

Edgar Filing: ATLAS PIPELINE PARTNERS LP - Form 425

ATLAS PIPELINE PARTNERS LP

Form 425

November 05, 2014

Filed by Targa Resources Partners LP

Pursuant to Rule 425 of the Securities Act of 1933

and deemed filed pursuant to Rule 14a-12

of the Securities Exchange Act of 1934

Subject Company: Atlas Pipeline Partners, L.P.

Commission File No.: 001-14998

This filing relates to a proposed business combination involving Targa Resources Partners LP and Atlas Pipeline Partners, L.P.

Targa Resources  
Investor Presentation  
Third Quarter 2014  
November 4, 2014

2  
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  
( TRP  
or  
the  
Partnership )  
or  
Targa  
Resources  
Corp.  
( TRC  
or  
the

Company ) 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, 2013 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.

3

Additional Information

Additional Information and Where to Find It

In connection with the proposed transaction, Targa Resources Corp. ( TRGP ) will file with the U.S. Securities and Exchange Commission a registration statement on Form S-4 that will include a joint proxy statement of Atlas Energy, L.P. ( ATLS ) and TRGP and a prospectus or prospectus supplement ( statement/prospectus ). In connection with the proposed transaction, TRGP plans to mail the definitive TRGP joint proxy statement/prospectus to its unitholders. ATLS plans to mail the definitive TRGP joint proxy statement/prospectus to its unitholders.

Also in connection with the proposed transaction, Targa Resources Partners LP ( NGLS ) will file with the SEC a registration statement on Form S-1.

proxy statement of Atlas Pipeline Partners, L.P. ( APL ) and a prospectus of NGLS (the NGLS proxy statement/prospectus transaction, APL plans to mail the definitive NGLS proxy statement/prospectus to its unitholders.

INVESTORS, SHAREHOLDERS AND UNITHOLDERS ARE URGED TO READ THE TRGP JOINT PROXY STATEMENT/PROSPECTUS AND OTHER RELEVANT DOCUMENTS FILED OR TO BE FILED WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY WHEN THEY

BECOME  
AVAILABLE  
BECAUSE  
THEY  
WILL  
CONTAIN  
IMPORTANT  
INFORMATION  
ABOUT  
TRGP,  
NGLS,  
ATLS  
AND  
APL,  
AS  
WELL  
AS  
THE  
PROPOSED  
TRANSACTION AND RELATED MATTERS.

This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of a free copy of the TRGP Joint Proxy Statement/Prospectus, the NGLS Proxy Statement/Prospectus and other filings containing

and  
APL  
may  
be  
obtained  
at  
the  
SEC's  
Internet  
site  
at  
[www.sec.gov](http://www.sec.gov).

In  
addition,  
the  
documents  
filed  
with  
the  
SEC  
by  
TRGP  
and

NGLS

may

be

obtained

free

of

charge

by directing such request to: Targa Resources, Attention: Investor Relations, 1000 Louisiana, Suite 4300, Houston, Texas 77002 or emailing InvestorRelations@targaresources.com or calling (713) 584-1133. These documents may also be obtained for free from TRGP at [www.targaresources.com](http://www.targaresources.com). The documents filed with the SEC by ATLS

may be obtained free of charge by directing such request to: Atlas Energy, L.P., Attn: Investor

Relations, 1845 Walnut Street, Philadelphia, Pennsylvania 19103 or emailing InvestorRelations@atlasenergy.com. These documents may also be obtained for free from ATLS's investor relations website at [www.atlasenergy.com](http://www.atlasenergy.com). The documents filed with the SEC by APL may be obtained free of charge by directing such request to: Atlas Energy Pipeline Partners, L.P., Attn: Investor Relations, 1845 Walnut Street, Philadelphia, Pennsylvania 19103 or emailing IR@atlasenergy.com. These documents may also be obtained for free from APL's investor relations website at [www.atlaspipeline.com](http://www.atlaspipeline.com).

Participants in Solicitation Relating to the Merger

TRGP, NGLS, ATLS and APL and their respective directors, executive officers and other persons may be deemed to be participants in the solicitation.

Participants in Solicitation Relating to the Merger

TRGP, NGLS, ATLS and APL and their respective directors, executive officers and other persons may be deemed to be participants in the solicitation.

Participants in Solicitation Relating to the Merger

TRGP,

ATLS

or

APL

shareholders

or

unitholders,

as

applicable,

in

respect

of

the

proposed

transaction

that

will

be

described

in

the

TRGP

joint

proxy

statement/prospectus and NGLS proxy statement/prospectus. Information regarding TRGP's directors and executive officers is contained in TRGP's proxy statement/prospectus dated April 7, 2014, which has been filed with the SEC. Information regarding directors and executive officers of NGLS is contained in NGLS's proxy statement/prospectus dated April 7, 2014, which has been filed with the SEC. Information regarding directors and executive officers of APL's general partner is contained in APL's proxy statement/prospectus dated March 21, 2014, which has been filed with the SEC. Information regarding directors and executive officers of APL's general partner is contained in APL's Annual Report on Form 10-K for the year ended December 31, 2013, which has been filed with the SEC. A more complete description will be available in the registration statement and the joint proxy statement/prospectus.

statement/prospectus and NGLS proxy statement/prospectus. Information regarding TRGP's directors and executive officers is contained in TRGP's proxy statement/prospectus dated April 7, 2014, which has been filed with the SEC. Information regarding directors and executive officers of NGLS is contained in NGLS's proxy statement/prospectus dated April 7, 2014, which has been filed with the SEC. Information regarding directors and executive officers of APL's general partner is contained in APL's proxy statement/prospectus dated March 21, 2014, which has been filed with the SEC. Information regarding directors and executive officers of APL's general partner is contained in APL's Annual Report on Form 10-K for the year ended December 31, 2013, which has been filed with the SEC. A more complete description will be available in the registration statement and the joint proxy statement/prospectus.

statement/prospectus and NGLS proxy statement/prospectus. Information regarding TRGP's directors and executive officers is contained in TRGP's proxy statement/prospectus dated April 7, 2014, which has been filed with the SEC. Information regarding directors and executive officers of NGLS is contained in NGLS's proxy statement/prospectus dated April 7, 2014, which has been filed with the SEC. Information regarding directors and executive officers of APL's general partner is contained in APL's proxy statement/prospectus dated March 21, 2014, which has been filed with the SEC. Information regarding directors and executive officers of APL's general partner is contained in APL's Annual Report on Form 10-K for the year ended December 31, 2013, which has been filed with the SEC. A more complete description will be available in the registration statement and the joint proxy statement/prospectus.

statement/prospectus and NGLS proxy statement/prospectus. Information regarding TRGP's directors and executive officers is contained in TRGP's proxy statement/prospectus dated April 7, 2014, which has been filed with the SEC. Information regarding directors and executive officers of NGLS is contained in NGLS's proxy statement/prospectus dated April 7, 2014, which has been filed with the SEC. Information regarding directors and executive officers of APL's general partner is contained in APL's proxy statement/prospectus dated March 21, 2014, which has been filed with the SEC. Information regarding directors and executive officers of APL's general partner is contained in APL's Annual Report on Form 10-K for the year ended December 31, 2013, which has been filed with the SEC. A more complete description will be available in the registration statement and the joint proxy statement/prospectus.

statement/prospectus and NGLS proxy statement/prospectus. Information regarding TRGP's directors and executive officers is contained in TRGP's proxy statement/prospectus dated April 7, 2014, which has been filed with the SEC. Information regarding directors and executive officers of NGLS is contained in NGLS's proxy statement/prospectus dated April 7, 2014, which has been filed with the SEC. Information regarding directors and executive officers of APL's general partner is contained in APL's proxy statement/prospectus dated March 21, 2014, which has been filed with the SEC. Information regarding directors and executive officers of APL's general partner is contained in APL's Annual Report on Form 10-K for the year ended December 31, 2013, which has been filed with the SEC. A more complete description will be available in the registration statement and the joint proxy statement/prospectus.

statement/prospectus and NGLS proxy statement/prospectus. Information regarding TRGP's directors and executive officers is contained in TRGP's proxy statement/prospectus dated April 7, 2014, which has been filed with the SEC. Information regarding directors and executive officers of NGLS is contained in NGLS's proxy statement/prospectus dated April 7, 2014, which has been filed with the SEC. Information regarding directors and executive officers of APL's general partner is contained in APL's proxy statement/prospectus dated March 21, 2014, which has been filed with the SEC. Information regarding directors and executive officers of APL's general partner is contained in APL's Annual Report on Form 10-K for the year ended December 31, 2013, which has been filed with the SEC. A more complete description will be available in the registration statement and the joint proxy statement/prospectus.



4  
Targa Resources  
Two Public Companies  
IPO February 2007  
MLP  
Owner/Operator of all assets  
IPO December 2010  
C-Corp

General Partner of NGLS  
Targa Resources Partners LP  
(NYSE: NGLS; TRP  
or the Partnership )  
Targa Resources Corp.  
(NYSE: TRGP; TRC  
or the Company )

Market Cap:

\$7.1 billion

Enterprise Value:

\$10.2 billion

Unit Price:

\$61.41

Yield:

5.2%

Current Annualized Distribution:

\$3.19

Sequential / YoY Growth:

2% / 9%

Market Cap:

\$5.4 billion

Enterprise Value:

\$5.5 billion

Share Price:

\$127.89

Yield:

2.3%

Current Annualized Dividend:

\$2.93

Sequential / YoY Growth:

6% / 29%

Note:

Market  
Cap,  
Unit/Share  
Price  
and  
Yield  
as  
of  
November  
3,  
2014.  
Enterprise  
Value  
calculated  
using  
current  
Market  
Cap

as  
of  
November  
3,  
2014  
and  
balance  
sheet  
data

as  
of  
September 30, 2014. Unit and Stock Price Performance graphs through November 3, 2014

5

TRP and TRC Performance

(1)

2010 covers time period from IPO (December 6, 2010) through December 31, 2010

(2)

2014 YTD as November 3, 2014

Source: Bloomberg

TRP

Total Return Since 2010

(1)

TRC

Total Return Since IPO

TRC

Dividends

TRP

Distributions

6

Targa Current Corporate Structure

(1)

TRC had 42,143,463 common shares outstanding as of October 24, 2014

(2)

TRP

ownership

as

of  
October  
24,  
2014;  
TRP  
operating  
margin  
percentages  
based  
on  
LTM  
as  
of  
September  
30,  
2014.  
Field  
segment  
includes  
    Other  
Operating  
Margin  
100% Indirect Ownership  
Targa Resources Corp.  
(NYSE: TRGP)  
( TRC  
or the Company )  
(1)  
11.2% LP Interest  
(12,945,659 LP Units)  
Public  
Unitholders  
Field Segment  
SAOU  
Sand Hills  
Versado  
North Texas System  
Badlands  
Coastal Segment  
Coastal Straddles  
VESCO  
LOU  
Gathering and Processing  
Division  
Logistics and Marketing  
Division  
Logistics Segment  
Fractionation  
Storage & Terminaling  
Transportation & Dist.

Petroleum Logistics  
Mkt. and Dist. Segment  
NGL Marketing  
Gas Marketing  
Wholesale Propane  
Refinery Services  
Commercial Transportation  
Targa Resources GP LLC  
Targa Resources Partners LP  
(NYSE: NGLS)  
( TRP  
or the Partnership )  
(2)  
(S&P: BB+/BB+; Positive  
Moody s: Ba1/Ba2; Positive)  
88.8% LP Interest  
(102,828,437 LP Units)  
2.0% General  
Partner Interest & IDRs  
33% of Operating Margin  
8% of Operating Margin  
39% of Operating Margin  
21% of Operating Margin



Targa's Diversified Midstream Platform

7

(1)

Operating margin percentages based on LTM as of September 30, 2014

8  
A Strong Footprint in  
Active Basins  
And a Leading Position  
at Mont Belvieu  
Drive Targa s  
Long-Term Growth  
Leadership position in oil

and liquids rich Permian  
Basin  
Bakken position  
capitalizes on strong  
crude oil fundamentals  
and active drilling activity  
Leadership position in the  
active portion of Barnett  
Shale combo  
play  
GOM and onshore  
Louisiana provide longer  
term upside potential for  
well positioned assets  
Mont Belvieu is the  
NGL hub of North  
America  
Increased domestic  
NGL production is  
driving capacity  
expansions into and at  
Mont Belvieu  
Second largest  
fractionation  
ownership position at  
Mont Belvieu  
One of only two  
operating commercial  
NGL export facilities on  
the Gulf Coast linked to  
Mont Belvieu  
Position not easily  
replicated  
Approximately \$2.6 billion  
in announced organic  
capex projects completed  
or underway  
Increased capacity to  
support multiple U.S.  
shale / resource plays  
Additional fractionation  
expansion to support  
increased NGL supply  
Increased connectivity to  
U.S. end users of NGLs  
Expansion of export  
services capacity for  
global LPG markets at  
Galena Park marine  
terminal

Investment Highlights

Increasing scale and  
diversity

Increasing fee-based  
margin

Expected 7 -

9% NGLS

distribution growth in 2014,  
on track for the high end of  
the range

Expected TRGP dividend  
growth in excess

of 25% in

2014

2014 adjusted EBITDA

guidance of \$925 to \$975

million

Well Positioned for 2014 and Beyond

Targa's G&P Assets are Well Positioned

9

(1)

Source: Baker Hughes Incorporated, as of October 20, 2014

Targa's G&P assets are located in and around some of the most active shale / resource plays, which is

driving continued growth  
and expansion  
Field G&P assets are located  
in crude oil and liquids rich  
plays  
Field G&P gross processing  
capacity will expand from  
~900 MMcf/d at YE 2013 to  
~1,340 MMcf/d by YE 2014

10

10

Producer Activity Drives NGL Flows to Mont Belvieu

NGL flows to Mont

Belvieu expected to

increase

Pipeline conversions may

bring additional NGL

volumes from the Utica/  
Marcellus to the Gulf  
Coast  
Petrochemical  
investments, fractionation  
and export services will  
continue to clear  
additional supply  
Targa's Mont Belvieu and  
Galena Park businesses  
very well positioned



Major Announced Capital Projects

11

Approximately \$2.6 billion of announced projects completed or ongoing

Over \$1 billion of projects completed in 2013 and approximately \$1 billion to be completed in 2014

Additional high quality growth projects under development for 2014 and beyond

Commenced construction of CBF Train 5 Expansion (100 MBbl/d)

(1)

Includes additional spending in both North Texas and Permian Basin

(2)  
Additional  
gas  
processing  
plant  
estimated  
completion  
YE  
2014  
and  
in-service  
early  
2015

(3)

35 Mbbl/d condensate splitter located at the Channelview Terminal expected to be in-service end of 2016 or early 2017, dependant on completion

(4)

~\$2.0 billion of fee-based capital, 77% of listed projects

(4)

G&P Growth Projects

Actual / Expected

Completion

Primarily

Fee-Based

Gathering & Processing Expansion Program -

2013 / 2014

(1)

2013 / 2014

North Texas Longhorn Project (200 MMcf/d)

May 2014

SAOU High Plains Plant (200 MMcf/d)

June 2014

Badlands Expansion Program -

2013 / 2014

2013 / 2014

(2)

Other

Total G&P Projects

\$465

Downstream Growth Projects

Actual / Expected

Completion

Primarily

Fee-Based

Petroleum Logistics Projects -

2013 / 2014

(3)

2013 / 2014+

CBF Train 4 Expansion (100 MBbl/d)

Mid 2013

CBF Train 5 Expansion (100 MBbl/d)

Mid 2016  
 International Export Project  
 Q3 2013 / Q3 2014  
 Other  
 Total Downstream Projects  
 \$1,520  
 Total Projects  
 \$1,985  
 50  
 385  
 0  
 Total CAP EX  
 (\$ millions)  
 2013 CAP EX  
 (\$ millions)  
 2014 CAP EX  
 (\$ millions)  
 \$185  
 \$75  
 \$110  
 150  
 40  
 20  
 225  
 125  
 85  
 465  
 250  
 215  
 40  
 25  
 15  
 \$1,065  
 \$515  
 \$445  
 Total CAP EX  
 (\$ millions)  
 2013 CAP EX  
 (\$ millions)  
 2014 CAP EX  
 (\$ millions)  
 \$190  
 \$40  
 \$50  
 385  
 120  
 20  
 480  
 250  
 165

80  
30  
50  
\$1,520  
\$440  
\$335  
\$2,585  
\$955  
\$780

Additional Growth Opportunities  
CAP EX  
(\$ millions)  
Estimated  
Timing  
Primarily  
Fee-Based  
Badlands Expansion Program

Permian Expansion Program

Train 6 Expansion

Train 7 Expansion

Additional Condensate Splitter

Ethane Export Project

Other Projects

primarily

Total

\$2,000+

2015 and beyond

Major Capital Projects Under Development

12

Over \$2.0 billion of additional opportunities are in various stages of development

Opportunities include additional infrastructure in both G&P and Downstream

Increasing NGL supplies across the country will continue to drive the need for more processing, fractionation and connectivity

(1)

Recently approved new 200 MMcf/d plant in the Williston Basin

(2)

Recently approved new 300 MMcf/d plant in the Delaware Basin

(1)

(2)

Strong Growth in Fee-Based Margin Continues

13

Capex projects with firm contracts provide clear visibility on increasing fee operating margin

Announced fee-based projects coming online in 2014

International Export Expansion Phase II

Additional Badlands Expansions

(\$ in millions)

Fee-based operating

margin expected to  
continue to increase to  
65%+ for 2014

**Increasing Fee-Based Margin Provides Additional Stability to Our Business**

Fee-based margin increases driven primarily through increased margin  
in the Logistics Assets segment

including contributions from CBF Train 4 and International Export projects, and through contribution from  
Badlands



Diversity and Scale Mitigate Commodity Price Changes

14

Adjusted EBITDA vs. Commodity Prices

(1) Will be towards bottom-end of range if there is significant ethane rejection in these years

15

Targa Leverage and Liquidity

(1)

Includes TRP's total availability under the revolver plus cash, less outstanding borrowings and letters of credit under the TRP

(2)

Adjusts EBITDA to provide credit for material capital projects that are in process, but have not started commercial operation, a

16

TRP Update

Adjusted EBITDA increased compared to Q3 2013, primarily due to higher operating margin in the Field Gathering and Processing segment and in the Logistics and Marketing division

\$247 million of Adjusted EBITDA in Q3 2014 was 58% higher than Q3 2013

Logistics & Marketing operating margin increased by 75% in Q3 2014 versus Q3 2013 due to increased fractionation activities and increased LPG export activity

Field Gathering & Processing operating margin increased in Q3 2014 compared to Q3 2013 due to increased

throughput volumes and higher contributions from Badlands

(1)

Includes impact of commodity hedge settlements

Highlights

17

TRP Capitalization and Liquidity

(1)

Adjusts EBITDA to provide credit for material capital projects that are in process, but have not started commercial operation, a

Actual

Actual

Cash and Debt

Maturity

Coupon

6/30/2014

Adjustments

9/30/2014

Cash and Cash Equivalents

\$67.3

\$5.1

\$72.4

Accounts Receivable Securitization

Dec-14

234.3

\$3.3

237.6

Revolving Credit Facility

Oct-17

495.0

80.0

575.0

Total Senior Secured Debt

729.3

812.6

Senior Notes

Oct-18

7.875%

250.0

250.0

Senior Notes

Feb-21

6.875%

483.6

483.6

Senior Notes

Aug-22

6.375%

300.0

300.0

Senior Notes

May-23

5.250%

600.0

600.0

Senior Notes

Nov-23

4.250%

625.0

625.0

Unamortized Discounts

(26.7)

0.7

(26.0)

Total Consolidated Debt

\$2,961.2

\$3,045.2

Compliance Leverage Ratio

(1)

2.8x

2.7x

Liquidity:

Credit Facility Commitment

1,200.0

1,200.0

Funded Borrowings

(495.0)

(80.0)

(575.0)

Letters of Credit

(94.6)

\$52.6

(42.0)

Total Revolver Availability

\$610.4

\$583.0

Cash

67.3

72.4

Total Liquidity

\$677.7

\$655.4



18

Targa 2014 Annual Guidance Summary

(1)

Based on an illustrative Targa NGL barrel that contains 44% ethane, 30% propane, 11% natural gasoline, 5% isobutane and 10%

Financial

FY 2014

Comments

2014 EBITDA (\$ in millions)

\$925 -

\$975

Fee-Based Margin %

65%+

Growth Cap Ex -

Announced Projects Only

\$780

Maintenance Cap Ex (\$ in millions)

\$80

TRP Distribution Growth (FY 2014 vs FY 2013)

7% -

9%

Expected to be on high side of range

TRC Dividend Growth (FY 2014 vs FY 2013)

25%+

Operating Statistics

FY 2014

Comments

Field Gas Inlet Volumes

Growth across all systems

Badlands Crude Gathered Volumes (FY 2014 vs FY 2013)

Approximately double

Coastal NGL Production

Higher than 2013

Commodity Price Assumptions

FY 2014

Comments

Weighted Average NGL (\$/gallon)

\$0.90

Henry Hub Natural Gas (\$/MMBtu)

\$3.75

Crude Oil (\$/barrel)

\$95.00

(1)

19

Targa Investment Highlights

Well positioned in U.S.

shale / resource plays

Leadership position at

Mont Belvieu

Increasing scale, diversity  
and fee-based margin

Approximately \$2.6 billion  
in announced organic cap  
ex projects completed or  
underway

Additional projects under  
development of similar  
scale and mix

Strong financial profile

Strong track record of  
distribution and dividend  
growth

Experienced management  
team

Diversified Midstream Platform

20  
Proposed Acquisition of Atlas

21

Targa + Atlas: Transaction Overview

Targa Resources Partners LP (NYSE: NGLS; TRP  
or the Partnership ) has executed a definitive agreement to  
acquire Atlas Pipeline Partners, L.P. (NYSE: APL) for \$5.8 billion

(1)

0.5846

NGLS

common  
units  
plus  
a  
one-time  
cash  
payment  
of  
\$1.26  
for  
each  
APL  
LP  
unit  
(implied  
premium  
(1)  
of  
15%)

\$1.8 billion of debt at September 30, 2014  
Targa Resources Corp. (NYSE: TRGP; TRC  
or the Company ) has executed a definitive agreement to acquire  
Atlas  
Energy,  
L.P.  
(NYSE:  
ATLS),  
after  
its  
spin-off  
of  
non  
APL-related  
assets,  
for  
\$1.9  
billion

(1)  
Prior to TRGP's acquisition, all assets held by ATLS not associated with APL will be spun out to existing ATLS  
unitholders

10.35 million TRGP shares issued to ATLS unitholders  
\$610 million of cash to ATLS

Each existing ATLS (after giving effect to ATLS  
spin out) unit will receive 0.1809 TRGP shares and \$9.12 in cash  
Accretive to NGLS and TRGP cash flow per unit and share, respectively, immediately and over the longer-term, while  
providing APL and ATLS unitholders increased value now and into the future

Post closing  
(2)

, NGLS plans to increase its quarterly distribution by \$0.04 per  
LP unit (\$0.16 per LP unit annualized rate)

NGLS expects 11-13% distribution growth in 2015 compared to 7-9% in 2014

Post closing

(2)

, TRGP plans to increase its quarterly dividend by \$0.10 per share (\$0.40 per share annualized rate)

TRGP

expects

approximately

35%

dividend

growth

(3)

in

2015

compared

to

25%+

in

2014

Transactions are cross-conditional and expected to close Q1 2015, subject to shareholder and regulatory approvals

(1) Based on market data as of October 10, 2014, excluding transaction fees and expenses

(2) Management intends to recommend this increase at the first regularly scheduled quarterly distribution declaration Board meeting

(3) Assumes NGLS distribution growth of 11-13%



22

Targa + Atlas: Strategic Highlights

Attractive

Positions in Active

Basins

Creates World-

Class Permian

Footprint

Complementary  
Assets with  
Significant Growth  
Opportunities  
Enhances  
Credit Profile  
Significant Long-  
Term Value  
Creation

Already strong positions in Permian and Bakken enhanced with entry into Mississippi Lime and Eagle Ford

4  
of  
the  
top  
5  
basins  
by  
active  
rig  
count  
and  
unconventional  
well  
spuds

(1)  
Top 3 basins by oil production

(1)  
Also  
exposed  
to  
emerging  
SCOOP  
play  
and  
continued  
development  
of  
NGL-rich

Barnett  
Shale

Adds diversity and leadership position in all basins/plays

Combines strong Permian Basin positions to create a premier franchise

Provides new customer relationships with the most active operators in each basin

Current combined processing capacity of 1,439 MMcf/d plus 500 MMcf/d of announced expansions

Significant organic growth project opportunities

2014 growth capex of ~\$1.2 billion

2015 growth capex expected to exceed \$1.2 billion

Additional projects under development of over \$3 billion

NGL production to support Targa's leading NGL position in Mont Belvieu and Galena Park

Estimated

pro  
forma  
leverage  
ratio  
of  
3.3x  
Total  
Debt  
/  
2014E  
EBITDA

(4)  
at  
NGLS

Increased size and scale move NGLS credit metrics closer to investment grade over time

Immediately accretive to distributable cash flow at both NGLS and TRGP

Increases FY 2015 vs FY 2014 distribution growth at NGLS to 11-13% and at TRGP to approximately 35%

Provides larger asset base with additional long-term growth opportunities

Higher long-term distribution/dividend growth profile than Targa standalone

(1) Source: Oil & Gas Investor

(2) Based on market data as of October 10, 2014, less the value of 16.3 MM PF NGLS units owned by TRGP

(3) Based on NGLS and APL guidance ranges

(4) Based on estimated compliance ratio

Increased Size and  
Scale

Combined partnership will be one of the largest diversified MLPs

Pro  
forma  
enterprise  
value

(2)  
of  
\$23  
billion

Pro  
forma  
2014E  
EBITDA

of  
approximately  
\$1.3-\$1.4  
billion

(3)

23

Attractive Positions in Active Basins

Barnett

Eagle Ford

Delaware

Bakken

Mississippi

Lime

Woodford

Pro Forma Asset Highlights

39 natural gas processing plants (~6.9 Bcf/d gross processing capacity)

Over 22,500 miles of natural gas and crude oil gathering pipeline

Gross NGL production of 278.9 MBbls/d in 2Q 2014

3 crude oil and refined products terminals with 2.5 MMBbls of storage

17 gas treating facilities

573 MBbl/d gross fractionation capacity

~6.5 MMBbl/month capacity LPG export terminal

Atlas

Natural Gas Processing Plant

Natural Gas Pipeline

Targa

Natural Gas Processing Plant

Terminal

Fractionator

Natural Gas Pipeline

Crude Oil Pipeline

NGL Pipeline

Legend

U.S. Land Rig Count by Basin

(1)

(1) Source: Baker Hughes Incorporated, as of October 20, 2014

SCOOP

Midland

24

24

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  
Barnett  
Eagle Ford  
Midland  
Mississippi Lime  
Woodford  
Delaware  
Marcellus &  
Others  
Rockies  
Galena Park Marine  
Import / Export  
Terminal  
Atlas  
Natural Gas Processing Plant  
Natural Gas Pipeline  
Targa  
Natural Gas Processing Plant  
Terminal  
Fractionator  
Natural Gas Pipeline  
Crude Oil Pipeline  
NGL Pipeline  
Third Party  
Ethylene Cracker  
Illustrative Y-Grade Flows  
Import / Export  
Legend  
Mont  
Belvieu  
Terminal  
SCOOP





Market Cap

~ \$12 Billion

(1)

~ \$5 Billion

(2)

~ \$17 Billion

(1)

Enterprise Value

~ \$15 Billion

(1)

~ \$8 Billion

(2)

~ \$23 Billion

(1)

2014E EBITDA (\$MM)

\$925 - \$975 Million

\$400 - \$425 Million

\$1,325 - \$1,400 Million

2014E Capital

Expenditures (\$MM)

\$780 Million

\$400 - \$450 Million

\$1,180 - \$1,230 Million

2014E Operating

Margin by Segment

YE 2014E % Fee-

Based

68%

32%

Fixed Fee

Percent of Proceeds

35%

7%

38%

20%

Field G&P

Coastal G&P

Logistics

Marketing and Dist.

40%

60%

Texas

Oklahoma

25%

5%

27%

15%

11%

17%

Field G&P - Targa

Coastal G&P - Targa

Logistics - Targa

Marketing and Dist. - Targa

Texas - Atlas

Oklahoma - Atlas

40%

60%

Fixed Fee

Percent of Proceeds

60%

40%

Fixed Fee

Percent of Proceeds

25

Increased Size and Scale Enhance Credit Profile

Targa

Atlas

Pro Forma Targa

(1)

Represents

combined

market

cap

and

enterprise

value

for

NGLS

and

TRGP

as  
of  
October  
10,  
2014,  
less  
the  
value  
of  
NGLS  
units  
or  
PF  
NGLS  
units  
owned  
by  
TRGP

(2) Represents combined market cap and enterprise value for APL and ATLS as of October 10, 2014 based on transaction cons

(3) Includes keep-whole at 1% of total margin

(3)

26  
Pro Forma Organizational and Capital Structure  
Targa Resources Corp.  
(NYSE: TRGP)  
( TRC  
or the Company )  
PF  
Standalone

Leverage

(1)

:

3.8x

PF

Consolidated

Leverage

(2)

:

3.9x

Targa Resources

GP LLC

Targa Resources Partners LP

(NYSE: NGLS)

( TRP

or the Partnership )

PF Leverage

(3)

: 3.3x

Lenders

Lenders

Public Shareholders

Legacy TRGP: 80%

Legacy ATLS: 20%

Public Unitholders

Legacy NGLS: 59%

Legacy APL: 32%

\$750 million of new Term Loan B borrowings

\$92 million of existing revolver borrowings

plus \$115 million of new revolver borrowings

under new \$350 million revolver

\$3.0 billion of existing debt at NGLS

\$1.8 billion of debt from APL

\$0.2 billion of new revolver borrowings

100% Interest

(52.5 million shares)

100% Indirect

Ownership

9% LP Interest

(16.3 million LP Units)

2% General

Partner Interest & IDRs

\$5.0 billion

of debt

91% LP Interest

(158.5 million LP units)

\$957 million

of debt

Note: Debt balances as of September 30, 2014. Transaction adjustments include estimated fees and expenses

(1)

Based  
on  
PF  
TRGP  
Debt  
/  
2014E  
EBITDA.  
TRGP  
EBITDA  
based  
on  
cash  
distributions  
received  
from  
LP  
units,  
GP  
units  
and  
IDRs  
less  
TRGP  
G&A

- (2) Based on PF total NGLS and TRGP debt divided by 2014E PF NGLS Compliance EBITDA  
(3) Based on PF total NGLS Debt / 2014E PF NGLS Compliance EBITDA

Targa Business Division and Segment Review

Field Gathering and Processing Segment



28

Approximately 900 MMcf/d of gross processing capacity at the end of 2013, expanding to approximately 1,340 MMcf/d in 2014

(2)

Permian Basin activity dominated by oil shale / resource plays; SAOU, Sand Hills and Versado are gathering from oil wells with associated gas and NGLs

North Texas assets are located in oiler portion of Barnett Shale where drilling activity remains active

Bakken activity also dominated by oil shale / resource plays

Field G&P Highlights

Meaningful Increase in Plant Inlet Volumes

North Texas

278

200

478

SAOU

169

200

369

Sand Hills

175

0

175

Versado

240

0

240

Badlands

38

40

78

Total

900

1,340

Gross Processing

Capacity

(MMcf/d)

Expansions

2014

(MMcf/d)

Capacity

Post-Expansions

(MMcf/d)

(1)

(1)

As of YE 2013

(2)

Additional Badlands plant estimated completion YE 2014 and in-service early 2015

(2)

Note: Gross processing capacity varies as GPM increases and decreases

(1) As of Q3 2014

Targa's Permian Basin Systems Across Broad Active Plays

29

2014 inlet volumes are expected to be  
meaningfully higher than 2013 in each of

SAOU, Sand Hills and Versado

More horizontal wells are accelerating

production growth  
200 MMcf/d High Plains Plant placed in  
service in June 2014  
35 mile Midland County Pipeline placed in  
service in June 2014  
Recently approved construction of new 300  
MMcf/d gas processing plant in Delaware Basin  
expected to be in-service at the end of Q1 2016  
Permian Growth Continues  
Addition of 200 MMcf/d  
High Plains Plant  
in June 2014  
Targa s Permian Basin Throughput and Capacity  
Gross Processing  
Capacity (MMcf/d)  
Q3 2014 Inlet  
Volume (MMcf/d)  
Pipeline  
Miles  
Q3 2014  
Recovered  
GPM  
SAOU  
369  
207  
1,800  
5.3  
Sand Hills  
175  
167  
1,500  
4.4  
Versado  
240  
172  
3,350  
5.4  
Total  
784  
546  
6,650  
(1)

North Texas

Well Positioned for Growth

30

Liquids-Rich Barnett Shale and  
Marble Falls Driving Growth

Targa's assets are well positioned to  
access the active liquids-rich portion of  
the Barnett Shale and the Marble Falls

play

200 MMcf/d Longhorn Plant placed  
in service in May 2014

Barnett volumes continue to trend  
higher as improvements in horizontal  
drilling and multi-staged frac  
completions result in higher initial  
production rates

Producers starting to show increased  
activity in Clay County

Marble Falls play in Jack and Palo Pinto  
counties leverages existing system,  
while providing expansion opportunities

Rig

Activity

in

North

Texas

(1)

(1)

Source: Drillinginfo; includes Archer, Clay, Cooke, Denton, Eastland, Haskell, Jack, Jones, Montague, Palo Pinto, Parker, Sha  
Young Counties, TX

Badlands  
High-Quality, Fee-Based Assets  
31  
System Map  
Crude Oil Assets  
Completed pipelines  
Proposed Pipelines  
Terminals

Natural Gas Assets  
Completed Pipelines  
Processing Plant  
Proposed Pipelines  
Little Missouri Phase 3  
Legend



Coastal Gathering and Processing Segment Overview

Positioned on mainline gas pipelines processing volumes of gas collected from multiple offshore producing areas

VESCO is now processing rich gas from Shell's Mars B / Olympus development

Coastal Straddles (including VESCO)

Processing Plants: Gillis (180 MMcf/d), Acadia (80

MMcf/d) and Big Lake (180 MMcf/d)

Fractionation interconnected to LCF

Traditional wellhead volumes have been declining  
but inlet volumes have longer term upside potential

Other

interconnected

straddle

volumes

32

LOU (Louisiana Operating Unit)

Coastal G&P Segment Volumes

Logistics Assets

Extensive Gulf Coast Footprint

33

(1)

Recently commenced construction on Train 5, a 100 MBbl/d expansion

(2)

Net

capacity

is  
calculated  
based  
on  
TRP s  
88%  
ownership  
of  
CBF  
and  
39%  
ownership  
of  
GCF  
(3)  
Phase II expansion now fully complete  
Galena Park Marine Terminal  
Products  
MMBbl/  
Month  
Export Capacity  
(3)  
LEP / HD5 / NC4  
~6.5  
Other Assets  
700 MBbls in Above Ground Storage Tanks  
4 Ship Docks

0  
50  
100  
150  
200  
250  
300  
Loading Rates

MBbl/d

5000 BPH Fully-Ref #1 Chiller

5000 BPH Fully-Ref #2 Chiller

2500 BPH Semi-Ref Chiller

Effective Capacity

70%

Galena Park Loading Rates

Targa's Galena Park Marine Terminal Effective Export Capacity

34

Phase I expansion completed in September 2013

Phase II was fully completed in September 2014

Phase II expansion was completed in stages

Additional 12

pipeline, refrigeration, and new VLGC-

capable dock were placed in-service in Q1 and Q2 2014

Additional de-ethanizer at Mont Belvieu was placed in-service in Q3 2014

Targa's nameplate refrigeration capacity is

~12,500 Bbl/h or ~300 MBbl/d or ~9 MMBbl/month

Effective capacity for Targa and others is

primarily a function of:

Equipment run-time and efficiencies

Dock space and ship staging

Storage and product availability

Targa's effective capacity of 6.5 MMBbl/month is

~70% of the nameplate

Demand for Exports Continues to Increase

Long term incentive to export continues as expected supply growth exceeds domestic demand

U.S. Propane

(1)

U.S. Butane

(1)

(2)

Historically, U.S. Gulf Coast propane

and butane have been favorably  
priced compared to world markets

Year to date 2014, the spread between the  
Saudi Contract propane price and Mont  
Belvieu propane price narrowed versus the  
levels experienced in 2012 and 2013, but  
demand for long-term and short-term

cargoes remains strong

Targa owns one of only two  
operating commercial LPG export  
facilities on the Gulf Coast

Currently exporting low ethane propane,  
HD5 and butane

Targa can service small, mid-sized and  
VLGC vessels

Targa's Phase II expansion is now complete  
and has increased effective capacity to  
export to approximately 6.5 MMBbl/month

(1)

Source: IHS

(2)

CP = Saudi Contract Price

35

(2)



36

Petroleum Logistics

Highlights

Expanding TRP's Channelview Terminal

In March 2014, announced the approval to construct a 35

MBbl/d condensate splitter at TRP's Channelview

Terminal (Houston)

TRP has filed the permit, and expects the splitter

to be in-service late 2016 or early 2017,  
depending on permit timing  
Supported by a long-term fee-based arrangement with  
Noble Americas Corp., a subsidiary of Noble Group Ltd.  
Continuing to expand TRP's Sound Terminal  
Expanded in Q1 2013 with connection to a local products  
pipeline  
Added storage capacity in Q2 2014, and added ethanol,  
biodiesel and gasoline blending to the truck loading rack  
The acquisition announced in January 2013 of  
Patriot on the Houston Ship Channel provides  
additional growth opportunities  
Potential location for an additional condensate splitter  
Clean product storage and terminaling  
Expansion potential for LPG exports  
Connectivity to local pipelines and Targa Galena Park  
Growing backlog of additional organic growth  
projects  
Terminal  
Current  
Storage  
Products  
Capabilities  
Targa Channelview  
Houston, TX  
556 MBbl  
Crude oil, blend stock,  
asphalt, marine diesel oil,  
used motor oil, vacuum  
gas  
oil, residual fuel oil  
Truck and barge transport;  
Blending and heating;  
Vapor controls  
Targa Sound  
Tacoma, WA  
1,457 MBbl  
Crude oil, gasoline,  
distillates, asphalt, residual truck transport;  
fuel oils, LPGs, ethanol,  
biodiesel  
Ship, barge, pipe, rail, and  
Blending and heating;  
Vapor controls  
Targa Baltimore  
Baltimore, MD  
505 MBbl  
Asphalt, fuel oil; ability to  
expand product handling  
Truck and barge transport;

Blending and heating;  
Can add rail, pipe, and ship  
Total  
2,518MBbl

Marketing and Distribution Segment

37

NGL and Natural Gas Marketing

Manage physical distribution of mixed NGLs and specification products using owned and third party facilities

Manage inventories for Targa downstream business

Sell propane and butane for international export

Buy and sell natural gas to optimize Targa assets

Wholesale Propane

Sell propane to multi-state, independent retailers and industrial accounts on a fixed or posted price at delivery  
Tightly managed inventory sold at an index plus

Refinery Services

Balance refinery NGL supply and demand requirements  
Propane, normal butane, isobutane, butylenes  
Contractual agreements with major refiners to market NGLs by barge, rail and truck  
Margin-based fees with a fixed minimum per gallon

Commercial Transportation

All fee-based

686 railcars leased and managed

75 owned and leased transport tractors

22 pressurized NGL barges

This segment incorporates the skills and capabilities that enable other Targa businesses

Operating Margin vs. NGL Price

Marketing and Distribution Highlights

Appendix

39  
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



40  
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 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 Measures Reconciliation

41  
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:

2014

2013

Reconciliation of net income (loss) attributable to Targa  
Resources Partners LP to Adjusted EBITDA:

Net income to Targa Resources Partners LP

128.3

\$

59.7

\$

Add:

Interest expense, net

36.0

32.6

Income tax expense

1.3

0.7

Depreciation and amortization expense

87.5

68.9

(Gain) Loss on sale or disposal of assets

(4.4)

(0.7)

Loss on debt redemption and early debt extinguishments

-

7.4

Change in contingent consideration

-

(9.1)

Risk management activities

1.5

(0.3)

Noncontrolling interest adjustment

(3.5)

(3.3)

Adjusted EBITDA

246.7

\$

155.9

\$

2014

2013

Reconciliation of gross margin and operating margin to net income (loss):

Gross margin

407.9

\$

297.1

\$

Operating expenses

(112.8)

(97.6)

Operating margin

295.1

199.5

Depreciation and amortization expenses

(87.5)

(68.9)

General and administrative expenses

(40.5)

(35.4)

Interest expense, net

(36.0)

(32.6)

Income tax expense

(1.3)

(0.7)

(Gain) Loss on sale or disposal of assets

4.4

0.7

Loss on debt redemption and early debt extinguishments

-

(7.4)

Change in contingent consideration

-

9.1

Other, net

4.0

0.7

Net income

138.2

\$

65.0

\$

(\$ in millions)

(\$ in millions)

Three Months Ended

Three Months Ended

September 30,

September 30,

42  
Non-GAAP Reconciliation  
2014 EBITDA  
The following table presents a reconciliation of 2014 projected Adjusted EBITDA to net income for NGLS:  
Low Range  
High Range  
(\$ in millions)  
Reconciliation of net income attributable to Targa



Resources Partners LP to Adjusted EBITDA:

Net income attributable to Targa Resources Partners LP

444.5

\$

494.5

\$

Add:

Interest expense, net

150.0

150.0

Income tax expense

4.0

4.0

Depreciation and amortization expenses

340.0

340.0

Noncontrolling interests adjustment

(13.5)

(13.5)

Adjusted EBITDA

925.0

\$

975.0

\$

Twelve Months Ended 12/31/2014

43

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)

31-Mar

30-Jun

30-Sep  
31-Dec  
31-Mar  
30-Jun  
30-Sep  
2013  
2013  
2013  
2013  
2014  
2014  
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

Add:

Depreciation and amortization expense

63.9

65.7

68.9

73.1

79.5

85.8

87.5

Deferred income tax (expense) benefit

0.4

0.4

-

0.1

0.4

0.3

0.4

Amortization in interest expense

4.0

4.0

3.8

3.7

3.4

3.3

2.2

Loss (gain) on debt redemption and early debt extinguishments

-

7.4

7.4

-

-

-

-

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)

Risk management activities

(0.2)

0.2

(0.3)

(0.3)

(0.2)

(0.4)

1.5

Maintenance capital expenditures

(21.7)

(21.8)

(17.0)

(19.5)

(13.7)

(20.0)

(21.9)

Other

-

(0.6)

(1.9)

(1.6)

(2.0)

(2.0)

(1.1)

Distributable cash flow

\$ 85.5

\$ 79.0

\$ 110.8

\$ 164.9

\$ 189.0

\$ 175.3

\$ 192.5

Distributions Declared

95.7

102.4

108.5

115.8

121.3

125.7

130.9

Distribution Coverage

0.9x

0.8x

1.0x

1.4x

1.6x

1.4x

1.5x

Three Months Ended

44

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:

3/31/2010

6/30/2010

9/30/2010

12/31/2010

3/31/2011

6/30/2011

9/30/2011

12/31/2011

Reconciliation of gross margin and operating  
margin to net income (loss):

Gross margin

185.9

\$

179.8

\$

184.7

\$

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

117.9

118.8

152.4

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)

(28.4)

(26.7)

(42.5)

(31.8)

(33.2)

(33.7)

(29.2)

Interest expense, net

(31.1)

(27.5)

(27.2)

(25.1)

(27.5)

(27.2)

(25.7)

(27.3)

Income tax expense

(1.4)

(0.9)

(1.6)

(0.1)

(1.8)

(1.9)

(1.5)

0.9

Loss (gain) on sale or disposal of assets

-

-

-

-

-

-

0.3

(0.6)

(Loss) gain on debt redemption and early debt extinguishments

-

-

(0.8)

0.8

-  
-  
-  
-

Change in contingent consideration

-  
-  
-  
-  
-  
-  
-  
-

Risk management activities

25.4

2.5

(1.9)

-

-

(3.2)

(1.8)

-

Equity in earnings of unconsolidated investments

0.3

2.4

1.1

1.7

1.7

1.3

2.2

-

Other Operating income (loss)

-

-

-

3.3

-

-

-

-

Other, net

-

0.1

-

0.1

(0.2)

0.1

(0.6)

3.2

Net income

49.9

\$

22.9

\$

18.4

\$  
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  
Three Months Ended  
(\$ in millions)

45

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:

46  
1000 Louisiana  
Suite 4300  
Houston, TX 77002  
Phone: (713) 584-1000  
Email: [InvestorRelations@targaresources.com](mailto:InvestorRelations@targaresources.com)  
Website: [www.targaresources.com](http://www.targaresources.com)