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Targa Resources Corp. (NYSE:TRGP)

Investor Presentation

March 2015

Forward Looking Statements

Certain statements in this presentation are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than statements of historical facts, included in this presentation that address activities, events or developments that Targa Resources Partners LP (NYSE: NGLS; “TRP” or the “Partnership”) or Targa Resources Corp. (NYSE: TRGP; “TRC” or the “Company”) (together “Targa”) expect, believe or anticipate will or may occur in the future are forward-looking statements. These forward-looking statements rely on a number of assumptions concerning future events and are subject to a number of uncertainties, factors and risks, many of which are outside the Partnership’s and the Company’s control, which could cause results to differ materially from those expected by management of Targa Resources Partners LP and Targa Resources Corp. Such risks and uncertainties include, but are not limited to, weather, political, economic and market conditions, including declines in the production of natural gas or in the price and market demand for natural gas and natural gas liquids, the timing and success of business development efforts, the credit risk of customers and other uncertainties. These and other applicable uncertainties, factors and risks are described more fully in the Partnership's and the Company’s Annual Reports on Form 10-K for the year ended December 31, 2014 and other reports filed with the Securities and Exchange Commission. The Partnership and the Company undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

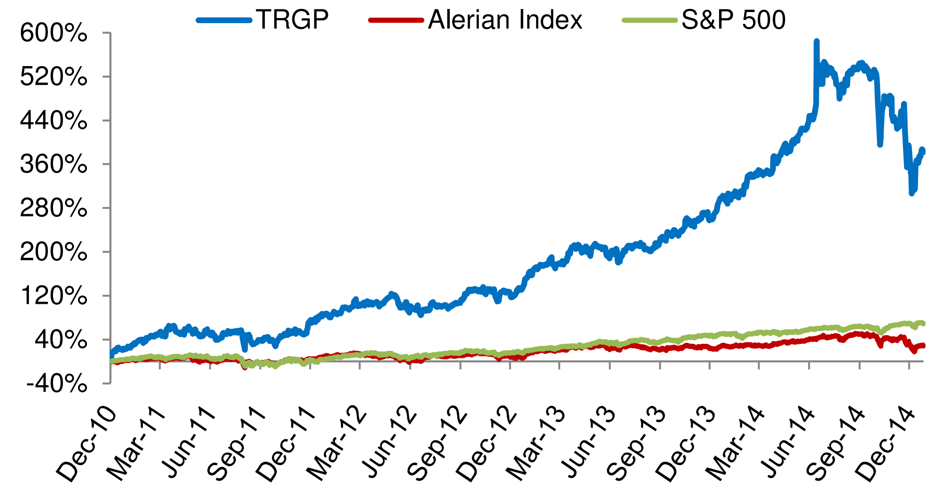
Targa Resources Corp.

Targa Resources Corp. (NYSE: TRGP; “TRC” or the “Company”)

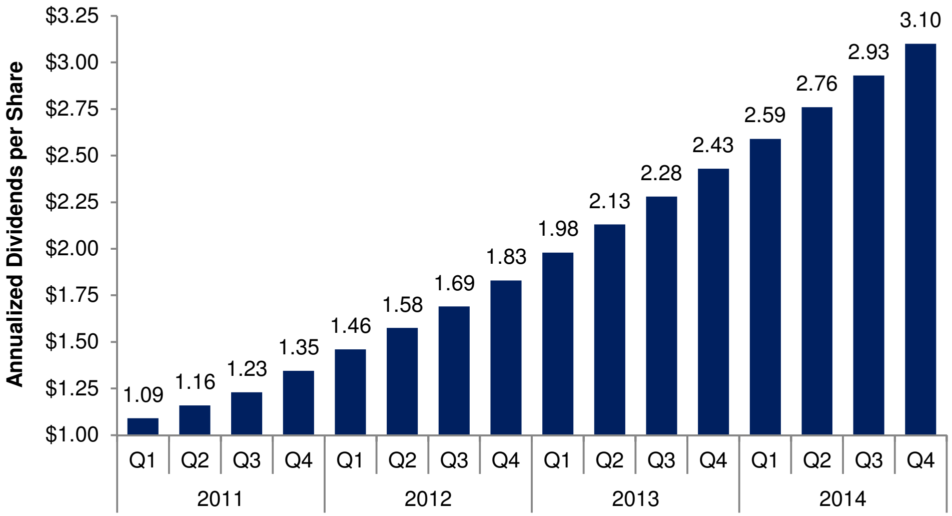
- IPO December 2010
- C-Corp
- General Partner of NGLS

Market Cap:	$5.2 billion
Enterprise Value:	$5.9 billion
Share Price:	$94.41
Yield:	3.3%
Current Annualized Dividend:	$3.10
Sequential / YoY Growth:	6% / 29%

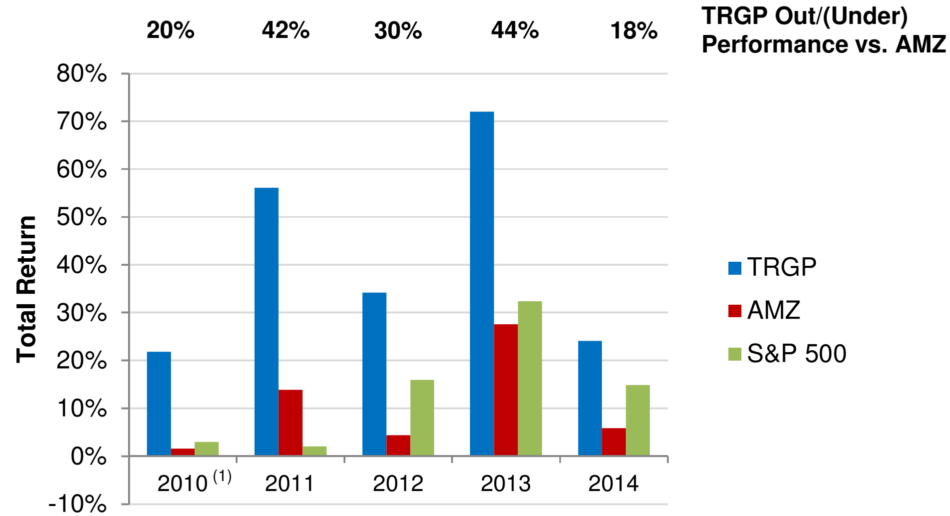
Annual Total Return Since IPO



Dividends



Annual Total Return Since IPO



Note: Market Cap pro forma for Offering, Unit/Share Price and Yield as of March 11, 2015. Enterprise Value calculated using pro forma Market Cap and pro forma balance sheet data as of December 31, 2014

Investment Highlights

Leading Asset Position

- 2nd largest Permian G&P position across premier acreage
- 2nd largest fractionation presence in Mont Belvieu
- 2nd largest LPG export presence on U.S. Gulf Coast
- Mont Belvieu / Galena Park footprint not easily replicated

Diversified Business Mix

- ~65-70% of 2015E margin from fee-based operations
- 2015E margin split 50% / 50% between G&P and Downstream
- Organic growth capex split 50% / 50% between G&P and Downstream over last 3 years

Demonstrated Track Record

- Over $2 billion of quality organic growth capex since 2012
- Placed $1 billion of projects in-service in both 2013 and 2014
- Over $8 billion of third party acquisitions since 2012
- Top tier dividend and distribution growth

TRP Positioned for Long-Term Growth

- Growth capex in 2015 may range from ~$800 million to ~$1 billion
- Significant additional projects under development
- Well positioned financially, with 3.5x Pro Forma Debt/2014 EBITDA
- Well positioned, diversified asset base, with long-term fundamentals attractive for continued growth opportunities

TRC Positioned for Top Tier Growth

- Significant income tax benefit from Atlas Transaction (10-15% 2015E cash tax rate)
- Increased IDR cash flow going forward from additional TRP units outstanding
- Built-in growth from roll-off of IDR giveback
- Expect continued top tier dividend growth in 2015

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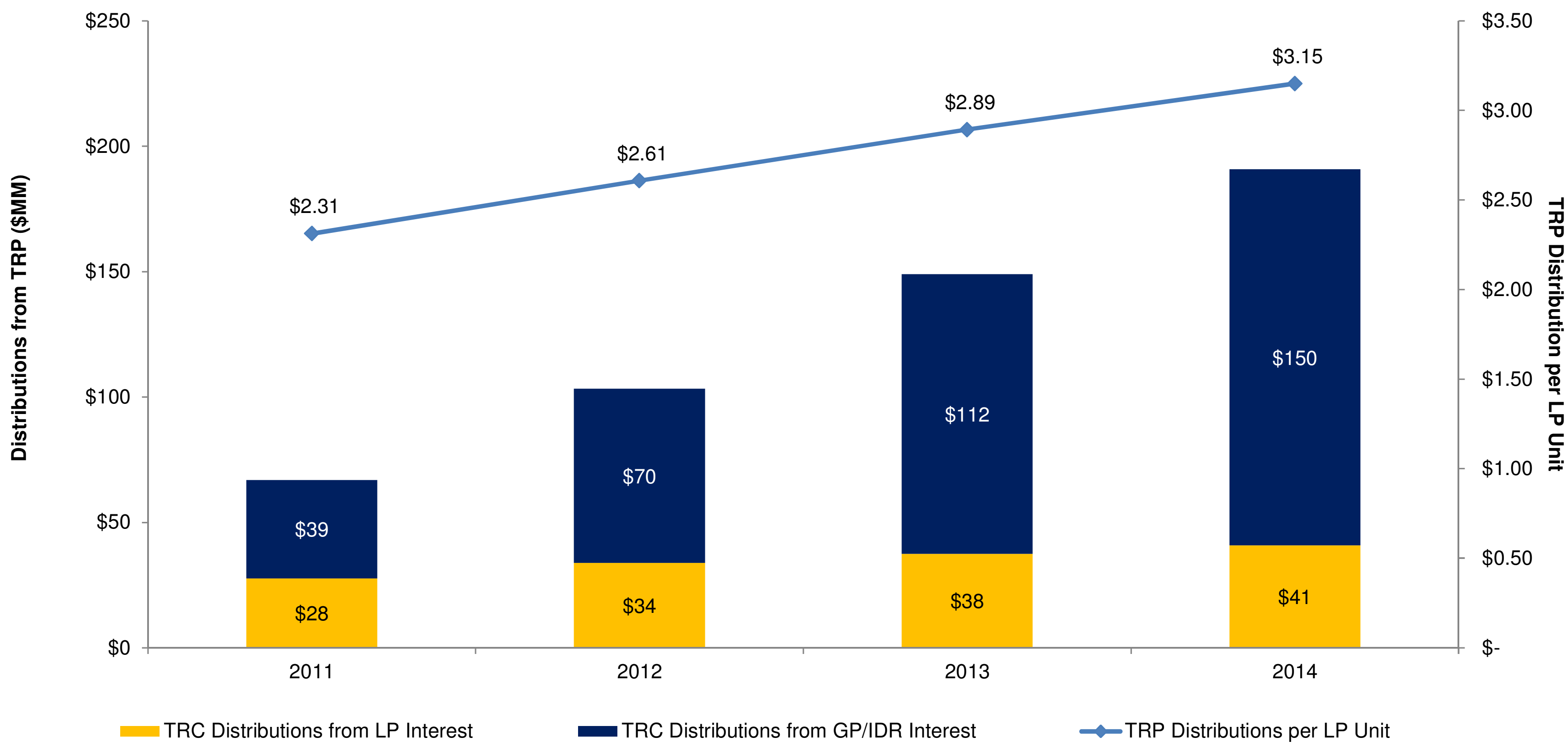
Strong Track Record of Cash Flow / Dividend Growth

- **Since IPO, TRC has been in the "high splits" of the IDR tiers, meaning combined with the GP interest, 50%(1) of all cash distributed in a quarter by TRP goes to TRC after TRP has distributed $0.50625 ($2.03 annualized) in respect of each LP unit outstanding for that quarter**
- **Cash distributions received from TRP have grown significantly since IPO, driven by GP/IDR growth and LP unit distribution growth**
  - Resulting in strong dividend growth at TRGP averaging 32% per year over last four years

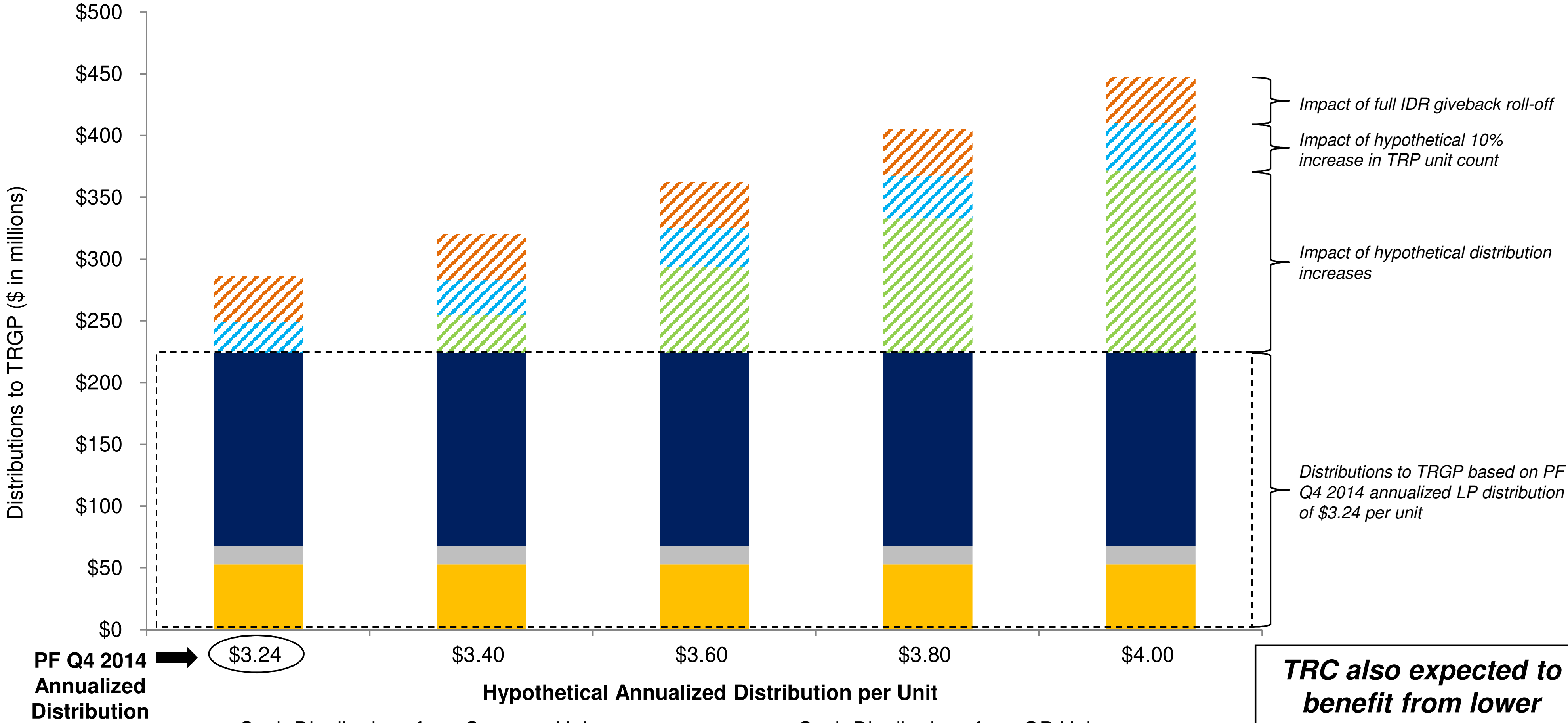
TRC – Distributions Received from TRP



(1) *Assuming TRC maintains its GP interest at 2%*

TRC Cash Flow Growth Drivers

Growth in cash distributions received ultimately drives TRGP dividend growth



TRC also expected to benefit from lower estimated effective cash tax rate for 2015 of 10-15% compared to 23% for 2014

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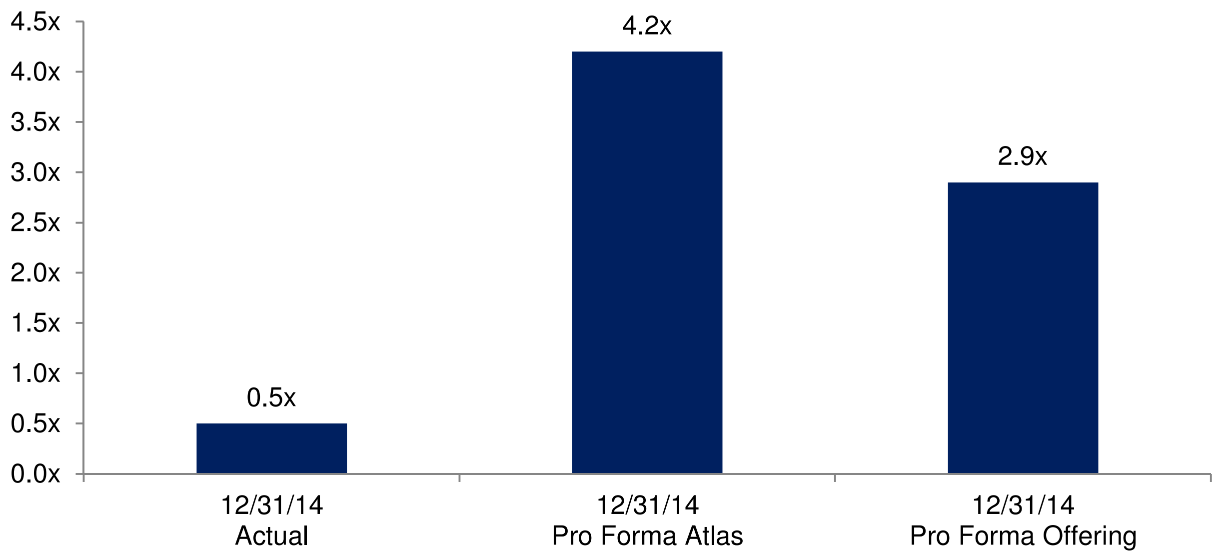
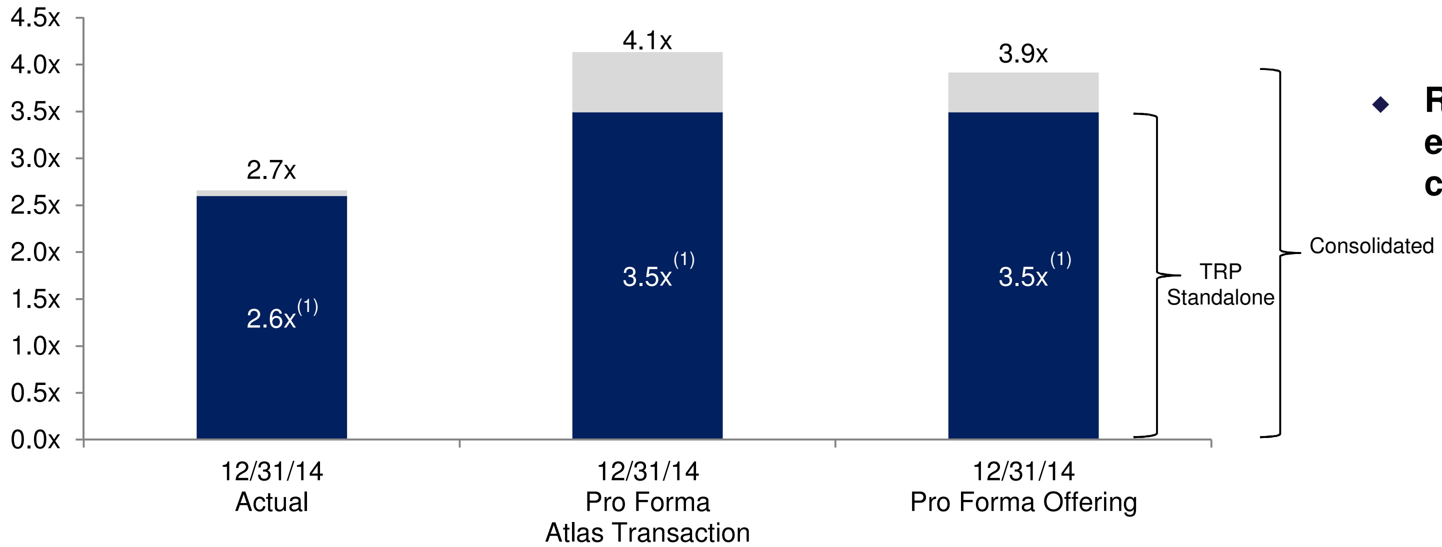
Note: See page 28 for reconciliation of pro forma Q4 2014 TRP distributions

Offering Enhances Strong Credit Profile

TRC – Standalone Leverage[1]



Targa – Consolidated Leverage

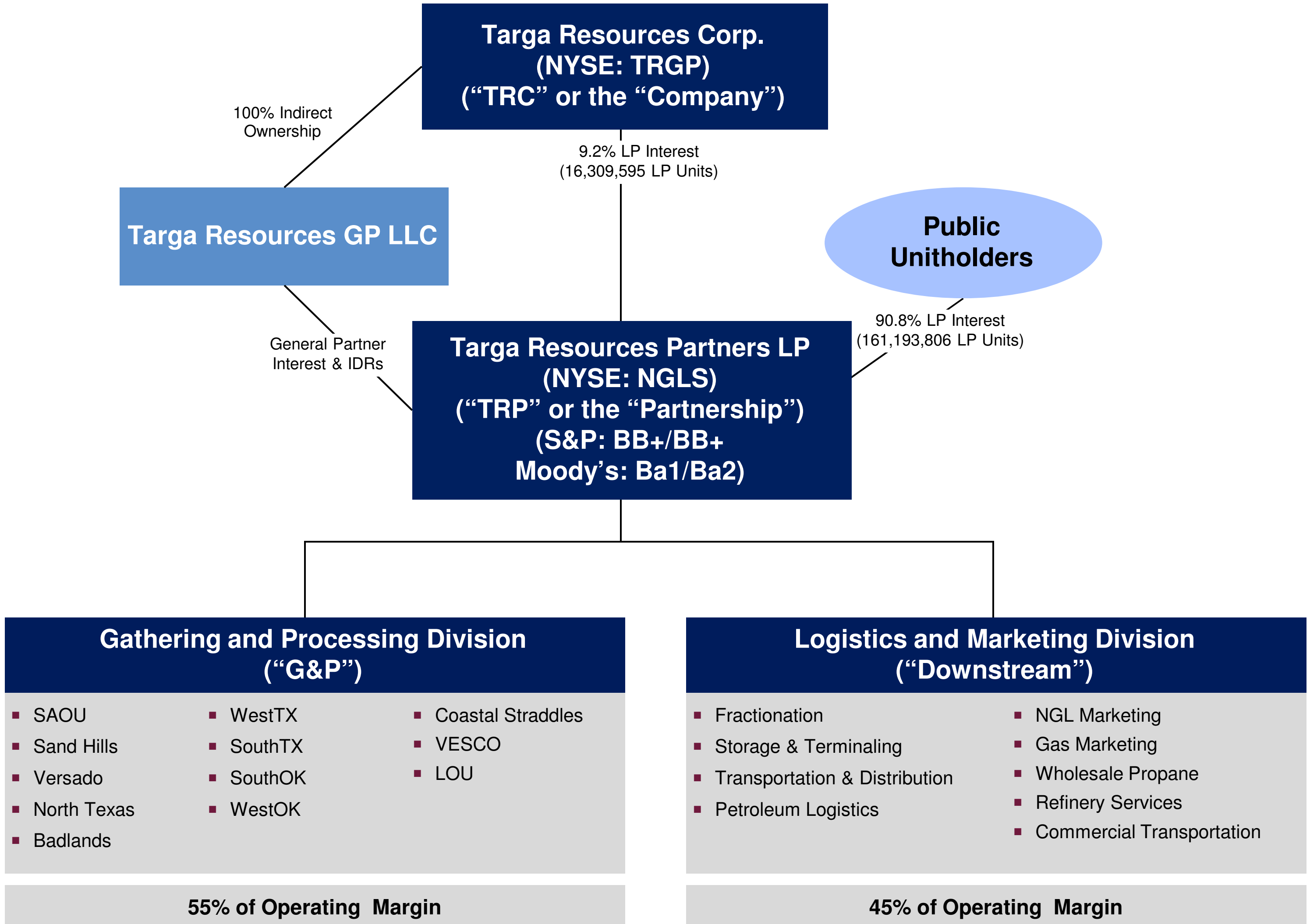


- **TRC will use Offering proceeds to repay Term Loan B / revolver borrowings and maintain 2% GP interest**
- **Reduction in leverage at TRC enhances total Targa family credit profile**

(1) *Based on compliance Debt/EBITDA calculations*

Appendix

Targa Current Corporate Structure



Note: Pro forma for Atlas merger

- *TRC has 55,522,462 common shares outstanding pro forma for the Offering (excludes exercise of overallotment option)*
- *TRP ownership as of March 10, 2015; operating margin pro forma as of December 31, 2014. Field segment includes "Other" Operating Margin*

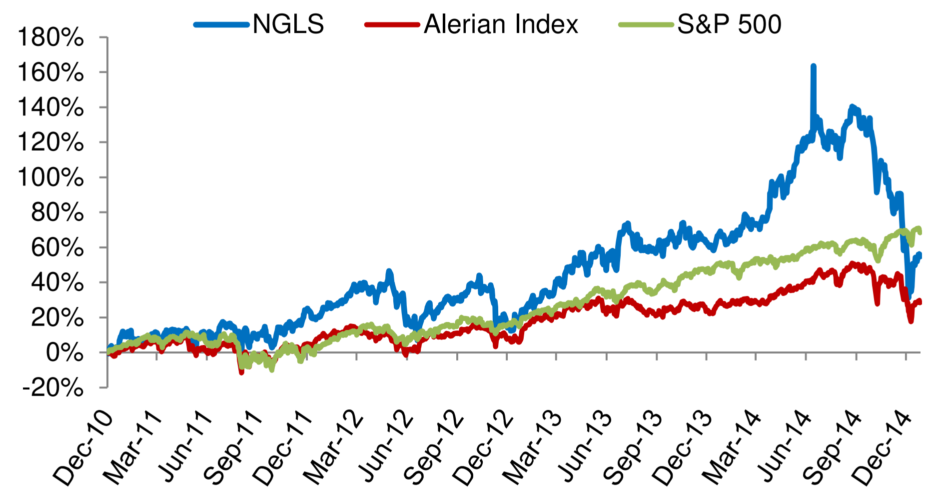
Targa Resources Partners

Targa Resources Partners LP (NYSE: NGLS; "TRP" or the "Partnership")

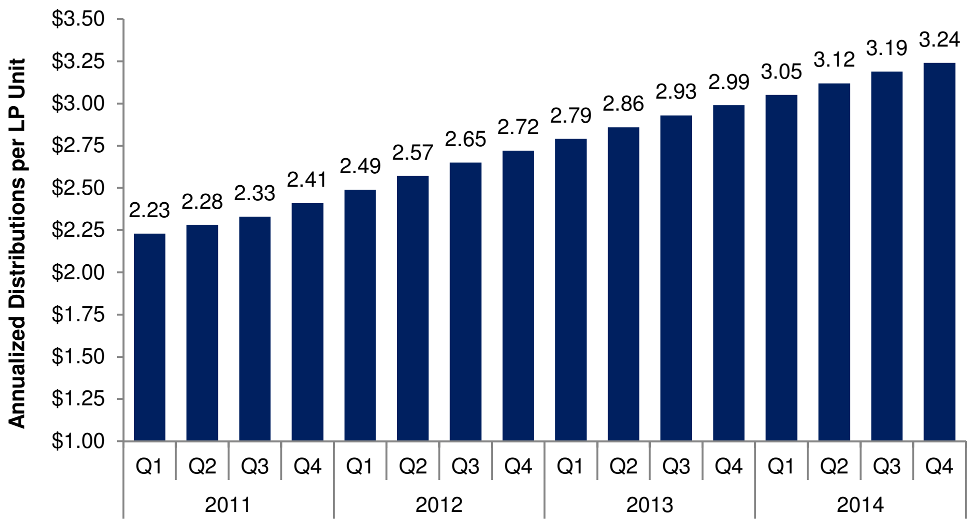
- IPO February 2007
- MLP
- Owner/Operator of all assets

Market Cap:	$7.2 billion
Enterprise Value:	$12.5 billion
Unit Price:	$40.49
Yield:	8.0%
Current Annualized Distribution:	$3.24
Sequential / YoY Growth:	2% / 9%

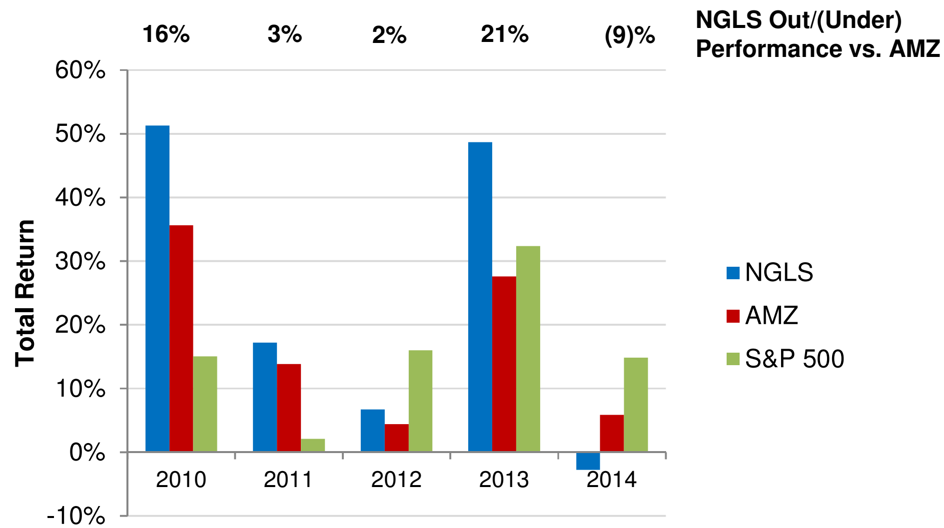
Annual Total Return Since 2010



Distributions



Annual Total Return Since 2010



Note: Market Cap, Unit/Share Price and Yield as of March 11, 2015. Enterprise Value calculated using current Market Cap as of March 11, 2015 and pro forma balance sheet data as of December 31, 2014

TRP Capitalization

($ millions)

Cash and Debt	Maturity	Coupon	Actual 12/31/2014	APL Acquisition Adjustments[1]	Pro Forma 12/31/2014	Offering Adjustments[2]	Pro Forma 12/31/2014
Cash and Cash Equivalents			$72.3	$9.6	$81.9		$81.9
Accounts Receivable Securitization	Dec-15		182.8		182.8		182.8
Revolving Credit Facility	Oct-17		–	748.9	748.9	(53.0)	695.9
Total Senior Secured Debt			**182.8**		**931.7**		**878.7**
Senior Notes	Feb-21	6.875%	483.6		483.6		483.6
Senior Notes	Aug-22	6.375%	300.0		300.0		300.0
Senior Notes	May-23	5.250%	600.0		600.0		600.0
Senior Notes	Nov-23	4.250%	625.0		625.0		625.0
Senior Notes	Nov-19	4.125%	800.0		800.0		800.0
New Senior Notes	Feb-18	5.000%	–	1,100.0	1,100.0		1,100.0
APL Senior Notes	Oct-20	6.625%	–	355.8	355.8		355.8
APL Senior Notes	Aug-23	5.875%	–	48.1	48.1		48.1
APL Senior Notes	Nov-21	4.750%	–	6.5	6.5		6.5
Unamortized Discounts			(25.2)		(25.2)		(25.2)
Total Consolidated Debt			**$2,966.2**		**$5,225.5**		**$5,172.5**
Reported Leverage Ratio			3.1x		4.3x		4.3x
Compliance Leverage Ratio[3]			2.6x		3.5x		3.5x
Liquidity:							
Credit Facility Commitment			$1,200.0	$400.0	$1,600.0		$1,600.0
Funded Borrowings			–	(748.9)	(748.9)	53.0	(695.9)
Letters of Credit			(44.1)		(44.1)		(44.1)
Total Revolver Availability			**$1,155.9**		**$807.0**		**$860.0**
Cash			72.3		81.9		81.9
Total Liquidity			**$1,228.2**		**$888.9**		**$941.9**

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(1) Includes adjustments for $1.1 billion TRP senior notes offering to fund cash tender for senior notes of Targa Pipeline Partners, L.P. (legacy Atlas Pipeline Partners, L.P.)
(2) Based on estimated capital contribution from TRGP to maintain its 2% general partnership interest
(3) Adjusts EBITDA to provide credit for material capital projects that are in process, but have not started commercial operation, and other items; compliance debt excludes senior notes of Targa Pipeline Partners, L.P. (legacy Atlas Pipeline Partners, L.P.)

TRC Capitalization

Capitalization	Maturity	Actual 12/31/2014	*ATLS Acquisition*	Pro Forma 12/31/2014	*Offering Adjustments*	Pro Forma 12/31/2014
Cash and Cash Equivalents	--	$8.7	*$16.8*	$25.5		$25.5
Senior Secured Revolver ($150 MM)	Oct-17	$102.0	*($102.0)*	–		–
New Senior Secured Revolver ($670 MM)	5 yrs	--	*450.1*	450.1	*(9.3)*	440.8
New Term Loan B	7 yrs	--	*430.0*	430.0	*(230.0)*	200.0
Total TRC Debt		**$102.0**		**$880.1**		**$640.8**
LQA Standalone EBITDA		$195.9	*$9.4* [1]	$205.3	*$8.4*	$213.7
Total Compliance Leverage [2]		0.5x		4.2x		2.9x
Liquidity						
Credit Facility Commitment		$150.0	*$520.0*	$670.0		$670.0
Funded Borrowings		(102.0)	*(348.1)*	(450.1)	*9.3*	(440.8)
Total Revolver Availability		**$48.0**		**$219.9**		**$229.2**
Cash		$8.7	*$16.8*	$25.5		$25.5
Liquidity		**$56.7**		**$245.4**		**$254.7**

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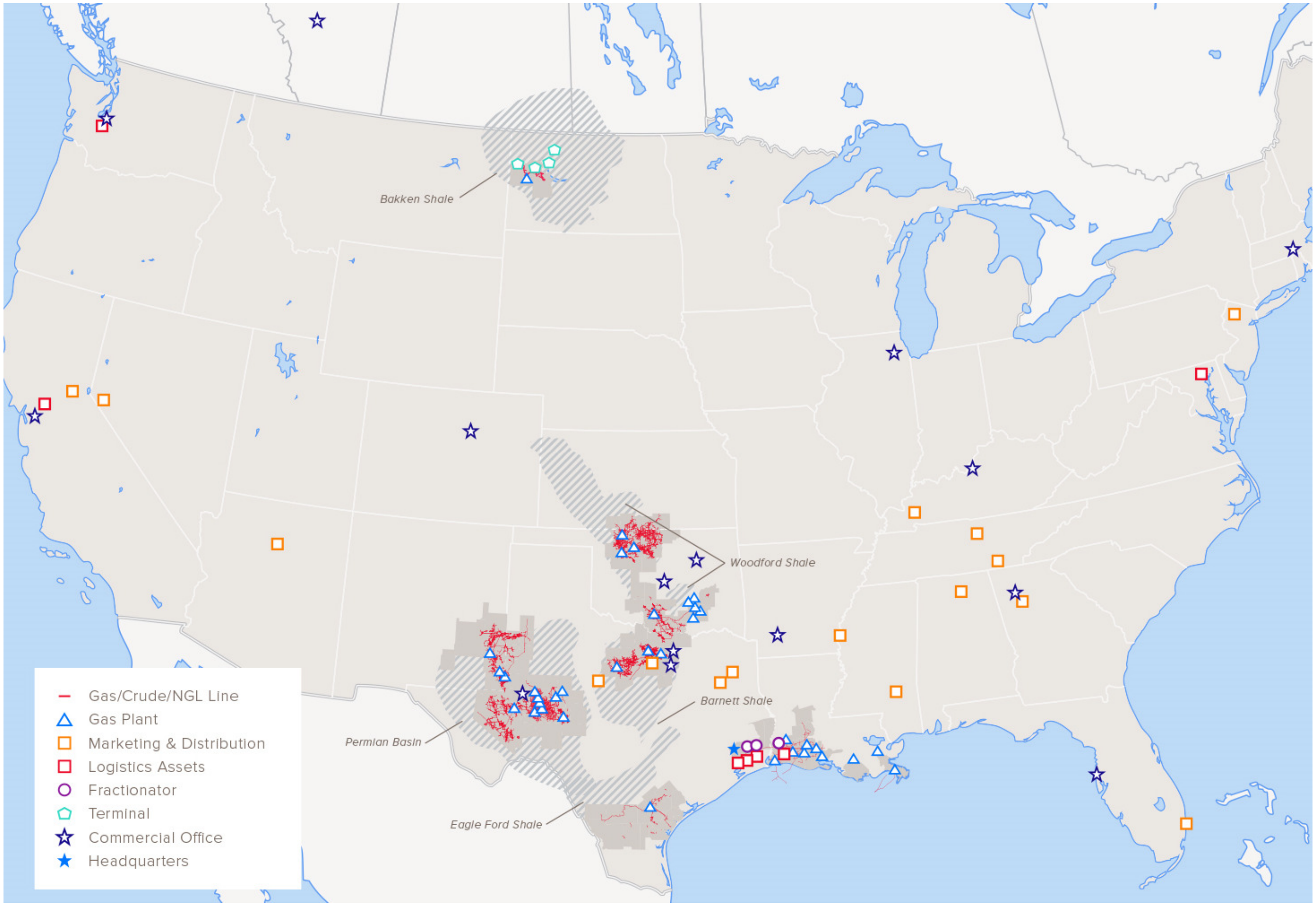
(1) Based on Q4 2014 annualized distribution per LP unit of $3.24, pro forma for the acquisition
(2) Compliance leverage, pro forma for the acquisition, deducts cash and cash equivalents from debt

Targa's Diversified Midstream Platform



- Well positioned in U.S. shale / resource plays
- Leadership position at Mont Belvieu
- Increasing scale, diversity and fee-based margin
- Over $1 billion of projects in service in 2013 and ~$1 billion in 2014
- Additional projects under development
- Strong financial profile
- Strong track record of distribution and dividend growth
- Experienced management team

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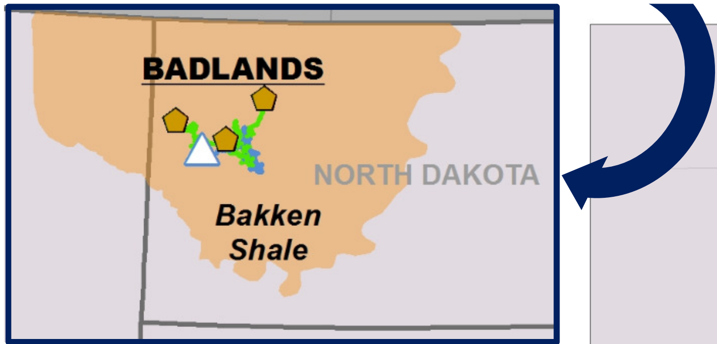
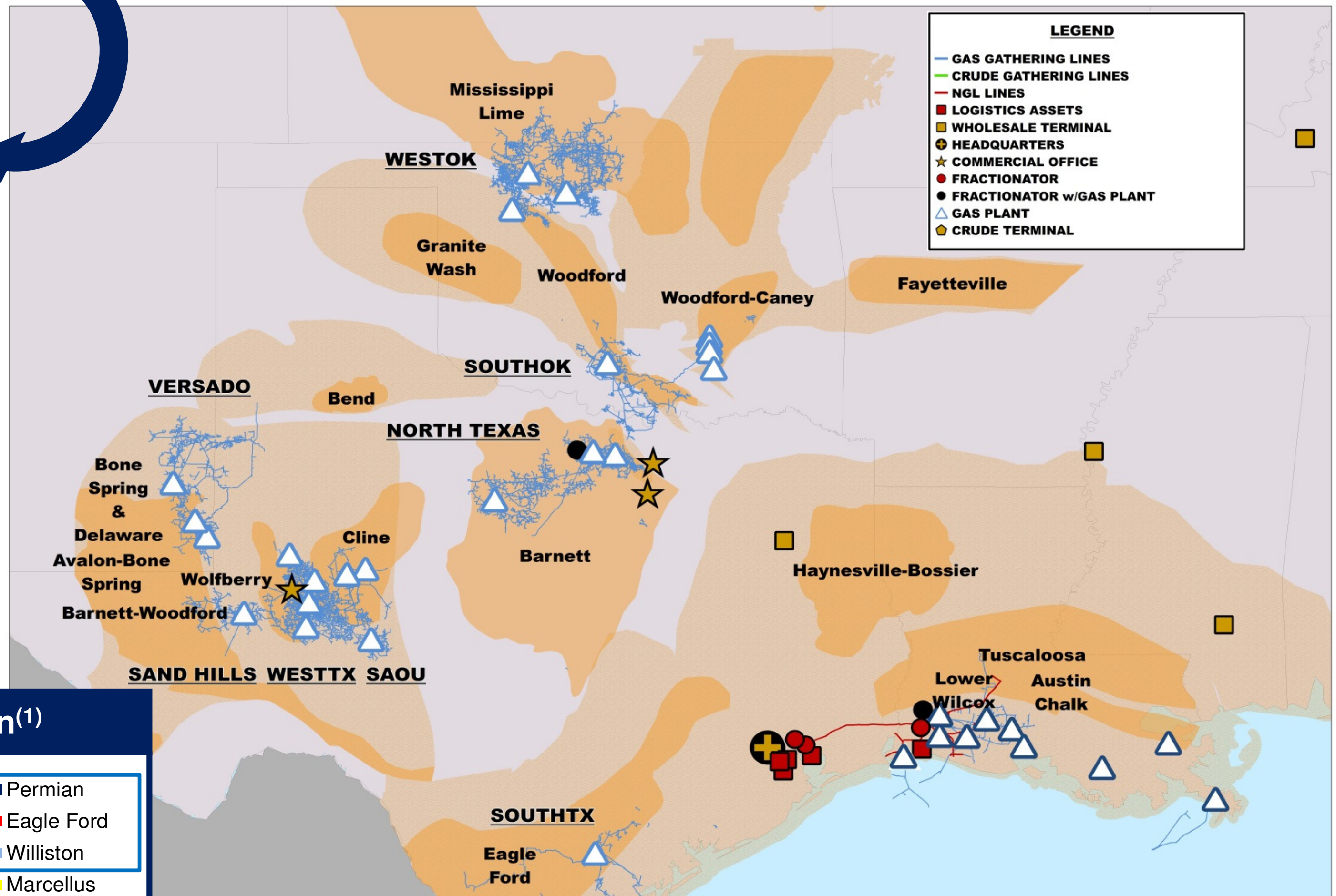
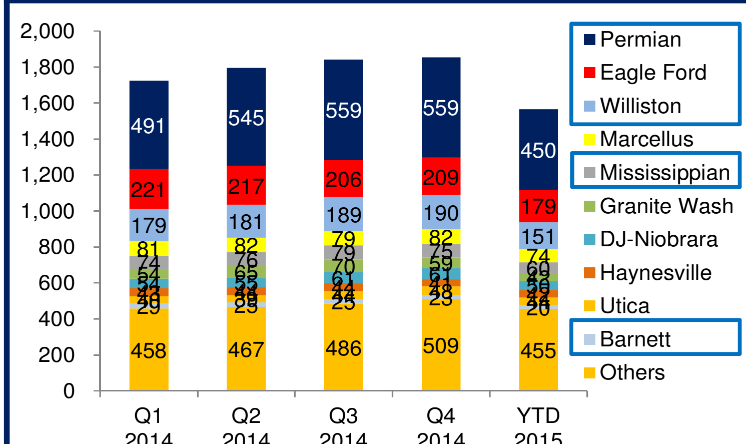
Attractive Positions in Oil and Liquids-Rich Basins



- Rig activity has decreased significantly across the U.S.
- Targa's footprint has been impacted, but positioning in some of the best basins / areas will provide some resiliency



U.S. Land Rig Count by Basin[1]



Asset Highlights

- ~8 Bcf/d gross processing capacity
- 38 natural gas processing plants
- Over 25,000 miles of natural gas and crude oil pipelines
- Gross NGL production of 282 MBbls/d in 2014
- 3 crude and refined products terminals (2.5 MMBbls of storage)
- 17 gas treating facilities
- Over 570 MBbl/d gross fractionation capacity
- ~6.5-7.0 MMBbl/month capacity LPG export terminal

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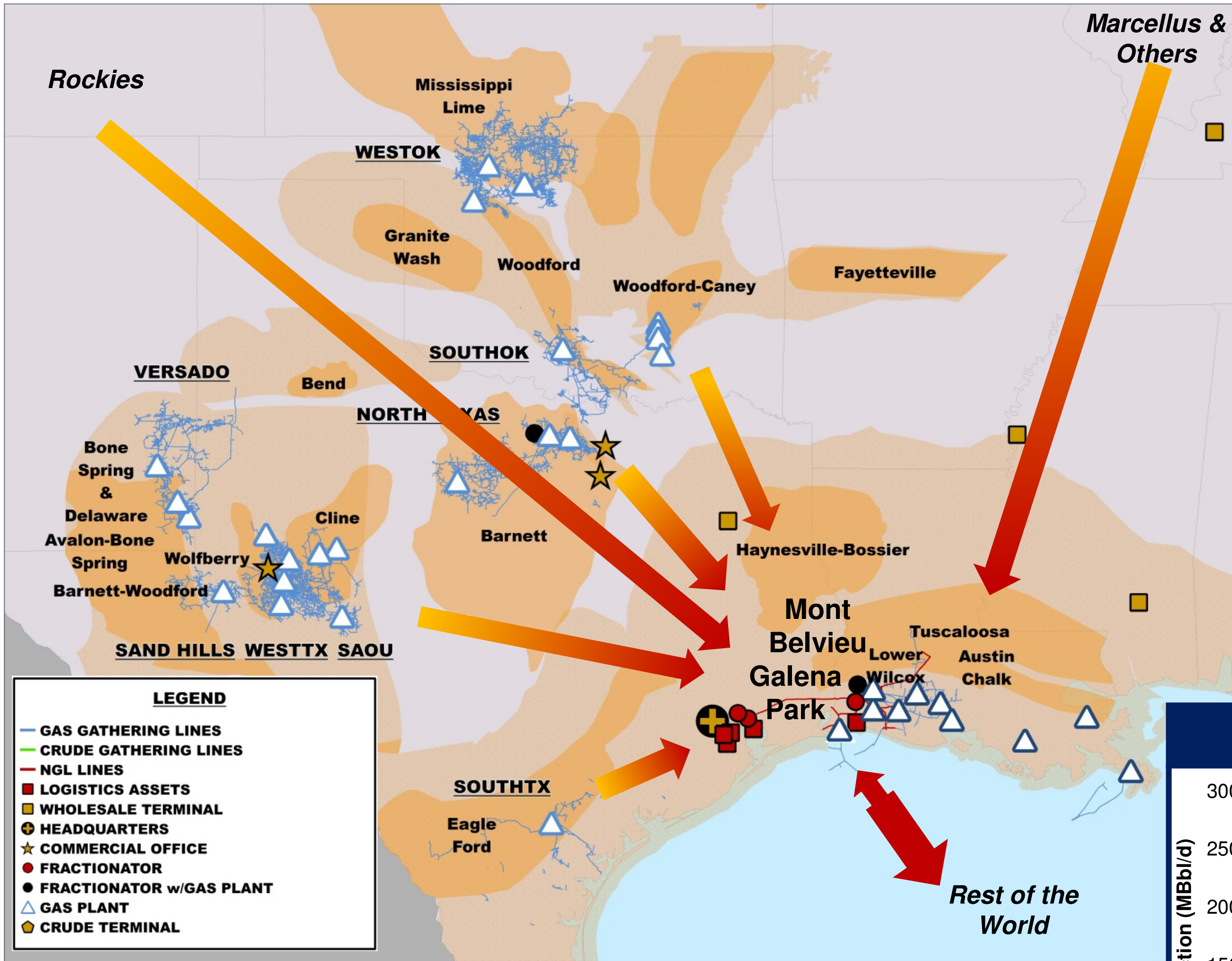
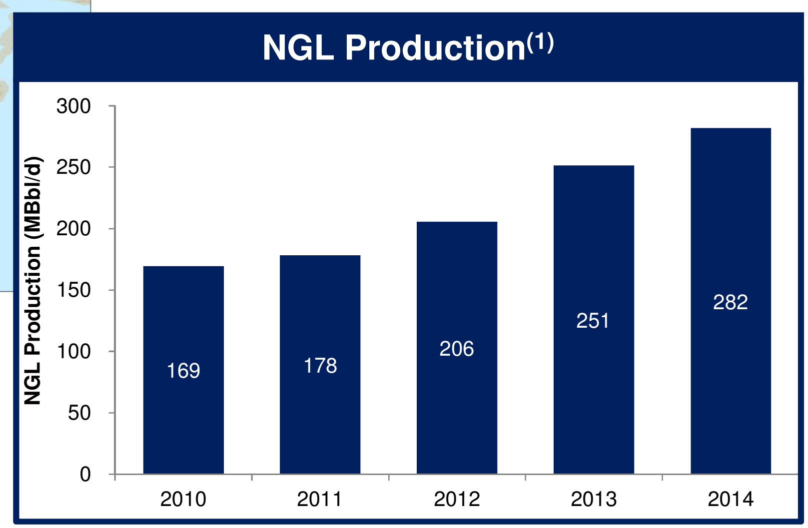
(1) *Source: Baker Hughes; data through February 20, 2015*

Producer Activity Drives NGL Flows to Mont Belvieu



- Growing field NGL production increases NGL flows to Mont Belvieu
- Increased NGL production could support Targa’s existing and expanding Mont Belvieu and Galena Park presence
- Petrochemical investments, fractionation and export services will continue to clear additional supply
- Targa’s Mont Belvieu and Galena Park businesses very well positioned



(1) Pro forma Targa/Atlas for all years

Strategic Focus – 2015+

Capital Investment Efficiency	◆ Capital spending focused on efficiently meeting customer needs ◆ Spending may be delayed/deferred to reflect lower activity levels, especially in Field G&P ◆ Projects with greater cash flow certainty likely to proceed
Increased Cost Management	◆ Apply lessons learned in prior commodity price cycles to reduce costs ◆ Capture identified and not yet identified savings opportunities associated with recent mergers ◆ Use additional workforce supply to hire selected permanent positions, improve skills and reduce overtime/contractor costs
Preserve and Improve Balance Sheet	◆ Fee-based margin provides cash flow stability ◆ Estimated 3.5x Pro Forma Debt/EBITDA at close ◆ Continue to fund growth capital with an equal mix of debt and equity over time
Continue to Identify and Capture Opportunities	◆ Strong positioning in leading G&P basins and Downstream market creates opportunities ◆ Contango in commodity prices likely to create opportunities for storage and terminals ◆ U.S. position as a long-term low cost producer of hydrocarbons creates continued export services opportunities ◆ Combined Targa/Atlas assets and resources will create additional opportunities

With a strong balance sheet, diversified operations and disciplined capital spending policies, Targa is well-positioned to succeed through a reduced commodity price cycle

Increasing Value through Organic Growth and Strategic Acquisitions

Organic Growth Capex*

2011	2012	2013	2014	2015
TRP completed: • CBF Train 3 • G&P expansions • Petroleum Logistics expansions	**TRP completed:** • GCF expansion • Benzene treating • Export refrigeration	**TRP completed:** • CBF Train 4 • Phase I Int'l Export • Badlands Little Missouri 2 • G&P expansions • Petroleum Logistics expansions	**TRP completed:** • 200MMcf/d High Plains • 200MMcf/d Longhorn • Phase II Int'l Export • Badlands expansion • G&P expansions • Petroleum Logistics expansions	**TRP completed:** • Badlands Little Missouri 3 **TRP ongoing:** • CBF Train 5 • G&P expansions • Petroleum Logistics expansions

**** Prior to acquisition Badlands' and Atlas' organic growth not shown***

2011 2012 2013 2014 2015

Strategic Third-Party Acquisitions

2011	2012	2013	2014	2015
TRP acquired Channelview Terminal **TRP acquired terminals in Sound, WA and Baltimore, MD**	**TRP acquired Big Lake gas processing plant in Lake Charles, LA** **TRP acquired Saddle Butte G&P operations in North Dakota (Badlands)**	**TRP acquired Patriot property on Houston Ship Channel**		**TRP and TRC acquired Atlas Pipeline Partners, L.P. and Atlas Energy, L.P.**

Since completing all dropdowns in December 2010, Targa has identified and executed attractive organic growth projects and third party acquisitions to continue top tier growth

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Major Announced Capital Projects

Downstream Growth Projects	Preliminary Total Capex ($ millions)	2014 Capex ($ millions)	Preliminary 2015 Capex ($ millions)	Actual / Expected Completion	Primarily Fee-Based
Petroleum Logistics Projects - 2013 - 2015+[(1)]	$250	$50	$30	2013 - 2015+	✓
CBF Train 4 Expansion (100 MBbl/d)	385	20	0	Mid 2013	✓
CBF Train 5 Expansion (100 MBbl/d)	385	50	200	Mid 2016	✓
International Export Project	480	165	0	Q3 2013/Q3 2014	✓
Other	130	50	25		✓
Total Downstream Projects	**$1,630**	**$335**	**$255**		**$1,630**

G&P Growth Projects	Preliminary Total Capex ($ millions)	2014 Capex ($ millions)	Preliminary 2015 Capex ($ millions)	Actual / Expected Completion	Primarily Fee-Based
Gathering & Processing Expansion Programs - 2013 - 2015+[(2)]	$185	$110	$50	2013 - 2015+	
North Texas Longhorn Project (200 MMcf/d)	150	20	0	May 2014	
SAOU High Plains Plant (200 MMcf/d)	225	85	0	June 2014	
Badlands Expansion Program - 2013 - Q1 2015[(3)]	465	215	0	2013/Q1 2015	✓
New Badlands Infrastructure and Potential Plant	150-320	0	125-250	YE 2015+	✓
New Delaware Basin Plant (100-300 MMcf/d)	100-250	0	50-110	Mid 2016+	
Targa Pipeline Partners G&P Programs[(4)]	925-1,025	625	300-400		
Total G&P Projects	**$2,200 - $2,620**	**$1,055**	**$525 - $810**		**$615 - $785**
Total Projects	**$3,830 - $4,250**	**$1,390**	**$780 - $1,065**		**$2,245 - $2,415**[(5)]

(1) 35 MBbl/d condensate splitter/alternative project expected to be in-service end of 2016 or early 2017, depending on permit timing and customer preference
(2) Includes additional spending for legacy Targa assets in the Permian Basin and North Texas
(3) Additional gas processing plant in service Q1 2015
(4) Legacy Atlas assets
(5) ~$2.2-$2.4 billion of fee-based capital, ~74-76% of listed projects

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Major Capital Projects Under Development

- Over $3 billion of additional opportunities are in various stages of development
- Opportunities include additional infrastructure in both G&P and Downstream
- In current environment, Targa is focused on capital efficiency and flexibility

Additional Growth Opportunities	Total Capex ($ millions)	Estimated Timing	Primarily Fee-Based
G&P Expansion Programs			
Train 6 Expansion			✓
Train 7 Expansion			✓
Additional Condensate Splitter/Export Projects			✓
Ethane Export Project			✓
Other Projects			✓
Total	**$3,000+**	**2015 and beyond**	

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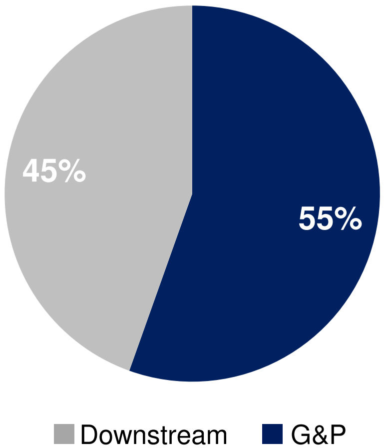
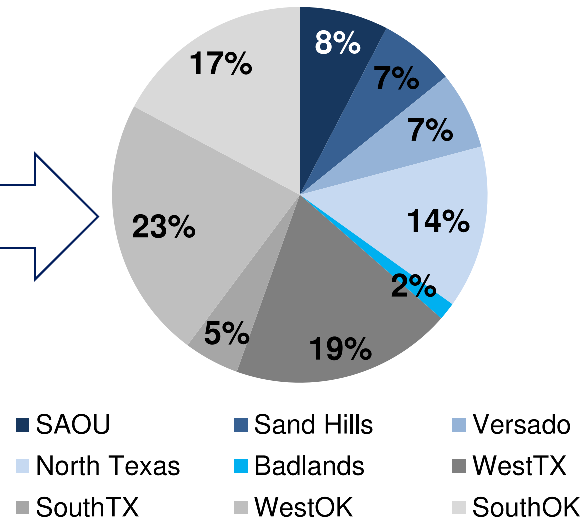
Business Mix, Diversity and Fee Based Margin

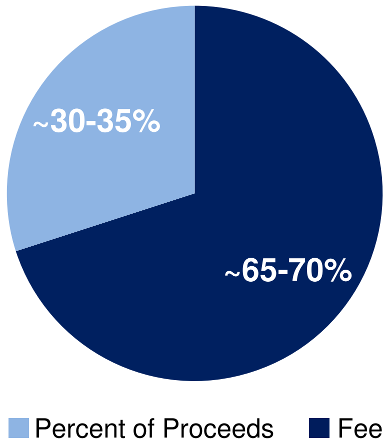
Business Mix – 2014 Pro Forma Operating Margin



Field G&P Diversity – 2014 Pro Forma Nat Gas Inlet Volumes



Fee Based Margin – 2015E



- **At IPO in 2007, TRP operated a single system (North Texas), with ~100% POP exposure**
- **Since then, TRP has developed into a fully diversified midstream services provider:**
  - Almost equal margin contributions from Downstream and G&P operations
  - 9 gathering systems within Field G&P plus Coastal
  - Diversification across 10+ shale/resource plays
  - Diversification in downstream activities (fractionation, LPG exports, treating, storage, etc.)
- **~65-70% fee based margin provides cash flow stability**

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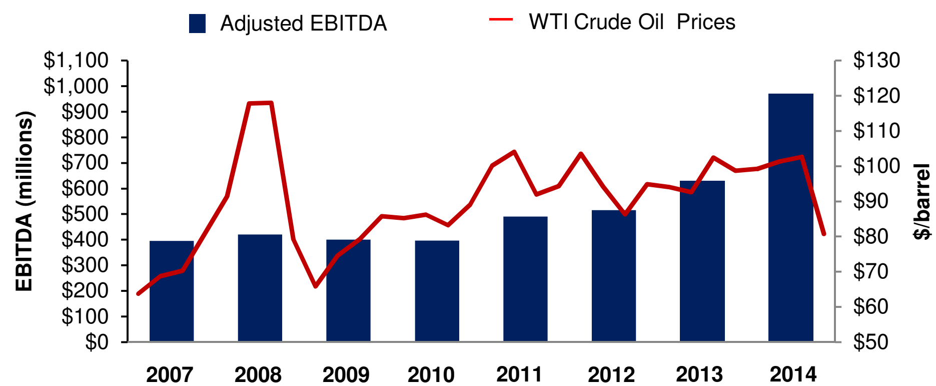
Diversity and Scale Mitigate Commodity Price Changes

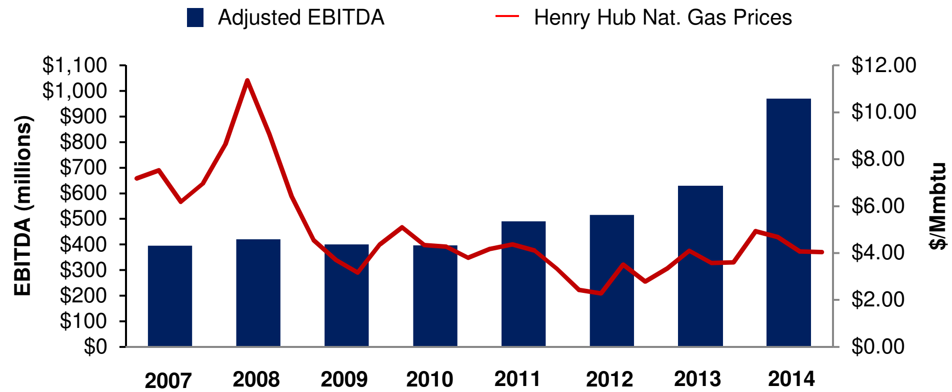
- **Growth has been driven by investing in the business, not by changes in commodity prices**
- **TRP benefits from multiple factors that help mitigate commodity price volatility, including:**
  - Scale
  - Business and geographic diversity
  - Increasing fee-based margin
  - Hedging
- **Current hedges for 2015 include approximately 75% of natural gas, 55% of condensate and 25% of NGLs[(1)]**

Adjusted EBITDA vs. Commodity Prices

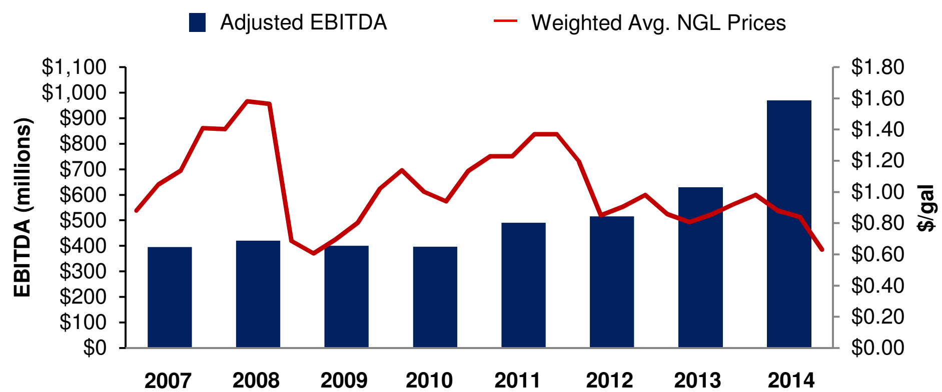
Crude Oil



Natural Gas



NGLs



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(1) Pro forma Targa/Atlas

Non-GAAP Measures Reconciliation

This presentation includes the non-GAAP financial measure of Adjusted EBITDA. The presentation provides a reconciliation of this non-GAAP financial measures to its most directly comparable financial measure calculated and presented in accordance with generally accepted accounting principles in the United States of America ("GAAP"). Our non-GAAP financial measures should not be considered as alternatives to GAAP measures such as net income, operating income, net cash flows provided by operating activities or any other GAAP measure of liquidity or financial performance.

Non-GAAP Measures Reconciliation

Adjusted EBITDA – The Partnership and Targa define Adjusted EBITDA as net income attributable to Targa Resources Partners LP before: interest; income taxes; depreciation and amortization; gains or losses on debt repurchases and redemptions; early debt extinguishment and asset disposals; non-cash risk management activities related to derivative instruments; changes in the fair value of the Badlands acquisition contingent consideration; non-cash compensation on TRP grants and the non-controlling interest portion of depreciation and amortization expenses. Adjusted EBITDA is used as a supplemental financial measure by our management and by external users of our financial statements such as investors, commercial banks and others. The economic substance behind management's use of Adjusted EBITDA is to measure the ability of our assets to generate cash sufficient to pay interest costs, support our indebtedness and make distributions to our investors.

Adjusted EBITDA is a non-GAAP financial measure. The GAAP measures most directly comparable to Adjusted EBITDA are net cash provided by operating activities and net income (loss) attributable to Targa Resources Partners LP. Adjusted EBITDA should not be considered as an alternative to GAAP net cash provided by operating activities or GAAP net income. Adjusted EBITDA has important limitations as an analytical tool. Investors should not consider Adjusted EBITDA in isolation or as a substitute for analysis of our results as reported under GAAP. Because Adjusted EBITDA excludes some, but not all, items that affect net income and net cash provided by operating activities and is defined differently by different companies in our industry, our definition of Adjusted EBITDA may not be comparable to similarly titled measures of other companies.

Management compensates for the limitations of Adjusted EBITDA as an analytical tool by reviewing the comparable GAAP measures, understanding the differences between the measures and incorporating these insights into management's decision-making processes.

Non-GAAP Reconciliation – 2014 EBITDA and Gross Margin

The following table presents a reconciliation of Adjusted EBITDA and operating margin to net income (loss) for the periods shown for TRP:

	Year Ended December 31, 2014	Year Ended December 31, 2013
Reconciliation of net income (loss) attributable to Targa Resources Partners LP to Adjusted EBITDA:		
Net income to Targa Resources Partners LP	$ 467.7	$ 233.5
Add:		
Interest expense, net	143.8	131.0
Income tax expense	4.8	2.9
Depreciation and amortization expense	346.5	271.6
(Gain) Loss on sale or disposal of assets	(4.8)	3.9
Loss on debt redemption and early debt extinguishments	12.4	14.7
Change in contingent consideration	-	(15.3)
Compensation on equity grants	9.2	6.0
Risk management activities	4.7	(0.5)
Noncontrolling interest adjustment	(14.0)	(12.6)
Adjusted EBITDA	$ 970.3	$ 635.2

	Year Ended December 31, 2014	Year Ended December 31, 2013
Reconciliation of gross margin and operating margin to net income (loss):		
Gross margin	$ 1,569.6	$ 1,177.7
Operating expenses	(433.0)	(376.2)
Operating margin	1,136.6	801.5
Depreciation and amortization expenses	(346.5)	(271.6)
General and administrative expenses	(139.8)	(143.1)
Interest expense, net	(143.8)	(131.0)
Income tax expense	(4.8)	(2.9)
(Gain) Loss on sale or disposal of assets	4.8	(3.9)
Loss on debt redemption and early debt extinguishments	(12.4)	(14.7)
Change in contingent consideration	-	15.3
Other, net	11.0	9.0
Net income	$ 505.1	$ 258.6

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Non-GAAP Reconciliation – DCF

The following table presents a reconciliation of reported distributable cash flow to net income (loss) for the periods shown for TRP:

($ in millions)	Three Months Ended 31-Mar 2013	30-Jun 2013	30-Sep 2013	31-Dec 2013	31-Mar 2014	30-Jun 2014	30-Sep 2014	31-Dec 2014
Reconciliation of net income (loss) attributable to Targa Resources Partners LP to distributable cash flow:								
Net income (loss) attributable to Targa Resources Partners LP	$ 38.9	$ 26.3	$ 59.7	$ 108.6	$ 122.4	$ 108.8	128.3	$ 108.2
Add:								
Depreciation and amortization expense	63.9	65.7	68.9	73.1	79.5	85.8	87.5	93.7
Deferred income tax (expense) benefit	0.4	0.4	-	0.1	0.4	0.3	0.4	0.5
Amortization in interest expense	4.0	4.0	3.8	3.7	3.4	3.3	2.2	2.5
Loss (gain) on debt redemption and early debt extinguishments	-	7.4	7.4	-	-	-	-	12.4
Change in contingent consideration	0.3	(6.5)	(9.1)	-	-	-	-	-
Loss (gain) on disposal of assets	(0.1)	3.9	(0.7)	0.8	(0.8)	(0.5)	(4.4)	0.8
Compensation on equity grants	-	-	-	-	2.3	2.3	2.3	2.2
Risk management activities	(0.2)	0.2	(0.3)	(0.3)	(0.2)	(0.4)	1.5	3.8
Maintenance capital expenditures	(21.7)	(21.8)	(17.0)	(19.5)	(13.7)	(20.0)	(21.9)	(23.6)
Other	-	(0.6)	(1.9)	(1.6)	(2.0)	(2.0)	(1.1)	(1.2)
Distributable cash flow	$ 85.5	$ 79.0	$ 110.8	$ 164.9	$ 191.3	$ 177.6	$ 194.8	$ 199.3
Distributions Declared	95.7	102.4	108.5	115.8	121.3	125.7	130.9	137.4
Distribution Coverage	0.9x	0.8x	1.0x	1.4x	1.6x	1.4x	1.5x	1.5x

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Non-GAAP Reconciliation – 2010-2011 Fee-Based Margin

The following table presents a reconciliation of operating margin to net income (loss) for the periods shown for TRP:

	Three Months Ended							
	3/31/2010	6/30/2010	9/30/2010	12/31/2010	3/31/2011	6/30/2011	9/30/2011	12/31/2011
	($ in millions)							
Reconciliation of gross margin and operating margin to net income (loss):								
Gross margin	$ 185.9	$ 179.8	$ 184.8	$ 221.7	$ 213.9	$ 248.2	$ 227.2	$ 258.8
Operating expenses	(62.2)	(62.0)	(66.0)	(69.4)	(65.9)	(71.6)	(76.5)	(72.9)
Operating margin	123.7	117.8	118.8	152.3	148.0	176.6	150.7	185.9
Depreciation and amortization expenses	(42.0)	(43.0)	(43.3)	(47.8)	(42.7)	(44.5)	(45.0)	(46.0)
General and administrative expenses	(25.0)	(28.2)	(26.7)	(42.5)	(31.8)	(33.2)	(33.7)	(29.2)
Interest expense, net	(31.0)	(27.6)	(27.2)	(24.2)	(27.5)	(27.2)	(25.7)	(27.3)
Income tax expense	(1.5)	(0.9)	(1.7)	0.1	(1.8)	(1.9)	(1.5)	0.9
Loss (gain) on sale or disposal of assets	-	-	-	-	-	-	0.3	(0.5)
(Loss) gain on debt redemption and early debt extinguishments	-	-	(0.8)	-	-	-	-	-
Change in contingent consideration	-	-	-	-	-	-	-	-
Risk management activities	25.4	2.4	(1.9)	-	-	(3.2)	(1.8)	-
Equity in earnings of unconsolidated investments	0.3	2.4	1.1	1.6	1.7	1.3	2.2	-
Other Operating income (loss)	-	-	-	3.3	-	-	-	-
Other, net	-	-	-	-	(0.2)	0.1	(0.6)	3.1
Net income	$ 49.9	$ 22.9	$ 18.3	$ 42.8	$ 45.7	$ 68.0	$ 44.9	$ 86.9
Fee Based operating margin percentage	19%	25%	31%	31%	25%	28%	30%	30%
Fee Based operating margin	$ 23.0	$ 30.0	$ 36.9	$ 47.1	$ 37.3	$ 48.8	$ 44.8	$ 55.3

Non-GAAP Reconciliation – 2012-2014 Fee-Based Margin

The following table presents a reconciliation of operating margin to net income (loss) for the periods shown for TRP:

	Three Months Ended											
	3/31/2012	6/30/2012	9/30/2012	12/31/2012	3/31/2013	6/30/2013	9/30/2013	12/31/2013	3/31/2014	6/30/2014	9/30/2014	12/31/2014
	($ in millions)											
Reconciliation of gross margin and operating margin to net income (loss):												
Gross margin	$ 261.4	$ 243.8	$ 239.9	$ 259.6	$ 260.3	$ 265.2	$ 297.1	$ 355.1	$ 379.6	$ 384.0	$ 407.8	$ 398.2
Operating expenses	(71.6)	(77.2)	(78.3)	(85.8)	(86.1)	(96.1)	(97.6)	(96.5)	(104.3)	(106.6)	(112.8)	(109.4)
Operating margin	189.8	166.6	161.6	173.8	174.2	169.1	199.5	258.6	275.3	277.4	295.0	288.8
Depreciation and amortization expenses	(46.7)	(47.6)	(47.9)	(55.2)	(63.9)	(65.7)	(68.9)	(73.1)	(79.5)	(85.8)	(87.5)	(93.7)
General and administrative expenses	(32.9)	(33.5)	(33.5)	(31.6)	(34.1)	(36.1)	(35.4)	(37.4)	(35.9)	(39.1)	(40.4)	(24.6)
Interest expense, net	(29.4)	(29.4)	(29.0)	(29.0)	(31.4)	(31.6)	(32.6)	(35.4)	(33.1)	(34.9)	(36.0)	(39.7)
Income tax expense	(1.0)	(0.8)	(0.9)	(1.5)	(0.9)	(0.9)	(0.7)	(0.4)	(1.1)	(1.3)	(1.3)	(1.1)
Loss (gain) on sale or disposal of assets	-	-	(15.6)	3.2	0.1	(3.9)	0.7	(0.8)	0.8	0.5	4.4	(0.8)
(Loss) gain on debt redemption and early debt extinguishments	-	-	-	(12.8)	-	(7.4)	(7.4)	-	-	-	-	(12.4)
Change in contingent consideration	-	-	-	-	0.3	6.5	9.1	-	-	-	-	-
Other, net	2.0	(0.6)	(6.6)	(8.3)	1.0	2.7	0.7	4.1	4.8	4.1	4.0	(1.8)
Net income	$ 81.8	$ 54.7	$ 28.1	$ 38.6	$ 45.3	$ 32.7	$ 65.0	$ 115.6	$ 131.3	$ 120.9	$ 138.2	$ 114.7
Fee Based operating margin percentage	32%	39%	45%	46%	53%	52%	57%	62%	60%	67%	72%	76%
Fee Based operating margin	$ 60.3	$ 65.7	$ 73.3	$ 80.0	$ 91.8	$ 87.6	$ 113.0	$ 160.2	$ 164.0	$ 187.0	$ 211.1	$ 218.6

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Reconciliation of Total Pro Forma TRP Distributions[1]

($ in Millions, except per unit data)	Actual Q1 2014	Actual Q2 2014	Actual Q3 2014	Actual Q4 2014	Actual Q4 2014 Annualized	Pro Forma [1] Q4 2014 Annualized
Distributions to LP Units	$87.2	$89.5	$92.3	$96.3	$385.2	$537.6
Distributions to GP Units	2.4	2.5	2.6	2.7	11.0	14.9
Distributions to GP IDRs	31.7	33.7	36.0	38.4	153.4	193.1
Total Distributions	$121.2	$125.7	$130.9	$137.4	$549.6	$745.6
IDR Giveback Adjustments:						
Distributions to LP Units	–	–	–	–	–	*$37.5*
Distributions to GP Units	–	–	–	–	–	–
Distributions to GP IDRs	–	–	–	–	–	*(37.5)*
After IDR Giveback:						
Distributions to LP Units (a)	$87.2	$89.5	$92.3	$96.3	$385.2	$575.1
Distributions to GP Units	2.4	2.5	2.6	2.7	11.0	14.9
Distributions to GP IDRs	31.7	33.7	36.0	38.4	153.4	155.6
Total Distributions	$121.2	$125.7	$130.9	$137.4	$549.6	$745.6
Total LP Units Outstanding (b)	114,296,848	114,743,080	115,774,096	118,880,758	118,880,758	177,503,401
Declared Distribution per LP Unit (c)	$0.7625	$0.7800	$0.7975	$0.8100	$3.2400	$3.2400

[1] **Example Q4 2014 pro forma annualized for units issued for Atlas acquisition, TRC's capital contribution to maintain its 2% GP ownership interest, first year GP giveback transfer from GP IDRs to LP units, and assuming $745.6 million to be utilized for total distributions.**
Note: (a) / (b) = (c); in example, $575.1 / 177,503,401 units = $3.24/unit; where $3.24 is the resulting LP Distribution after the GP giveback transfer from GP IDRs to LP units per the Partnership Agreement

<u>Excerpt from Amendment No. 3 to TRP's Partnership Agreement dated February 27, 2015:</u>
"…(c) Notwithstanding anything to the contrary in Section 6.4, commencing with the first quarterly distribution declaration following February 27, 2015 (the Quarter with respect to such quarterly distribution declaration, the "First Reduction Quarter"), aggregate quarterly distributions, if any, to holders of the Incentive Distribution Rights provided by clauses (iii)(B), (iv)(B) and (v)(B) of Subsection 6.4(b) shall be reduced (w) by $9,375,000 per Quarter for the First Reduction Quarter and the following three Quarters, (x) by $6,250,000 per Quarter for the following four Quarters, (y) by $2,500,000 per Quarter for the following four Quarters and (z) by $1,250,000 per Quarter for the following four Quarters (the amount reduced each quarter pursuant to each of (w) – (z) is referred to as the "Reduced Amount"); provided, that for any such Quarter that is subject to this Section 6.4(c), the Reduced Amount shall be distributed Pro Rata to the holders of Outstanding Common Units."

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