

SUNOCO INC  
Form 425  
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Subject Company: Sunoco, Inc.

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Energy Transfer Partners, L.P.  
Presentation to Fixed Income Investors  
June 5, 2012  
Michael Doss  
Vice President -  
Finance

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Legal Disclaimer

**SAFE HARBOR FOR FORWARD-LOOKING STATEMENTS**

Statements in this document regarding the proposed transaction between Energy Transfer Partners, L.P. ( ETP ) and Sunoco, Inc. ( Sunoco ), the expected timetable for completing the proposed transaction, future financial and operating results, benefits and synergies of the proposed transaction, future opportunities for the combined company, and any other statements about ETP, Energy Transfer Equity, L.P. ( ETE ), Sunoco Logistics Partners, L.P. ( SXL ) or Sunoco managements future expectations, beliefs, goals, plans or prospects constitute forward looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Any statements that are not statements of historical fact (including statements containing the words believes, plans, anticipates, expects, estimates and similar expressions)

should also be considered to be forward looking statements. There are a number of important factors that could cause actual results or events to differ materially from those indicated by such forward looking statements, including: the ability to consummate the proposed transaction; the ability to obtain the requisite regulatory approvals, Sunoco shareholder approval and the satisfaction of other conditions to consummation of the transaction; the ability of ETP to successfully integrate Sunoco's operations and employees; the ability to realize anticipated synergies and cost savings; the potential impact of announcement of the transaction or consummation of the transaction on relationships, including with employee suppliers, customers and competitors; the ability to achieve revenue growth; national, international, regional and local economic, competitive and regulatory conditions and developments; technological developments; capital and credit markets conditions; inflation rates; interest rates; the political and economic stability of oil producing nations; energy markets, including changes in the price of certain commodities; weather conditions; environmental conditions; business and regulatory or legal decisions; the pace of deregulation of retail natural gas and electricity and certain agricultural products; the timing and success of business development efforts; terrorism; and the other factors described in the Annual Reports on Form 10-K for the year ended December 31, 2011 filed with the SEC by ETP, ETE, SXL and Sunoco. ETP, ETE, SXL and Sunoco disclaim any intention or obligation to update any forward looking statements as a result of developments occurring after the date of this document.

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ETP Overview

Energy Transfer Partners, L.P. ( ETP ) is one of the largest publicly traded MLPs

Adjusted EBITDA of \$1.74 billion in 2011 and \$536 million in Q1 2012

Equity  
market  
capitalization

of  
approximately  
\$9.8  
billion

1  
and  
an  
enterprise  
value  
of  
\$18.5  
billion  
1,2

More than \$17.4 billion of total assets

ETP has a diversified portfolio of strategically positions natural gas and NGL assets

Approximately 23,500 miles of intrastate and interstate natural gas pipelines, including JVs

74 Bcf of working natural gas storage capacity

More than 1,500 miles of NGL pipeline

NGL storage and fractionation facilities

ETP has transformed itself over the last eighteen months as we:

Entered  
the  
NGL  
business  
through  
our  
Lone  
Star  
joint  
venture  
and  
its  
acquisition  
of  
LDH  
Energy

Announced  
more  
than  
\$3.0  
billion

of  
organic  
growth  
opportunities  
with  
a  
focus  
on  
liquids-rich  
opportunities

Contributed our Propane business to AmeriGas

Closed the acquisition of Southern Union's 50% interest in Citrus (which owns FGT)

Announced the proposed acquisition of Sunoco, Inc. ( SUN )

Throughout  
this  
transformation,  
we  
have  
continued  
to  
demonstrate  
our  
commitment  
to  
investment  
grade  
ratings  
by:

Focusing on long-term, fee-based contracts

Significantly improving our business profile

Managing commodity exposure through the use of hedges

Applying cash proceeds from the Propane Contribution to reduce indebtedness

Issuing more than \$3.5 billion in equity over the past three years to fund growth

1  
As of June 1, 2012. Excludes the value of incentive distribution rights (IDRs) held by ETE.

2  
Includes net debt as of March 31, 2012

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Proposed Acquisition of SUN

ETP has announced the acquisition of 100% of SUN's outstanding common stock for \$5.3 billion

Creates a best in class  
natural gas, crude oil, NGLs and refined product logistics platform

Provides customers with a full suite of capabilities in key geographic locations



Diversifies ETP s existing assets into crude oil and refined products transportation, terminalling and logistics

Provides a growth engine for ETP through ownership of interests in Sunoco Logistics Partners L.P. ( SXL )

Dramatically  
expands  
scale,  
operational  
diversity  
and  
geographic  
footprint  
of  
SUN  
and  
SXL,  
enabling  
businesses  
to fully deliver on potential

Accretive to ETP cash flow while providing SUN shareholders increased value now and into the future

Key SUN and SXL management will remain and continue to run businesses

5  
Pro Forma Organizational Structure  
70%  
30%  
Energy Transfer Equity, L.P.  
(NYSE: ETE)  
Ownership  
in  
RGP

100%  
RGP  
IDRs  
1.6%  
General  
Partner  
Interest  
26.3mm  
LP  
units  
(15.4%  
of  
total)  
Ownership  
in  
ETP  
100%  
ETP  
IDRs  
1.5%  
General  
Partner  
Interest  
52.5mm  
LP  
units  
(22.9%  
of  
total)  
Ownership in SUG  
100% SUG Shares  
Regency  
Energy  
Partners  
LP  
(NYSE: RGP)  
Energy Transfer Partners, L.P.  
(NYSE: ETP)  
Southern Union Co.  
Gathering & Processing  
Joint Ventures  
Contract Treating  
Contract Compression  
Lone Star NGL  
Midstream  
NGL  
Intrastate Transportation & Storage  
Interstate Transportation  
SUGS  
Panhandle

Companies

LDCs

Ownership in SXL

100% SXL IDRs

2% GP Interest

32.4% LP Interest

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ETP Pro Forma Asset Overview  
Pipelines  
ETP  
SXL  
Processing  
Treating  
Pipelines  
Terminals  
Storage

Note: Excludes SUN's retail marketing locations

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Adjusted EBITDA in \$ millions.

Since Q4 2010, ETP has announced more than \$3.0 billion of organic growth projects and \$8.6 billion of strategic acquisitions

Adjusted EBITDA Expected to Grow

52%  
47%  
38%  
26%  
14%  
21%  
22%  
15%  
16%  
14%



21%

25%

18%

18%

13%

5%

4%

10%

20%

2009

2010

2011

2011

pro forma

Intrastate

Midstream

Interstate

Propane

NGL

Retail

Crude & Refined Products

Increasingly

Diversified

Sources

of

Cash

Flow

(1)

2011 ETP pro forma for contribution of propane to AmeriGas Partners, L.P. and Citrus acquisition.

Excludes distributions from AmeriGas Partners, L.P.

Consolidation of SXL assumed.

SUN acquisition will increase ETP's fee-based services provided to producers while balancing its sources of cash flows

Inventory of attractive NGL and crude oil projects at SXL augments ETP's growth projects and provides visibility to meaningful EBITDA growth

Pro forma combined 2012 growth capex of ~\$2.2 billion with the vast majority allocated to NGLs, midstream and crude oil projects

Retail business provides an additional stable segment to ETP's overall business mix

(1)

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ETP

Adjusted

EBITDA

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Robust Portfolio of Growth Projects

Project

Description

Capacity

Expected

Completion

Estimated Cost

(\$ mm)

Midstream

Dos Hermanas

Pipeline

50-mile, 24-inch pipeline originating in northwest Webb County and extending to ETP's existing Houston Pipeline rich gas gathering system in eastern Webb County

400 MMcf/d

In-service

Q4 2010

\$43

Chisholm Pipeline

83 mile, 20-inch pipeline extending from DeWitt County to ETP's La Grange Processing Plant in Fayette County

100 MMcf/d, expandable

to 300 MMcf/d

In-service

Q2 2011

\$68

REM Phase I

160-mile, 30-inch pipeline originating in Dimmitt County and extending to the Chisholm Pipeline for ultimate delivery to ETP's processing plants

400 MMcf/d, expandable to

800 MMcf/d

In-service

Q4 2011

\$230

Chisholm Plant

Natural gas processing plant located adjacent to ETP's existing La Grange Plant in Fayette County

120 MMcf/d

Q1 2012

\$70

REM Phase II

70 mile, 42-inch pipeline expansion, which will extend from the Chisholm Pipeline in DeWitt County east into Jackson County

800 MMcf/d

Q4 2012

\$170

400 MMcf/d, Phase I

Q1 2013

\$400

200 MMcf/d, Phase II

Q1 2014

200 MMcf/d, Phase III

Q1 2014

Red River Gathering

Pipeline & Godley

117-mile, 24- and 30-inch pipeline from Carter County, Oklahoma to ETP's Godley Plant in Johnson County, Texas

450 MMcf/d, expandable to

550 MMcf/d

Q4 2012

\$360

Godley Plant

Expansion

Cryogenic processing plant to be constructed at the Godley processing facility in Johnson County, Texas

200 MMcf/d

Q3 2013

Karnes County

Processing Plant

Natural gas processing plant located in Karnes County

200 MMcf/d

Q4 2012

\$210

REM Expansion

37 miles, 30-inch pipeline expansion

-

Q4 2013

Sub-total

\$1,551

NGL (ETP)

Freedom Pipeline

43-mile, 8-inch NGL pipeline connecting the Liberty pipeline to ETP's La Grange & Chisholm plants

40 Mbpd

In-service

Q3 2011

\$30

Liberty Pipeline

93-mile, 12-inch NGL pipeline owned through a 50/50 JV with Copano. Connects the Freedom pipeline to the Formosa plant

90 Mbpd

In-service

Q3 2011

\$26

Justice Pipeline

130-mile, 20-inch NGL pipeline from the Jackson Plant to Mont Belvieu

340 Mpbpd

Q3 2012

\$300

Sub-total

\$356

NGL (70% interest in Lone Star)

West Texas Gateway

570-mile NGL pipeline originating in Winkler County and terminating in Jackson County

200 Mbpd

Q1 2013

\$642

Frac I

Mont Belvieu NGL fractionator

100 Mbpd

Q1 2013

\$273

Frac II

Mont Belvieu NGL fractionator

100 Mbpd

Q1 2014

\$245

Sub-total

\$1,160

Total announced ETP growth projects since Q4 2010 (including 70% of Lone Star)

\$3,067

Jackson Plant

Natural gas processing plant located in Jackson County

Eagle Ford Shale Projects  
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West Texas Gateway Project  
(NGL) Pipeline  
Lone Star Projects (70% ETP)

Approximately 570 miles of 16-inch pipe  
with an initial capacity of 200,000 Bbl/d

Originating in Winkler County and  
terminating in Jackson County, Texas



Lone Star has secured capacity through  
ETP's Justice NGL pipeline from  
Jackson County to Mont Belvieu

Expected in-service Q1 2013  
Mont Belvieu Fractionator I & II

Two 100,000 Bbl/d NGL fractionators to  
be constructed at Mont Belvieu  
A substantial amount of the fractionation  
capacity will be utilized for NGLs from  
ETP's Justice Pipeline

Expected in-service:  
Frac I -  
Q1 2013  
Frac II -  
Q1 2014

Freedom Pipeline  
NGL Pipeline Projects (100% ETP)  
12

43 mile 8-inch NGL pipeline

40,000 Bbl/d design capacity

In-service September 2011  
Liberty Pipeline

93 mile 12-inch NGL pipeline

90,000 Bbl/d design capacity

50/50 JV with Copano

In-service September 2011  
Justice Pipeline

130 mile 20-inch NGL pipeline

340,000 Bbl/d design capacity

Expected in-service Q3 2012

Citrus Overview (50% ETP)

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Florida Gas Transmission System Map

Florida Gas Transmission ( FGT ) is 100% owned by Citrus Corp. ( Citrus ),

Owned 50% by ETP and 50% by El Paso Corp., which was recently acquired by Kinder Morgan, Inc.

Approximately 5,400 miles of pipe and mainline system capacity of 3.1 Bcf/d

Delivered ~63% of the natural gas consumed in Florida in 2010

Largely demand driven with 30,000+ MW of gas-fired generation connected to FGT

Over 240 delivery points and 50 interconnects with interstate and intrastate pipelines

Gulfstream is currently the only competitor for gas supply into Florida, with 1.26 Bcf/d capacity

2011 revenue and EBITDA were \$694 million and \$531 million, respectively

FGT Phase VIII Expansion

Phase VIII, an 820,000 MMBtu/d expansion from Mississippi to South / Central Florida, was placed in service on April 1, 2011 with a total project cost of \$2.5 billion

Expansion capacity is currently 78% contracted on a firm basis for a tenure of up to 25 years

Overview

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Managed Commodity Exposure

Intrastate Segment

We manage our open transportation capacity (approximately 1.0 Bcf/d) between points across Texas through the use of buy/sale transactions and commodity derivatives

100% of net retained fuel volumes (approximately 60 MMcf/d) hedged at an average price of \$3.78/MMBtu in 2012 and \$3.72/MMBtu in 2013

As of March 31st, we had 54 Bcf in the ground managed for our own account that we now expect to withdraw in late 2012 / early 2013 at average spreads of \$0.95/MMBtu.

Midstream Segment

Approximately 16,700 Bbl/d of equity NGL volumes

Interstate Segment

Nearly all revenues are demand charges

Minimal direct exposure to natural gas prices

NGL Segment

Nearly all gross margin is fee-based

Lone Star (of which we own 70%) has approximately 3,500 Bbl/d equity NGL volumes

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Balanced Approach To Funding Growth

49%

24%

63%

34%

60%

76%

63%

53%



54%  
51%  
76%  
37%  
66%  
40%  
24%  
37%  
47%  
46%  
FY 2005  
FY 2006  
16 Mo.  
Ended  
12/31/07  
2008  
2009  
2010  
2011  
2012E  
Cumulative  
Equity + Excess Cash Flow  
Debt  
Total Capital  
Deployed  
1  
(\$  
mm):  
\$1,292  
\$1,204  
\$3,062  
\$1,896  
\$1,328  
\$834  
\$3,428  
\$18,511  
2  
3  
\$5,468  
1  
2  
3  
ETP  
changed  
from  
a  
fiscal  
year  
end  
of

August  
31  
to  
a  
calendar  
year  
end  
at  
the  
end  
of  
2007.  
st

Excludes capital contributions to joint ventures other than Lone Star. Includes cash paid for acquisitions and proceeds from the  
Equity includes net proceeds from issuance of common units plus capital contributions from general partner, capital contributions  
common units issued in connection with acquisitions. Excess Cash Flow includes net cash provided by operating activities less  
distributions paid plus proceeds from sale of assets and discontinued operations.

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Debt Capitalization  
(\$ million)  
3/31/2012  
12/31/2011  
Revolving Credit Facility (\$2,500)  
190  
\$  
314  
\$

Senior Notes:

5.65%

due 2012

108

400

6.00%

due 2013

350

350

8.50%

due 2014

292

350

5.95%

due 2015

750

750

6.13%

due 2017

400

400

6.70%

due 2018

600

600

9.70%

due 2019

400

600

9.00%

due 2019

450

650

4.65%

due 2021  
800

800

5.20%  
due 2022  
1,000

-

6.63%  
due 2036  
400

400

7.50%  
due 2038  
550

550

6.05%  
due 2041  
700

700

6.50%  
due 2042  
1,000

-

Total Senior Notes  
7,800

6,550

Other Long-Term Debt:  
Transwestern Senior Notes  
870

870

Other  
1

82

Total Other Long-Term Debt  
871

952

Total Debt  
8,861  
\$  
7,816  
\$

17  
Ratings Summary  
Moody's  
S&P  
Fitch  
Rating  
Outlook  
Rating  
Outlook  
Rating

Outlook

ETP

Senior Unsecured

Baa3

Negative

BBB-

Stable

BBB-

Negative

SUN

Senior Unsecured

Ba2

Developing

BB+

CW Positive

BB+

Stable

SXL

Senior Unsecured

Baa2

Review Down

BBB

Negative

BBB

Stable



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ETP is one of the largest publicly traded MLPs with an equity market capitalization of approximately \$9.8 billion<sup>1</sup> and an enterprise value of \$18.5 billion<sup>1,2</sup>

Owns and operates more than 23,500 miles of intrastate and interstate pipelines and 1,500 miles of NGL pipeline

Connects prolific natural gas producing areas with multiple end markets

Key Considerations

Large

Diversified

Asset Base

Strong

Balance Sheet

Stable Asset

Base & Cash

Flow Profile

Well

Managed

Growth

Profile

Committed to maintaining a strong balance sheet and investment credit grade metrics

Track record of maintaining a strong liquidity position

Proven ability to raise equity including more than \$3.5 billion in net proceeds from equity offerings over the past three years

Significant fee-based operating income and long-lived assets

High-quality customer base with strong credit profile

Hedge positions provide for further cash flow stability in commodity price sensitive areas

Low-risk, high-return projects supported by long-term customer contracts

Demonstrated ability to construct and place into service pipelines on-time / on-budget

Balanced approach to funding

1  
As of June 1, 2012. Excludes the value of incentive distribution rights (IDRs) held by ETE.

2  
Includes net debt as of March 31, 2012

19  
Adjusted EBITDA Reconciliation (ETP)  
Years Ended December 31,  
(\$ millions)  
2008  
2009  
2010  
2011  
Net income  
866.0

\$  
791.5  
\$  
617.2  
\$  
697.2  
\$  
Interest expense, net of interest capitalized  
265.7  
  
394.3  
  
412.6  
  
474.1  
  
Income tax expense  
6.7  
  
12.8  
  
15.5  
  
18.8  
  
Depreciation and amortization  
262.2  
  
312.8  
  
343.0  
  
430.9  
  
Non-cash compensation expense  
23.5  
  
24.0  
  
27.2  
  
37.5  
  
(Gains) losses on disposals of assets  
1.3  
  
1.6  
  
5.0

3.2

Gains on non-hedged interest rate derivatives

51.0

(39.2)

(4.6)

77.4

Unrealized (gains) losses on commodity risk management activities

(35.5)

(30.0)

78.3

11.4

Goodwill impairment loss

11.4

-

-

-

Impairment of investment in affiliate

-

-

52.6

5.4

Proportionate share of unconsolidated affiliates' interest, depreciation  
and allowance for equity funds used during construction

-

22.3

22.5

30.0

Adjusted EBITDA attributable to non-controlling interest

-

-

-

(37.8)

Other, net (includes allowance for equity funds used during construction)  
(73.3)

(12.7)

(28.5)

(5.4)

Adjusted EBITDA

1,378.9

\$

1,477.4

\$

1,540.9

\$

1,742.6

\$

Adjusted EBITDA is a non-GAAP financial measure. Management believes Adjusted EBITDA provides useful information to companies, including companies that may have different financing and capital structures. The presentation of Adjusted EBITDA in a manner similar to the methods used by management and provides additional insight to our operating results.

There are material limitations to using measures such as Adjusted EBITDA, including the difficulty associated with using it as a company to another, and the inability to analyze certain significant items that directly affect a company's net income or loss. Adjusted EBITDA may not be consistent with similarly titled measures of other companies and should be viewed in conjunction with measures prepared in accordance with GAAP, such as gross margin, operating income, net income, and cash flow from operating activities.

Definition of Adjusted EBITDA

ETP defines Adjusted EBITDA as total partnership earnings before interest, taxes, depreciation, amortization, and other non-current assets, gains and losses on disposals of assets, the allowance for equity funds used during construction, unrealized gains and losses on commodity risk management, impairment charges, and other non-operating income or expense items. Unrealized gains and losses on commodity risk management on commodity derivatives and inventory fair value adjustments (excluding lower of cost or market adjustments).