# Deutsche Bank
# MLP, Midstream and Natural Gas Conference

New York City
May 2016

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

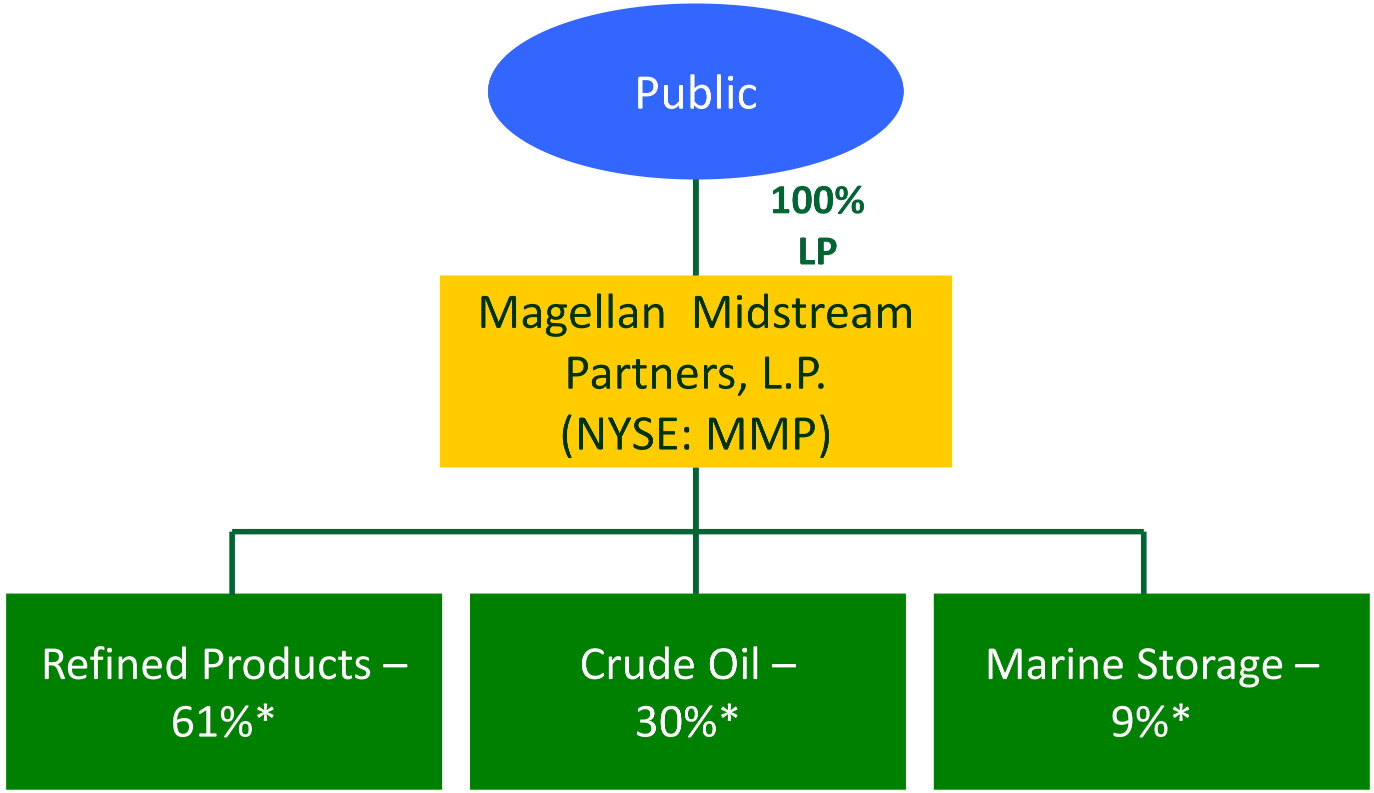
Moving What Moves America®

# 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 Forms 8-K and 10-Q. The partnership undertakes no obligation to revise its forward-looking statements to reflect events or circumstances occurring after today's date.

# Structure = Competitive Advantage

- Investment grade MLP with no incentive distribution rights
  - Provides MMP a simple organizational structure and one of the lowest costs of capital in the MLP space




* Percentage of 2015 operating margin

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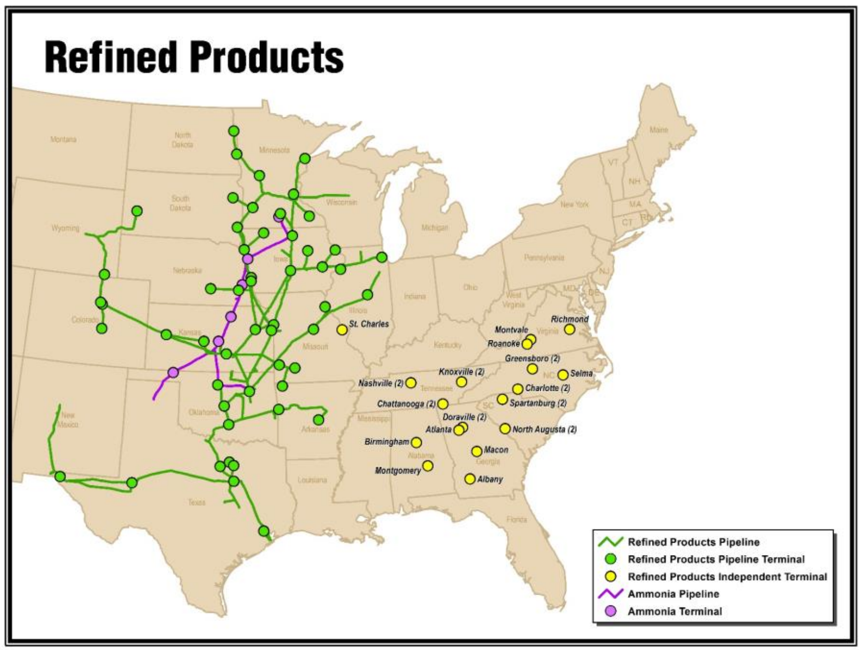
# Refined Products

- Longest refined products pipeline system, primarily transporting gasoline and diesel fuel, with 9,700 miles, 54 terminals and 42mm barrels of storage
- Profit driven by throughput volume and tariffs
  - Tariff changes directly related to Producer Price Index; increased tariffs by 4.6% in mid-2015, ‘16 guidance assumes +2% average tariff increase in mid-2016
- Strong competitive position and stable business platform due to breadth of system (access nearly 50% of refining capacity) and independent service provider model

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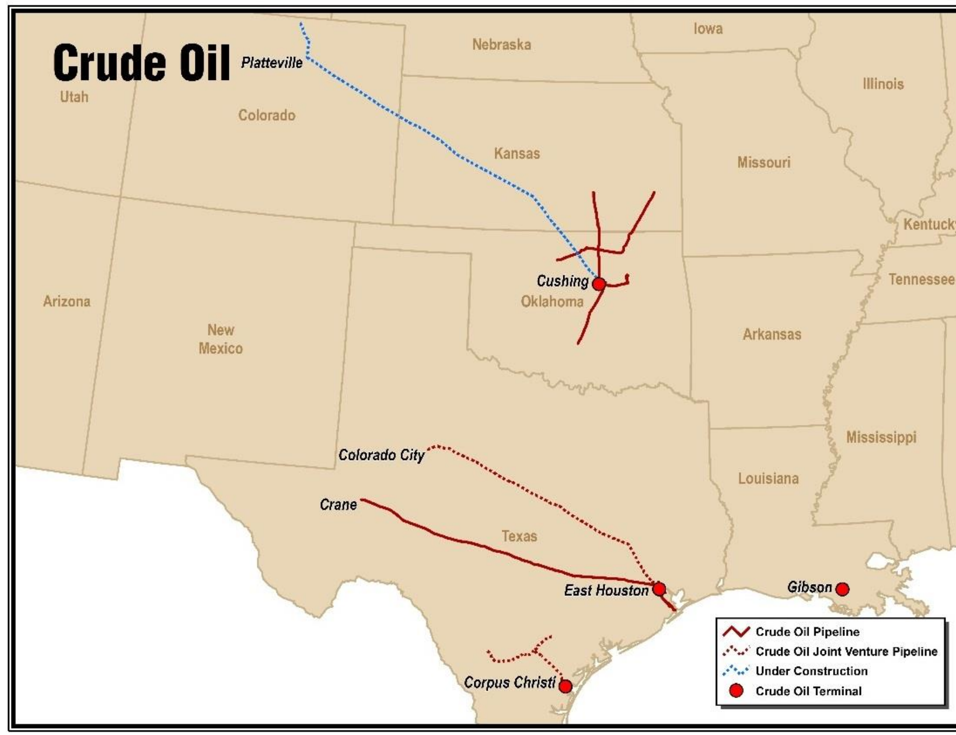
# Crude Oil

- 1,600 miles of 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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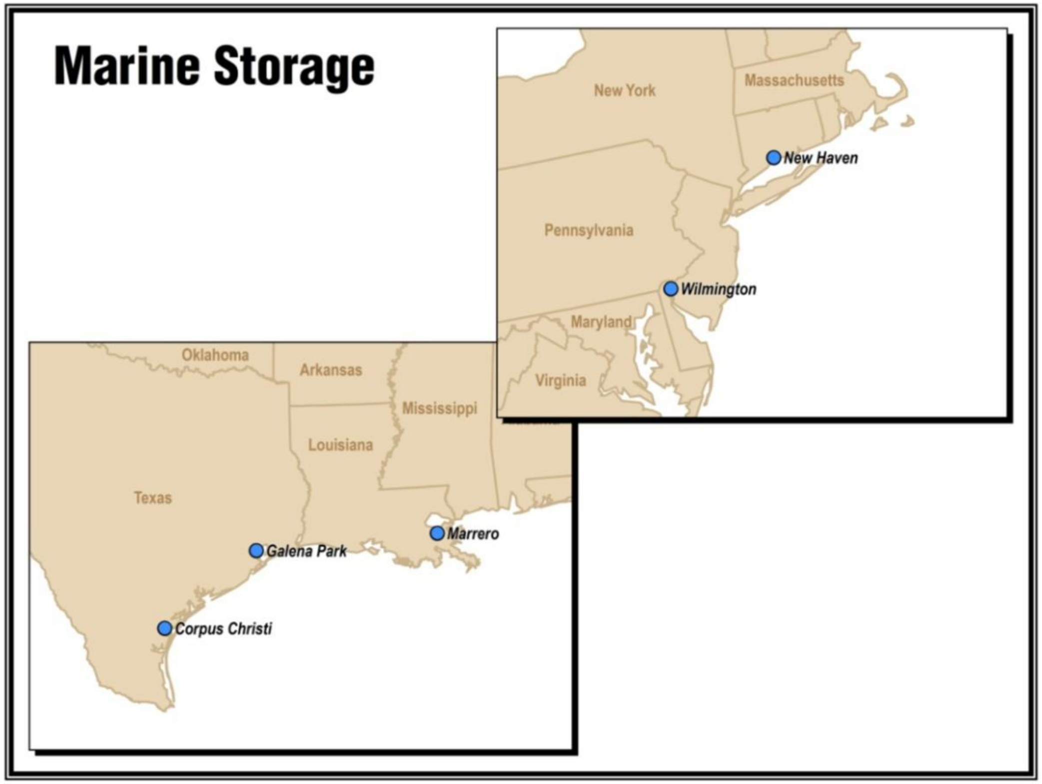
# Marine Storage

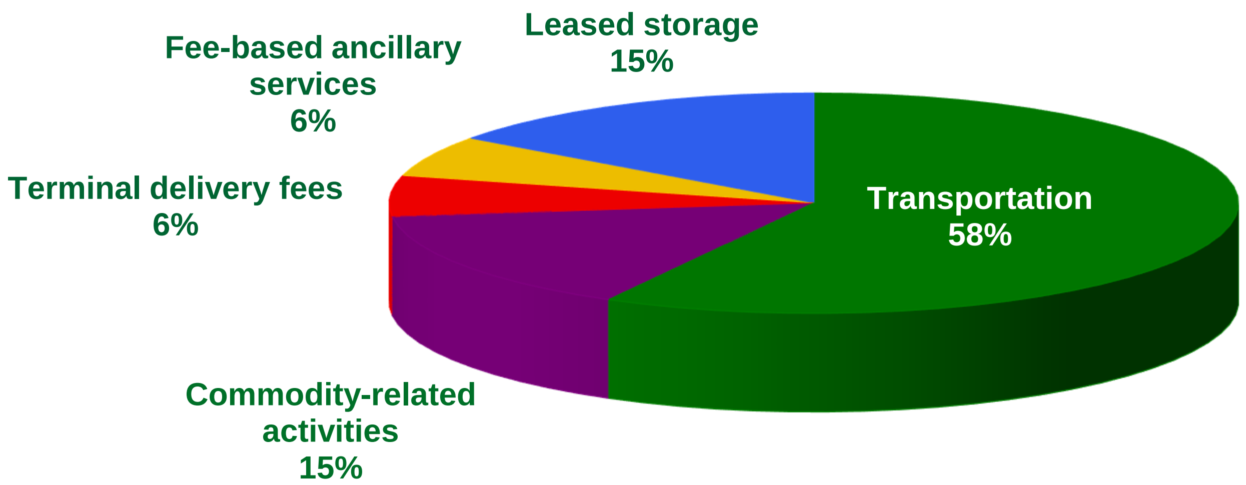
- 5 storage facilities with 26mm barrels of aggregate storage, supported by long-term agreements
- Utilization rates historically greater than 90%
- Strong demand due to market structure, pricing volatility and connectivity




# Primarily Fee-Based Business

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

2015 Results*




* 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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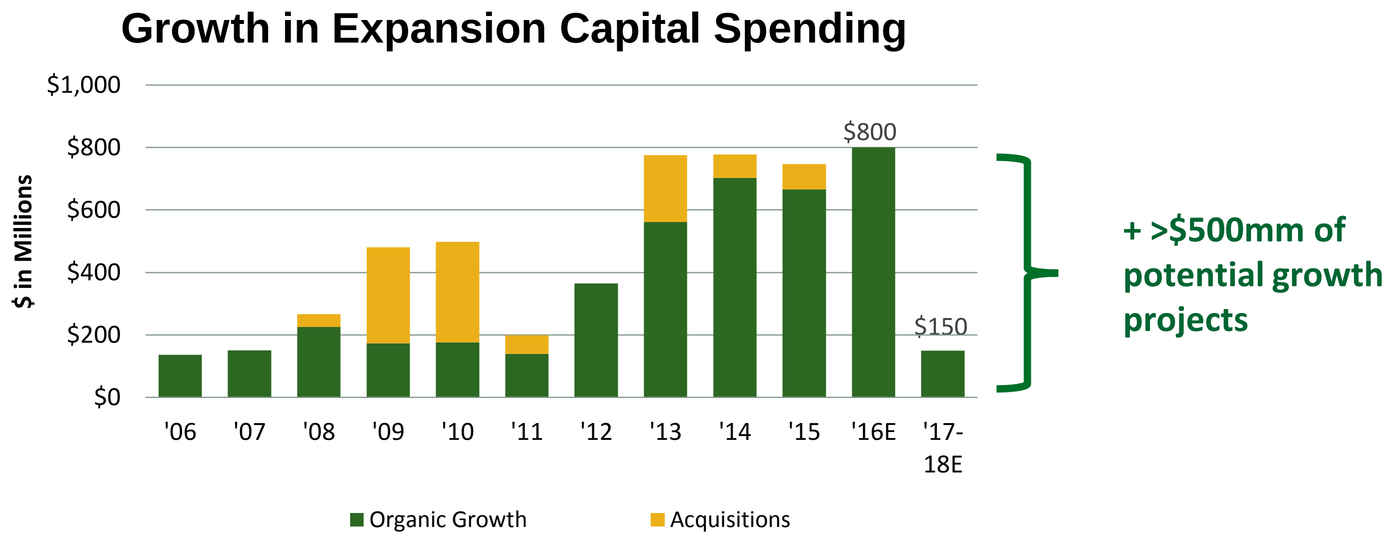
# Growth in Expansion Capital Spending

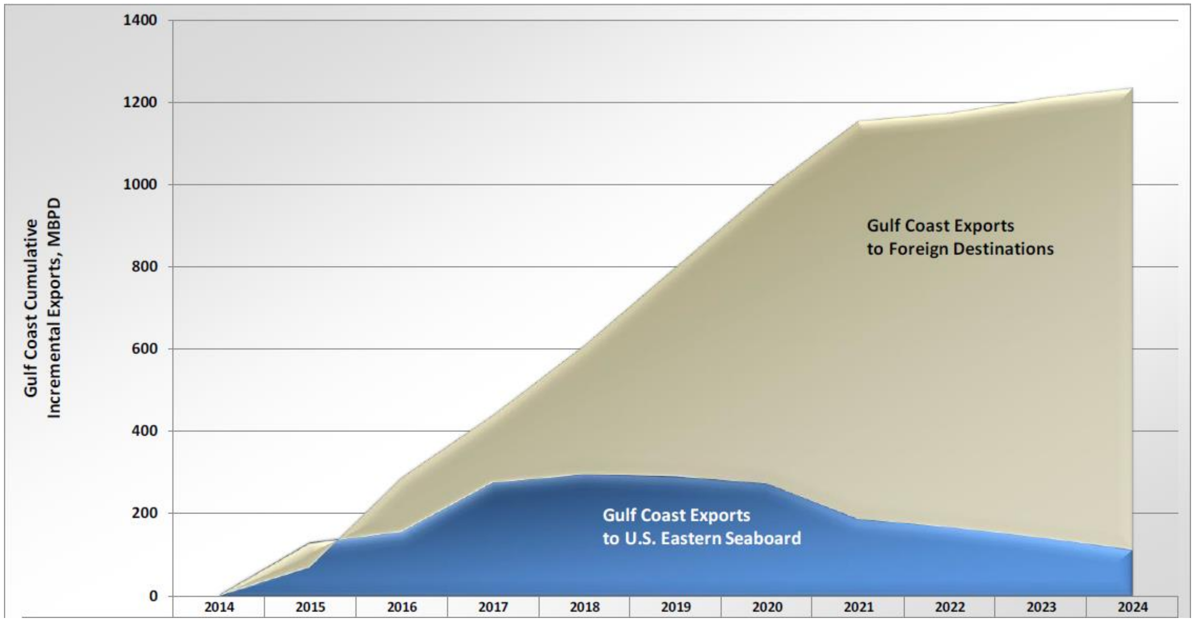
- Over the last 10 years, Magellan has invested $4.4 billion in organic growth projects and acquisitions
- Expect to spend $950mm in 2016-2018 on construction projects currently underway
- Many opportunities exist for continued growth:
  - Continue to evaluate well in excess of $500mm of potential growth projects
  - Potential acquisitions always under review
  - Management committed to maintaining disciplined approach for future growth



# 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**

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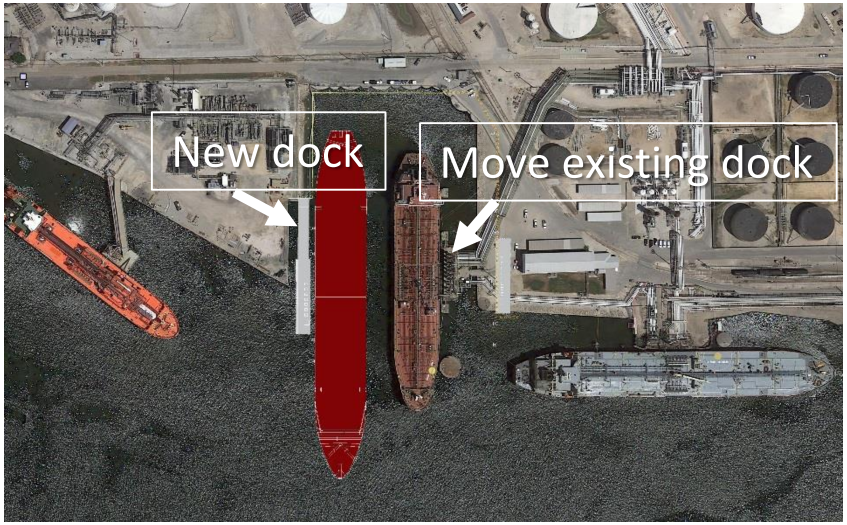
Source: EAI, 2Q15

# 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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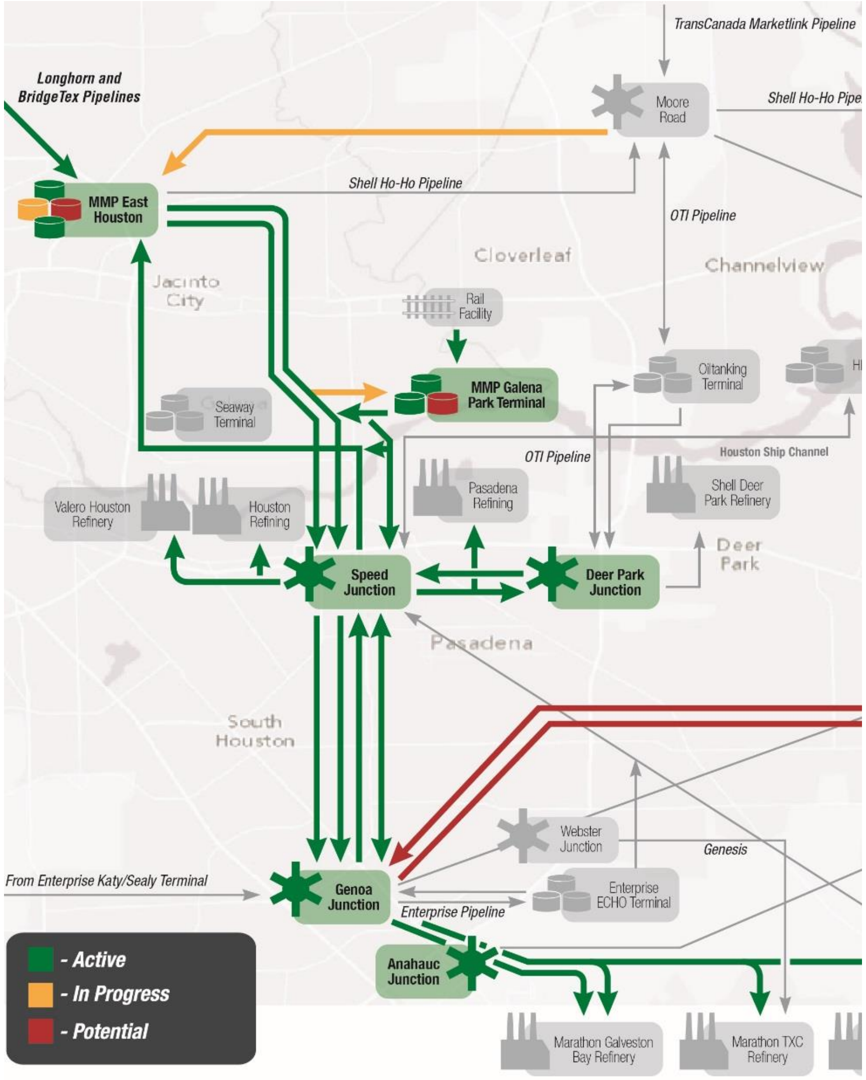
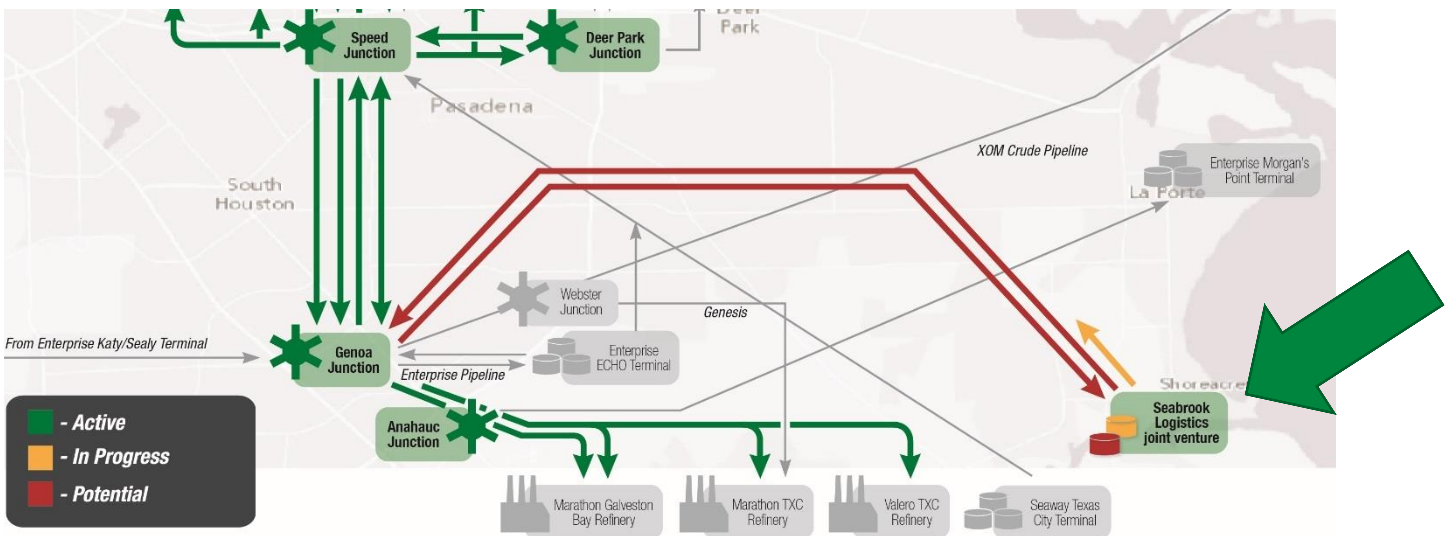
# HoustonLink Joint Venture

- 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



# 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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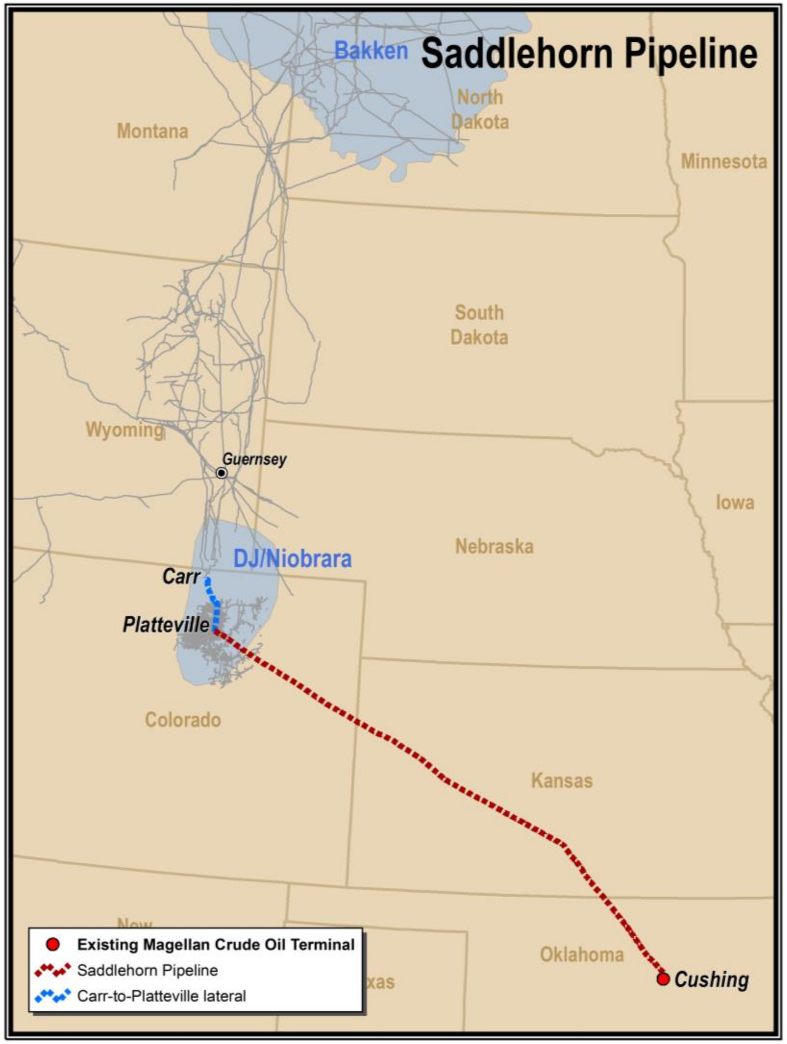
# Saddlehorn Pipeline

- 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 (max capacity up to 300k bpd)
  - Ownership structure: MMP 40%, Plains 40%, Anadarko 20%
- Targeted in-service date: 3Q16 Platteville-to-Cushing, end of '16 Carr extension
- Binding commitments received from Anadarko and Noble
- $260mm for MMP's share of project cost ($650mm total project cost estimated)
- Committed volume < 50% of 190k bpd capacity, providing significant upside potential
- 9x average EBITDA multiple based on ramp of committed volumes only



# Corpus Christi Condensate Splitter

- Magellan is constructing a 50k bpd condensate splitter at our Corpus Christi terminal
- Fee-based project, fully committed with long-term, take-or-pay agreement with Trafigura
- $270mm spending: 65% of cost related to terminal infrastructure, such as storage and pipeline connectivity
- Targeted in-service date during 4Q16
- Average EBITDA multiple of 6x expected

# 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
- $200mm capital spending: construct 60 miles of pipeline and enhancements to our pipeline system to handle additional volume
  - utilizing existing leased third-party pipeline for portion of route
- Supported by long-term, take-or-pay commitments representing slightly less than 50% of 75k bpd capacity
- 8x EBITDA multiple, with significant upside expected

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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

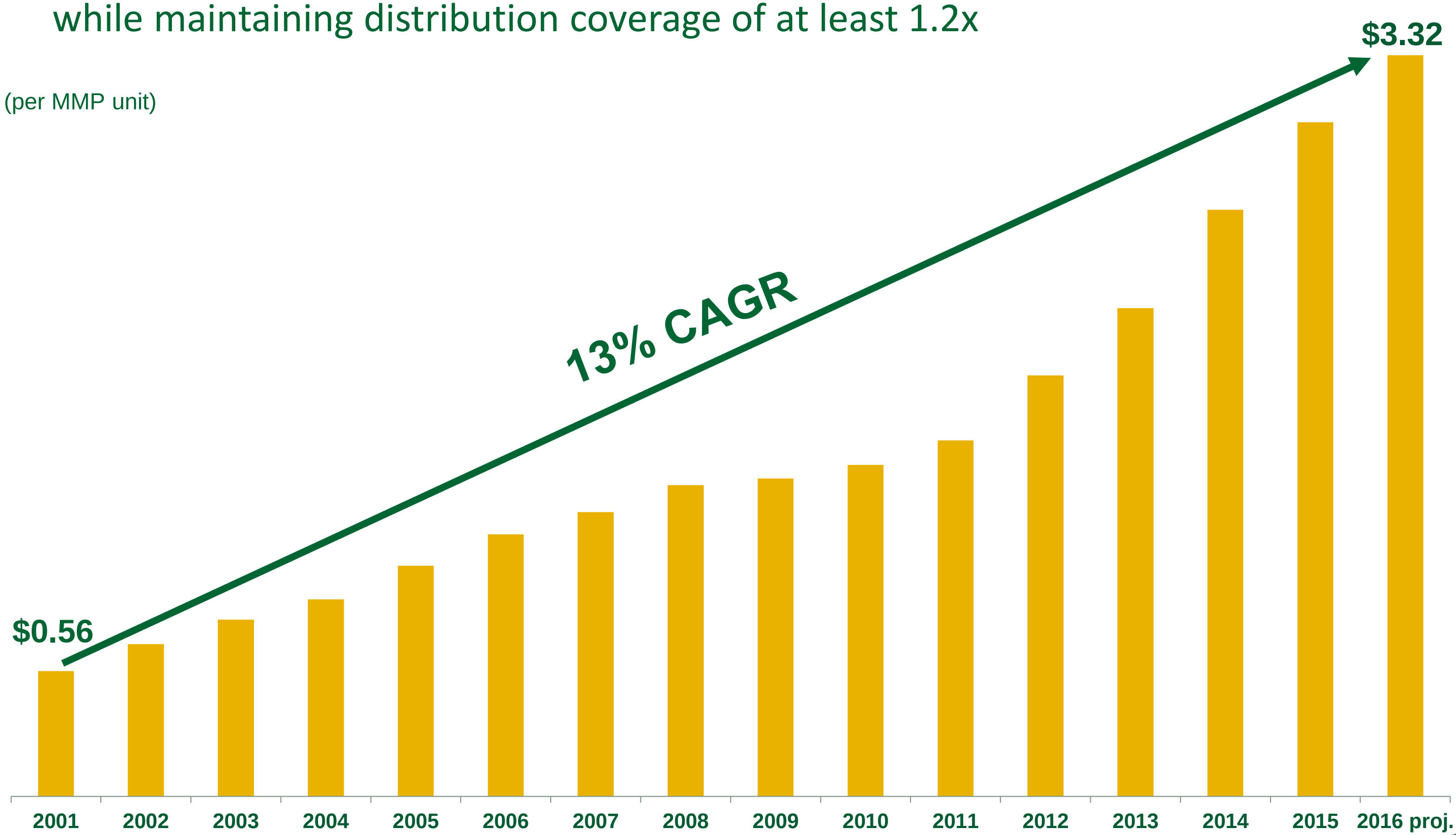
- Combined expansion spending of $80mm at 5x EBITDA multiple

# Potential Expansion Projects

- Magellan has continually been able to keep its potential 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 Christi and expansion of Seabrook Logistics
  - Considering a number of refined products pipeline opportunities at this time, including a joint venture pipeline from Corpus Christi to Brownsville, Texas
  - Pursuing potential gathering options to strengthen our long-haul crude oil pipelines
  - Targeting 6-8x EBITDA multiple or better but will consider higher multiples for strategic value creation

# Distribution Growth Trend

- Proven history of distribution growth with 56 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

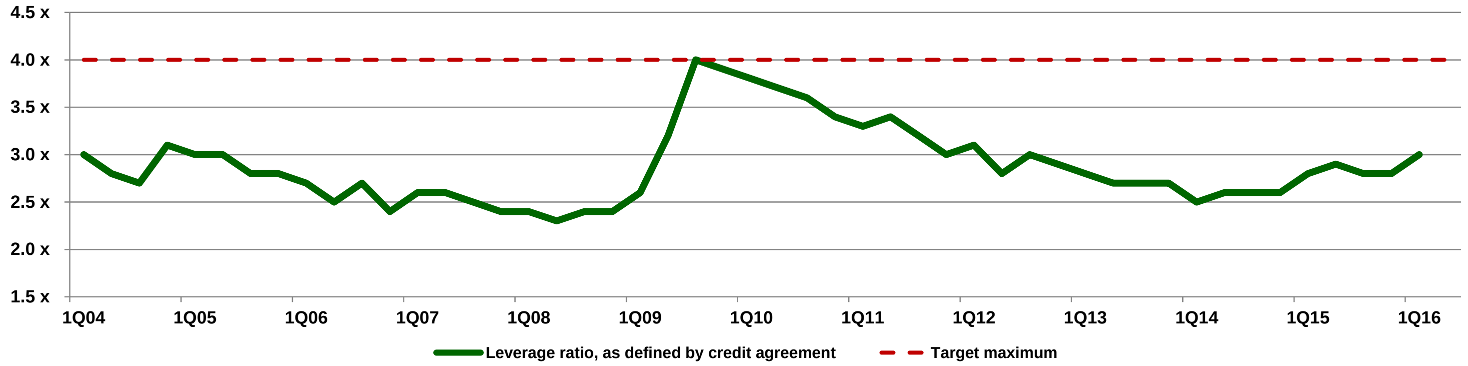


# Conservative Financial Profile

- Committed to maintaining solid investment grade rating
  - Currently, one of the highest-rated MLPs at BBB+ / Baa1

- Targeting distribution coverage of at least 1.1x on long-term basis
  - DCF of $943mm in 2015 provided coverage of 1.4x (>$250mm excess cash)
  - DCF guidance of $910mm for 2016 with coverage of 1.2x (>$150mm excess cash)

- Long-term leverage ratio of < 4x
  - History of maintaining sector-leading credit metrics
  - No equity issuances anticipated to fund current growth projects
  - Significant liquidity with $1 billion credit facility, $250mm 364-day facility and commercial paper program

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# Magellan Summary

- Proven history of exceptional returns and distribution growth
- Straight-forward, stable business model
- Forecasted strong distributable cash flow generation with solid distribution coverage
- Conservative, disciplined management team
- Financial flexibility and low cost of capital
  - Strong investment-grade balance sheet
  - No incentive distribution rights
- Attractive growth opportunities, current and potential