

**ENERGY TRANSFER EQUITY, L.P. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**

(in thousands, except unit data)

	<u>March 31,</u> <u>2008</u>	<u>December 31,</u> <u>2007</u>
<b><u>ASSETS</u></b>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 130,667	\$ 56,557
Marketable securities	13,651	3,002
Accounts receivable, net of allowance for doubtful accounts	1,062,620	822,027
Accounts receivable from related companies	30,287	18,070
Inventories	116,160	361,954
Deposits paid to vendors	60,475	42,273
Prepaid expenses and other current assets	108,358	99,913
Total current assets	<u>1,522,218</u>	<u>1,403,796</u>
PROPERTY, PLANT AND EQUIPMENT, net	7,312,912	6,852,458
ADVANCES TO AND INVESTMENT IN AFFILIATES	1,253	86,167
GOODWILL	772,972	757,698
INTANGIBLES AND OTHER LONG-TERM ASSETS, net	<u>377,025</u>	<u>361,975</u>
Total assets	<u>\$ 9,986,380</u>	<u>\$ 9,462,094</u>
<b><u>LIABILITIES AND PARTNERS' CAPITAL (DEFICIT)</u></b>		
CURRENT LIABILITIES:		
Accounts payable	\$ 786,132	\$ 673,116
Accounts payable to related companies	25,705	48,012
Exchanges payable	43,533	40,382
Customer advances and deposits	41,056	75,831
Accrued and other current liabilities	191,949	190,469
Accrued capital expenditures	152,954	87,622
Interest payable	56,584	78,933
Current maturities of long-term debt	47,245	47,068
Total current liabilities	<u>1,345,158</u>	<u>1,241,433</u>
LONG-TERM DEBT, less current maturities	6,211,980	5,870,106
LONG-TERM PRICE RISK MANAGEMENT LIABILITIES	78,117	46,479
DEFERRED INCOME TAXES	203,284	199,934
OTHER NON-CURRENT LIABILITIES	14,654	12,986
MINORITY INTERESTS	2,176,908	2,106,819
COMMITMENTS AND CONTINGENCIES		
Total liabilities	<u>10,030,101</u>	<u>9,477,757</u>
PARTNERS' CAPITAL (DEFICIT):		
General Partner	224	192
Limited Partners - Common Unitholders (222,829,956 units authorized, issued and outstanding at March 31, 2008 and December 31, 2007)	5,568	(4,628)
	<u>5,792</u>	<u>(4,436)</u>
Accumulated other comprehensive loss	(49,513)	(11,227)
Total partners' deficit	<u>(43,721)</u>	<u>(15,663)</u>
Total liabilities and partners' capital (deficit)	<u>\$ 9,986,380</u>	<u>\$ 9,462,094</u>

**ENERGY TRANSFER EQUITY, L.P. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**

(in thousands, except per unit and unit data)

	Three Months Ended	
	March 31, 2008	February 28, 2007
REVENUES:		
Natural gas operations	\$ 2,007,847	\$ 1,492,838
Retail propane	598,138	499,252
Other	33,260	70,390
Total revenues	<u>2,639,245</u>	<u>2,062,480</u>
COSTS AND EXPENSES:		
Cost of products sold, natural gas operations	1,577,268	1,138,709
Cost of products sold, retail propane	392,555	304,634
Cost of products sold, other	9,895	42,473
Operating expenses	178,970	133,809
Depreciation and amortization	61,883	48,415
Selling, general and administrative	50,745	42,589
Total costs and expenses	<u>2,271,316</u>	<u>1,710,629</u>
OPERATING INCOME	367,929	351,851
OTHER INCOME (EXPENSE):		
Interest expense, net of interest capitalized	(80,454)	(65,077)
Equity in earnings (losses) of affiliates	74	(514)
Loss on disposal of assets	(1,451)	(3,229)
Gains (losses) on non-hedged interest rate derivatives (Note 14)	(31,636)	-
Other income (expense), net	17,840	1,652
INCOME BEFORE INCOME TAX EXPENSE AND MINORITY INTERESTS	272,302	284,683
Income tax expense	5,144	2,576
INCOME BEFORE MINORITY INTERESTS	267,158	282,107
Minority interests	(140,453)	(134,751)
NET INCOME	126,705	147,356
GENERAL PARTNER'S INTEREST IN NET INCOME	392	467
LIMITED PARTNERS' INTEREST IN NET INCOME	<u>\$ 126,313</u>	<u>\$ 146,889</u>
BASIC NET INCOME PER LIMITED PARTNER UNIT	<u>\$ 0.57</u>	<u>\$ 0.67</u>
BASIC AVERAGE NUMBER OF UNITS OUTSTANDING	<u>222,829,956</u>	<u>217,821,530</u>
DILUTED NET INCOME PER LIMITED PARTNER UNIT	<u>\$ 0.57</u>	<u>\$ 0.67</u>
DILUTED AVERAGE NUMBER OF UNITS OUTSTANDING	<u>222,829,956</u>	<u>217,821,530</u>

The Partnership previously announced a change in its year-end from August 31 to December 31. The unaudited consolidated financial statements contained in this press release cover the three-month period ended March 31, 2008 and the three-month period ended February 28, 2007 (the three-month period of the previous fiscal year most nearly comparable to the three-month period ended March 31, 2008). The Partnership did not recast the financial data for the prior fiscal period because the financial reporting processes in place at that time included certain procedures that were completed only on a fiscal quarterly basis. The Partnership believes the information, data and indicated trends for the three-month period ended February 28, 2007 is comparable to what would have been reported for the three-month period ended March 31, 2007 if they had recast the prior period information. Such comparability is impacted primarily by weather, fluctuations in commodity prices, volumes of natural gas sold and transported, our hedging strategies and the use of financial instruments, trading activities, basis differences between market hubs and interest rates.

VOLUMES SOLD THROUGH ENERGY TRANSFER PARTNERS, L.P.:	Three Months Ended	
	March 31, 2008	February 28, 2007
Midstream		
Natural gas MMBtu/d – sold	1,236,396	819,611
NGLs Bbls/d – sold	27,794	15,901
Transportation and storage		
Natural gas MMBtu/d – transported	9,521,181	5,030,631
Natural gas MMBtu/d – sold	1,696,912	1,655,278
Interstate transportation		
Natural gas MMBtu/d – transported	1,619,358	1,728,056
Retail propane gallons (in thousands)	234,414	253,715

**ENERGY TRANSFER EQUITY, L.P. - PARENT COMPANY****DISTRIBUTABLE CASH**(Dollars in thousands, except per unit)  
(unaudited)

The following table presents the calculation and reconciliation of Distributable Cash of the Parent Company with respect to the following periods:

	Three Months Ended March 31, 2008	Three Months Ended February 28, 2007
	<u>                    </u>	<u>                    </u>
Distributable Cash:		
Cash distributions expected from Energy Transfer Partners, L.P. associated with:		
General partner interest:		
Standard distribution rights	\$ 3,979	\$ 3,374
Incentive distribution rights	67,797	54,345
Limited partner interest:		
62,500,797 common units	54,298	49,220
Total cash expected from Energy Transfer Partners, L.P.	<u>126,074</u>	<u>106,939</u>
Deduct expenses of the Parent Company on a stand-alone basis:		
General and administrative expenses	(2,849)	(3,464)
Interest expense, net of amortization of financing costs, interest income, and realized gains on interest rate derivatives	(23,902)	(23,211)
Distributable Cash	<u><u>\$ 99,323</u></u>	<u><u>\$ 80,264</u></u>
Cash distributions to be paid to the partners of Energy Transfer Equity, L.P.:		
Distribution per limited partner unit as of the end of the period	\$ 0.4400	\$ 0.3560
Distributions to be paid to public unitholders	41,765	33,791
Distributions to be paid to affiliates	56,280	45,536
Distributions to be paid to general partner	305	246
Total cash distributions to be paid by Energy Transfer Equity, L.P. to its limited and general partners	<u><u>\$ 98,350</u></u>	<u><u>\$ 79,573</u></u>
<i>Reconciliation of Non-GAAP "Distributable Cash" to GAAP "Net Income" and GAAP "Net cash provided by operating activities" for the Parent Company on a stand-alone basis:</i>		
Net income	\$ 126,705	\$ 147,356
<i>Adjustments to derive Distributable Cash:</i>		
Equity in income of unconsolidated affiliates	(185,472)	(174,790)
Quarterly distribution expected to be received from Energy Transfer Partners, L.P.	126,074	106,939
Amortization of financing costs	752	751
Other non-cash	13	8
Change in value of unrealized losses on interest rate derivatives that are not cash flow hedges	31,251	-
Distributable Cash	<u>99,323</u>	<u>80,264</u>
<i>Adjustments to Distributable Cash to derive Net Cash Provided by Operating Activities:</i>		
Quarterly distribution expected to be received from Energy Transfer Partners, L.P.	(126,074)	(106,939)
Cash distribution received from Energy Transfer Partners, L.P. during the periods presented	150,384	99,927
Net changes in other operating assets and liabilities	8,768	1,843
Net cash provided by (used in) operating activities for Parent Company on stand-alone basis	<u><u>\$ 132,401</u></u>	<u><u>\$ 75,095</u></u>

(1) For the three months ended March 31, 2008, cash distributions expected to be received from Energy Transfer Partners, L.P. consists of cash distributions in respect of the three months ended March 31, 2008 payable on May 15, 2008 to holders of record on the close of business on May 5, 2008. For the three months ended February 28, 2007, cash distributions expected to be received from Energy Transfer Partners, L.P. consists of cash distributions paid on April 13, 2007 for the three months ended February 28, 2007.

(2) For the three months ended March 31, 2008, cash distributions expected to be paid from Energy Transfer Equity, L.P. consists of cash distributions in respect of the three months ended March 31, 2008 payable on May 19, 2008 to holders of record on May 5, 2008. For the three months ended February 28, 2007, cash distributions expected to be paid from Energy Transfer Equity, L.P. consists of cash distributions paid on April 16, 2007 for the three months ended February 28, 2007.