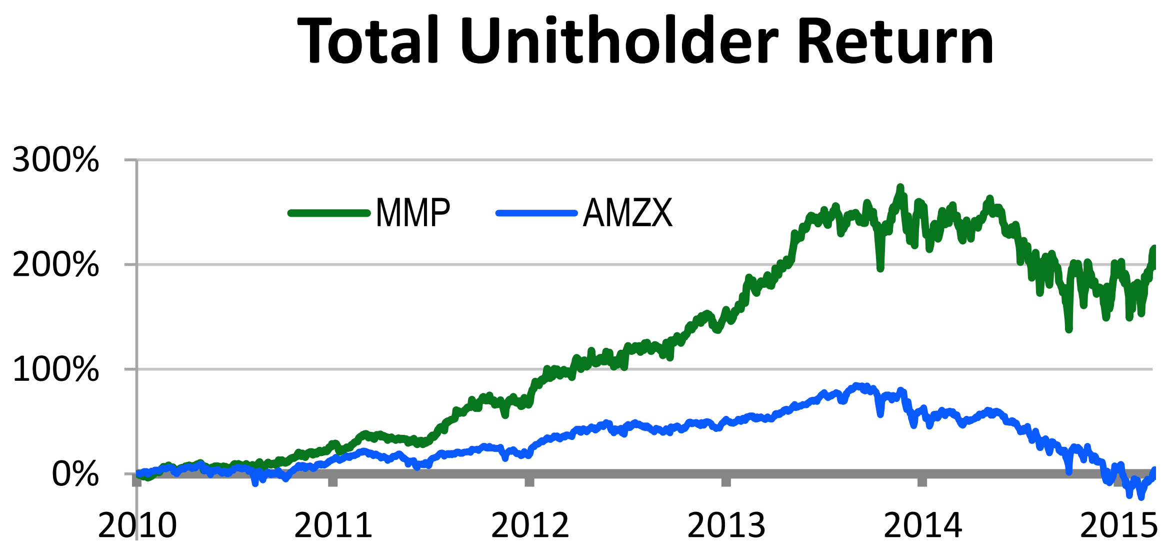
Industry Leading Return

- Magellan has generated a total unitholder return in excess of 200% since 12/31/10, vastly outperforming the Alerian MLP index over that timeframe



* Assumes reinvestment of distributions

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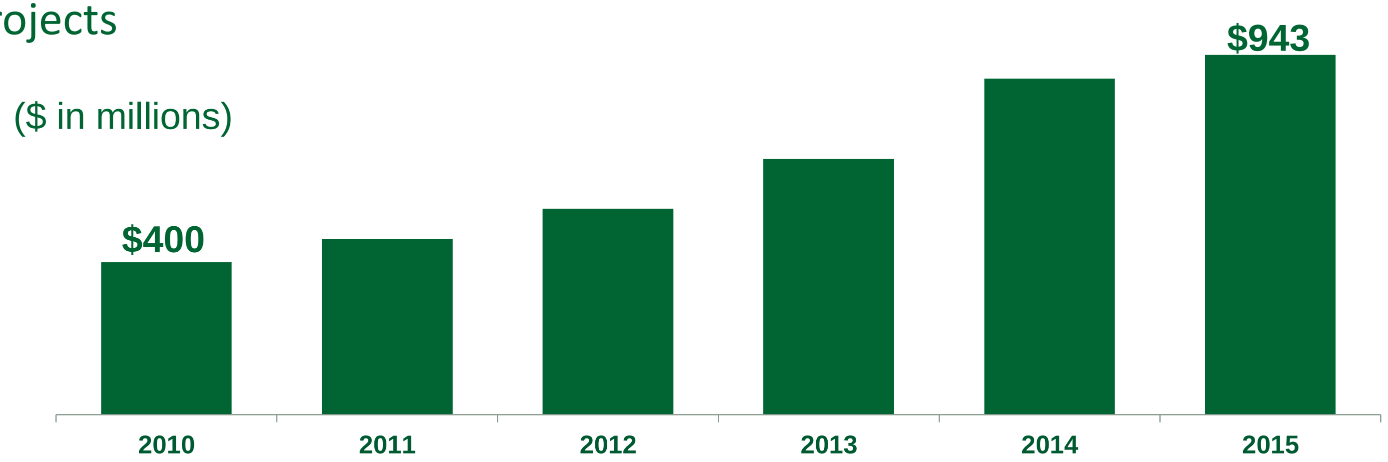
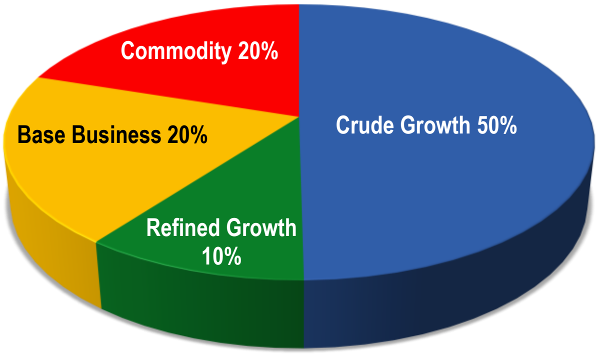
Distributable Cash Flow Growth over Last 5 Years

- Magellan more than doubled distributable cash flow from 2010 to 2015, with record DCF generated in ’15
- DCF guidance of $900mm for 2016. Slightly lower than ‘15 results due to reduced commodity price environment, partially offset by contributions from recent growth projects

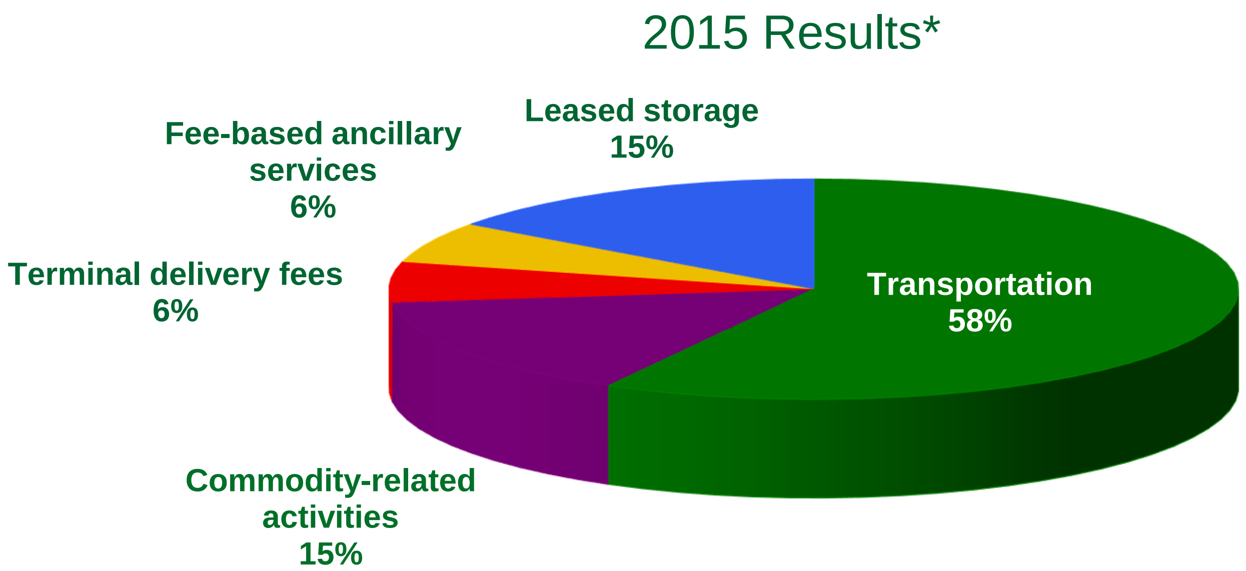


Sources of growth:
2010 - 2015



Primarily Fee-Based Business

Expect Future Fee-Based, Low Risk Activities to Comprise 85% or More of Operating Margin



* Operating margin represents operating profit before depreciation & amortization and general & administrative costs; excludes unrealized mark-to-market and other commodity-related adjustments

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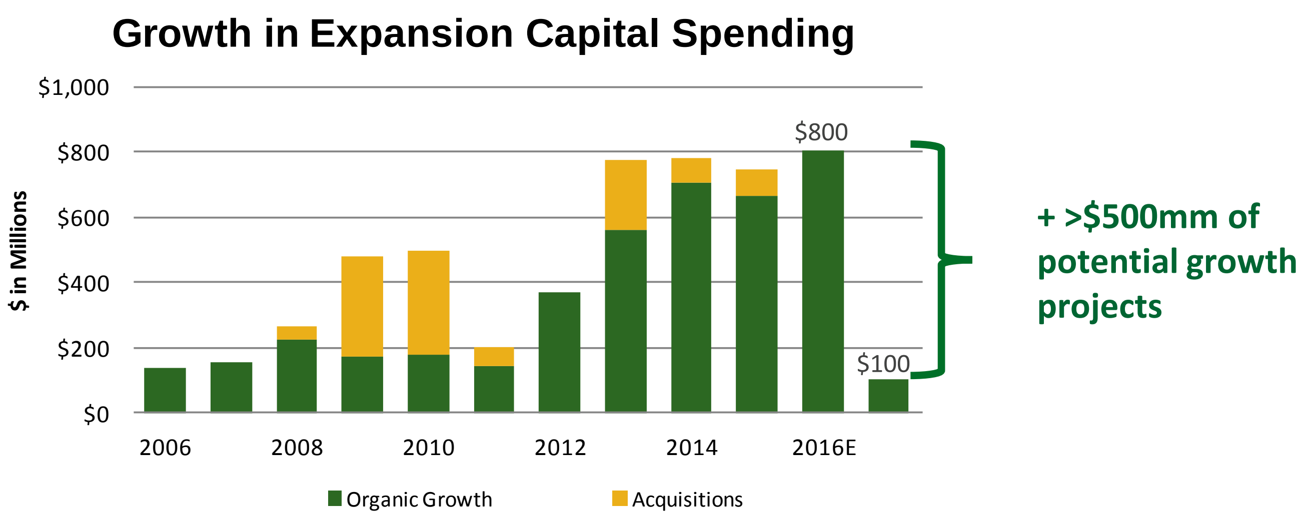
Growth in Expansion Capital Spending

- Over the last 10 years, Magellan has invested $4.4 billion in organic growth projects and acquisitions
- Expect to spend $900mm in 2016-2017 on construction projects currently underway
- Many opportunities exist for continued growth:
  - Continue to evaluate well in excess of $500mm of potential growth projects
  - Potential acquisitions always under review
  - Management committed to maintaining disciplined approach for future growth



Keys to Proven Track Record

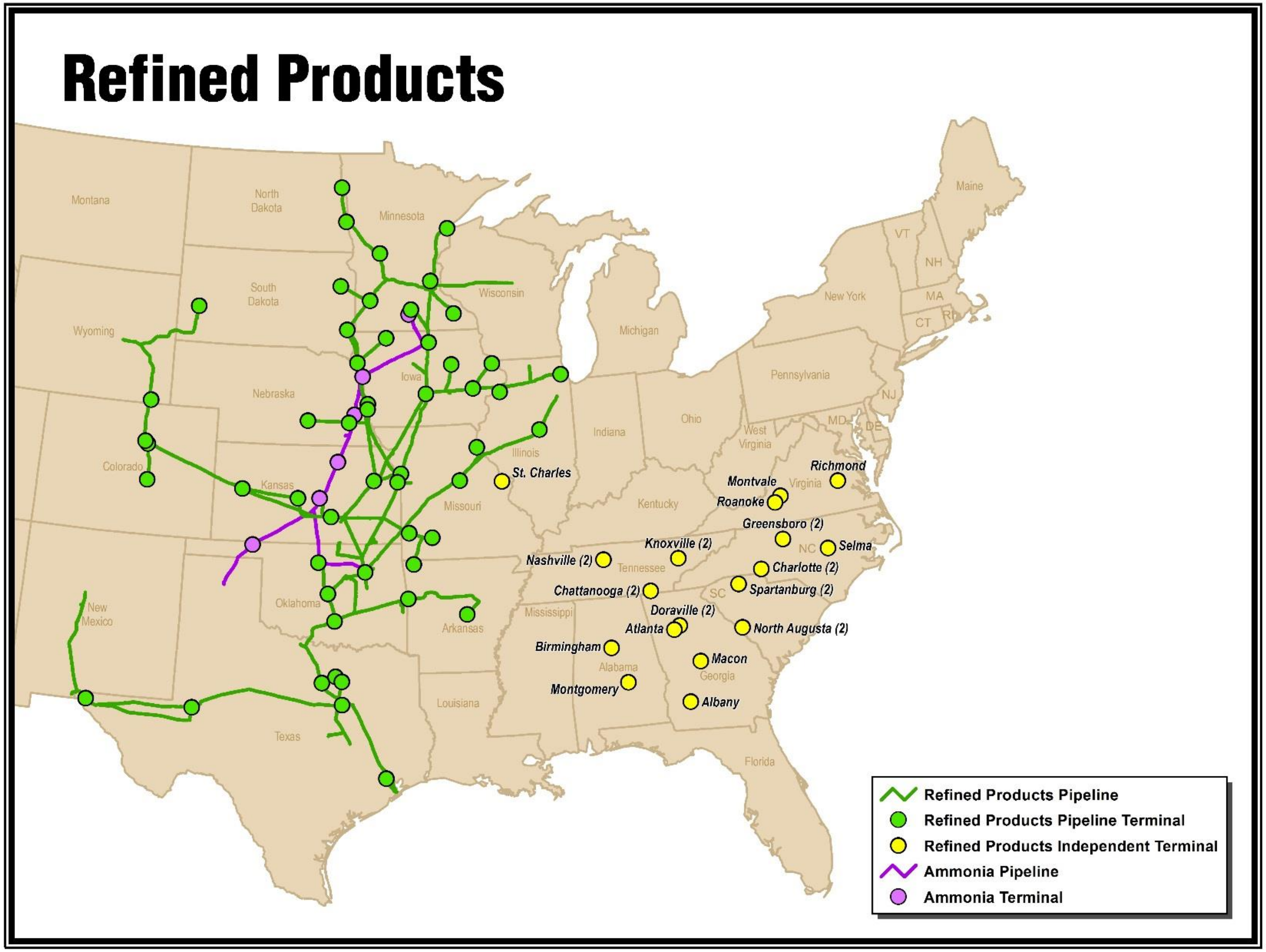
- Stability of underlying businesses
- Disciplined and opportunistic investments, focused on risk-adjusted value creation
- Consistent and disciplined financial policy
- Striving to be best operator and key partner with our customers

Current Business
Provides Stable Foundation

Refined Products

Jeff Selvidge
Sr. Vice President, Commercial
Refined Products and Marine Storage

Refined Products Segment Map



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Refined Products Profitability

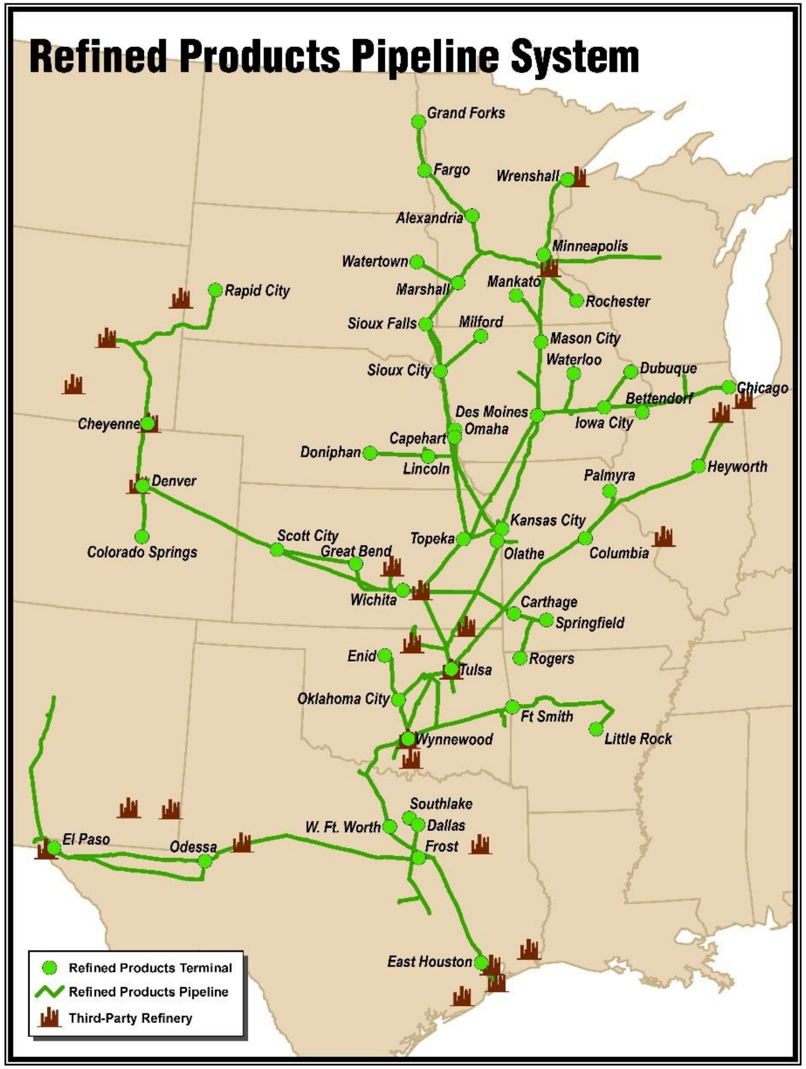
- Approximately 61% of Magellan's 2015 operating margin was generated from the refined products segment
- Profits driven by pipeline volume, tariff and ancillary fees as well as commodity-related activities
- Product margin trends with the price difference between gasoline and butane

$ & volumes in millions	**2013**	**2014**	**2015**	**2016 Guidance**
Volume shipped (bbls)	415	452	452	485
Transportation revenue per barrel shipped	$ 1.31	$ 1.40	$ 1.44	$ 1.41
Transportation and terminals operating margin	$ 530	$ 591	$ 597	$ 623
Product margin, net of NYMEX adjust'ts *	164	223	194	149
Total Refined Products Operating Margin	**$ 694**	**$ 814**	**$ 791**	**$ 772**

* Product margin excludes unrealized mark-to-market and other commodity-related adjustments

Refined Products Pipeline System

- Longest refined petroleum products pipeline system in the U.S. at 9,700 miles with 54 terminals
  - Includes Little Rock terminals with pipeline operation to begin 2Q16
- Demand-driven system with multiple supply options
  - Access to nearly 50% of refinery capacity in the U.S., including Midcontinent and Gulf Coast refineries
- Magellan's competitive position:
  - Breadth of system
  - Independent service provider model



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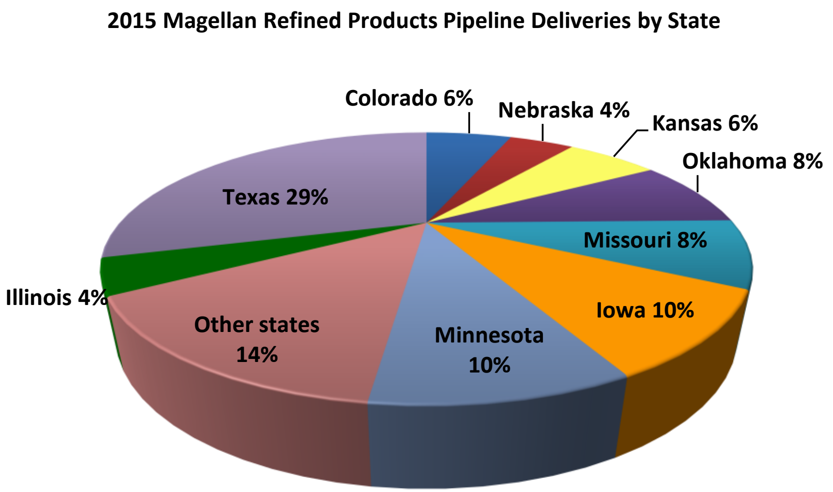
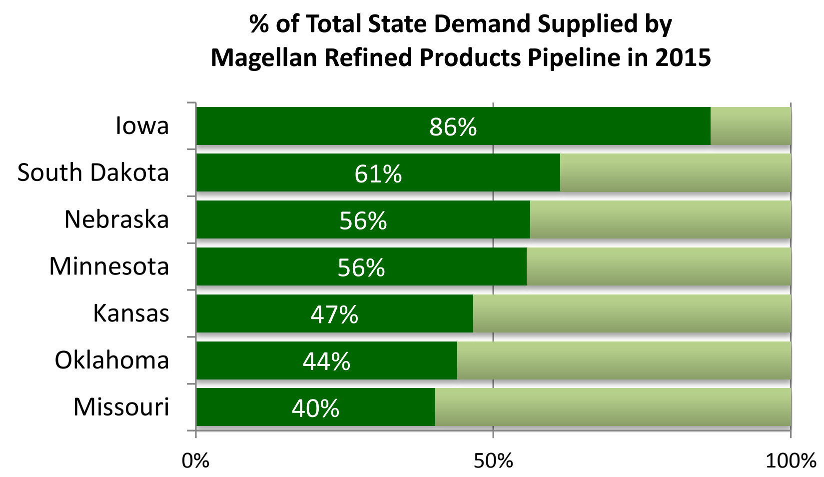
Refined Products Pipeline: Deliveries by State

- Our refined products pipeline system is a critical piece of the Central U.S. petroleum infrastructure
- During 2015, we transported 40% + of the gasoline / distillate consumed in 7 of the 15 states we serve





Source: EIA and Magellan deliveries

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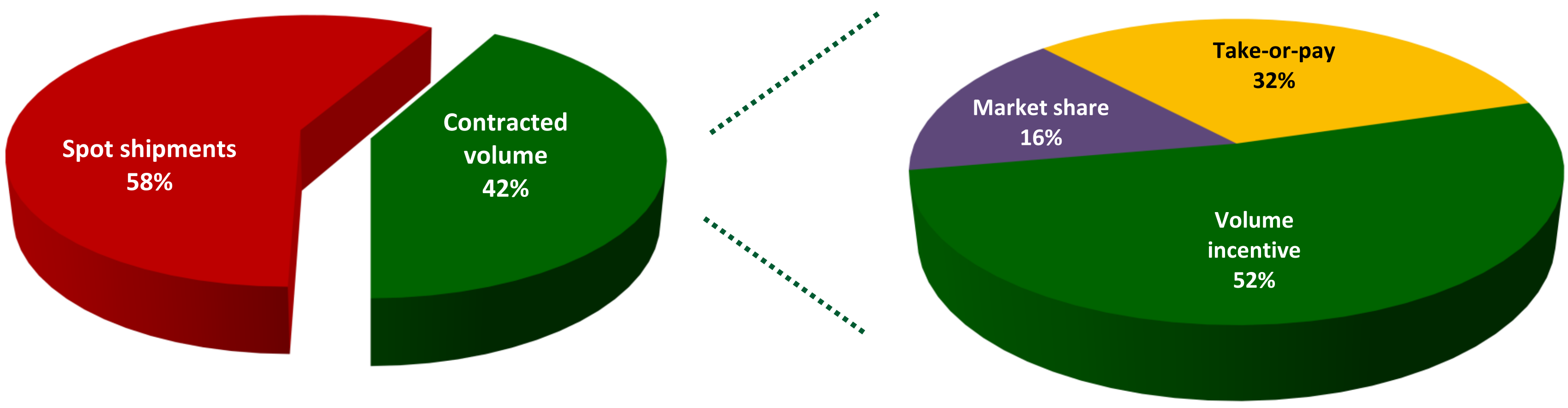
Refined Products Pipeline Commitments

- Due to the demand-driven nature of our system and general stability of the refined products industry, shipments generally trend inline with demand in the markets served by our pipeline system
- More than 40% of ‘15 shipments were subject to supplemental agreements with an average remaining contract life of approx. 4 years



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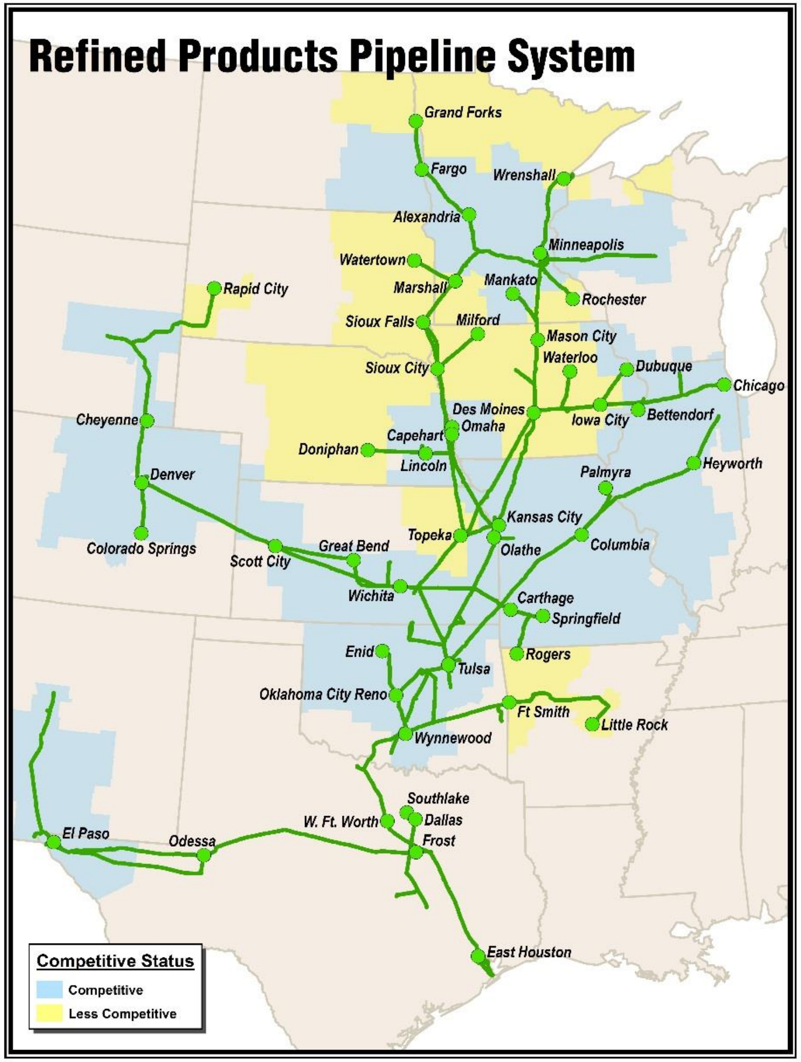
Competitive vs. Less Competitive Markets

- 60% of our refined products pipeline tariff revenue is generated from markets deemed workably competitive by the FERC or are subject to state regulations

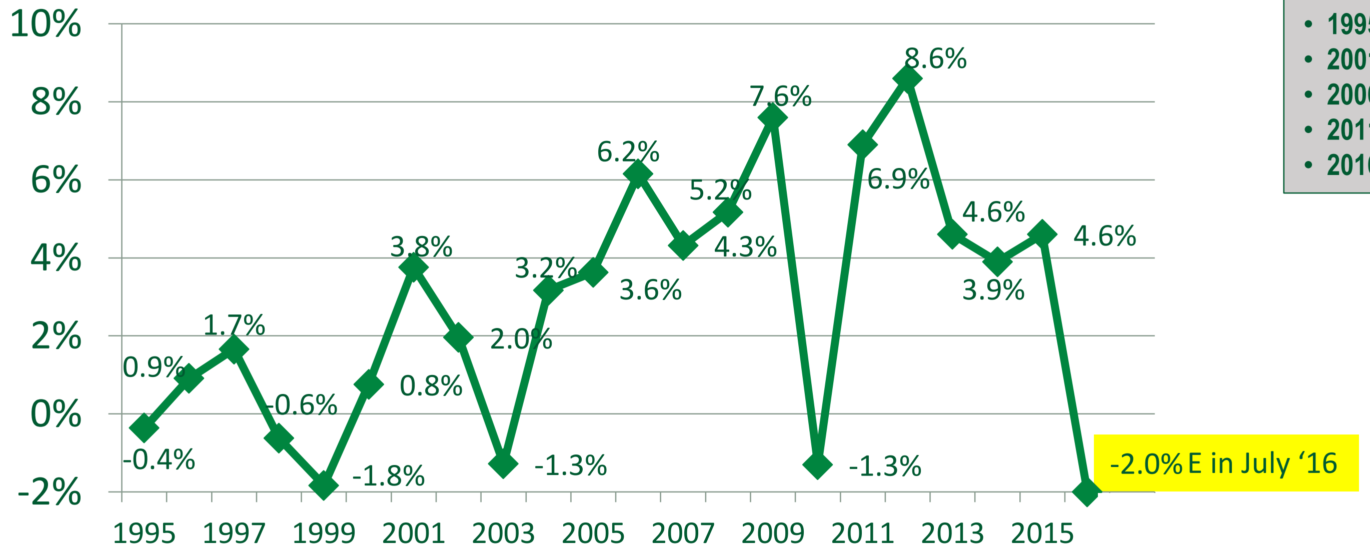
- The remaining 40% is deemed less competitive and therefore subject to the indexation methodology approved by the FERC

- We have followed the mid-year FERC index since its inception for our less competitive markets and annually determine the appropriate rate change for our competitive markets



Annual FERC Index History

- FERC indexation methodology instituted in 1995; reviewed every 5 years
  - Effective July 2016, new FERC index is the change in PPI + 1.23%
- Intent of the methodology is to reimburse pipelines for their costs and allow for a reasonable return without a complicated cost of service filing
- Our 2016 guidance assumes we follow the index in 40% of our refined markets and raise the tariff in other markets based on competitive factors



Formula:

- 1995 to 2000: PPI – 1.0%
- 2001 to 2005: PPI
- 2006 to 2010: PPI + 1.3%
- 2011 to 2015: PPI + 2.65%
- 2016 to 2020: PPI + 1.23%

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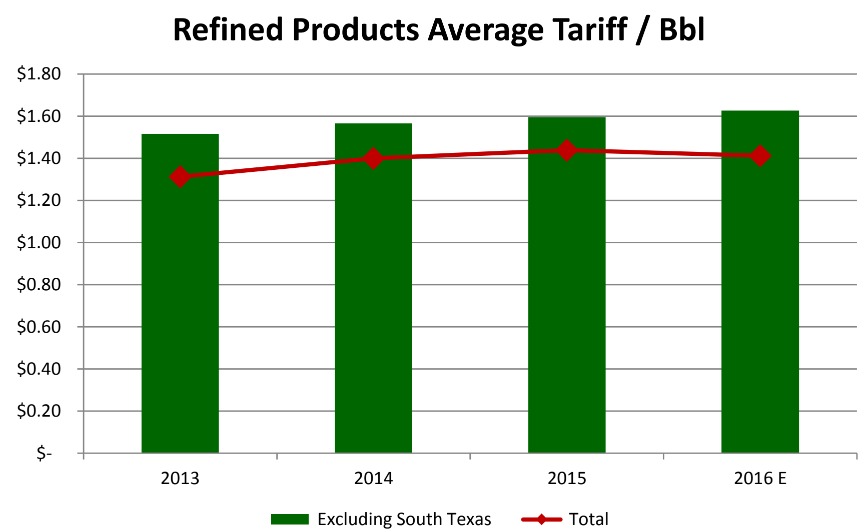
Refined Products Pipeline Rates

- Our average refined products rate / bbl has trended generally inline with the PPI index over time
- Average tariff expected to remain relatively flat in 2016 due to increased South Texas movements
  - South Texas tariff is significantly lower than the average tariffs for the remainder of our refined products system, reducing the overall average rate / bbl
  - Regional refinery supply disruptions can also impact the average rate / bbl



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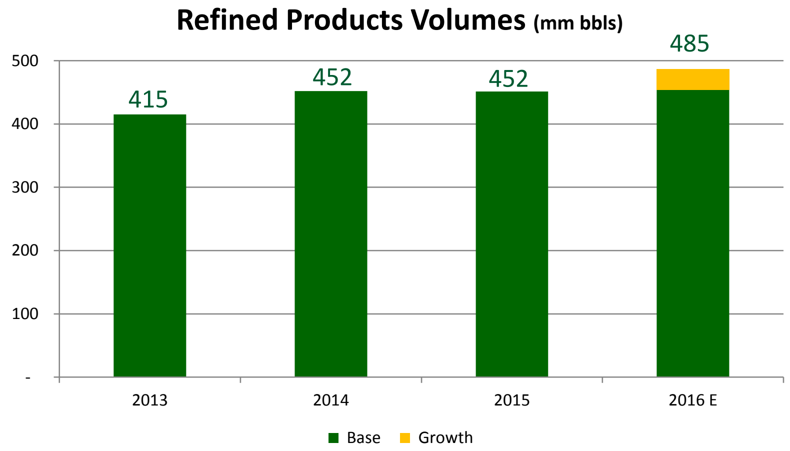
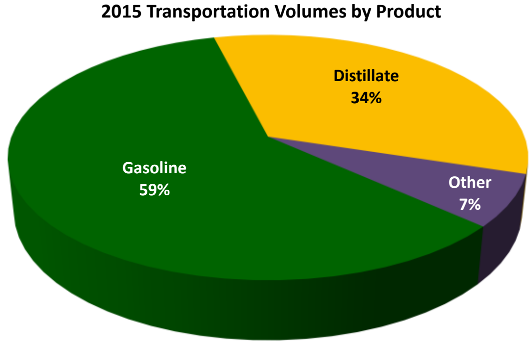
Refined Products Pipeline Volumes

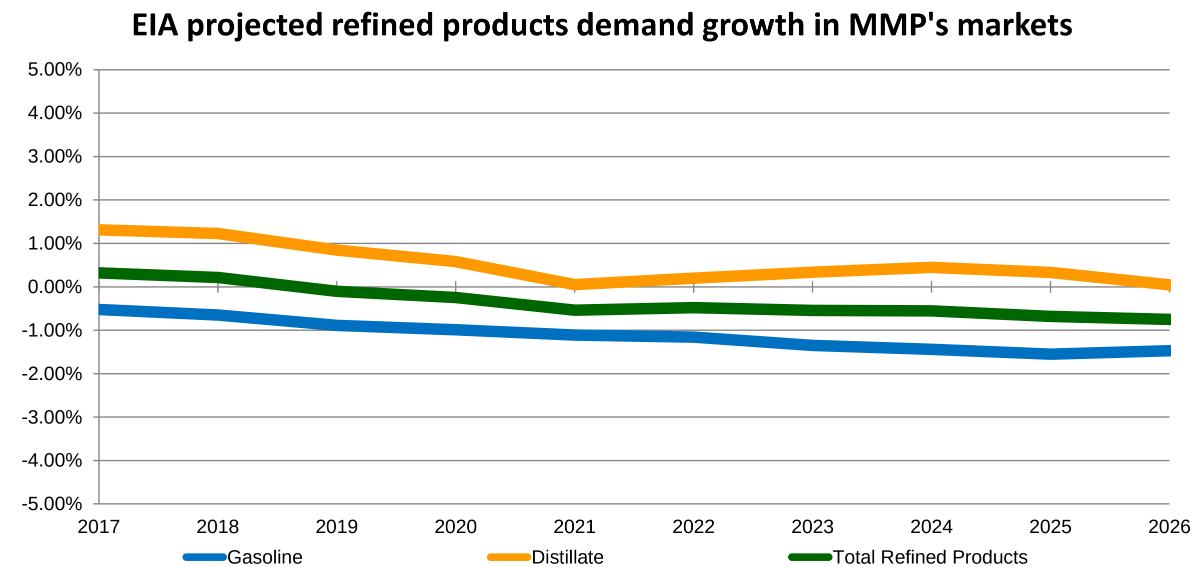
- Volumes generally trend with overall demand for refined products in the markets served by our assets:
  - 2015 volumes flat with '14 results as 5% higher gasoline volumes were offset by 7% lower distillate shipments
  - 2014 benefited from full-year contribution of New Mexico and Rocky Mountain assets acquired in '13 and continued strong demand on our historical assets
- 2016 guidance assumes base refined products shipments increase ~1%. Including growth volumes, primarily related to start-up of our Little Rock pipeline and incremental volumes from a new South Texas connection, we expect all-in refined products volume growth of 7% in '16





Refined Products Demand Expectations

- Longer term, we expect generally stable refined petroleum products volumes consistent with the EIA's projections
  - gasoline: slight decline - fuel efficiency vs. vehicle miles driven
  - diesel fuel: short-term growth, flattening over time



NOTE: MMP Market is based on 42% west north central region, 42% west south central and 16% other
SOURCE: EIA's Annual Energy Outlook 2015, April 14, 2015

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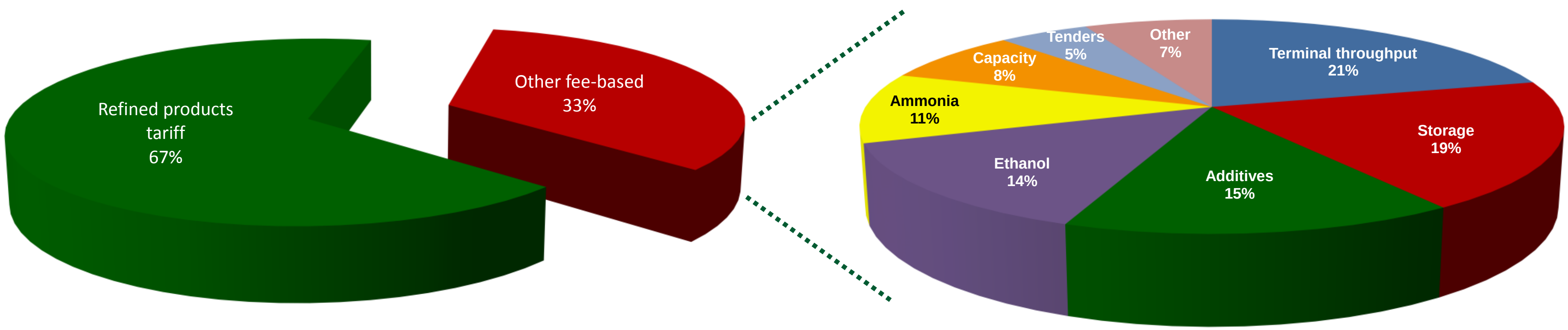
Sources of Fee-Based Refined Products Revenue

- Refined products pipeline tariff revenue accounts for 2/3 of transportation and terminals revenue for the refined products segment
- Remaining 1/3 is derived from fee-based ancillary services primarily occurring at our pipeline terminals. These services include terminal throughput, ethanol and additives blending and leased storage along our pipeline system
  - Throughput fees earned at 22 of our pipeline terminals and all 26 of our independent terminals located in the Southeast; the remaining 32 pipeline terminals are included in the tariff
  - Ethanol expected to remain at 10% blend rate; average ethanol blending fee slightly less than average tariff
  - Value of tender deductions now included as part of revenue



* Based on 2015 transportation and terminals revenue for refined products segment

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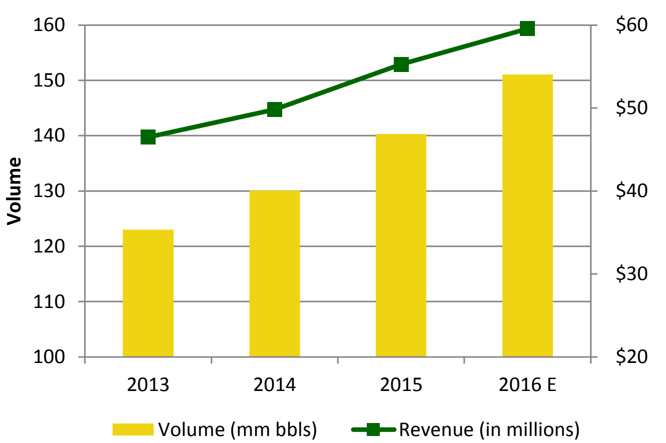
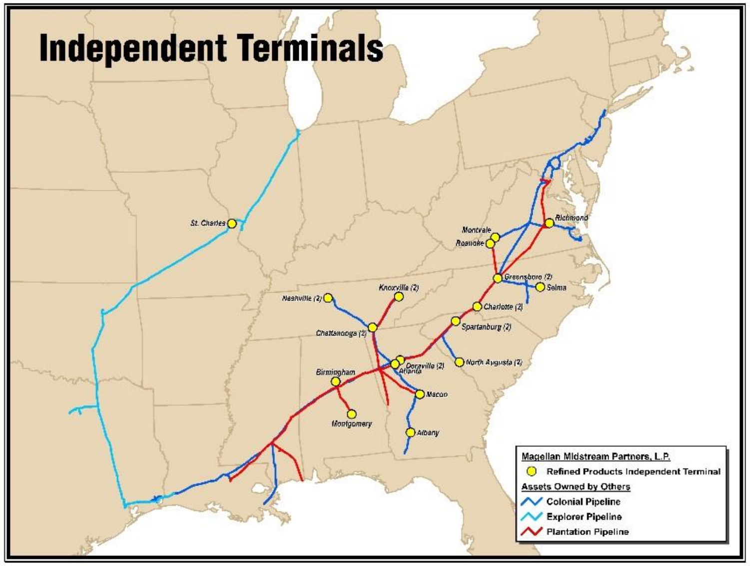
Independent Terminals

- 26 terminals, primarily in the Southeast, connected to third-party pipelines
- Competitive advantage includes network of terminals, customer service and independent service model
- Throughput driven by demand for refined products
  - Record annual volumes primarily due to addition of Roanoke in mid ‘14 and Atlanta in mid ’15
  - Base volume has also increased, inline with overall demand for gasoline, the primary product handled
  - 75% of ’15 volume was subject to customer commitments
- Generated operating margin of $35mm in ‘15





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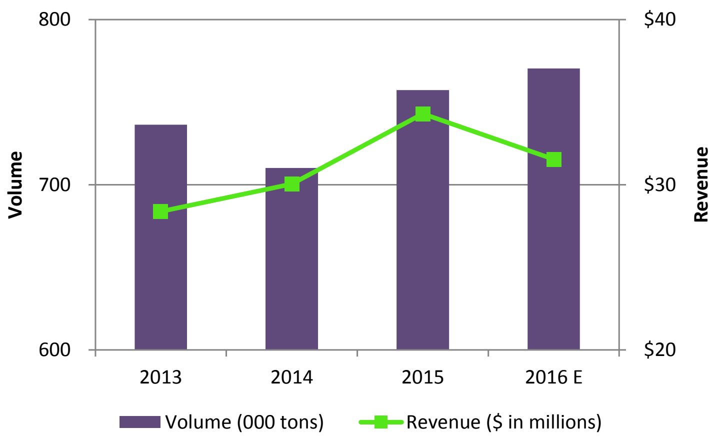
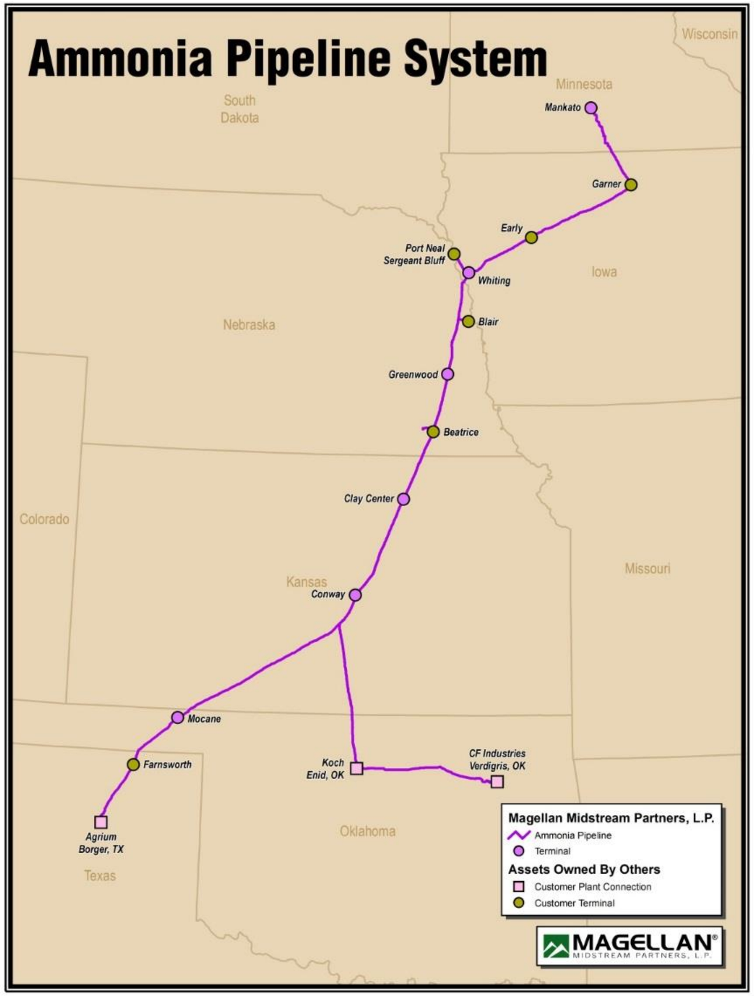
Ammonia Pipeline System

- 1,100-mile pipeline system
- Ammonia is a much-needed agricultural fertilizer produced from natural gas
- Pipeline supported by 3 committed shippers, with rolling 3-year take-or-pay agreements
- Demand expected to be relatively flat with rates driven by FERC index
- Generated operating margin of $19mm in ‘15

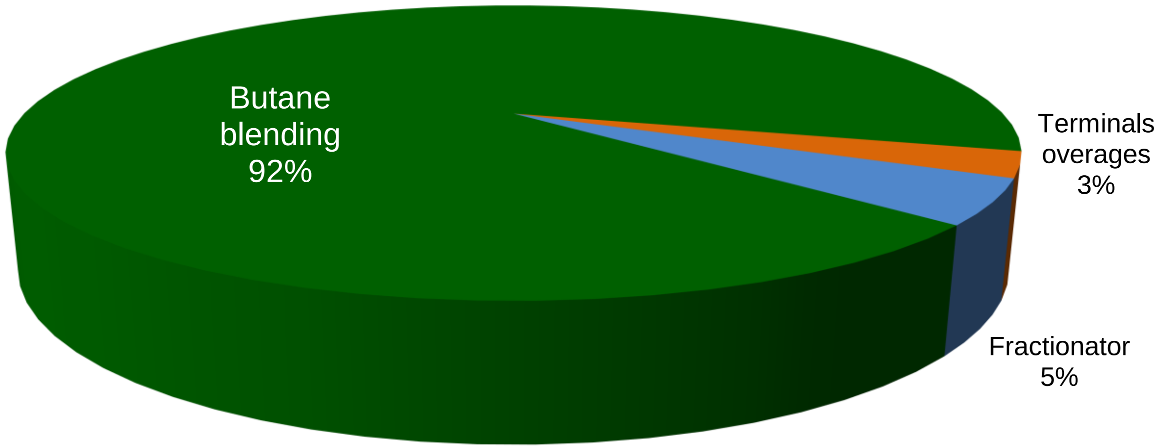




Commodity-Related Activities

- Magellan is primarily a fee-based business, with 15% or less of our total future operating margin expected to come from commodity-related activities

2015 Product Margin (net of NYMEX adjust’ts): $197mm*



*MMP’s total product margin of $197mm calculated as $630mm product sales - $447mm cost of product sales + $14mm commodity-related adjustments for DCF purposes; includes $2mm from marine storage segment

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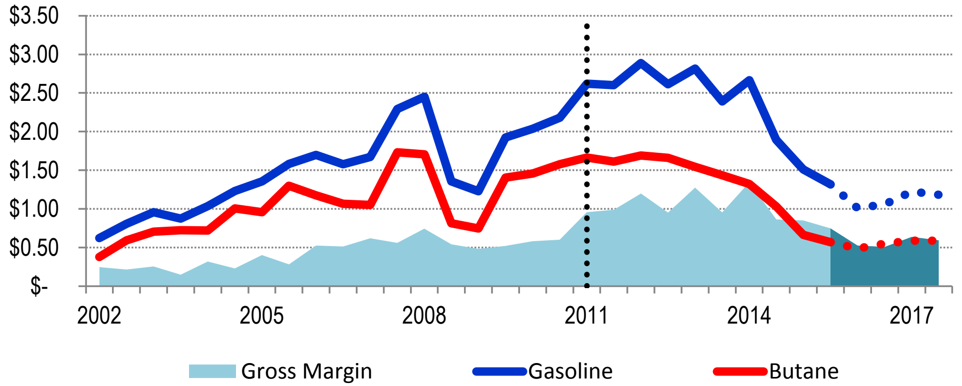
Butane Blending Overview

- Butane is a common gasoline blending component
- Butane prices have historically been lower than gasoline prices
- Blending activities are focused on 2 areas:
  - The fungible gasoline pool delivered into our pipeline system typically has a quality margin that creates an opportunity for butane blending
  - Regulated gasoline specifications require gasoline to transition from low vapor pressure in the summer to high vapor pressure during the winter, then back in the spring; butane blending sales heavily weighted toward 1Q and 4Q, accordingly
- Magellan captures the majority of these blending opportunities but continues to further optimize our blending processes
  - Current blending volumes ~2% of the gasoline we transport

Butane Blending Margins

- Butane blending margins significantly improved beginning mid-2011 due to increased gasoline prices and reduced cost of butane resulting from growing domestic supply
- With downturn in gasoline prices, margin has been compressed but still attractive on a historical basis
- Projected margins are based on the NYMEX forward curves for RBOB gasoline and Belvieu butane
  - Mid-Con gasoline typically trades at a discount to NYMEX RBOB (basis differential)
- In addition, we incur logistical costs associated with storing and transporting butane and buying RINs

Historical Mid-Con Gasoline, Butane and Gross Margin (per gallon)



Example of Spot Margin Calculation (per gallon)

Gasoline price (avg NYMEX RBOB for Jan '16)	$	1.09
Butane price (avg NYMEX Belvieu for Jan '16)		0.49
Imputed gross spot margin	$	0.60
Basis differential: RBOB to Mid-Con gasoline ('15 avg)		(0.05)
Estimated logistics costs		(0.25)
Imputed net spot margin	$	0.30

Note: calculation for example purposes only and does not represent actual margins expected.

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Butane Blending Risk Mitigation

- Magellan does not speculate on the price of commodities and mitigates risk as much as possible related to our butane blending activities
  - Purchase much of our butane in the spring and summer when pricing is lower to cover up to 90% of expected blending volumes
  - When butane is purchased, hedge future gasoline sales with NYMEX contracts; Approx. 60% of '16 blending margins are locked in at this point
  - Purchase necessary RINs at the time butane is purchased or in advance if market conditions are favorable (all '16 RINs purchased already)
  - Lock-in basis differentials, when reasonable to do so
  - Based on hedging so far in '16 and forward curve for the remainder of the year, our guidance includes net margins of ~50 cents / gal in '16, compared to 75 cents in '15 and 90 cents in '14
    - Guidance based on Jan. price curve, averaging $35 / bbl crude oil for '16
- Our realized margin will not precisely track spot margins throughout the year as it is affected by:
  - Timing of butane purchasing activities and related NYMEX contracts
  - Pool costing of butane inventory
  - Basis differentials

Fractionator

- Magellan owns 3 fractionators along our refined products pipeline system at Des Moines, Odessa and El Paso
  - used to help manage commingled product resulting from pipeline shipments (transmix)
- Also purchase transmix from third parties at a discount, fractionate the transmix back into gasoline and distillate then sell the separated products
- Generally transmix is hedged as part of broader risk management pool of products

Key Focus Areas: Refined Products

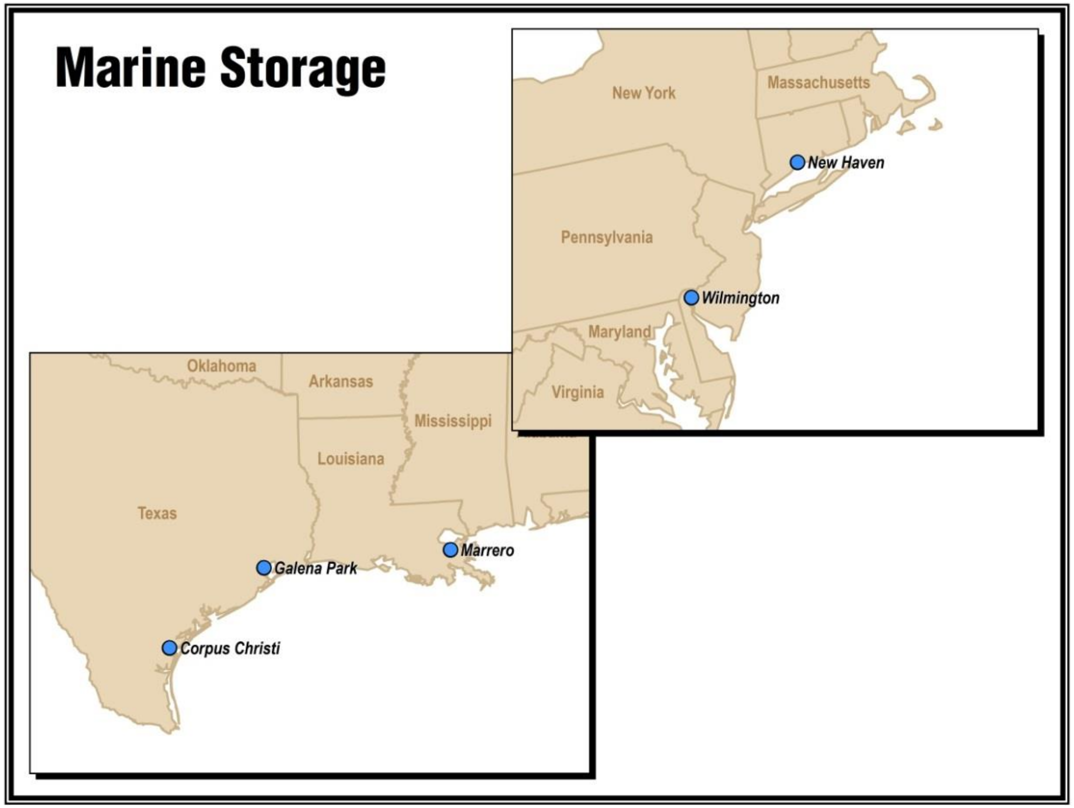
- Leverage existing assets to meet market demand and expand access to new markets
- Maintain market share while maximizing rates
- Increase storage capabilities to meet customer needs
- Maximize blending volumes and price, including logistical cost savings
- Opportunistic acquisitions

Questions

Marine Storage

Marine Storage Segment Map

- 5 storage facilities with 26mm barrels of aggregate storage, supported by long-term agreements
- Utilization rates historically greater than 90%
- Strong demand due to market structure, pricing volatility and connectivity



Marine Storage Profitability

- Approximately 9% of Magellan's 2015 operating margin was generated from the marine storage segment
- Storage terminal profits are driven by amount of storage utilized
  - Utilization impacted by amount of storage leased and timing of integrity work
- Product margin related to sale of product overages

$ & volumes in millions	2013	2014	2015	2016 Guidance
Average marine storage utilized (bbls/mth)	23.0	22.9	24.0	23.6
Transportation and terminals operating margin	$ 103	$ 110	$ 118	$ 120
Product margin	3	5	2	1
Total Marine Storage Operating Margin	**$ 106**	**$ 115**	**$ 120**	**$ 121**

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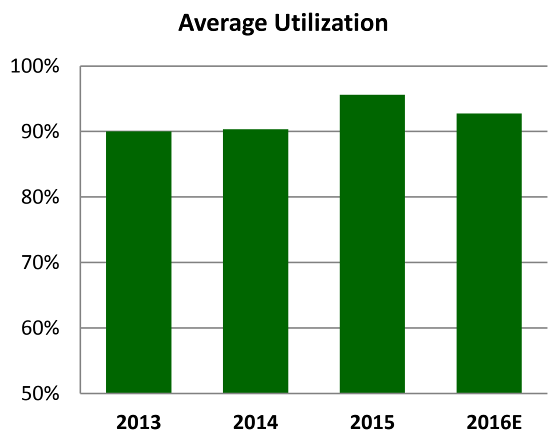
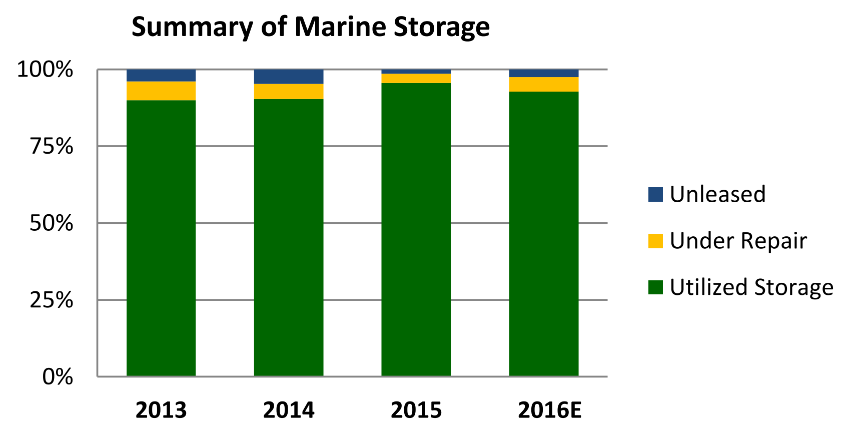
Marine Storage Capacity Utilization

- Demand for marine storage remains strong, with average utilization 90%+
- Timing of integrity work impacts utilization, with ~5% of storage to be impacted by tank inspections and necessary repairs during '16
- Continued strong demand results in only 2% of total available storage unleased currently

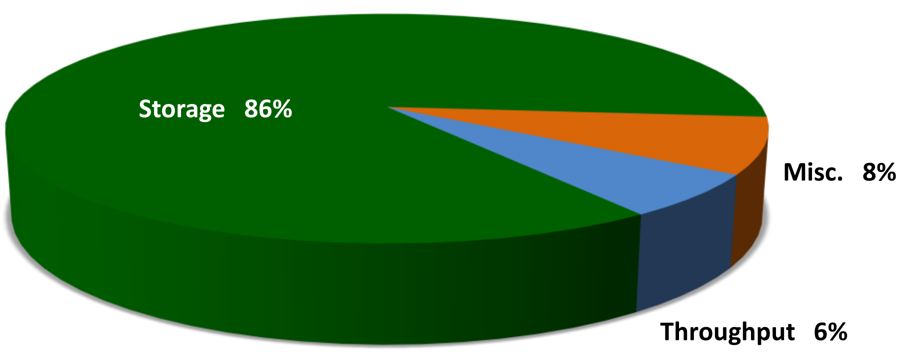


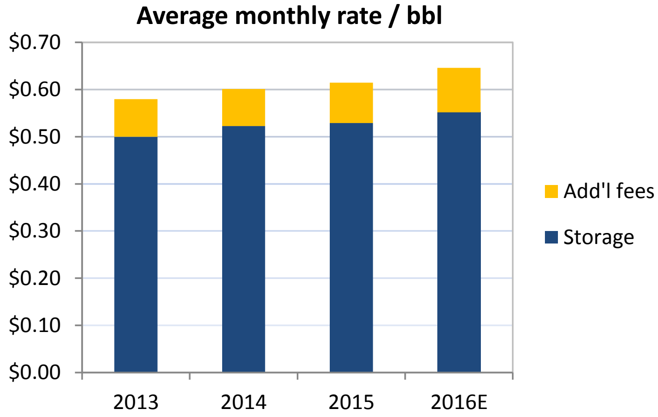


Marine Storage Fee-Based Revenues

- Generate 85%+ of revenue from committed storage
  - Customer obligated to pay regardless of usage
- Additional fees charged for throughput and other ancillary services such as heating, mixing and additive injection
- Contracts generally include annual rate escalation of 2-3%
- As contracts renew, typically able to increase rates, especially at Galena Park, to bring more inline with current market pricing

2015 Marine Revenue by Type





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Marine Storage – Galena Park

- Largest and most complex of our facilities with 14mm bbls of storage
  - Primarily handling gasoline, diesel, blendstocks, heavy oils and crude oil
  - Room to construct 1.6mm bbls of additional storage
  - Exceptional connectivity to local refineries and pipelines, attractive dock positioning and depth

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Marine Storage – Galena Park (cont'd)

- Constructing 5th dock to meet growing industry demand for marine storage, with new dock expected to be fully operational by the end of 2018

- Enhancing crude oil capabilities to this location by connecting to Magellan's Houston crude oil distribution system by the end of 2016

Marine Storage – Corpus Christi

- 2mm bbls of refined products storage currently, primarily handling heavy oils and refinery feedstocks (an additional 2mm bbls of storage included in the crude oil segment)
  - Access to local Corpus refineries and petrochemical plants
  - Inbound and outbound water access
  - Additional room to construct 2mm bbls of storage at legacy terminal
  - Recently purchased 100 acres of land nearby, effectively doubling the size of our Corpus Christi footprint and providing space for up to 4 private ship docks and 5+mm bbls of additional storage

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Marine Storage – Other Locations

Marrero, LA

- 3mm bbls of storage currently, primarily handling heavy oils, distillate and asphalt
- Additional room to construct 1mm bbls of storage

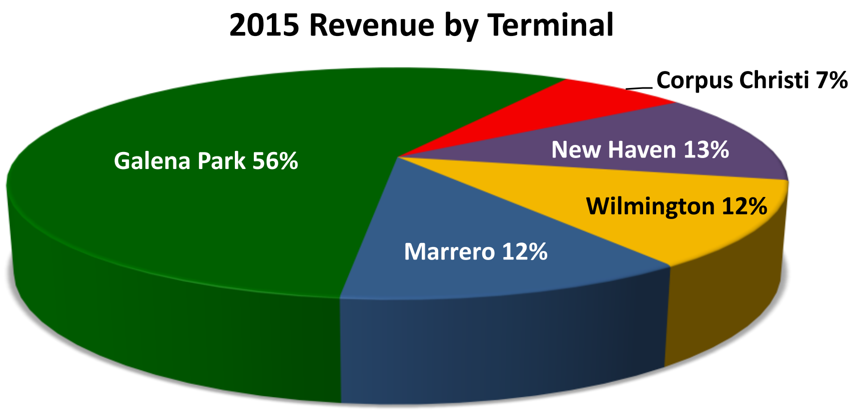
Wilmington, DE

- 3mm bbls of storage currently, primarily handling gasoline, diesel fuel, heavy oils and the recent addition of crude oil
- Improved utilization due to better diversification of product offering and supply sources
- Additional room to construct more than 1mm bbls of storage

New Haven, CT

- 4mm bbls of storage currently, primarily handling heating oil, gasoline, distillate, asphalt, ethanol and biodiesel
- Facility fully leased on long-term basis
- Additional room to construct almost 1mm bbls of storage

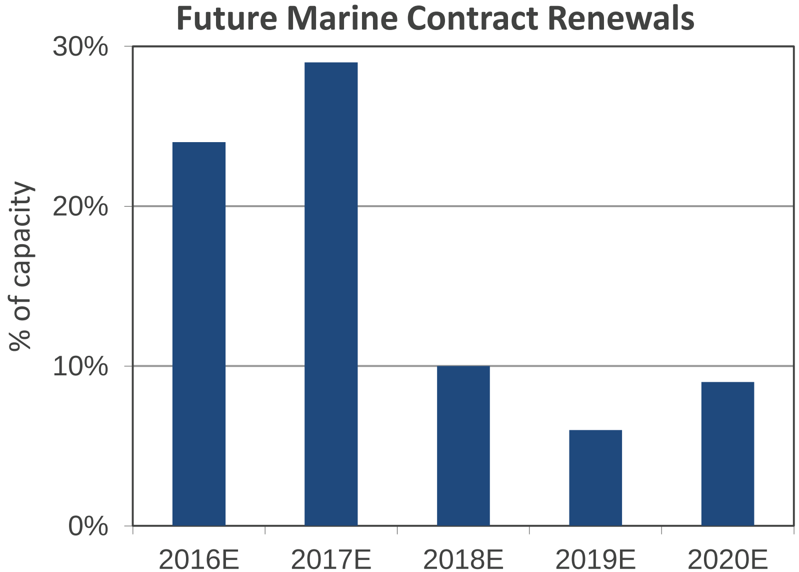
Marine Storage – Revenue Contribution



Marine Storage Contract Maturity Schedule

- Expect overall utilization to remain high at slightly increased rates due to contract escalations and improved pricing once the new Galena Park dock becomes operational in 2018
  - Due to continued strong demand for marine storage, near-term renewals provide opportunity for improved pricing, which is currently 60-70 cents / bbl / month in the Gulf Coast for long-term leases

- Average remaining contract life of approx. 3 years



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Key Focus Areas: Marine

- Create solutions to satisfy increasing demand for marine storage and import / export capabilities
- Maximize utilization and pricing for existing facilities
- Enhance connectivity

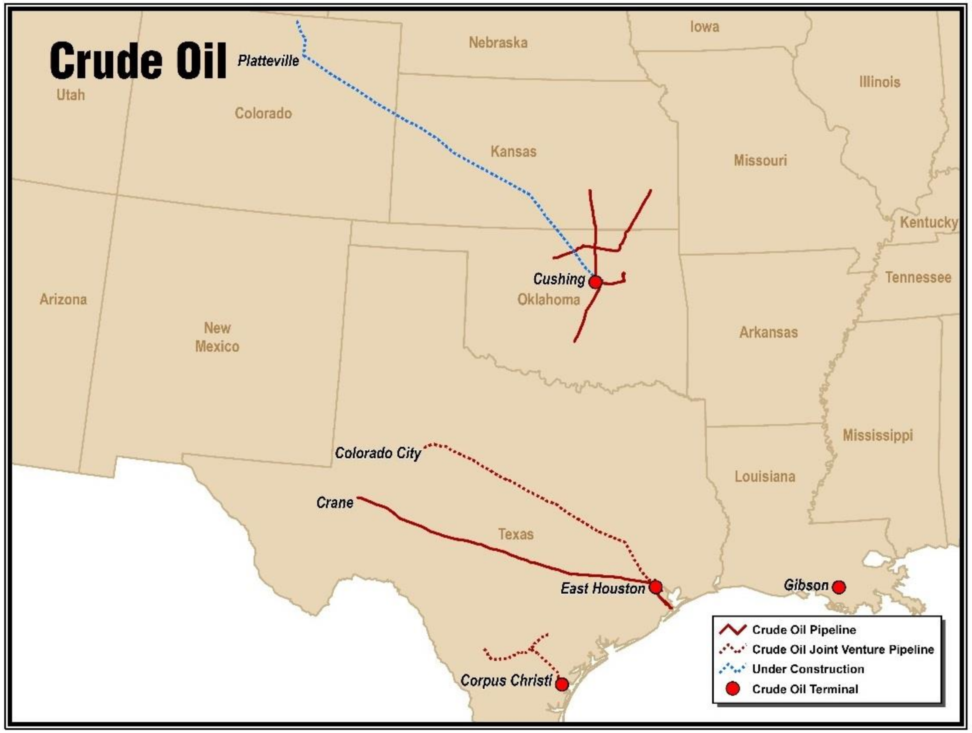
Questions

Crude Oil

Robb Barnes
Sr. Vice President, Commercial
Crude Oil

Crude Oil Segment Map

- 1,600 miles of active crude oil pipelines, substantially backed by long-term throughput commitments
- 22mm barrels of total crude oil storage, including 14mm barrels used for leased storage
  - One of the largest storage providers in Cushing, OK



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Crude Oil Profitability

- Approximately 30% of Magellan's 2015 operating margin was generated from the crude oil segment
- Profits significantly driven by take-or-pay commitments for crude oil pipelines and storage

$ & volumes in millions	**2013**	**2014**	**2015**	**2016 Guidance**
Volume shipped (bbls)	113	186	210	205
Transportation revenue per barrel shipped	$ 0.88	$ 1.19	$ 1.12	$ 1.19
Average crude oil storage utilized (bbls/mth)	12.3	12.2	13.1	14.0
Transportation and terminals operating margin	$ 172	$ 280	$ 317	$ 317
Earnings of non-controlled entities	$ 4	$ 16	$ 64	$ 66
Product margin	-	-	-	-
Total Crude Oil Operating Margin	**$ 176**	**$ 296**	**$ 381**	**$ 383**

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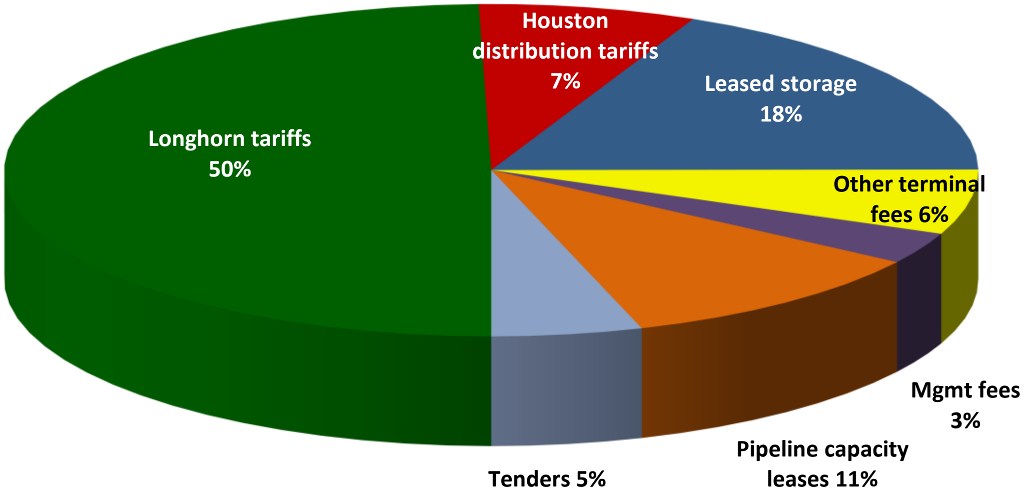
Sources of Fee-Based Crude Oil Revenue

- Tariff revenue accounted for nearly 60% of transportation and terminals revenue for the crude oil segment during 2015
  - Reminder: Joint venture contributions, including BridgeTex, shown as earnings of non-controlled entities in financial results instead of revenue
- Storage revenues contributed almost 20% of ’15 revenues, primarily related to Cushing and increasing East Houston storage presence
- Remaining revenues from pipeline capacity leases (grew significantly in ‘15 due to new line leased to BridgeTex), other terminal fees (such as throughput), tender deductions (now recorded as revenue) and management fees for joint venture pipes



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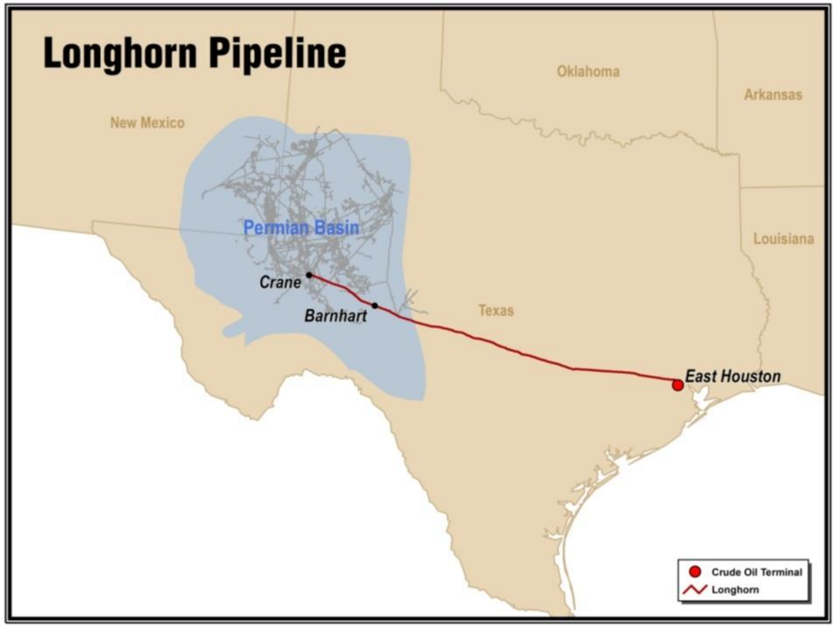
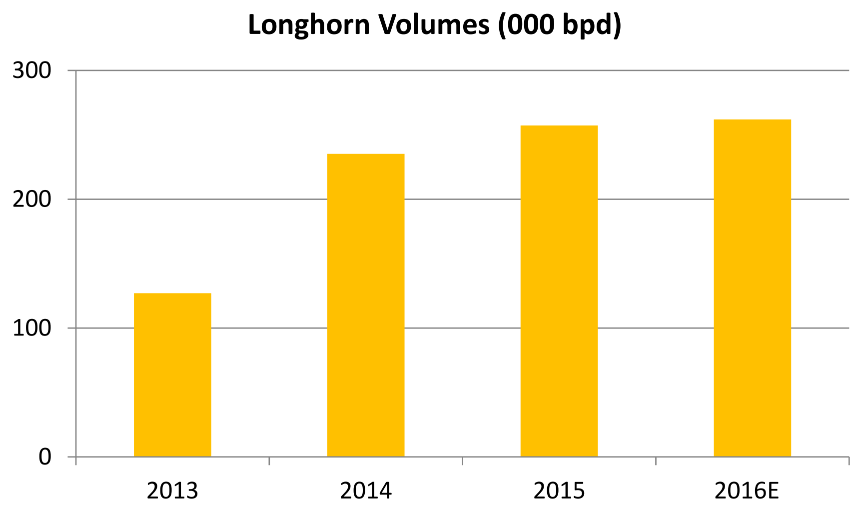
Longhorn Pipeline

- Pipeline capacity fully subscribed under long-term, take-or-pay agreements
- 275k bpd capacity
- New origin at Barnhart added in early ‘15 to facilitate customer shipments



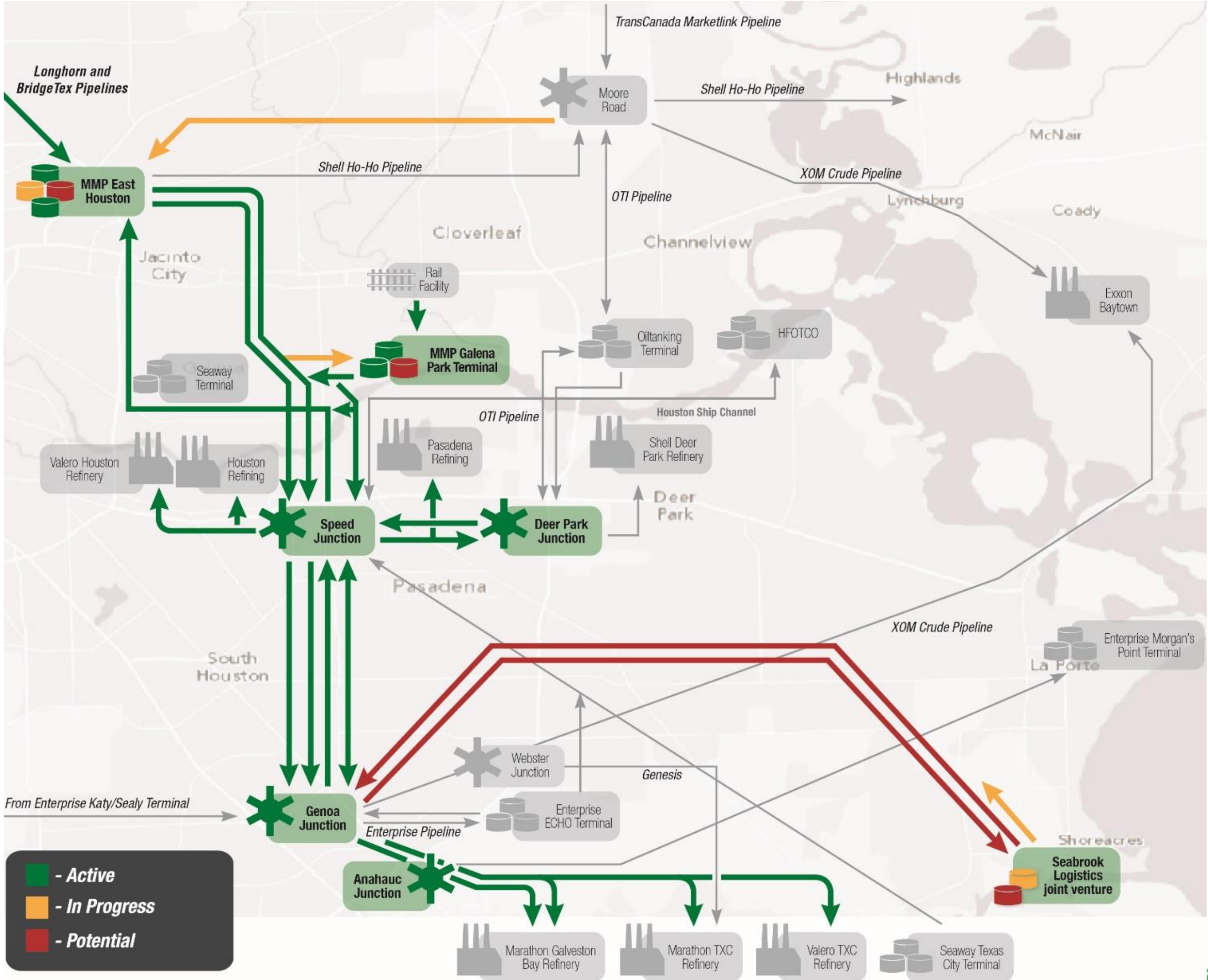
Longhorn Volume and Rates

- Expect ‘16 shipments to be flat with ‘15 levels at 260k bpd
- Although fully committed with take-or-pay contracts, 10% of capacity available for spot shipments
  - Committed shippers are allocated unused spot capacity
- Average committed tariff currently ~$2.20 / bbl, spot tariff closer to $4 / bbl
  - No spot shipments assumed in ‘16 guidance
- Contracted rates generally adjusted by FERC index
  - Expect to hold rates flat in ‘16 due to negative FERC adjustment
- Average remaining contract life of approx. 3 years



Houston Crude Oil Connectivity

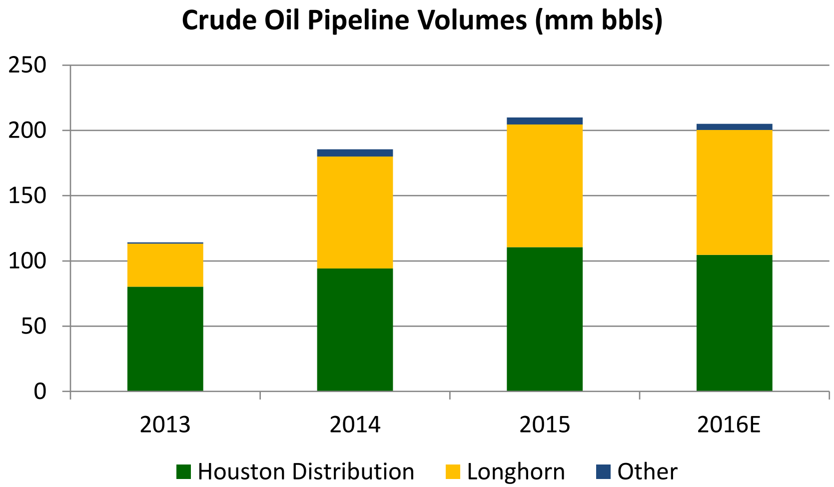
- Magellan's Houston distribution network is the most comprehensive system to deliver crude oil in the Houston Gulf Coast area
  - Access to all domestic inbound crude production
  - Delivery capabilities to Houston and Texas City refineries and Shell Ho-Ho pipeline
- Continue to strengthen network with in-progress Marketlink connection and Seabrook Logistics joint ventures
- Volume driven by spot demand with rates generally trending with FERC index

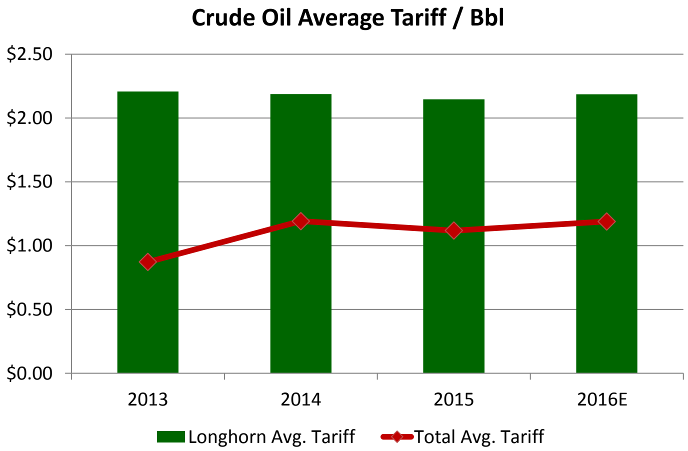


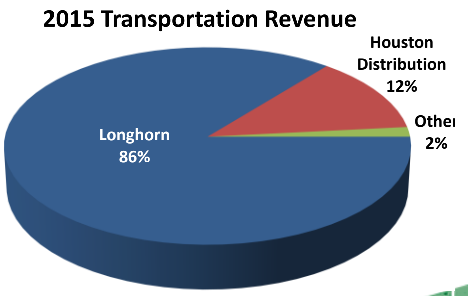
Crude Oil Pipeline Volume and Rates

- Crude oil shipments expected to be relatively flat in 2016, primarily due to committed volumes on Longhorn and demand-driven nature of Houston distribution system

- Average tariff / bbl expected to increase in ‘16 due to full-year benefit of mid ’15 tariff increases and the mix of crude oil shipments

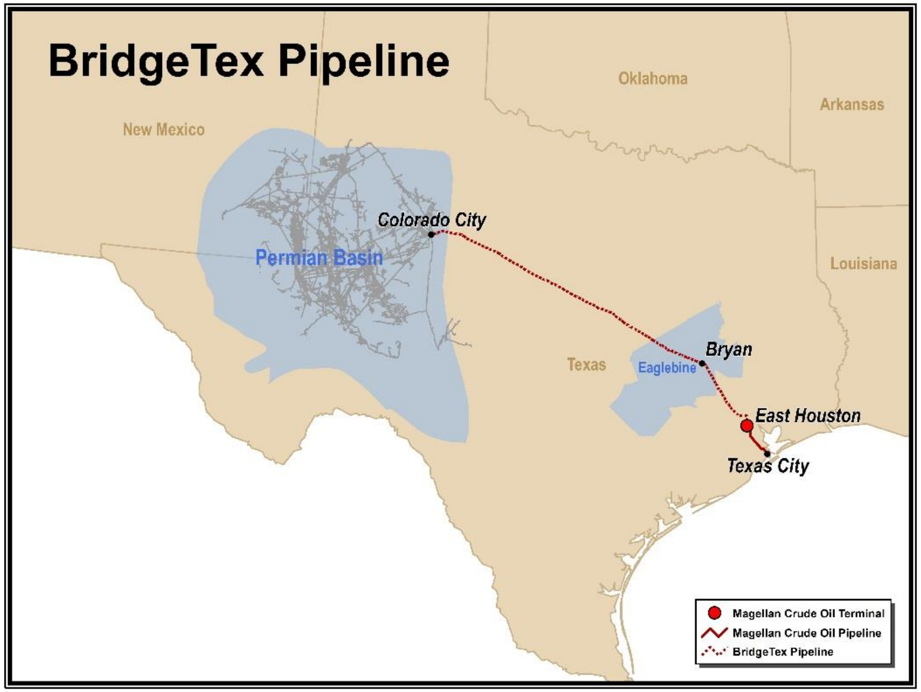






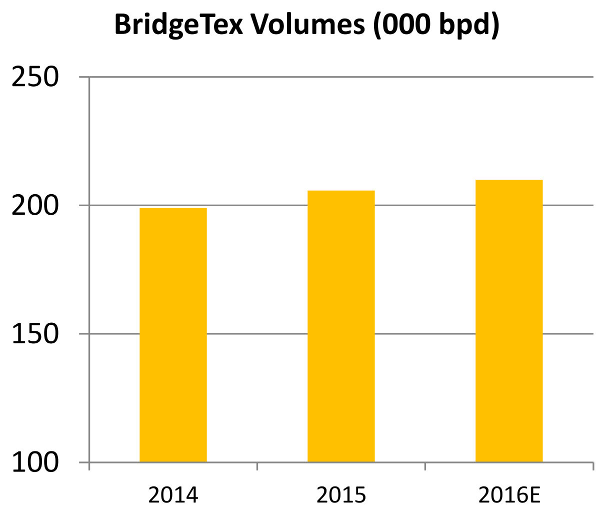
BridgeTex Pipeline

- 50/50 joint venture with Plains that began operation late ‘14
- 300k bpd capacity, expandable to 400k bpd
- 8x EBITDA multiple expected, with upside potential
- New Eaglebine origin to be operational mid-2017



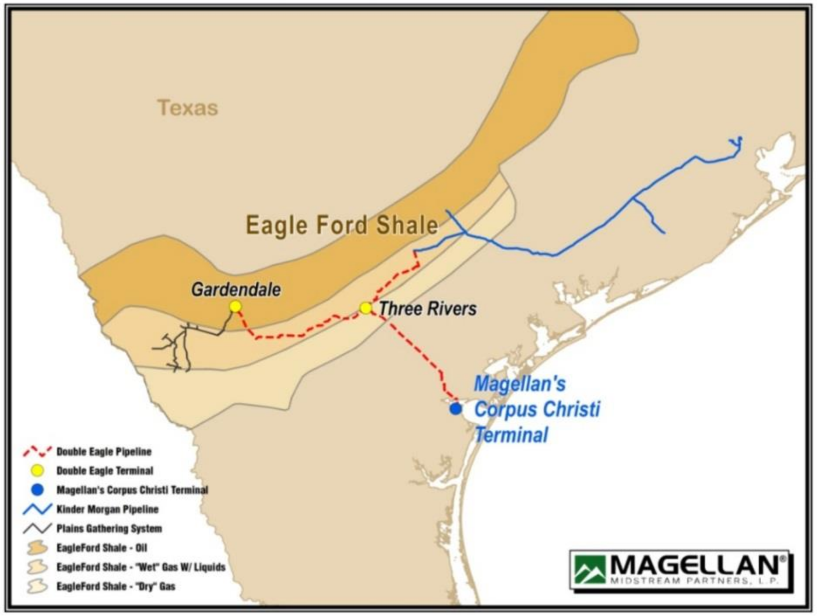
BridgeTex Volume and Rates

- Although 80% of pipeline committed under long-term, take-or-pay contracts, expect shipments to remain closer to 70% committed levels
- Average committed tariff currently ~$2.60 / bbl, spot tariff closer to $4 / bbl
- Contracted rates generally adjusted by FERC index
    - Expect to hold rates flat in '16 due to negative FERC adjustment
- Average remaining contract life of approx. 9 years



Double Eagle Joint Venture

- JV with Kinder Morgan to transport condensate from the Eagle Ford shale
  - 200-mile, 100k bpd Double Eagle pipeline, expandable to 150k bpd
  - Delivers to Magellan’s Corpus Christi terminal and connects to Kinder’s system for delivery to the Houston Ship Channel
  - Committed volumes ramp up to 70% of capacity in late 2016; expect EBITDA multiple of 6x beginning in ’17
  - Average remaining contract life of approx. 7 years



East Houston Crude Oil Storage

- Currently 3mm barrels of storage at East Houston available for lease, with another 1.6mm barrels under construction, expected to be operational by late 2016

- Magellan's East Houston terminal has become an increasingly important location for crude oil storage
  - Landing spot for Longhorn and BridgeTex shipments
  - Serves as Houston pricing point for Argus and Platts
  - Recently initiated as futures contract location for ICE and NYMEX

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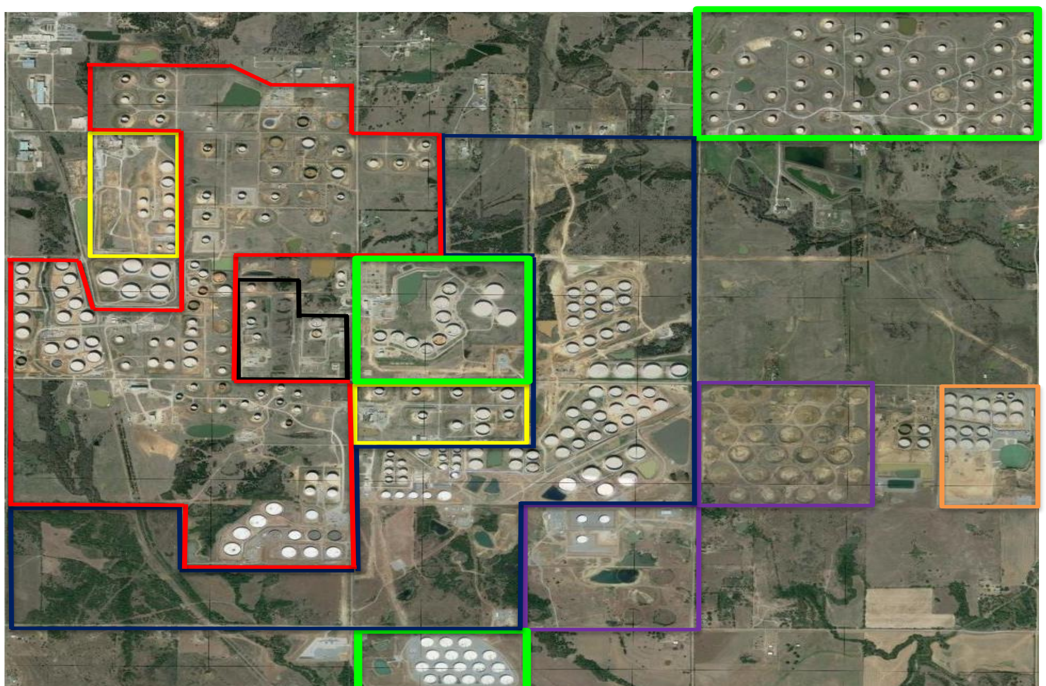
Cushing Crude Oil Storage

- With 12mm barrels of total storage at Cushing, OK, Magellan is one of the largest owners of crude oil storage in Cushing
- Profit driven by storage utilized – 100% contracted with average remaining life of approx. 2 years on 10mm bbls of leasable storage
  - 500K bbls of storage will be leased to Saddlehorn upon start-up later this year
  - Enhanced connectivity over the past year to improve flexibility and attractiveness of our position



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Cushing Will Remain an Important Crude Oil Hub

We believe Cushing storage will be needed long term:

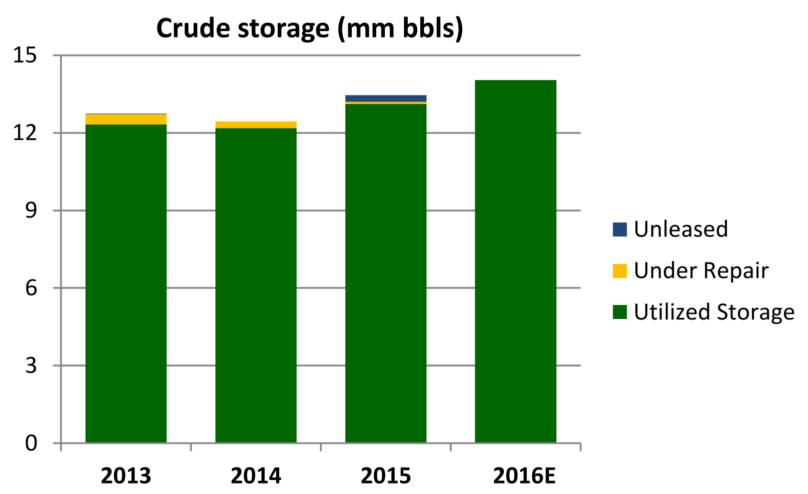
- Provides traders flexibility to deliver crude oil to the highest margin market at a given time
- Continued need for strategically-placed blending services due to the growing variety of crude oil grades and specifications
- Low storage costs relative to Gulf Coast

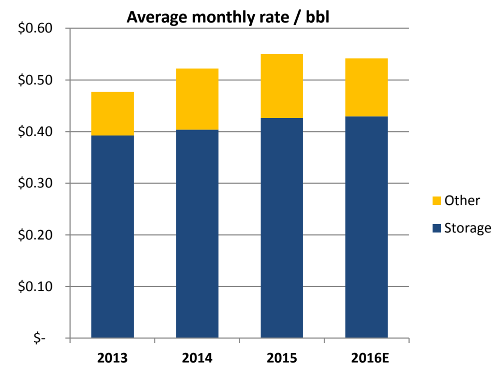
Our Competitive Advantage: Magellan operates its assets in a way that gives our customers greater confidence in maintaining the quality of crude oil they store in our facilities, increasing the attractiveness of our Cushing storage

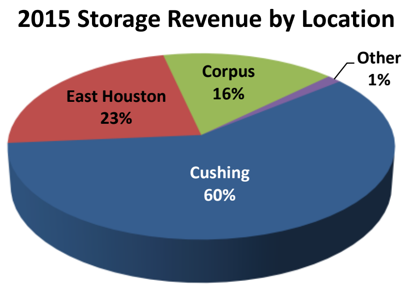
We believe our independent crude storage model makes our tankage more attractive than many of our competitors

Crude Oil Storage Utilization and Rates

- Magellan also owns ~1mm barrels of crude oil and condensate storage at our Corpus Christi terminal used for leased storage
- Demand for crude oil storage at all locations remains strong, with more leasable storage added at East Houston to meet growing demand at this evolving trading hub
- Average rate / bbl has increased primarily due to annual rate escalations provided by contracts
- Other fees have increased primarily due to additional throughput
- Average remaining contract life of approx. 2 years







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Key Focus Areas: Crude Oil

- Extend pipeline systems deeper into the basins to help secure barrels for our long-haul pipelines
- Enhance import / export marine capabilities
- Increase storage capacity to meet customer needs

Questions

15-Minute Break

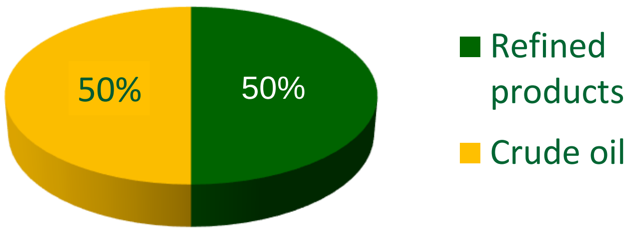
Future Growth from Identified Expansion Projects

Mike Mears
Chairman, President and
Chief Executive Officer

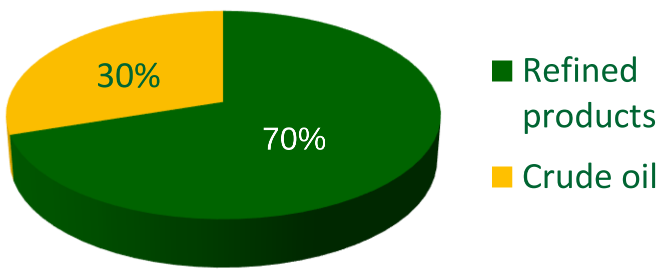
Future Growth Opportunities

- While refined products continues to generate the largest portion of our financial results, our crude oil business has contributed increasing value due to recent crude expansion projects. Current opportunities include healthy balance of refined products and crude oil projects

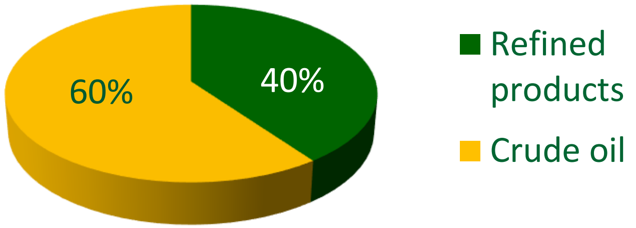
Current Expansion Spending
2016 - 2017 estimate: $900mm



Current Operating Margin
2015



Potential Expansion Projects
> $500mm



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Little Rock Pipeline

- Magellan to deliver refined products to the Little Rock market beginning mid-2016
  - Due to extensive pipeline network, able to access both Midcontinent and Gulf Coast refineries
- 200 miles total, including 60 miles of newly-constructed pipeline
- 75k bpd capacity
- Assessing potential connection to third-party pipeline for ultimate delivery to West Memphis

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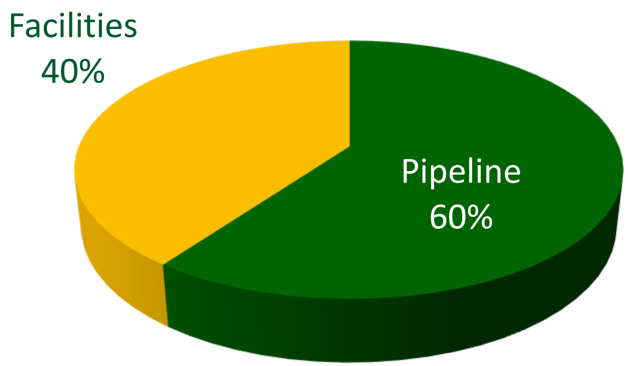
Expected Financial Results of Little Rock Pipeline

- $200mm spending including recent addition of jet fuel capabilities and connectivity to third-party terminals in the Little Rock market
- ~90% of project cost committed at this point
- Project supported by long-term, take-or-pay commitments representing slightly less than 50% of 75k bpd capacity
- 8x EBITDA multiple, with significant upside expected

Project cost by category



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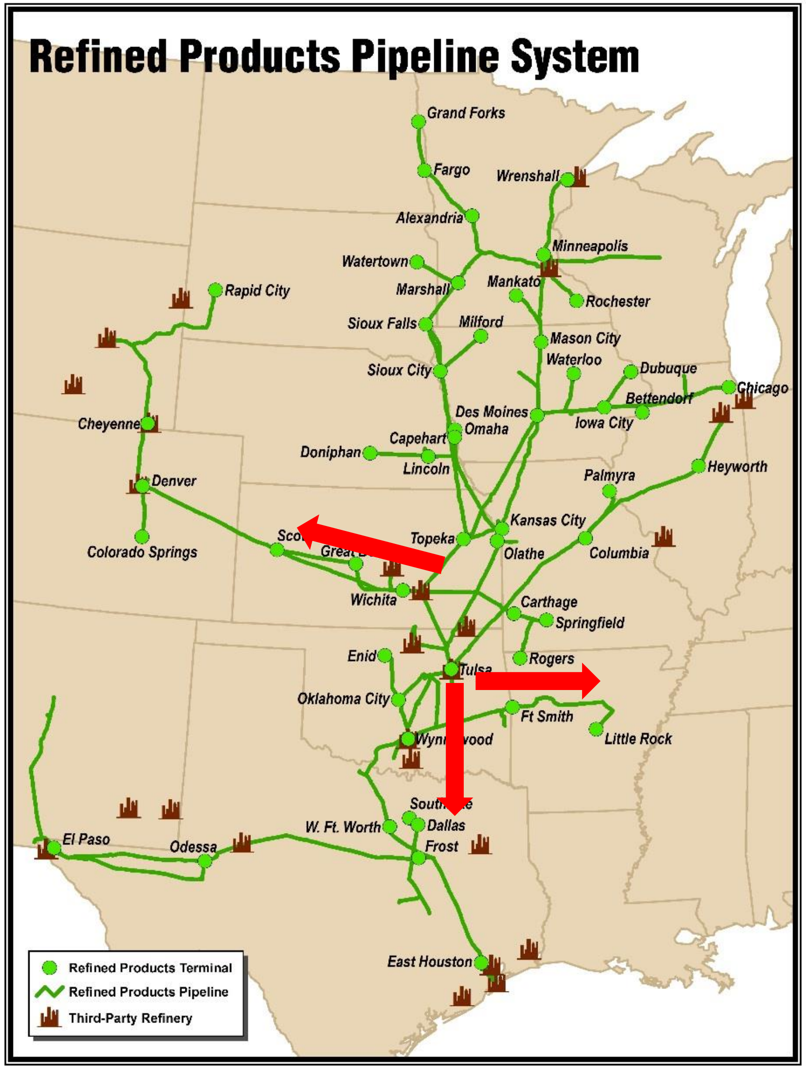
Key Milestones for Little Rock Pipeline

- All right-of-way and permits received
- Construction of eastern 40-mile pipeline segment into Little Rock complete
- Pipe segment near Ft. Smith to be complete in May 2016

	Expected <u>completion date</u>
• Initial linefill	May 2016
• Begin pipeline movements	June 2016

Refined Products Shifts Provide Opportunities

- Midcontinent refineries more competitive than ever
  - Looking to increase runs and compete seasonally with Gulf Coast movements
- Requires access to new markets
- Magellan well-positioned to help provide this needed access



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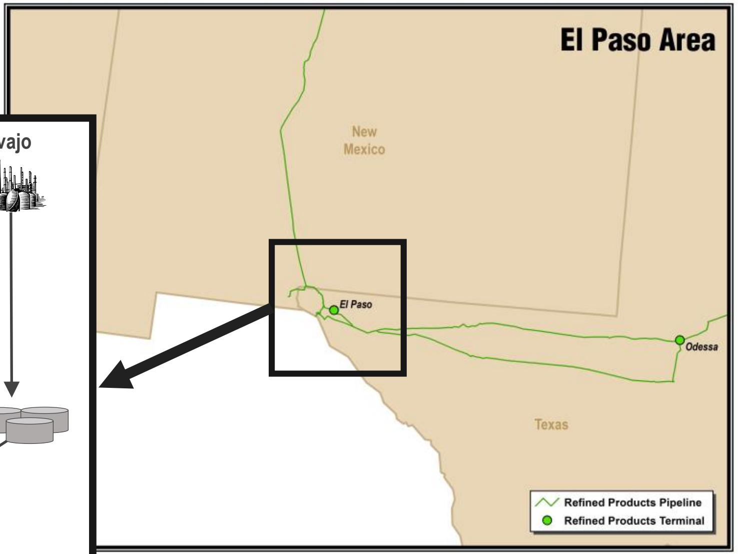
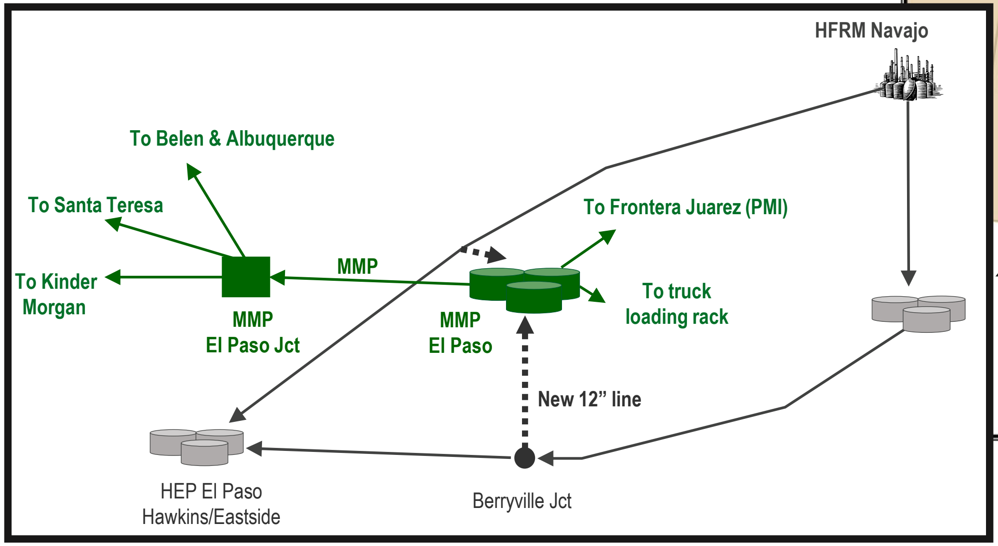
Growth in W. Texas Market

- Recently swapped MMP's 50% interest in Osage crude oil pipeline in OK/KS to Holly Frontier in exchange for handling their future refined products terminalling requirements in West Texas
  - Transaction expected to result in non-cash gain of ~$27mm in 1Q16 results
- Increasing capabilities at our El Paso terminal to handle incremental volume beginning in 2018
- Incremental DCF impact (vs. historical results) of approx. $2mm / year with improved upside potential





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Butane Blending Growth Projects

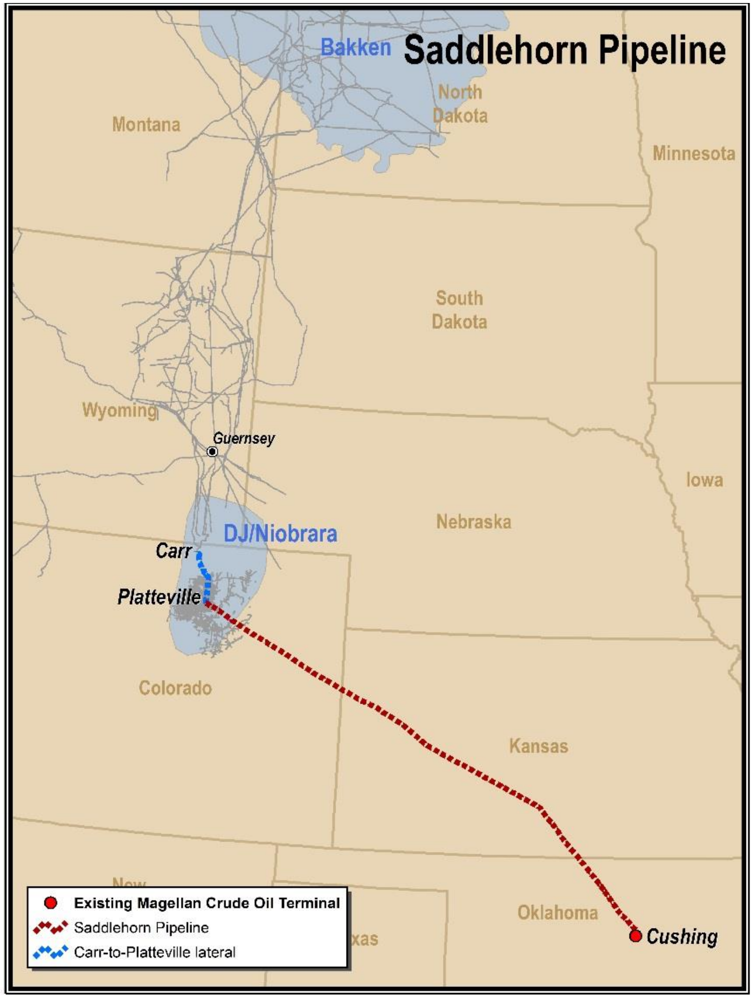
- Pursuing opportunities to maximize volumes and margins for butane blending
  - Powder Springs JV with Colonial Pipeline to blend butane into gasoline at Colonial's Atlanta hub beginning early 2017
  - Addition of rail receipt capabilities at CO terminal to improve butane logistics costs in late 2017
  - Other misc. projects to expand blending capabilities system-wide

- Combined expansion spending of $80mm at 5x EBITDA multiple

Saddlehorn Pipeline

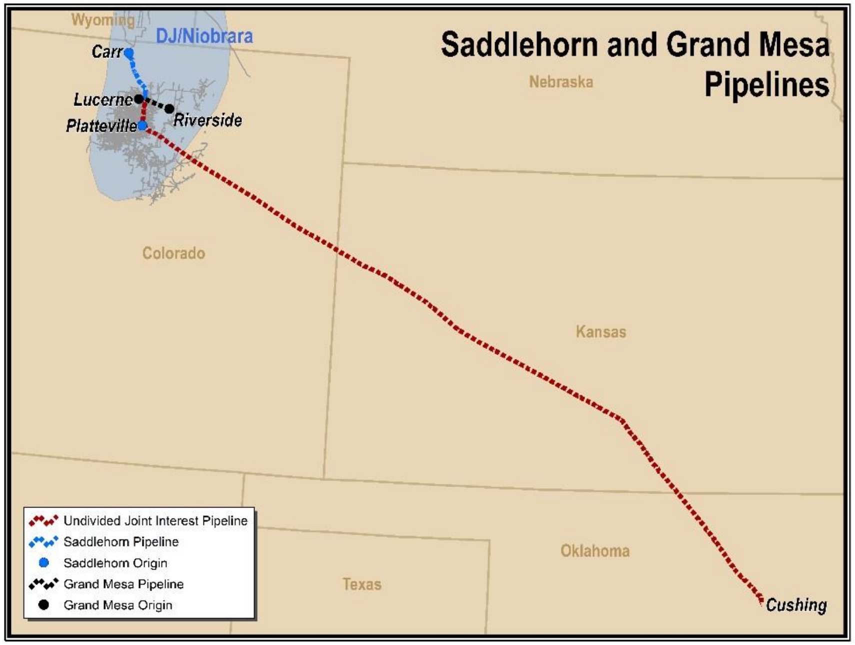
- Joint venture to deliver various grades of crude oil from DJ Basin and potentially broader Rocky Mtn region to storage facilities in Cushing, OK owned by MMP and Plains
  - 600-mile pipeline with initial capacity of 190k bpd, expandable to 300k bpd
  - Ownership structure: MMP 40%, Plains 40%, Anadarko 20%

- $260mm for MMP's share of project cost ($650mm total project cost estimated)



DJ Basin Consolidation

- Undivided joint interest for Saddlehorn and Grand Mesa pipelines
  - Combined initial capacity of 340k bpd, expandable to 450k bpd (vs maximum capacity of 800k bpd for proposed separate construction projects)
  - Reduces capital and operating expenses
  - Preserves contract terms for joint interest owners



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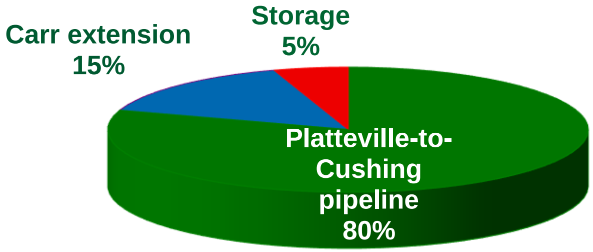
Key Milestones for Saddlehorn Pipeline

- Platteville-to-Cushing: virtually all pipeline installed with hydrotesting underway
- Platteville terminal: completing site work, hydrotesting to occur in 2Q
- Carr extension: obtaining right-of-way and permits, pipeline production occurring at this time
- 75% of total project cost committed to date

	Expected completion date
• Initial linefill at Platteville	early 3Q16
• Begin pipeline movements, Platteville-to-Cushing	Sept. 2016
• Pipeline movements, Carr-to-Platteville	late 2016

Project cost by category



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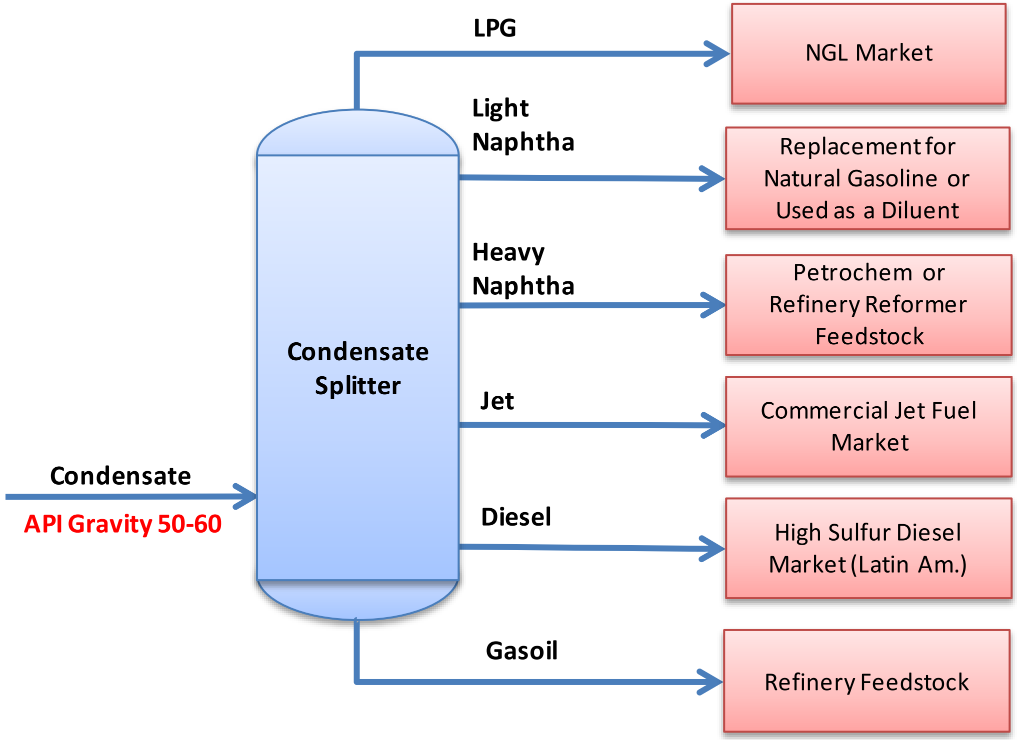
Saddlehorn Expected Financial Results

- Project supported by 5-year, take-or-pay commitments from Anadarko and Noble, the 2 largest producers in the DJ Basin
- Committed volume < 50% of 190k bpd capacity, providing significant upside potential
- Expect 9x average EBITDA multiple on Magellan's $260mm spend based on ramp of committed volume only
- As with all of our joint ventures, cash distributions received from joint venture counted as distributable cash flow at the time distributed to us

Due to timing of start-up and receipt of cash distributions (paid quarterly in arrears), 2017 will be the first year of DCF contribution from Saddlehorn

Corpus Christi Condensate Splitter

- Magellan is constructing a 50k bpd condensate splitter at our Corpus Christi terminal
  - Fee-based project with no direct commodity exposure for MMP
- Splitters are a simplified refining process, similar to a fractionator
- Product output varies based on condensate gravity and desired product mix
- Even with recent lifting of export ban, splitters are important infrastructure to separate condensate into usable components to meet global demand

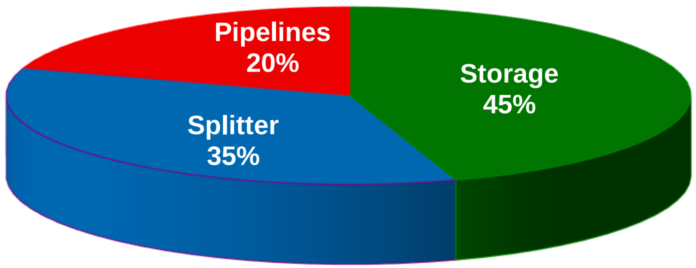


Typical Splitter production = LPG – 3 to 7%, total Naphtha – 25 to 50%, Jet & Diesel Fuel – 30 to 40% and Gasoil 10 to 35%

Project Scope and Expected Financial Results of Condensate Splitter

- Fully supported by long-term, take-or-pay agreement with Trafigura; contract provides extension following expiration of initial contract at discounted rate
- $270mm spending: 65% of cost related to terminal infrastructure, such as storage and pipeline connectivity to Buckeye/Trafigura's nearby facility
- Expect average EBITDA multiple of 6x, with stronger returns expected during the initial contract term

Project cost by category



~90% of total project cost committed to date

Key Milestones for Condensate Splitter

- Construction progressing for all project components, including splitter, storage and pipeline connectivity

	Expected completion date
• Construction complete for splitter and storage	late 2Q16
• Testing of splitter	3Q16
• Dock lines complete	3Q16
• Begin commercial operation of splitter	4Q16

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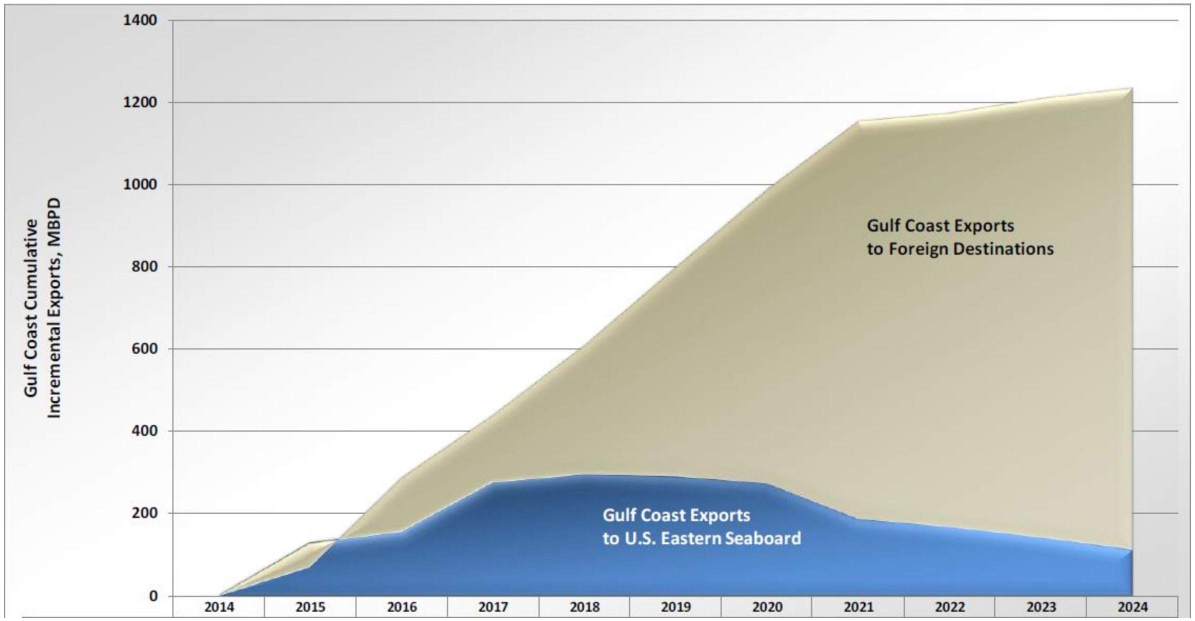
Advancing our Marine Strategy

- With access to increased supply of low-cost US crude oil production, US refined products production remains strong
- Due to relatively flat domestic demand, refined products exports are expected to increase significantly, providing opportunity for additional export capabilities, particularly in the Gulf Coast region

Projected Increase in Refined Products Exports from Gulf Coast



Source: EAI, 2Q15

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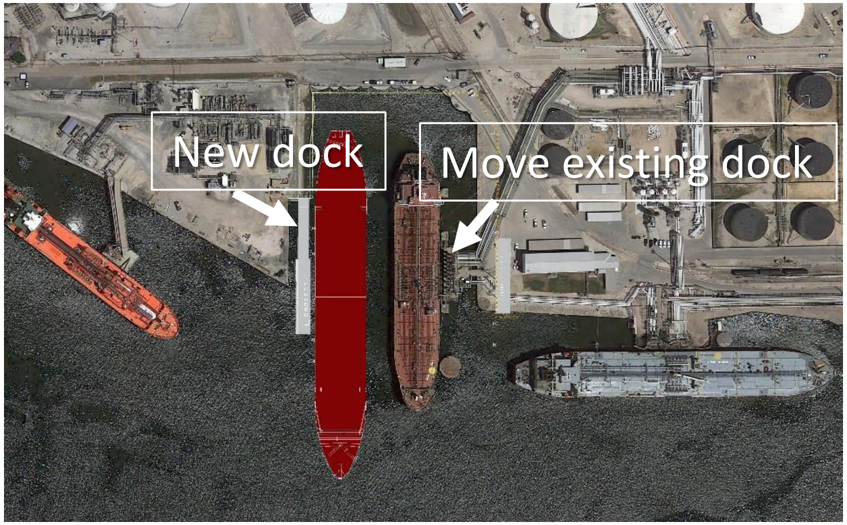
Galena Park Dock Expansion

- To meet increased demand for export capabilities, Magellan is adding a 5th dock at its Galena Park marine terminal
  – Multi-phase project to build new dock capable of handling Panamax-sized ships and barges with up to a 40-foot draft
  – Incremental dock capabilities fully operational by late 2018
  – Also connecting Galena Park to MMP's Houston crude pipeline by late 2016
  – Expect to increase storage rates as contracts renew to bring more inline with market, generating 9x average EBITDA multiple on $115mm investment, with upside potential



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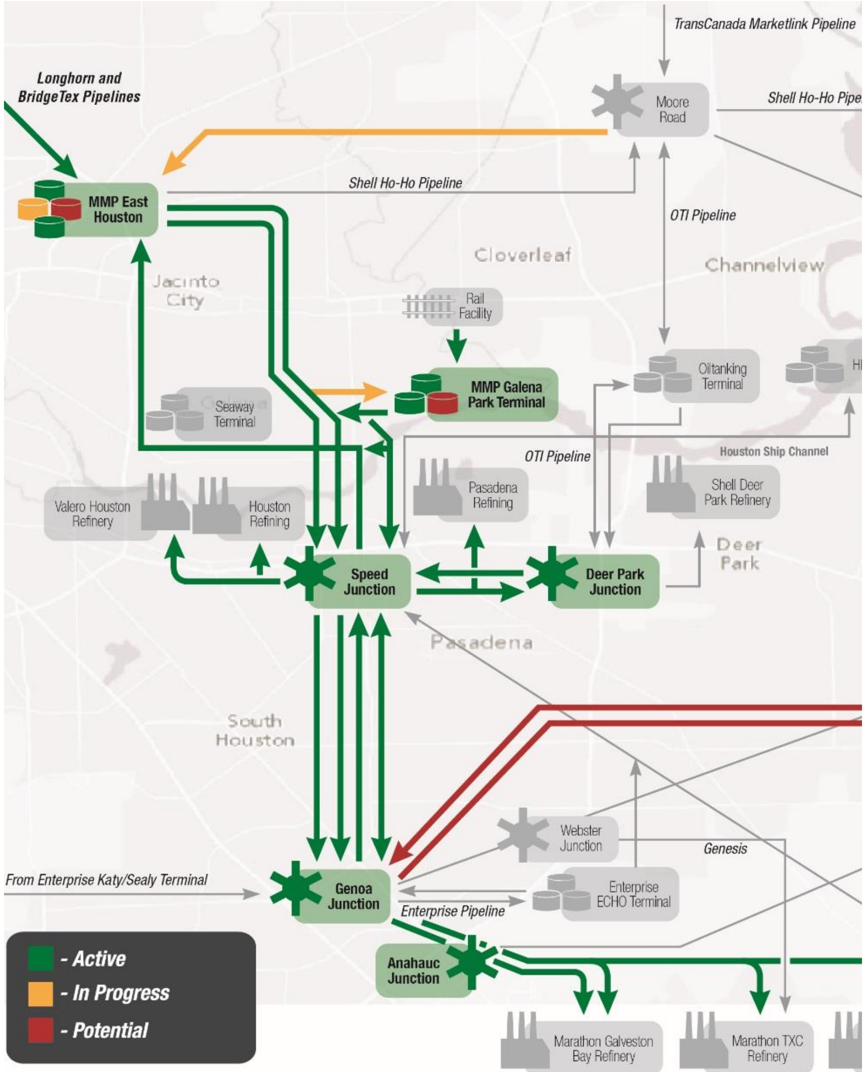
HoustonLink Joint Venture

- 50/50 joint venture with TransCanada
  - Constructing 9-mile pipeline to connect TransCanada's Houston terminal and Magellan's East Houston terminal
  - Improves Magellan's connectivity by providing Marketlink shippers access to MMP's Houston distribution system
  - Expect to be operational in first half of 2017
  - MMP's share of capital spend almost $50mm, including enhancements to its facility, generating 10x EBITDA multiple while increasing strategic value of our system



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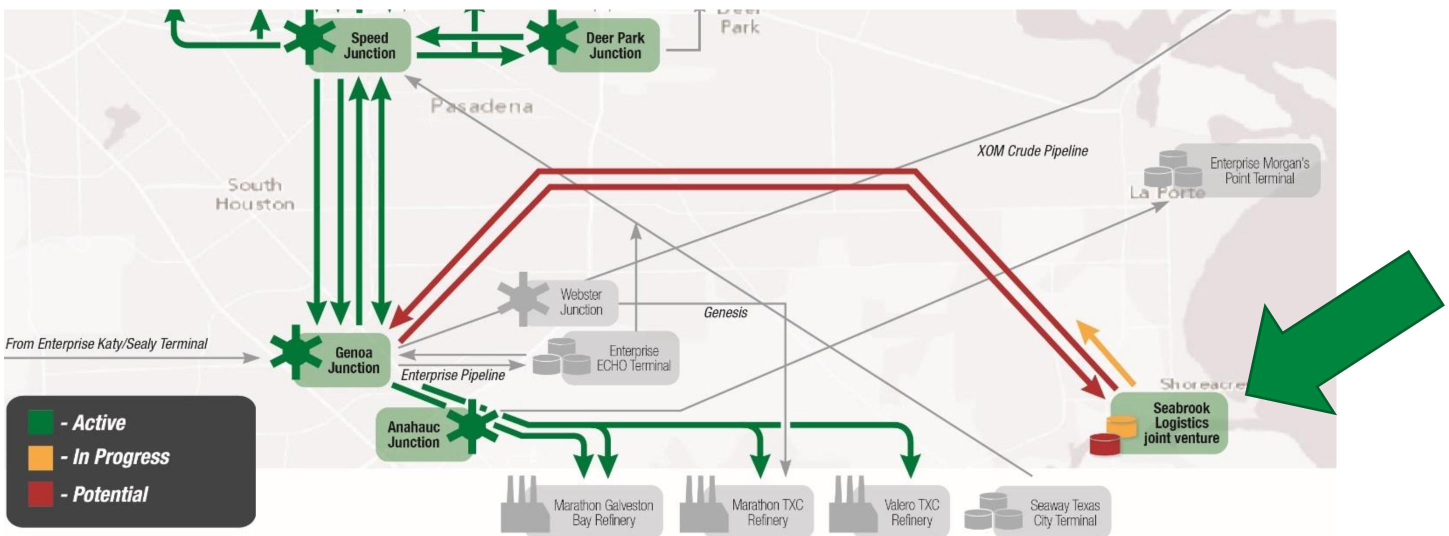
Seabrook Logistics Joint Venture

- 50/50 joint venture with LBC
  - Constructing 700k bbls of crude oil storage and pipeline infrastructure to connect to third-party pipeline for ultimate transport to Houston-area refinery
  - Supported by long-term commitment from major refiner
  - Expect to be operational in first quarter 2017
  - MMP's share of capital spend almost $50mm, generating 8x EBITDA multiple
  - Significant potential opportunity for an additional 4mm bbls of storage, an additional Aframax-capable dock and connectivity to MMP's Houston crude oil pipeline system possible



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Expansion Capital Spending Profile

- Based on existing projects, we expect to spend $900mm on organic growth projects in 2016 and 2017:

Saddlehorn JV	$ 165mm
Little Rock pipeline	120
Galena Park dock and crude oil connectivity	115
Corpus Christi condensate splitter	110
East Houston crude tankage	50
Refined ppl terminal enhancements, various locations	50
Houston Link JV, incl. E. Houston infrastructure	45
Refined products ppl enhanced connectivity	45
Butane blending enhancements, incl. rail logistics	45
Crude terminal enhancements, various locations	30
Seabrook Logistics JV	25
Eaglebine origin, BridgeTex JV	20
Independent terminals enhancements, various locations	20
Rocky Mtn connectivity and expansion	20
Powder Springs JV, butane blending	20
Crude oil ppl enhanced connectivity	20
	$ 900mm @ avg 7x EBITDA multiple

Combined, these projects are expected to significantly contribute to Magellan's results beginning in 2017 and beyond

MAGELLAN® MIDSTREAM PARTNERS, L.P. NYSE: MMP

Questions

Finance Review

Aaron Milford
Chief Financial Officer

MAGELLAN® MIDSTREAM PARTNERS, L.P.
www.magellanlp.com | NYSE: MMP

Moving What Moves America®

Overview

- Our businesses continue to perform well
- We remain committed to a strong balance sheet
- We continue to enjoy reasonable access to capital markets and have significant committed liquidity through which to continue to grow our businesses
- Our cost of capital remains competitive and is supportive of additional growth investment

Strong Financial Performance

- Magellan generated record DCF in 2015, driven by first full year of BridgeTex earnings
  - Other businesses remain very healthy
  - Refined products decline driven by lower blending margins after record highs in 2014
- New projects online in 2nd half 2016 will largely offset lower 2016 blending margins
- 10% forecasted distribution growth for 2016 still allows for significant excess cash flow

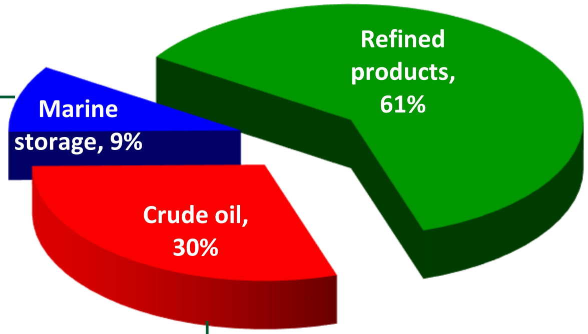
$ in millions	2013	2014	2015	2016 Guidance
Refined Products	$ 694	$ 814	$ 791	$ 772
Crude Oil	$ 176	$ 296	$ 381	$ 383
Marine Storage	$ 106	$ 115	$ 120	$ 121
Segment Operating Margin	**$ 976**	**$ 1,224**	**$ 1,292**	**$ 1,277**
G&A Expense	$ (133)	$ (148)	$ (151)	$ (154)
Interest Expense	$ (116)	$ (119)	$ (141)	$ (164)
Maintenance Capital	$ (76)	$ (78)	$ (89)	$ (90)
Other Adjustments	$ 18	$ 1	$ 32	$ 31
Distributable Cash Flow	**$ 670**	**$ 880**	**$ 943**	**$ 900**
Distributions (declared)	$ (495)	$ (594)	$ (684)	$ (754)
Excess Cash Flow	**$ 175**	**$ 286**	**$ 259**	**$ 146**
	1.4x	1.5x	1.4x	1.2x

MAGELLAN MIDSTREAM PARTNERS, L.P. NYSE: MMP

Credit Risk Remains Limited

- Crude and marine segments more contract-driven
  - ~75% of revenue from these segments from investment grade companies
- Refined products segment primarily demand-driven
  - If one customer lowers utilization, others step in to meet market demand

2015 Operating Margin



- Primarily storage revenue
- Importance of contracts varies with location
  - Galena Park is largest, in highly liquid market with consistently high demand
- About 30% of customers investment grade, nearly 60% non-rated (private)*

- Mostly transportation revenue, also storage and line lease revenue, product services
- Customers are primarily refiners connected to system, also marketers and end users
- Very low risk of loss on receivables

- Transportation and lease revenue
- Long-haul transportation is contract-driven
  - Over 95% with investment grade counterparties*
  - Skewed towards upper end of investment grade (80% > BBB+)
- Houston distribution and leased storage revenue mostly with investment grade counterparties, but in any case more demand-driven, counterparties replaceable at comparable rates

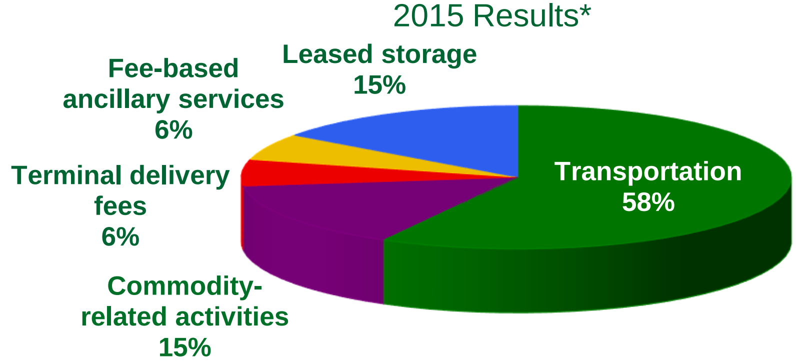
*Based on December 2015 revenues (ratings updated as of 3/10/16). Includes MMP's share of JV revenues.

MAGELLAN® MIDSTREAM PARTNERS, L.P. NYSE: MMP

Limited Direct Commodity Exposure

- Large majority of MMP's operating margin generated by fee-based activities

- Direct commodity exposure:
  - Commodity-related activities, primarily butane blending
  - To some extent, pipeline tender deductions and product losses
    - Tenders driven by transportation volumes, but value of both tenders and any related product losses impacted by commodity prices
    - Net product gains (tenders less product loss) estimated to be ~$30mm in '16 vs $55mm in '15 and $70mm in '14 for MMP on a consolidated basis
  - Guidance based on Jan. price curve, averaging $35 / bbl crude oil for '16
    - each $1 change in crude oil estimated to impact MMP DCF by ~$3mm for '16; assumes correlation between crude and gasoline pricing remains consistent (which has not been the case so far in '16)



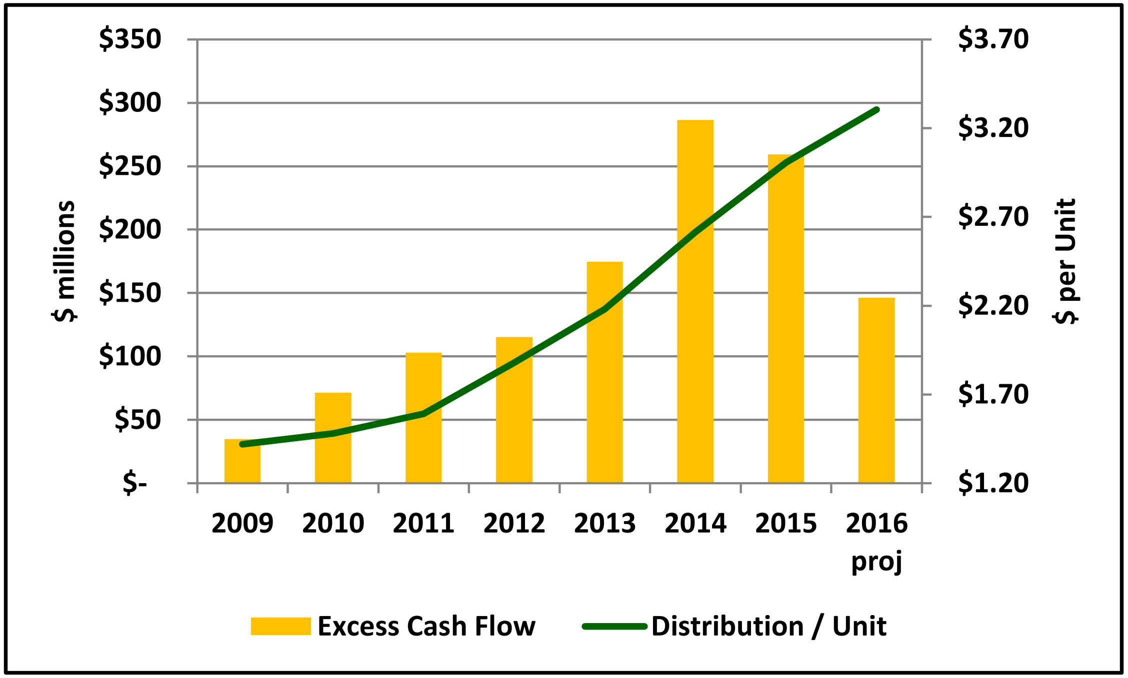
* Operating margin represents operating profit before depreciation & amortization and general & administrative costs; excludes unrealized mark-to-market and other commodity-related adjustments

MAGELLAN® MIDSTREAM PARTNERS, L.P. NYSE: MMP

Strong Distribution Growth and Coverage

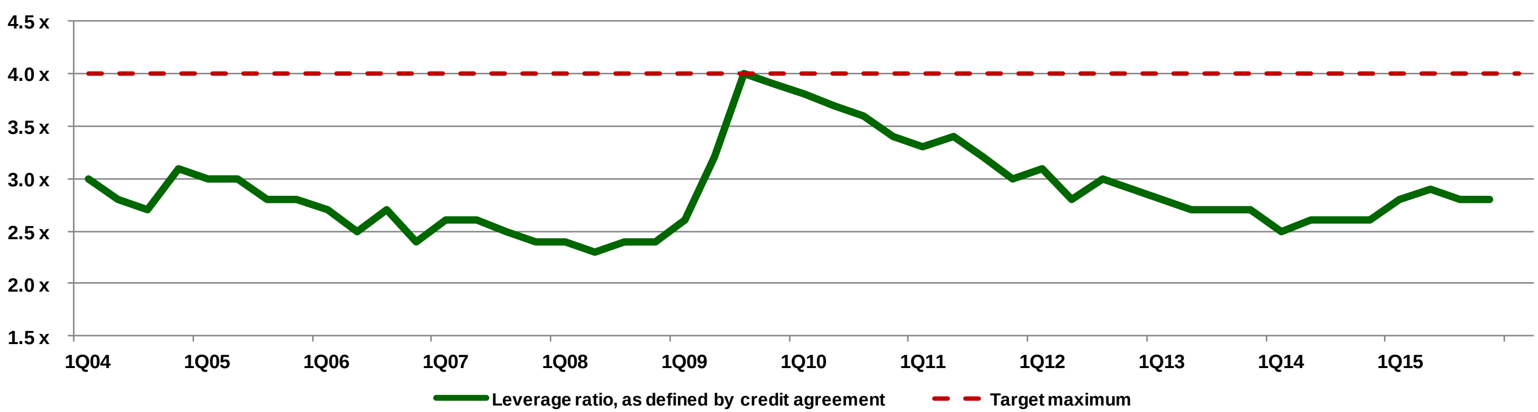
- Record commodity margins and growth projects resulted in significant coverage in 2014 and 2015
  - Coverage strong despite 20% distribution growth in 2014 and 15% in 2015

- Distribution growth of 10% in 2016 still affords healthy 1.2x coverage; key is a healthy balance between growth and coverage



Conservative Credit Profile

- Target maximum long-term leverage ratio (debt-to-EBITDA) of 4.0x
  - Operating within 4.0x limit has been central to ratings agency conversations for many years
- Leverage ratio has remained low despite investing ~$3.3bn since 2009
  - EBITDA growth has been solid, reflecting high quality projects
  - Financed with ~$1bn of retained excess DCF; $1.8bn of debt; $0.3bn of equity (in 2010); $0.2bn changes in working capital
- Ratio forecasted to increase to ~3.4x in 2016 as current large growth projects completed
- Financial conservatism has been rewarded with BBB+/Baa1 ratings
  - Value of higher-BBB credit profile reflected in high demand for recent bond offering despite turbulent market backdrop



MAGELLAN® MIDSTREAM PARTNERS, L.P. NYSE: MMP

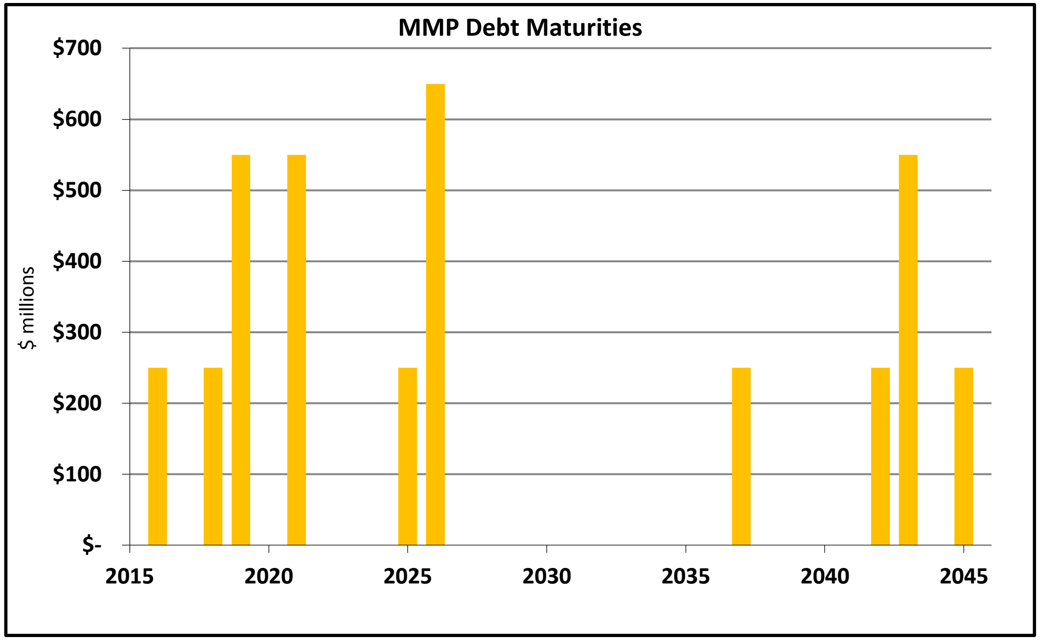
Balanced Debt Maturities, Low Fixed Rates

- Average maturity of debt is nearly 13 years
- Low all-in realized coupon, averaging 5.1% (5.0% with hedges and premiums)
- Currently 100% fixed; floating rate (including commercial paper) available for refinancing and new debt

$in millions

	Amount	Coupon	Effective Rate*
2016	$250	5.7%	5.7%
2018	250	6.4%	5.3%
2019	550	6.6%	5.7%
2021	550	4.3%	4.0%
2025	250	3.2%	3.2%
2026	650	5.0%	5.0%
2037	250	6.4%	6.4%
2042	250	4.2%	4.2%
2043	550	5.2%	5.2%
2045	250	4.2%	5.4%
	$3,800	5.1%	5.0%

** Includes impact of hedges/premiums/discounts*



MAGELLAN MIDSTREAM PARTNERS, L.P. NYSE: MMP

Strong Financial Position to Fund Growth

- $1 billion available on the revolver, $250mm on 364-day facility
- ~$150 million in projected excess cash flow for 2016
- Debt-to-EBITDA ratio remains moderate, allowing for further debt financing
- Debt markets very receptive to Magellan credit
- Should investment opportunities exceed debt capacity, we believe we could access equity market on an opportunistic basis

$ in millions	2016 Guidance	Hypothetical Deal Flow @ 9x Multiple	Proforma 2016
2016 Pro Forma EBITDA*	**$ 1,202**	**$ 156**	**$ 1,357**
12/31/2016 Net Debt	$ 3,411	$ -	$ 3,411
Expansion capital spending	800	1,400	2,200
Excess Cash Flow **	(147)	-	(147)
12/31/16 Debt	**$ 4,064**	**$ 1,400**	**$ 5,464**
Debt to Ebitda	**3.4**		**4.0**

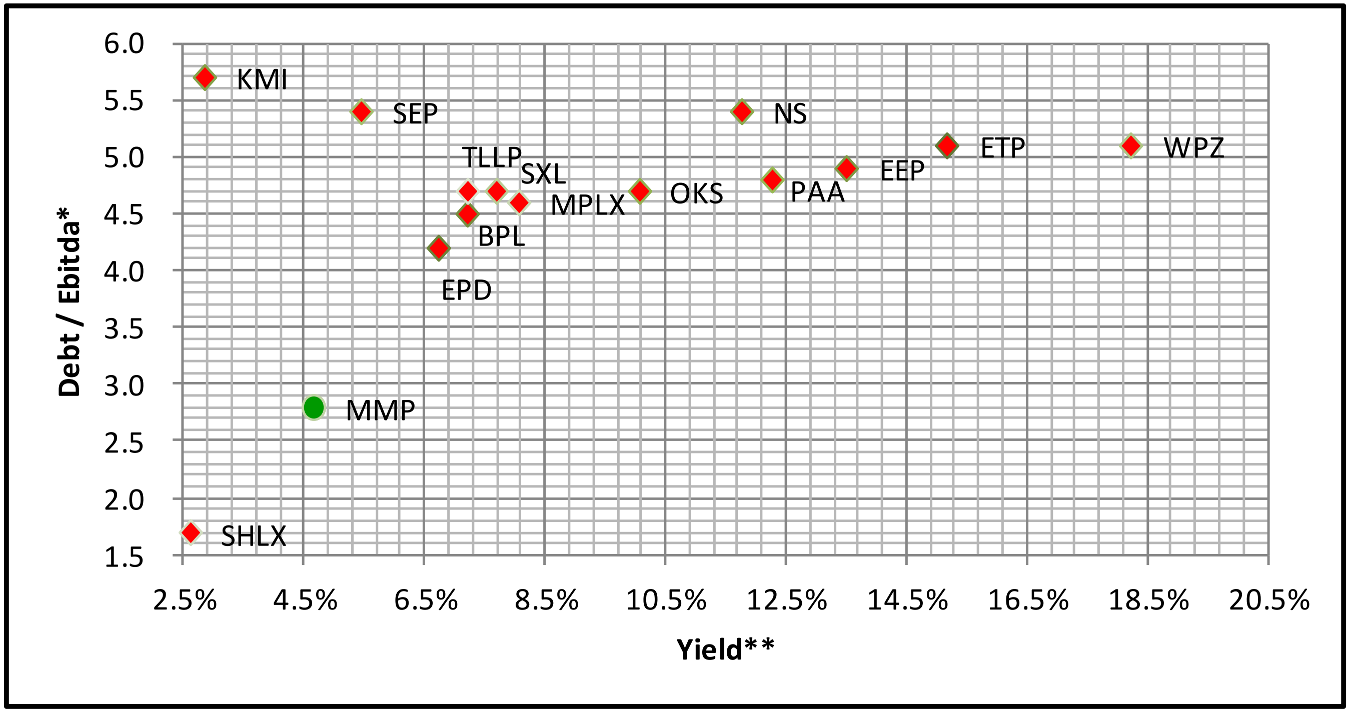
* Includes adjustments for non-cash gains/losses and out-of-period hedge adjustments; PF for Saddlehorn, Little Rock and Splitter projects

** Based on distributions declared versus paid

MAGELLAN MIDSTREAM PARTNERS, L.P. NYSE: MMP

Competitive Cost of Capital

- Low yield + low leverage = powerful opportunity to create value
- Many peers still burdened by incentive distribution rights, furthering Magellan advantage



*Source: Wells Fargo Research, company presentations, Bloomberg
** As of 3/10/16

MAGELLAN MIDSTREAM PARTNERS, L.P. NYSE: MMP

How We Think About Cost of Capital

- Yield + Growth = equity cost of capital

Estimating Equity Cost of Capital

Yield	Distribution Growth: Short-term	Distribution Growth: Long-term	**Equity Cost of Capital***
5.0%	8-10%	3-5%	**9-11%**

* Using CAGR derived from short- and long-term growth rates

- Cost of capital / hurdle rate depends on financing time frame and project risk
  - Debt spreads in the current environment have widened; equity yields also highlight premium placed on stability
  - No GP IDRs to consider

Estimating Debt Cost of Capital

	ST 10 Year	LT 30 Year
Treasury Rate	1.8%	2.6%
MMP Credit Spread*	3.2%	3.6%
Total Rate	5.0%	6.2%

*Based on recent bank quotes and debt issuances

Estimating Total Cost of Capital

	Weight*	ST	LT
Equity	55%	10.0%	10.0%
Debt	45%	5.0%	6.2%
WACC		**7.8%**	**8.3%**

*9x Ebitda Deal, 4X max leverage results in 45% max leverage

MAGELLAN® MIDSTREAM PARTNERS, L.P. NYSE: MMP

Summary

- Strong underlying businesses combined with:
  - Strong balance sheet
  - Balanced distribution policy
  - Substantial committed liquidity
  - Continued access to capital markets at a competitive cost; and
  - Disciplined long-term investment approach

Provides us the opportunity to continue to create value for Magellan investors

MAGELLAN® MIDSTREAM PARTNERS, L.P. NYSE: MMP

Questions

Closing Remarks

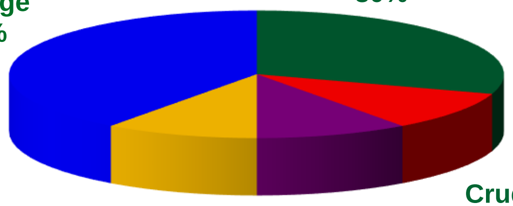
Mike Mears
Chairman, President and
Chief Executive Officer

Potential Expansion Projects

- Magellan has continually been able to keep its potential organic growth project list well in excess of $500mm even as projects are completed and placed into service
  - Healthy mix of refined products and crude oil opportunities
  - Stated goal to increase marine infrastructure capabilities, including possible new storage in Houston, Corpus and expansion of Seabrook Logistics
  - Considering a number of refined products pipeline opportunities at this time, including a joint venture pipeline in South Texas
  - Targeting 6-8x EBITDA multiple or better but will consider higher multiples for strategic value creation

Type of opportunities under consideration

(based on highest-probability projects)



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Other Industry Hot Topics

- Industry consolidation
  - Some large transactions taking place but not occurring at the rate some anticipated
  - MLPs with strong balance sheets reluctant to diversify into higher-risk space

- MLPs – are they the “right” organizational structure?
  - Remains the right structure for fee-based MLPs with no IDRs (like Magellan)
  - Can create issues for MLPs with high IDR burdens or highly-variable income

Magellan Summary

- Straight-forward, stable business model
- Continuing to grow fee-based activities through business cycle
- Looking beyond current downturn to position company for industry recovery
- Assess potential acquisitions and other opportunities
- Remain disciplined and focused

Non-GAAP Reconciliations

Distributable Cash Flow Reconciliation to Net Income

($ in millions)

	2010	2011	2012	2013	2014	2015	2016E
Net income	$ 312	$ 413	$ 436	$ 582	$ 840	$ 819	$ 730
Interest expense, net	95	107	114	118	121	143	167
Depreciation and amortization	109	121	128	142	162	167	177
Equity-based incentive compensation [1]	15	10	8	12	12	6	5
Asset retirements and impairments	1	9	12	8	7	8	8
Commodity-related adjustments [2]	8	(22)	13	(0)	(56)	14	47
Other	(2)	(2)	5	(0)	(9)	15	20
Adjusted EBITDA	538	636	716	862	1,077	1,172	1,154
Interest expense, net, excl. debt cost amortiz.	(93)	(105)	(112)	(116)	(119)	(140)	(164)
Maintenance capital	(45)	(70)	(64)	(76)	(78)	(89)	(90)
Distributable cash flow	$ 400	$ 461	$ 540	$ 670	$ 880	$ 943	$ 900

[1] Excludes tax withholdings on settlement of equity-based incentive awards, which were paid in cash.

[2] Normalizes distributable cash flow for out-of-period mark-to-market timing differences on our commodity-related activities that have been hedged with NYMEX contracts to reflect only transactions that settled during the period.

Operating Margin Reconciliation to Operating Profit

($ in millions)

	2013	2014	2015	2016E
Refined Products [1]	$ 694	$ 814	$ 791	$ 772
Crude Oil	176	296	381	383
Marine Storage	106	115	120	121
Segment Operating Margin	$ 976	$ 1,224	$ 1,292	$ 1,277
Allocated corporate depreciation costs	3	4	4	4
Total commodity-related adjustments [1]	0	56	(14)	(47)
Commodity adjustment recognized as Other (income) / expense on income statement	0	9	(1)	0
Total Operating Margin	$ 980	$ 1,284	$ 1,282	$ 1,234
Depreciation and amortization	(142)	(162)	(167)	(177)
General & administrative expense	(133)	(148)	(151)	(154)
Total Operating Profit	$ 705	$ 974	$ 964	$ 903

[1] Commodity-related adjustments were included in the operating margin for the refined products segment for comparability between periods. These adjustments normalize for out-of-period mark-to-market timing differences on our commodity-related activities that have been hedged with NYMEX contracts to reflect only transactions that settled during the period.

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