

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

(in thousands, except unit data)

	<u>March 31,</u> <u>2009</u>	<u>December 31,</u> <u>2008</u>
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 106,438	\$ 92,023
Marketable securities	5,949	5,915
Accounts receivable, net of allowance for doubtful accounts	489,063	591,257
Accounts receivable from related companies	29,089	15,142
Inventories	144,607	272,348
Deposits paid to vendors	38,468	78,237
Exchanges receivable	23,900	45,209
Price risk management assets	3,170	5,423
Prepaid expenses and other	<u>57,304</u>	<u>75,441</u>
Total current assets	897,988	1,180,995
PROPERTY, PLANT AND EQUIPMENT, net	8,836,373	8,702,534
ADVANCES TO AND INVESTMENTS IN AFFILIATES	129,840	10,110
GOODWILL	764,538	773,283
INTANGIBLES AND OTHER LONG-TERM ASSETS, net	<u>408,548</u>	<u>402,980</u>
 Total assets	 <u>\$ 11,037,287</u>	 <u>\$ 11,069,902</u>

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(in thousands, except unit data)

	<u>March 31,</u> 2009	<u>December 31,</u> 2008
<u>LIABILITIES AND EQUITY</u>		
CURRENT LIABILITIES:		
Accounts payable	\$ 310,318	\$ 381,933
Accounts payable to related companies	18,224	34,495
Exchanges payable	28,152	54,636
Customer advances and deposits	55,699	106,679
Accrued wages and benefits	59,922	65,754
Accrued capital expenditures	84,908	153,230
Accrued and other current liabilities	113,792	108,454
Price risk management liabilities	100,389	142,432
Interest payable	90,006	115,487
Deferred income taxes	258	589
Current maturities of long-term debt	44,530	45,232
Total current liabilities	906,198	1,208,921
LONG-TERM DEBT, less current maturities	7,159,581	7,190,357
LONG-TERM PRICE RISK MANAGEMENT LIABILITIES	117,076	121,710
DEFERRED INCOME TAXES	202,072	194,871
OTHER NON-CURRENT LIABILITIES	14,540	14,727
COMMITMENTS AND CONTINGENCIES	8,399,467	8,730,586
EQUITY:		
Partners' Capital (Deficit):		
General Partner	319	155
Limited Partners:		
Common Unitholders (222,898,248 and 222,829,956 units authorized, issued and outstanding at March 31, 2009 and December 31, 2008, respectively)	37,291	(15,762)
Accumulated other comprehensive loss	(72,988)	(67,825)
Total partners' deficit	(35,378)	(83,432)
Noncontrolling interest	2,673,198	2,422,748
Total equity	2,637,820	2,339,316
Total liabilities and equity	\$ 11,037,287	\$ 11,069,902

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

(in thousands, except per unit and unit data)

	<u>Three Months Ended March 31,</u>	
	<u>2009</u>	<u>2008</u>
REVENUES:		
Natural gas operations	\$ 1,111,955	\$ 2,007,847
Retail propane	487,907	598,138
Other	30,112	33,260
Total revenues	<u>1,629,974</u>	<u>2,639,245</u>
COSTS AND EXPENSES:		
Cost of products sold, natural gas operations	732,113	1,577,268
Cost of products sold, retail propane	220,222	392,555
Cost of products sold, other	6,804	9,895
Operating expenses	181,773	178,970
Depreciation and amortization	75,659	61,883
Selling, general and administrative	57,305	50,745
Total costs and expenses	<u>1,273,876</u>	<u>2,271,316</u>
OPERATING INCOME	356,098	367,929
OTHER INCOME (EXPENSE):		
Interest expense, net of interest capitalized	(101,391)	(80,454)
Equity in earnings of affiliates	497	74
Loss on disposal of assets	(426)	(1,451)
Gains (losses) on non-hedged interest rate derivatives	10,051	(31,636)
Allowance for equity funds used during construction	20,427	9,888
Other, net	701	7,952
INCOME BEFORE INCOME TAX EXPENSE	285,957	272,302
Income tax expense	<u>6,207</u>	<u>5,144</u>
NET INCOME	279,750	267,158
LESS: NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTEREST	<u>128,214</u>	<u>140,453</u>
NET INCOME ATTRIBUTABLE TO PARTNERS	151,536	126,705
GENERAL PARTNER'S INTEREST IN NET INCOME	<u>469</u>	<u>392</u>
LIMITED PARTNERS' INTEREST IN NET INCOME	<u>\$ 151,067</u>	<u>\$ 126,313</u>
BASIC NET INCOME PER LIMITED PARTNER UNIT	<u>\$ 0.68</u>	<u>\$ 0.57</u>
BASIC AVERAGE NUMBER OF UNITS OUTSTANDING	<u>222,898,065</u>	<u>222,829,956</u>
DILUTED NET INCOME PER LIMITED PARTNER UNIT	<u>\$ 0.68</u>	<u>\$ 0.57</u>
DILUTED AVERAGE NUMBER OF UNITS OUTSTANDING	<u>222,898,065</u>	<u>222,829,956</u>

VOLUMES SOLD THROUGH ENERGY TRANSFER PARTNERS, L.P.:	Three Months Ended March 31,	
	2009	2008
Intrastate transportation and storage		
Natural gas MMBtu/d – transported	13,623,212	9,521,181
Natural gas MMBtu/d – sold	1,351,600	1,696,912
Interstate transportation		
Natural gas MMBtu/d – transported	1,747,560	1,619,358
Natural gas MMBtu/d – sold	20,600	11,084
Midstream		
Natural gas MMBtu/d – sold	1,091,391	1,236,396
NGLs Bbls/d – sold	40,218	32,124
Retail propane gallons (in thousands)	218,480	234,414

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:

	<u>Three Months Ended March 31,</u>	
	<u>2009</u>	<u>2008</u>
Distributable Cash:		
Cash distributions expected from Energy Transfer Partners, L.P. associated with:		
General partner interest (1):		
Standard distribution rights	\$ 4,860	\$ 3,979
Incentive distribution rights	84,146	67,797
Less: Expected General Partner contribution to ETP to maintain its 2% interest	(3,354)	-
Limited partner interest (1):		
62,500,797 Common units	55,860	54,298
Total cash expected from Energy Transfer Partners, L.P. (1)	<u>141,512</u>	<u>126,074</u>
Deduct expenses of the Parent Company on a stand-alone basis:		
General and administrative expenses	(1,902)	(2,849)
Interest expense, net of amortization of financing costs, interest income, and realized gains and losses on interest rate derivatives	(20,462)	(23,902)
Distributable Cash	<u>\$ 119,148</u>	<u>\$ 99,323</u>
Cash distributions to be paid to the partners of Energy Transfer Equity, L.P. (2):		
Distribution per limited partner unit as of the end of the period	\$ 0.5250	\$ 0.4400
Distributions to be paid to public unitholders	49,869	41,765
Distributions to be paid to affiliates	67,152	56,280
Distributions to be paid to general partner	363	305
Total cash distributions to be paid by Energy Transfer Equity, L.P. to its limited and general partners (2)	<u>\$ 117,384</u>	<u>\$ 98,350</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	\$ 151,536	\$ 126,705
<i>Adjustments to derive Distributable Cash:</i>		
Equity in income of unconsolidated affiliates	(176,593)	(185,472)
Quarterly distribution expected to be received from Energy Transfer Partners, L.P.	141,512	126,074
Amortization included in interest expense	2,742	752
Other non-cash	139	13
Unrealized gains and losses on non-hedged interest rate swaps	(188)	31,251
Distributable Cash	<u>119,148</u>	<u>99,323</u>
<i>Adjustments to Distributable Cash to derive Net Cash Provided by Operating Activities:</i>		
Quarterly distribution expected from Energy Transfer Partners, L.P.	(141,512)	(126,074)
Cash distribution received from Energy Transfer Partners, L.P. (3)	139,720	150,384
Net changes in operating assets and liabilities	(2,752)	8,768
Net cash provided by operating activities for Parent Company on a stand-alone basis	<u>\$ 114,604</u>	<u>\$ 132,401</u>

(1) For the three months ended March 31, 2009, 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, 2009 payable on May 15, 2009 to holders of record on the close of business on May 8, 2009. For the three months ended March 31, 2008, cash distributions received from Energy Transfer Partners, L.P. consists of cash distributions paid on May 15, 2008 for the three months ended March 31, 2008.

(2) For the three months ended March 31, 2009, 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, 2009 payable on May 19, 2009 to holders of record on May 8, 2009. For the three months ended March 31, 2008, cash distributions paid from Energy Transfer Equity, L.P. consists of cash distributions paid on May 19, 2008 for the three months ended March 31, 2008.

(3) Cash distributions received from Energy Transfer Partners, L.P. for the three months ended March 31, 2008 reflect a one-time distribution for the four-month transition period related to Energy Transfer Partners, L.P.'s change of its fiscal year from August 31 to December 31 during 2007.