

# Execution



Clayton Reasor, EVP Investor Relations, Strategy,  
Corporate and Government Affairs  
Bank of America Merrill Lynch 2015 Refining Conference  
March 5, 2015

# Cautionary Statement



This presentation contains certain 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, which are intended to be covered by the safe harbors created thereby. Words and phrases such as “is anticipated,” “is estimated,” “is expected,” “is planned,” “is scheduled,” “is targeted,” “believes,” “intends,” “objectives,” “projects,” “strategies” and similar expressions are used to identify such forward-looking statements. However, the absence of these words does not mean that a statement is not forward-looking. Forward-looking statements relating to Phillips 66’s operations (including joint venture operations) are based on management’s expectations, estimates and projections about the company, its interests and the energy industry in general on the date this presentation was prepared. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecast in such forward-looking statements. Factors that could cause actual results or events to differ materially from those described in the forward-looking statements include fluctuations in crude oil, NGL, and natural gas prices, and refining and petrochemical margins; unexpected changes in costs for constructing, modifying or operating our facilities; unexpected difficulties in manufacturing, refining or transporting our products; lack of, or disruptions in, adequate and reliable transportation for our crude oil, natural gas, NGL, and refined products; potential liability from litigation or for remedial actions, including removal and reclamation obligations, under environmental regulations; limited access to capital or significantly higher cost of capital related to illiquidity or uncertainty in the domestic or international financial markets; and other economic, business, competitive and/or regulatory factors affecting Phillips 66’s businesses generally as set forth in our filings with the Securities and Exchange Commission. Phillips 66 is under no obligation (and expressly disclaims any such obligation) to update or alter its forward-looking statements, whether as a result of new information, future events or otherwise.

This presentation includes non-GAAP financial measures. You can find the reconciliations to comparable GAAP financial measures at the end of the presentation materials or in the “Investors” section of our website.

# 2014 Accomplishments



## Growth

\$4.0 B growth capital program

Advanced 100 MBD NGL fractionator

Advanced 150 MBD LPG export facility

Acquired Beaumont Terminal, adding 7 MMBbl storage

Commenced Bakken to Patoka to Beaumont pipeline projects

Advanced USGC petrochemicals complex

Completed 550 MM Lb/yr 1-hexene plant

Added 200 MM Lb/yr of ethylene capacity at Sweeny

Acquired Spectrum, a specialties lubricants business

Phillips 66 Partners (PSXP)

Delivered over 100% of EBITDA growth

Formed Bakken joint ventures

## Returns

\$1.6 B sustaining capital program

Reliable operations enhance returns

Record low TRIR across Refining, Chemicals, and Midstream

Increased export capacity to 1 MMBD

Ran 94% advantaged crude

Sold interest in Melaka Refinery

Increased crude rail capability to 180 MBD

Competitive ROCE

14% Total Company

32% Marketing & Specialties

27% Chemicals

13% Midstream

12% Refining

## Distributions

Returned \$4.7 B to shareholders

Paid \$1.1 B in dividends

Repurchased \$2.3 B of shares

PSPI exchange \$1.3 B

Increased dividend rate 28%

Reduced outstanding share count by 7%

Repurchased 29 million shares

Completed PSPI 17.4 million share exchange

Capital structure

\$8.7 B debt at year end

\$5.2 B ending cash balance

14% net debt-to-capital ratio

PSXP increased unit distribution 51%

# Operating Excellence



## Total Recordable Rates Incidents per 200,000 Hours Worked

◆ Industry Average

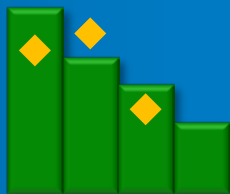
'08 '10 '12 '14



Phillips 66

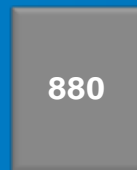


CPCChem



DCP

## Refining Environmental Metrics



2008

450

2010

430

2012

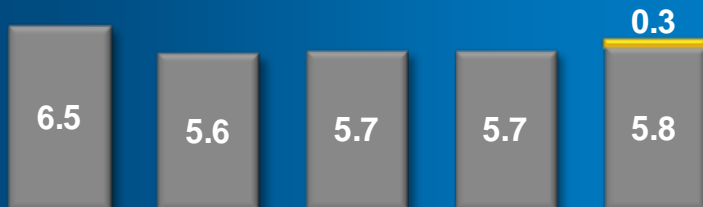
300

2014

## Operating Costs and SG&A

\$B

■ Midstream Growth



2008

2010

2012

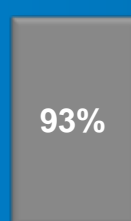
2013

2014

0.3

## Refining Capacity Utilization

%



2008

2010

2012

2014

See appendix for footnotes.

# Energy Landscape



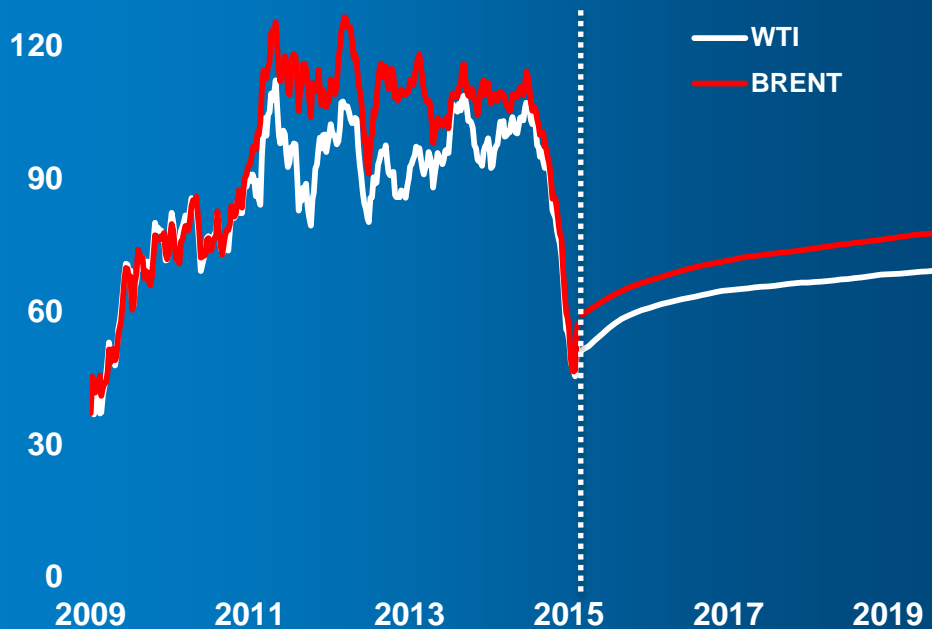
Supply outpacing demand

Weaker global demand growth

E&P production forecasts uncertain

U.S. infrastructure growth slowing

## Historical and Forward Crude Oil Prices \$/bbl





# A Diversified Downstream Company



## Midstream

G&P, pipelines, fractionation, storage and export facilities

M&A and organic opportunities

Free cash flow yield 5-10%\*



## Chemicals

CPCChem, primarily Olefins & Polyolefins in North America and Middle East

Advantaged ethane based feedstock cost structures

Free cash flow yield 20-25%\*



## Refining

Operate in all five U.S. PADDs with 2.2 MBD of refining capacity

Improving yields, accessing advantaged crudes

Free cash flow yield 5-15%\*



## Marketing and Specialties

U.S. Marketing, International Marketing and Lubricants

High return and stable earnings business

Free cash flow yield 15-25%

\*DCP Midstream, CPCChem and WRB free cash flow yield calculated at the enterprise level. See appendix for footnotes.

# Midstream



## NGL

- NGL fractionation capacity growing to 200 MBD
- Fractionator One start up 3Q 2015
- LPG export facility start up 4Q 2016
- Sand Hills/Southern Hills expansion

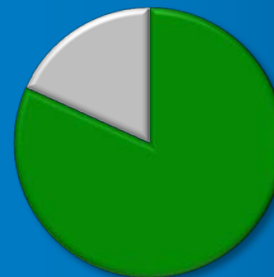
## Transportation

- Beaumont crude/products hub
- Bakken to Patoka/Beaumont pipelines

## PSXP

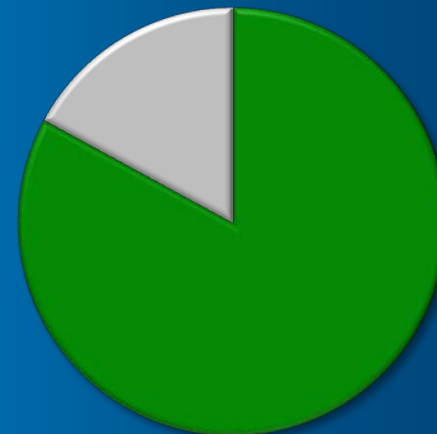
- Bakken joint ventures
- Eagle Ford Gathering System
- Cross-Channel Connector Pipeline
- Organic and M&A opportunities

## 2014 EBITDA



■ Fee Based

## 2018E EBITDA



■ Market Based

# PSXP 1Q 2015 Acquisition



## Drop down assets

- 33.3% interest in Sand Hills NGL pipeline
- 33.3% interest in Southern Hills NGL pipeline
- 19.5% interest in Explorer refined products pipeline

## Public equity issuance of \$456 MM

- \$200 MM consideration for drop
- \$256 MM used for growth and revolver paydown

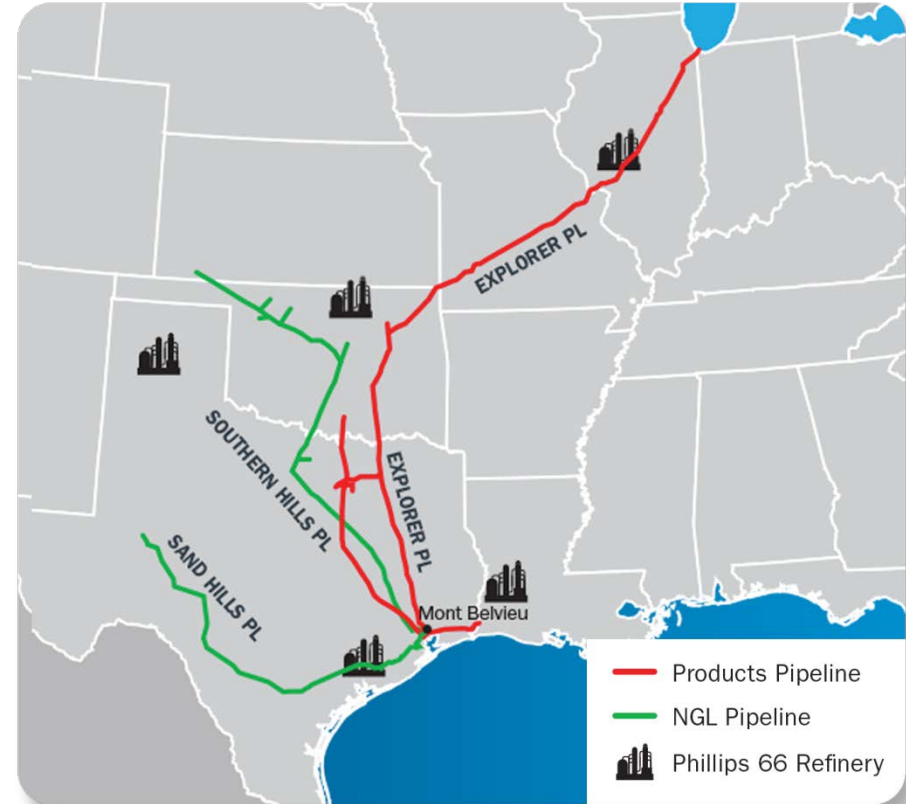
## Public debt issuance of \$1.1 B

- \$680 MM in cash used for drop
- \$412 MM repayment of sponsor loans
- Investment grade credit rating

## Total consideration to PSX of \$1.1 B

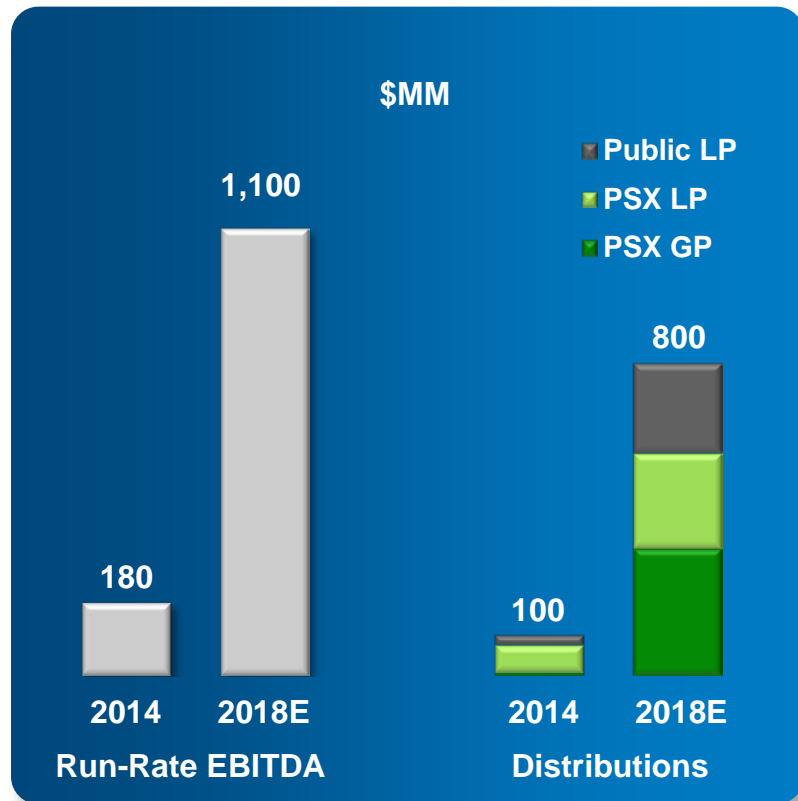
- 9.5x multiple on 2015E EBITDA of \$115 MM
- \$130 MM in take-back units

## Net cash to PSX \$1.3 B includes loan repayment





# Strong PSXP Growth



## Focused on top-tier distribution growth

5-year 30% LP distribution per unit CAGR from 4Q 2013  
Provides significant growth in total distributions

## \$230 MM organic growth project capital

Bakken joint ventures  
Eagle Ford Gathering System  
Cross-Channel Connector Pipeline

**MLP-qualifying EBITDA in excess of \$1 B post 2018**

# PSX Value Uplift



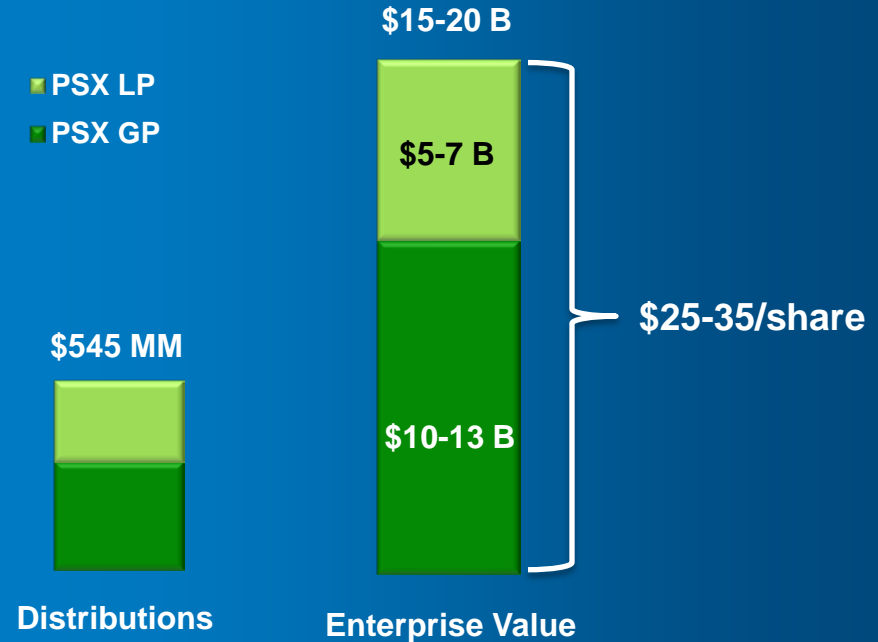
Growing GP key value lever

Fee-based business model

Growing cash flows

Incentivized to grow value at PSXP

## 2018E PSXP Value to PSX

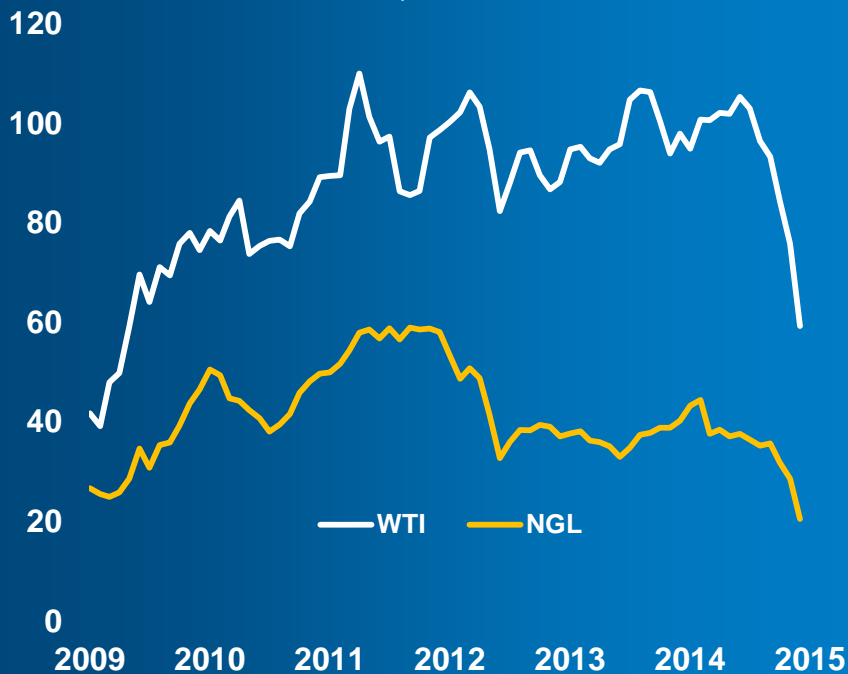


# DCP Midstream



## Historical Commodity Prices

\$/bbl



One of the largest G&P, NGL producers and NGL pipeline operators in North America

Reduce capital and costs, as well as increase capital efficiency

Focus on maintaining strong position in key basins

Zia II, Lucerne 2, and Keathley Canyon in service in 2015

# Chemicals Environment

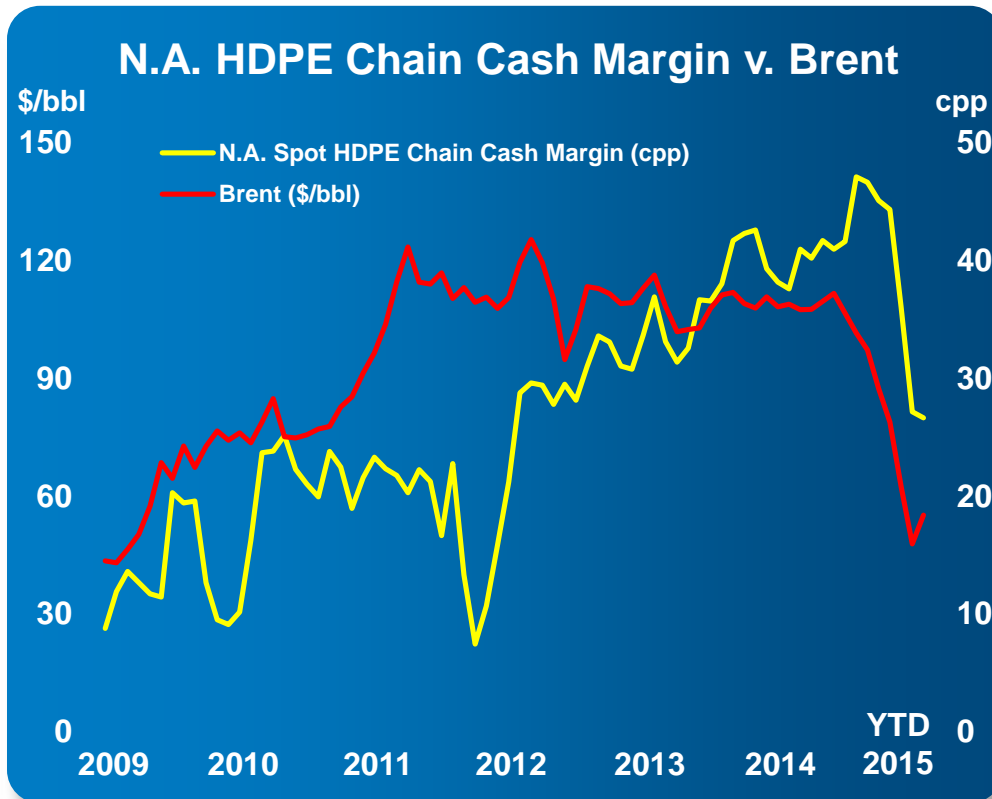


Ethane remains preferred feedstock

Naphtha disadvantage narrows with low oil prices

Record 2014 ethane chain margins, expect good chain margins to continue

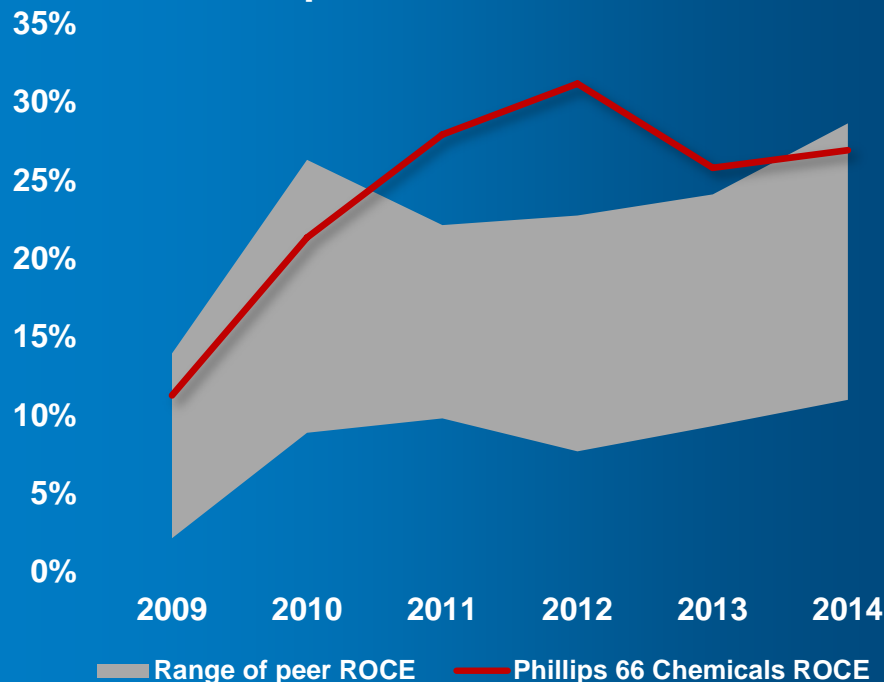
Expect high operating rates



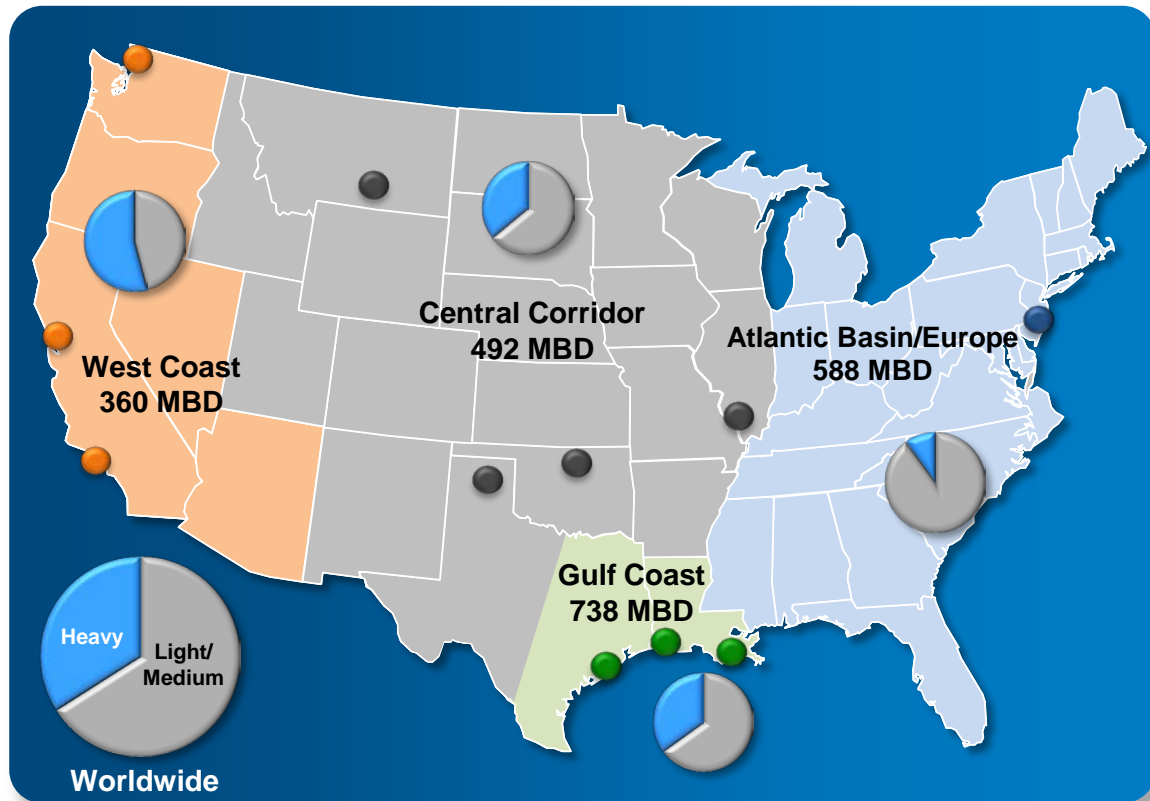
50/50 joint venture with Chevron Corp.  
Industry-leading returns  
Geographically advantaged  
10.5 B Lb/yr worldwide ethylene capacity  
Strong global aromatics position  
23% increase in 2014 EBITDA  
USGC Petrochemicals project on track  
    \$6 B estimated capital spend  
    35% complete, start-up 2Q 2017  
    3.3 B Lb/yr ethane cracker  
    2.2 B Lb/yr polyethylene production  
\$2.9 B self-funded 2015 total capital  
\$1.3 - 1.6 B/yr incremental EBITDA by 2018

\$1.3 – \$1.6 B estimated incremental EBITDA based on 2012 industry margins.  
See appendix for additional footnotes.

## Phillips 66 Chemicals ROCE



# Refining



## Improving Returns

Increasing shale crude runs at Alliance Refinery

Adding access to Canadian and inland crudes on the West Coast

Accessing North Dakota crude

Improving yields at Sweeny, Lake Charles and Bayway Refineries

Increasing Jones Act ship capacity

## Portfolio Management

Melaka

Bantry Bay

Whitegate



# Marketing and Specialties



## High-returning businesses

### U.S. Marketing

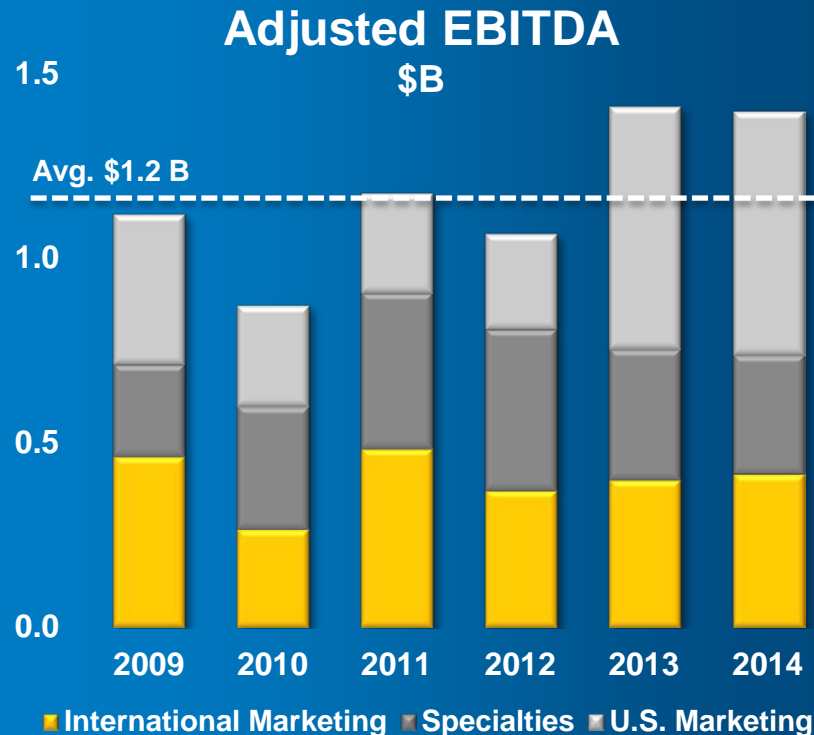
Wholesale network  
~8,600 branded sites

### International Marketing

Low cost, high volume business  
~1,520 sites

### Specialties

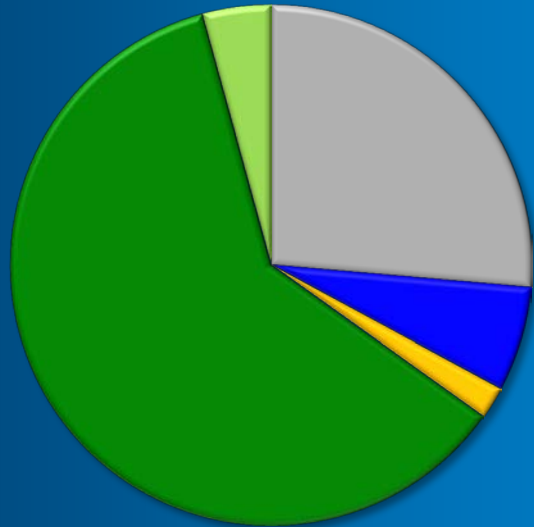
Finished lubricants  
Base oil joint venture



# Capital Budget



**Estimated 2015**  
**\$4.6 B**



■ PSX Sustaining      ■ Refining Returns  
■ M&S Growth      ■ Midstream Growth  
■ PSXP Growth

## **\$3.4 B Growth capital**

Sweeny Fractionator One

LPG Export Terminal

Bakken to Patoka/Beaumont pipelines

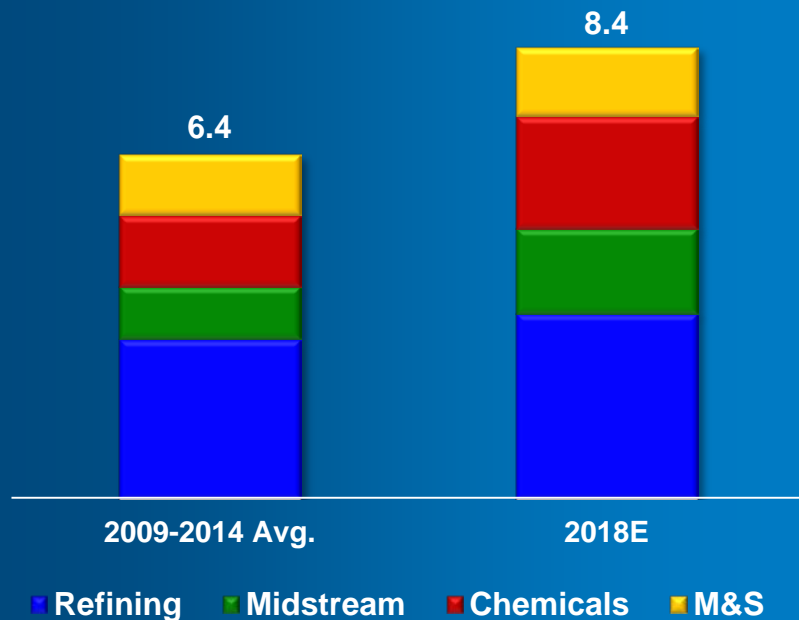
Beaumont Terminal expansion

## **\$1.2 B Sustaining capital**

# EBITDA Growth



## Adjusted EBITDA \$B



Greater than 30% increase in EBITDA

Cash flows less volatile by 2018E

2018E portfolio shift to higher-value businesses

20% Midstream

25% Chemicals

40% Refining

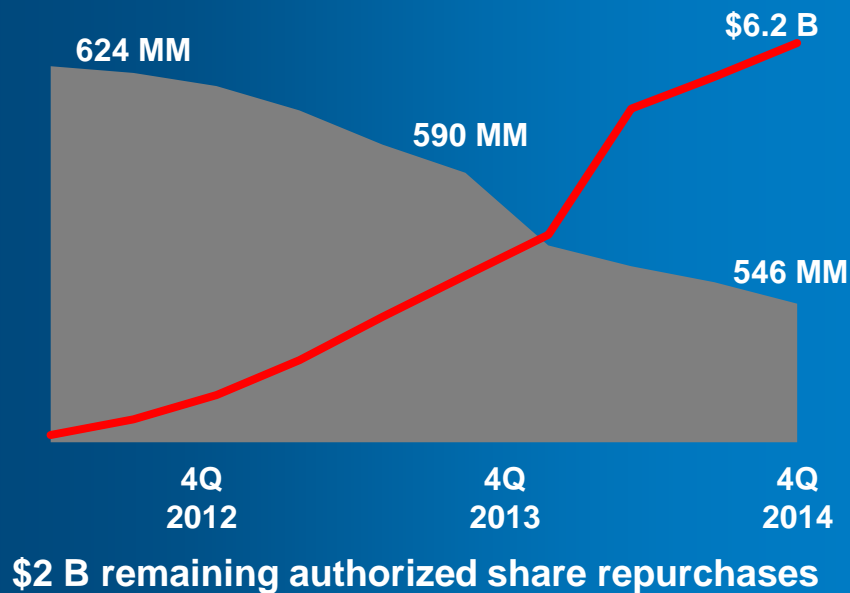
15% Marketing & Specialties

Corporate not included in bars on chart, but included in totals.

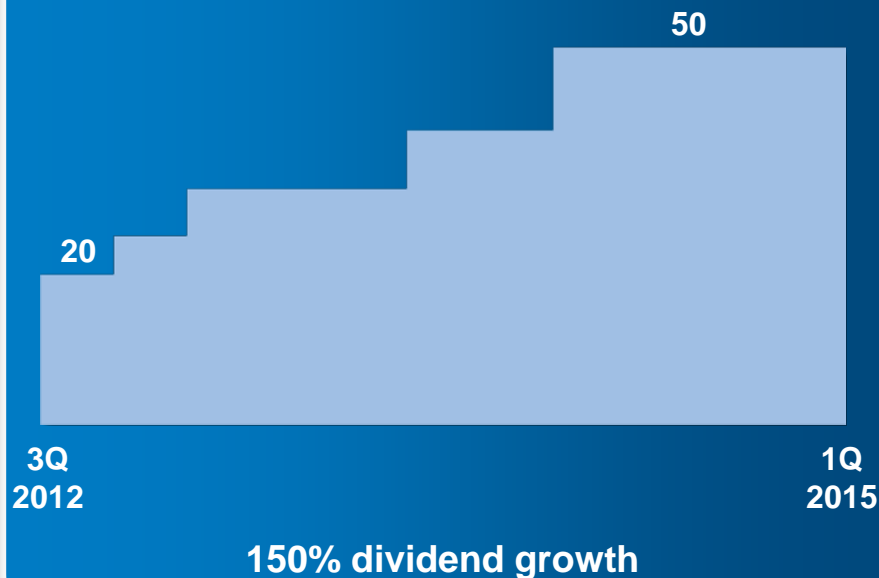
# Distributions



## Share Count and Capital Returned



## Dividend Growth Quarterly ¢/share



# Compelling Investment



Diversified business lines

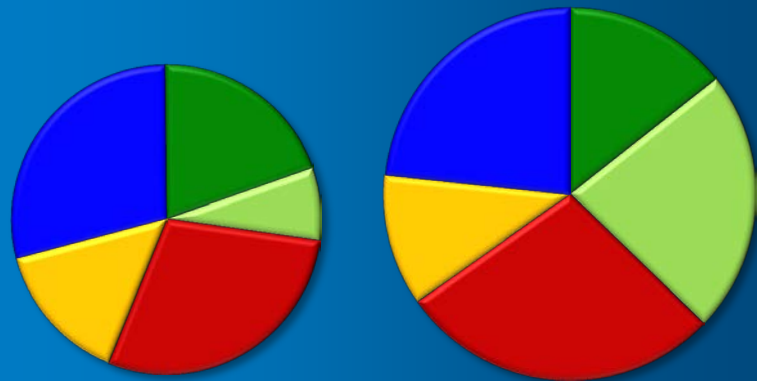
Growing Midstream and Chemicals

Commitment to distributions

Strong balance sheet

Expected multiple expansion

## Enterprise Value



2014

2018E

■ Midstream ■ PSXP ■ Chemicals ■ M&S ■ Refining

# Appendix



## Institutional Investors Contact

Kevin Mitchell  
Vice President, Investor Relations

Rosy Zuklic  
Manager, Investor Relations

[InvestorRelations@p66.com](mailto:InvestorRelations@p66.com)  
832-765-2297



# Disciplined Capital Allocation



## Investment

- Sustain operations
- Fund Midstream and Chemicals growth
- Generate competitive returns

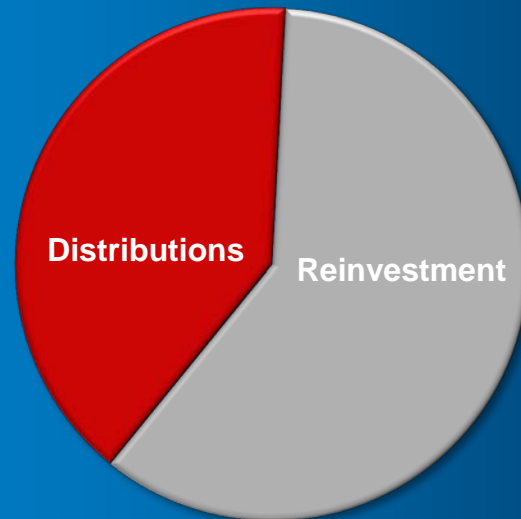
## Distributions

- Dividend growth
- Repurchase shares

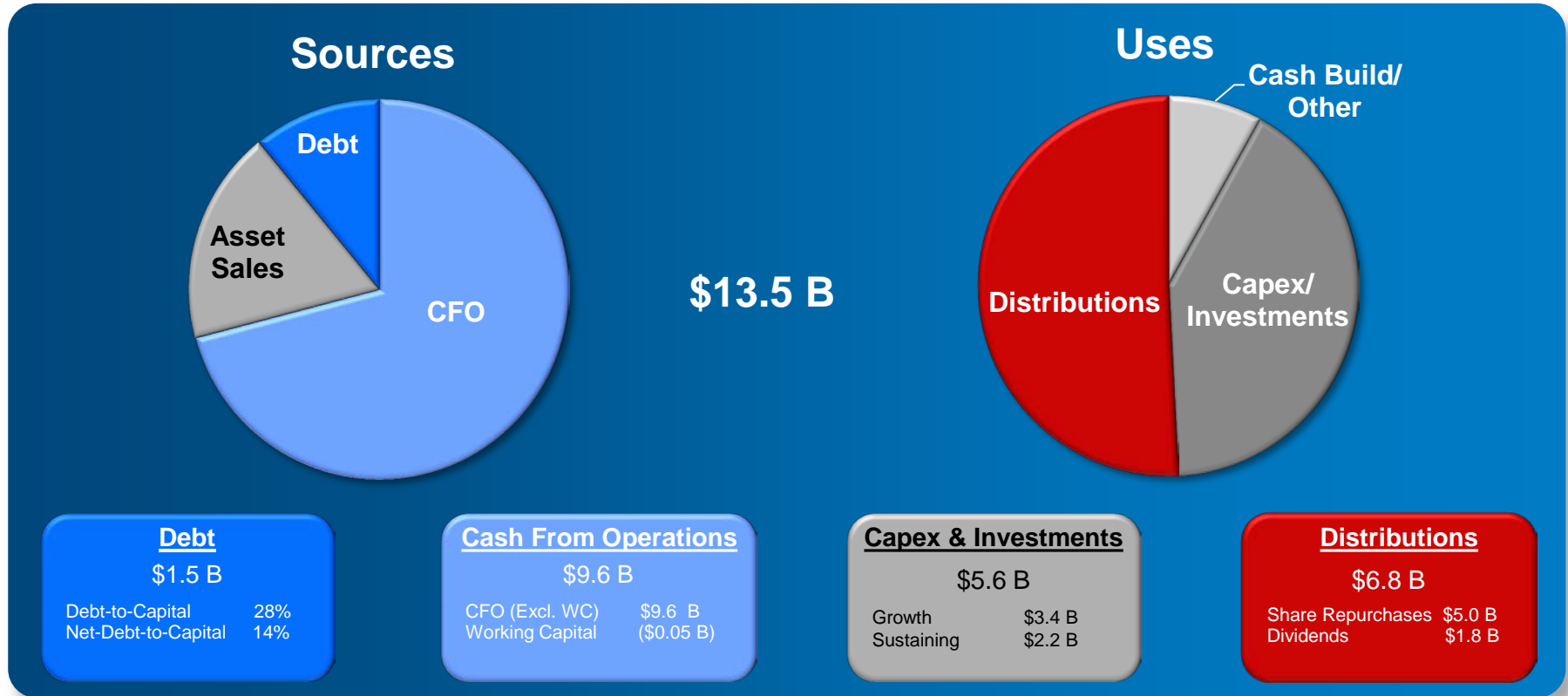
## Capital Structure

- 20-30% debt-to-capital
- Aggressive use of PSXP

2014E – 2016E

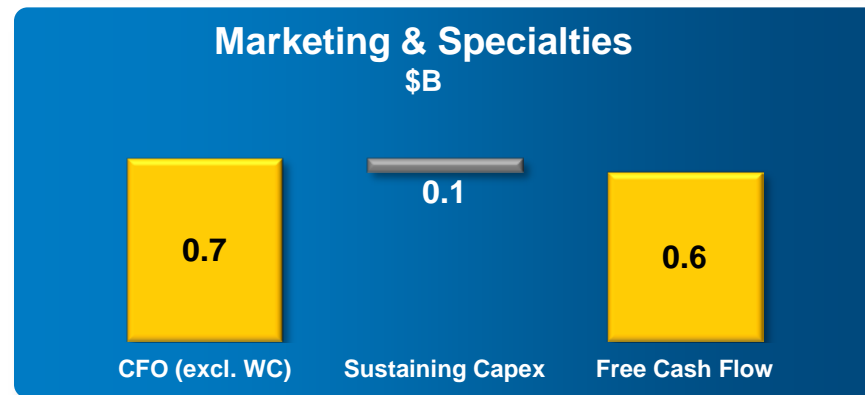
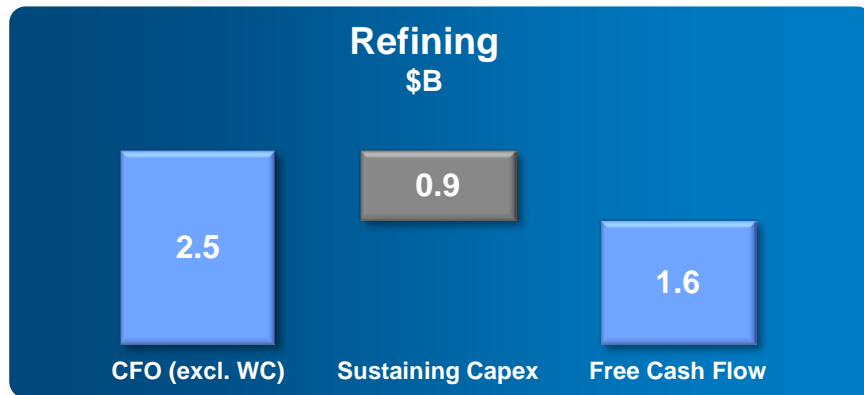
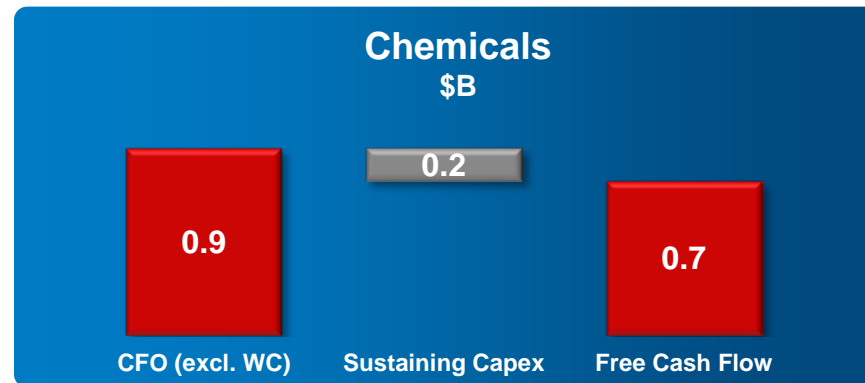
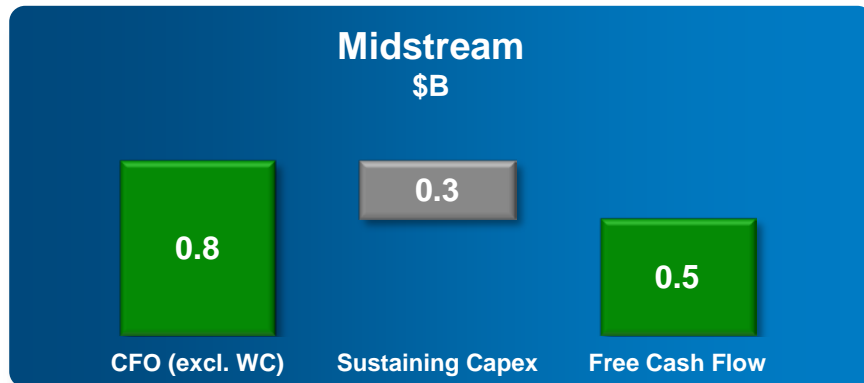


# 2013 – 2014 Cash Sources and Uses



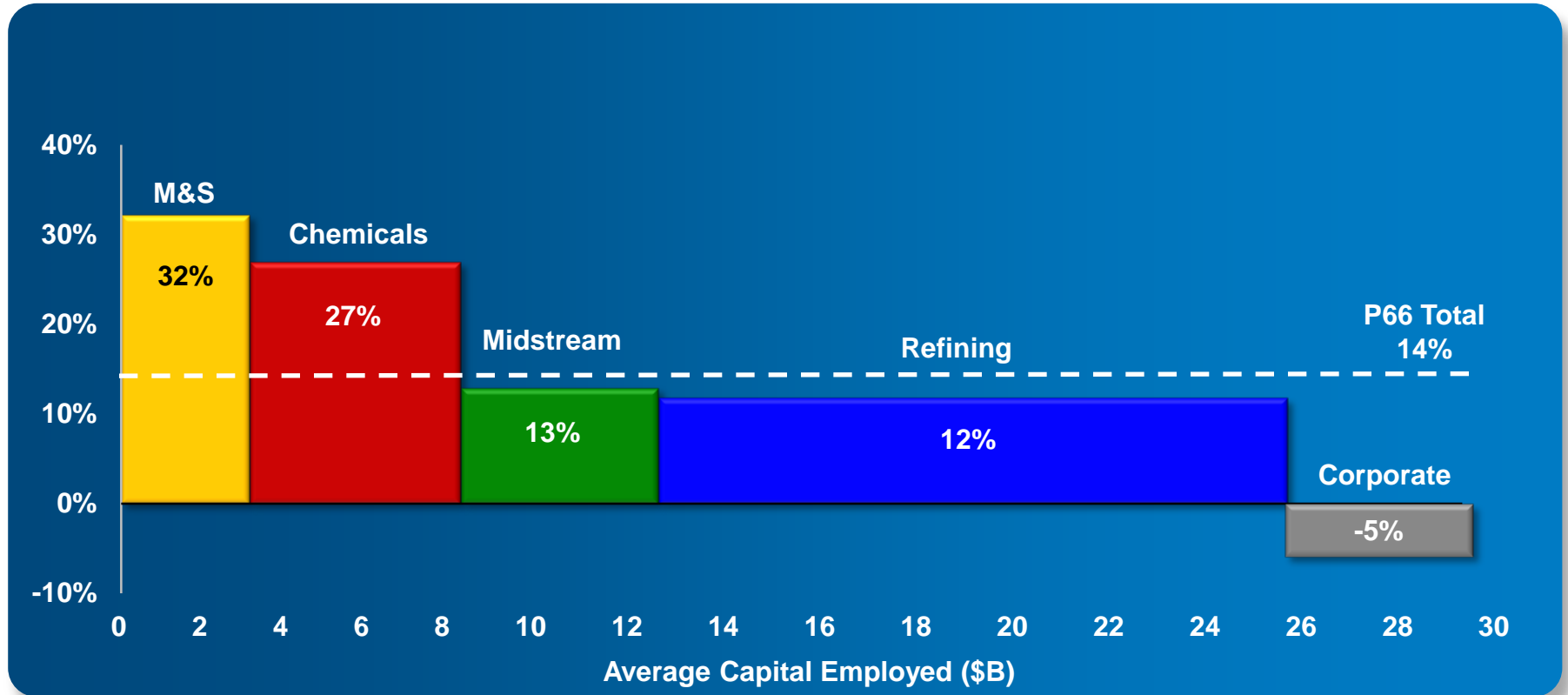
Debt-to-capital and net-debt-to-capital as of Dec. 31, 2014.  
Data includes discontinued operations.

# Free Cash Flow

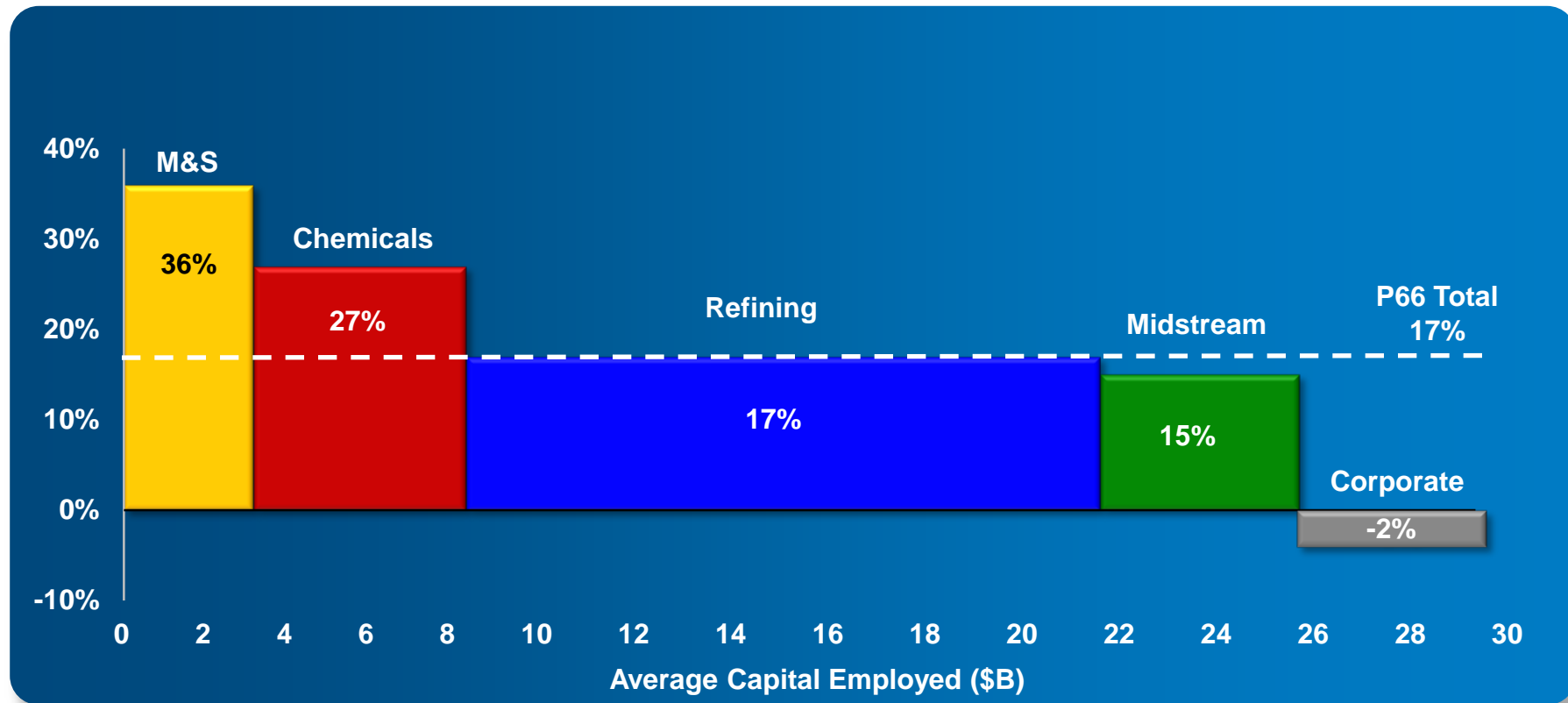


Average from 2009-2014, DCP Midstream, CPChem and WRB free cash flow calculated at the enterprise level

# 2014 Adjusted ROCE

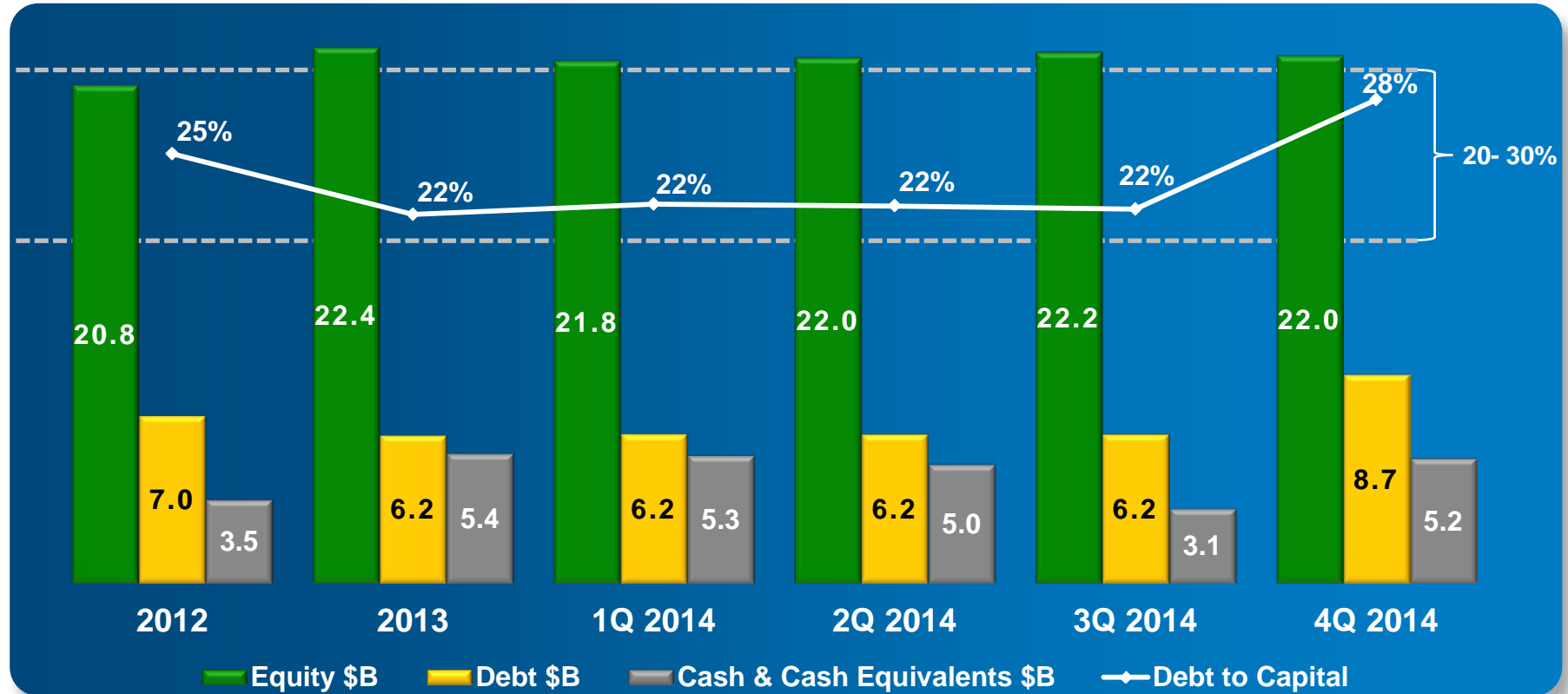


# 2014 Adjusted CROCE



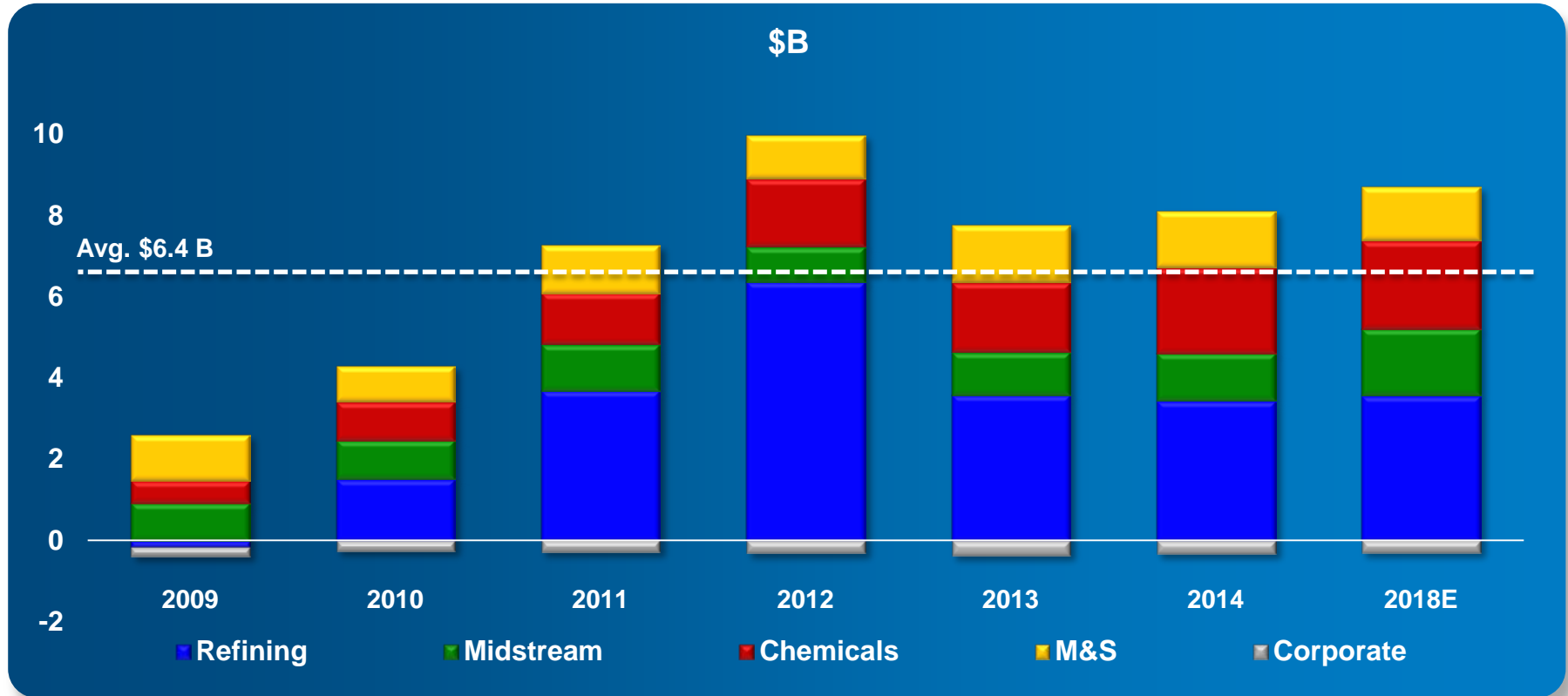
CROCE defined as Adjusted Net Income plus Depreciation and Amortization divided by Average Capital Employed.

# Capital Structure





# Adjusted EBITDA

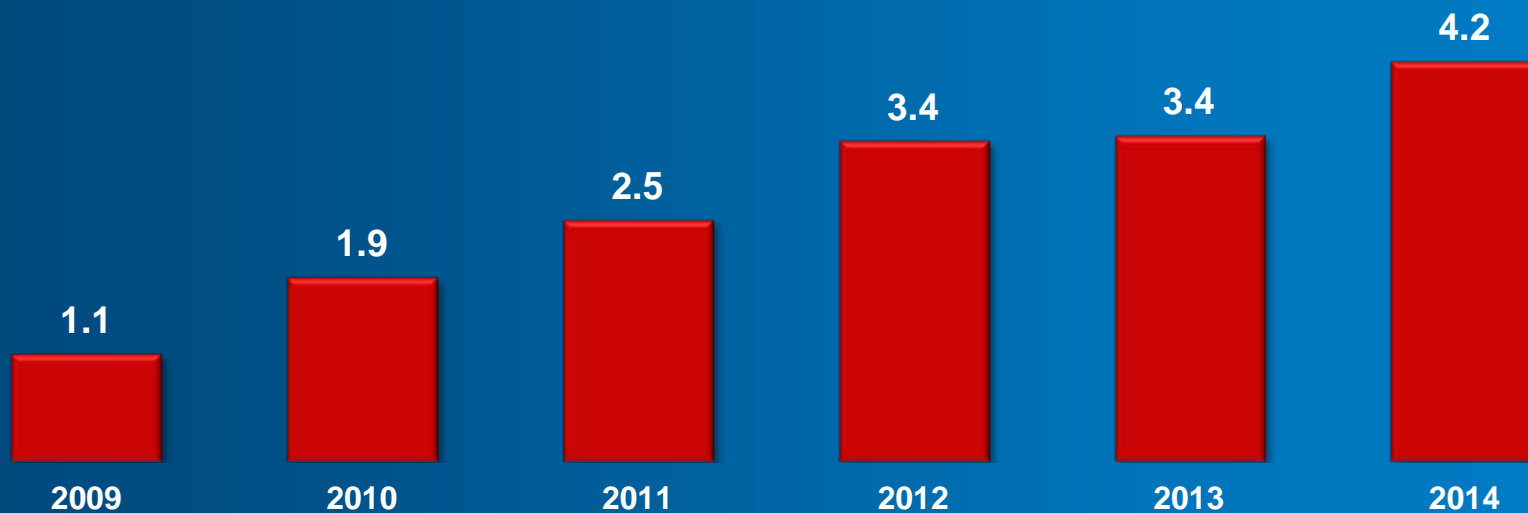


Average is 2009 through 2014.

# Chemicals – CPChem



## Adjusted EBITDA \$B

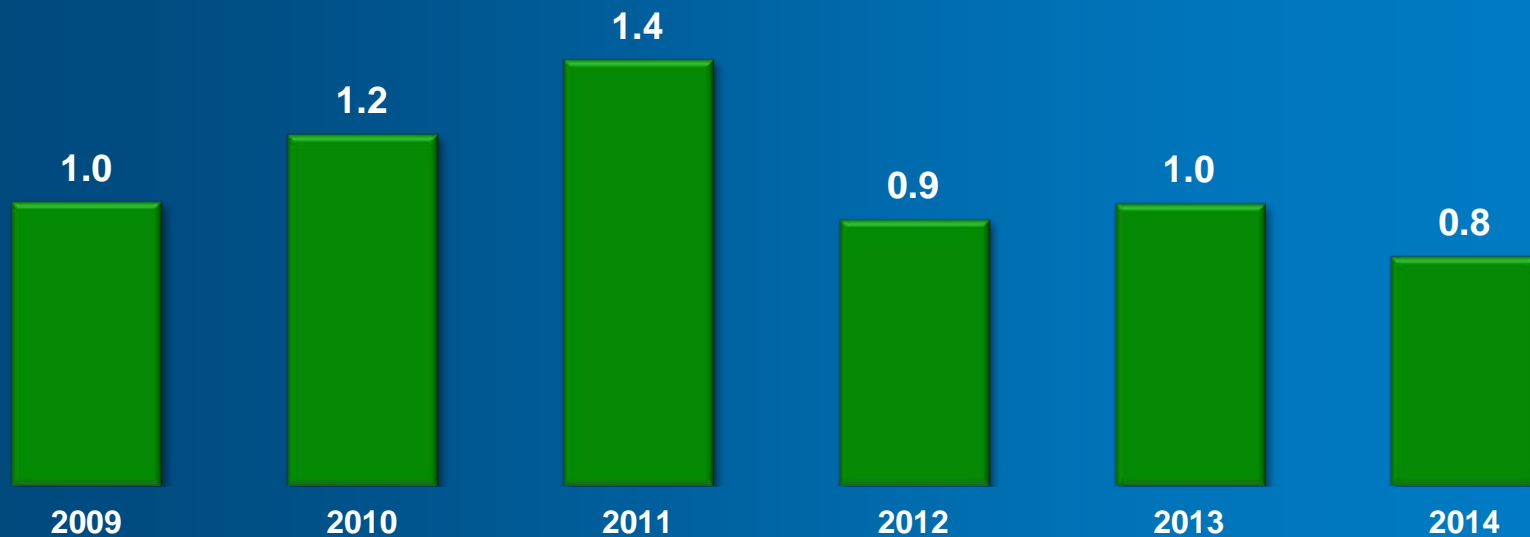


Reflects 100% CPChem.

# DCP Midstream

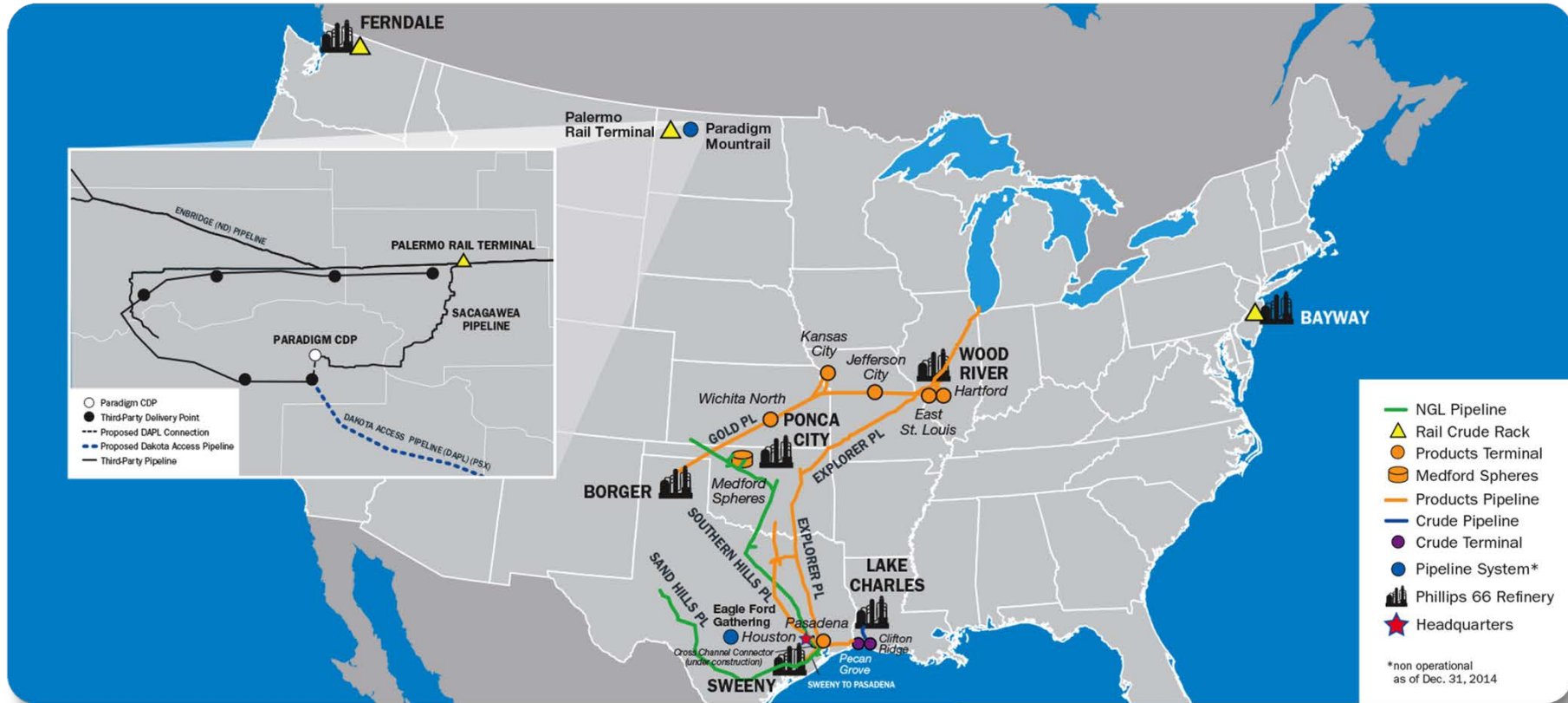


## Adjusted EBITDA \$B



Reflects 100% DCP Midstream.

# Phillips 66 Partners Asset Base



Sand Hills, Southern Hills and Explorer pipelines targeted closing early March 2015.

# Footnotes



## **Slide 3**

Capital program includes selected joint ventures. ROCE numbers are all on an adjusted basis.

## **Slide 4**

Injury statistics do not include major projects.

Industry Averages are from: Phillips 66 – American Fuel & Petrochemical Manufacturers (AFPM) refining data, CPChem – American Chemistry Council (ACC), DCP – Gas Processors Association (GPA).

## **Slide 6**

Free cash flow yield based on 2009 – 2014 average

## **Slide 7**

EBITDA excludes DCP but includes 100% PSXP EBITDA. PSX's equity ownership of Sand Hills and Southern Hills pipelines to be acquired by PSXP, targeted closing date early March 2015.

## **Slide 8**

Debt and equity issuance amounts are gross of fees. Transaction between PSX and PSXP eliminate in consolidation. The net impact of PSXP's 1Q 2015 public offerings to PSX's consolidated balance sheet is an estimated \$1.6 billion increase in cash, an estimated \$0.5 billion increase in non-controlling interests and an estimated \$1.1 billion increase in long-term debt.

# Footnotes



## **Slide 9**

\$230 MM organic growth capital includes 2014 and 2015 spending.

## **Slide 10**

2014 ending PSX share count used in \$/share calculation. Distributions from PSXP to PSX eliminate in consolidation and thus do not impact PSX's consolidated cash balance. Enterprise Value calculated by multiplying distributions to average industry multiples.

## **Slide 13**

Current Peer Set: Dow, ExxonMobil Chemical, LyondellBasell, Westlake

Growth capital reflects 100% CPChem growth capital. Growth EBITDA includes: 1-hexene, 10th Sweeny furnace, NAO expansion project and USGC petrochemical project.



# 2015 Sensitivities



	<u>Net Income</u>
	<u>\$MM</u>
<b>Midstream</b>	
10¢/Gal Increase in NGL price	35
\$1/MMBtu Increase in Natural Gas price	30
\$10/BBL Increase in WTI price	15
<b>Chemicals</b>	
1¢/Lb Increase in Chain Margin (Ethylene, Polyethylene, NAO)	35
<b>Worldwide Refining (assuming 91% refining utilization)</b>	
For a \$1/BBL Increase in Gasoline Margin	220
For a \$1/BBL Increase in Distillate Margin	200
Impacts due to Actual Crude Feedstocks Differing from Feedstock Assumed in Market Indicators:	
\$1/BBL Widening LLS / Maya Differential (LLS less Maya)	50
\$1/BBL Widening WTI / WCS Differential (WTI less WCS)	40
\$1/BBL Widening WTI / WTS Differential (WTI less WTS)	15
\$1/BBL Widening LLS / Medium Sour Differential (LLS less Medium Sour)	10
\$1/BBL Widening ANS / WCS Differential (ANS less WCS)	10
\$0.10/MMBtu Increase in Natural Gas price	(10)

Sensitivities shown above are independent and are only valid within a limited price range.

# Capital Program



	Millions of Dollars		
	2015 Budget		
	Sustaining	Growth	Total
Capital Expenditures and Investments			
Consolidated			
Midstream <sup>(1)</sup>			
Transportation	148	1,084	1,232
NGL	19	1,912	1,931
	167	2,996	3,163
Chemicals	-	-	-
Refining <sup>(2)</sup>	813	299	1,112
Marketing and Specialties	78	92	170
Corporate <sup>(2)</sup>	155	-	155
	1,213	3,387	4,600
Selected Equity Affiliates			
DCP	175	375	550
CPChem	188	1,261	1,449
WRB	150	53	203
	513	1,689	2,202
Capital Program <sup>(3)</sup>			
Midstream			
Transportation	148	1,084	1,232
DCP	175	375	550
NGL	19	1,912	1,931
	342	3,371	3,713
Chemicals	188	1,261	1,449
Refining	963	352	1,315
Marketing and Specialties	78	92	170
Corporate	155	-	155
	1,726	5,076	6,802

<sup>(1)</sup> Includes 100% of Phillips 66 Partners.

<sup>(2)</sup> Includes non-cash capitalized leases of \$11 million in Refining and \$21 million in Corporate and Other.

<sup>(3)</sup> Includes Phillips 66's share of capital spending by DCP, CPChem and WRB, which are expected to be self-funded.

# Non-GAAP Reconciliations



	Millions of Dollars
	2016
Year ending February 29	
Reconciliation of PSXP Estimated EBITDA to Estimated Net Income*	
<b>Estimated net income</b>	\$ 82
Plus:	
Depreciation	20
Interest expense	4
Income taxes	9
<b>Estimated EBITDA</b>	<b>\$ 115</b>

\*Amounts reflect the sum of EBITDA and net income forecasts within each joint venture, multiplied by PSXP's expected ownership interest.

## PSXP Run Rate EBITDA

PSXP 2014 and 2018 run rate EBITDA estimates were derived on an EBITDA-only basis. Accordingly, elements of net income including tax and depreciation information are not available. Together, these items generally result in a significant uplift in EBITDA over net income. Run rate EBITDA reflects annualized EBITDA projections of assets immediately upon acquisition.

## 2018E Adjusted EBITDA/ EBITDA project backlog post 2018

Adjusted EBITDA forecasts were derived on an EBITDA-only basis. Accordingly, elements of net income including tax and depreciation information are not available. Together, these items generally result in a significant uplift in EBITDA over net income.

# Non-GAAP Reconciliations



Millions of Dollars

	2009	2010	2011	2012	2013	2014
Chemicals Segment ROCE						
Numerator						
Net Income	\$ 228	486	716	823	987	1,137
After-tax interest expense	-	-	-	-	-	-
GAAP ROCE earnings	228	486	716	823	987	1,137
Special Items	-	-	-	157	-	72
Adjusted ROCE earnings	\$ 228	486	716	980	987	1,209
Denominator						
GAAP average capital employed*	\$ 2,024	2,275	2,563	3,142	3,825	4,489
*Total equity plus debt.						
Annualized Adjusted ROCE (percent)	11%	21%	28%	31%	26%	27%
Annualized GAAP ROCE (percent)	11%	21%	28%	26%	26%	25%

# Non-GAAP Reconciliations



Millions of Dollars

2009-2014

## Marketing & Specialties Adjusted EBITDA Reconciliation

### U.S. Marketing

	2009	2010	2011	2012	2013	2014	Average
U.S. Marketing net income attributable to Phillips 66	\$ 232	338	154	116	426	439	284
Plus:							
Provision for income taxes	151	225	120	56	248	251	175
Net interest expense	(47)	(41)	(32)	-	(0)	(0)	(20)
Depreciation and amortization	34	30	30	29	15	15	25
<b>U.S. Marketing EBITDA</b>	<b>\$ 370</b>	<b>553</b>	<b>271</b>	<b>201</b>	<b>689</b>	<b>705</b>	<b>465</b>

### Adjustments (pretax):

Gain on asset dispositions	\$ (22)	(234)	-	(4)	-	-	(43)
Impairments	59	12	-	-	-	-	12
Pending claims and settlements	-	(56)	-	62	(25)	(44)	(11)
Tax law impacts	-	-	-	-	(6)	-	(1)

### U.S. Marketing Adjusted EBITDA\*

	\$ 407	275	271	259	658	661	422
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### International Marketing

International Marketing net income attributable to Phillips 66	\$ 155	110	256	159	261	397	223
Plus:							
Provision for income taxes	216	52	111	105	59	75	103
Net interest expense	1	-	-	-	-	-	0
Depreciation and amortization	92	104	114	107	80	68	94
<b>International Marketing EBITDA</b>	<b>\$ 463</b>	<b>266</b>	<b>481</b>	<b>371</b>	<b>400</b>	<b>540</b>	<b>420</b>

### Adjustments (pretax):

Gain on asset dispositions	\$ -	-	3	-	-	(125)	(20)
<b>International Marketing Adjusted EBITDA*</b>	<b>\$ 463</b>	<b>266</b>	<b>484</b>	<b>371</b>	<b>400</b>	<b>415</b>	<b>400</b>

Millions of Dollars

2009-2014

## Marketing & Specialties Adjusted EBITDA Reconciliation

### Specialties

Specialties net income attributable to Phillips 66	\$ 154	207	283	269	206	199	220
Plus:							
Provision for income taxes	90	121	175	158	126	114	131
Net interest expense	2	-	-	-	-	-	0
Depreciation and amortization	6	7	8	11	8	11	9
<b>Specialties EBITDA</b>	<b>\$ 252</b>	<b>335</b>	<b>466</b>	<b>438</b>	<b>341</b>	<b>324</b>	<b>359</b>

### Adjustments (pretax):

Gain on asset dispositions	\$ -	-	(43)	-	(40)	-	(14)
Exit of a business line	-	-	-	-	54	-	9

### Specialties Adjusted EBITDA\*

	\$ 252	335	423	438	355	324	354
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### Marketing & Specialties Consolidated Segment

Marketing and Specialties net income attributable to Phillips 66	\$ 541	656	693	544	894	1,034	727
Plus:							
Provision for income taxes	457	398	405	319	433	440	409
Net interest expense	(44)	(41)	(32)	-	(0)	(0)	(20)
Depreciation and amortization	131	140	153	147	103	95	128
<b>Marketing and Specialties EBITDA</b>	<b>\$ 1,085</b>	<b>1,153</b>	<b>1,218</b>	<b>1,010</b>	<b>1,430</b>	<b>1,569</b>	<b>1,244</b>

### Adjustments (pretax):

Gain on asset dispositions	\$ (22)	(234)	(40)	(4)	(40)	(125)	(78)
Impairments	59	12	-	-	-	-	12
Pending claims and settlements	-	(56)	-	62	(25)	(44)	(11)
Exit of a business line	-	-	-	-	54	-	9
Tax law impacts	-	-	-	-	(6)	-	(1)

### Marketing and Specialties Adjusted EBITDA

	\$ 1,122	875	1,178	1,068	1,413	1,400	1,176
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# Non-GAAP Reconciliations



	Millions of Dollars						2009-2014
Adjusted EBITDA by Segment Reconciliation	2009	2010	2011	2012	2013	2014	Average
Midstream							
Midstream net income attributable to Phillips 66	\$ 384	384	2,147	52	469	507	657
Plus:							
Net income attributable to noncontrolling interests	3	5	5	7	17	35	12
Provision for income taxes	204	184	453	29	264	309	241
Depreciation and amortization	99	74	82	83	88	91	86
Midstream EBITDA	\$ 690	647	2,687	171	838	942	996
Adjustments (pretax):							
EBITDA attributable to Phillips 66 noncontrolling interests	\$ -	(9)	(10)	(13)	(24)	(45)	(17)
Proportional share of selected equity affiliates income taxes	9	3	1	-	4	3	3
Proportional share of selected equity affiliates net interest	119	119	97	85	110	118	108
Proportional share of selected equity affiliates depreciation and amortization	187	188	202	131	139	150	166
Lower-of-cost-or-market inventory adjustments	-	-	-	-	-	2	0
Gain on asset dispositions	(15)	-	(1,830)	-	-	-	(308)
Gain on share issuance by equity affiliate	(135)	-	-	-	-	-	(23)
Impairments	70	-	6	523	-	-	100
Pending Claims and settlements	-	-	-	(37)	-	-	(6)
Hurricane-related costs	-	-	-	2	-	-	0
Midstream Adjusted EBITDA*	\$ 925	948	1,153	862	1,067	1,170	1,021
* Proportional share of selected equity affiliates is net of noncontrolling interests.							
Chemicals							
Chemicals net income attributable to Phillips 66	\$ 228	486	716	823	986	1,137	729
Plus:							
Provision for income taxes	67	194	252	366	375	495	292
Chemicals EBITDA	\$ 295	680	968	1,189	1,361	1,632	1,021
Adjustments (pretax):							
Proportional share of selected equity affiliates income taxes	\$ 37	59	75	79	93	111	76
Proportional share of selected equity affiliates net interest	34	35	16	13	10	9	20
Proportional share of selected equity affiliates depreciation and amortization	192	183	198	213	246	258	215
Impairments	-	-	-	43	-	88	22
Premium on early debt retirement	-	-	-	144	-	-	24
Lower-of-cost-or-market inventory adjustments	-	-	-	-	-	3	1
Chemicals Adjusted EBITDA	\$ 558	957	1,257	1,681	1,710	2,101	1,377

# Non-GAAP Reconciliations



Adjusted EBITDA by Segment Reconciliation	Millions of Dollars						2009-2014
	2009	2010	2011	2012	2013	2014	Average
<b>Refining</b>							
Refining net income (loss) attributable to Phillips 66	\$ (556)	(661)	1,369	3,091	1,747	1,771	1,127
Plus:							
Provision for income taxes	(296)	(121)	808	1,998	1,035	696	687
Net interest expense	(1)	(2)	(1)	-	-	-	(1)
Depreciation and amortization	641	659	664	655	685	704	668
<b>Refining EBITDA</b>	<b>\$ (212)</b>	<b>(125)</b>	<b>2,840</b>	<b>5,744</b>	<b>3,467</b>	<b>3,171</b>	<b>2,481</b>
Adjustments (pretax):							
Proportional share of selected equity affiliates income taxes	\$ 1	1	4	5	(4)	3	2
Proportional share of selected equity affiliates net interest	(179)	(160)	(140)	(118)	(95)	(19)	(119)
Proportional share of selected equity affiliates depreciation and amortization	178	169	184	236	237	245	208
Net (gain) loss on asset dispositions	-	-	234	(185)	-	(145)	(16)
Impairments	-	1,500	500	606	-	131	456
Canceled projects	-	106	44	-	-	-	25
Pending claims and settlements	39	-	-	31	-	23	16
Severance accruals	-	28	24	-	-	-	9
Hurricane-related costs	-	-	-	54	-	-	9
Tax law impacts	-	-	-	-	(22)	-	(4)
Lower-of-cost-or-market inventory adjustments	-	-	-	-	-	40	7
<b>Refining Adjusted EBITDA</b>	<b>\$ (173)</b>	<b>1,519</b>	<b>3,690</b>	<b>6,373</b>	<b>3,583</b>	<b>3,449</b>	<b>3,074</b>

# Non-GAAP Reconciliations



	Millions of Dollars						2009-2014
	2009	2010	2011	2012	2013	2014	Average
<b>Adjusted EBITDA by Segment Reconciliation</b>							
<b>Marketing and Specialties</b>							
Marketing and Specialties net income attributable to Phillips 66	\$ 541	655	692	544	894	1,034	727
Plus:							
Provision for income taxes	457	398	406	319	433	441	409
Net interest expense	(44)	(40)	(32)	-	-	-	(19)
Depreciation and amortization	132	140	152	147	103	95	128
<b>Marketing and Specialties EBITDA</b>	<b>\$ 1,086</b>	<b>1,153</b>	<b>1,218</b>	<b>1,010</b>	<b>1,430</b>	<b>1,570</b>	<b>1,245</b>
Adjustments (pretax):							
Gain on asset dispositions	\$ (22)	(234)	(40)	(4)	(40)	(125)	(78)
Impairments	59	12	-	-	-	-	12
Pending claims and settlements	-	(56)	-	62	(25)	(44)	(11)
Exit of a business line	-	-	-	-	54	-	9
Tax law impacts	-	-	-	-	(6)	-	(1)
<b>Marketing and Specialties Adjusted EBITDA</b>	<b>\$ 1,123</b>	<b>875</b>	<b>1,178</b>	<b>1,068</b>	<b>1,413</b>	<b>1,401</b>	<b>1,176</b>
<b>Corporate</b>							
Corporate net income (loss) attributable to Phillips 66	\$ (140)	(159)	(192)	(434)	(431)	(393)	(292)
Plus:							
Provision for income taxes	(75)	(93)	(97)	(239)	(263)	(287)	(176)
Net interest expense	1	1	17	231	258	246	126
Depreciation and amortization	1	1	4	21	71	105	34
<b>Corporate EBITDA</b>	<b>\$ (213)</b>	<b>(250)</b>	<b>(268)</b>	<b>(421)</b>	<b>(365)</b>	<b>(329)</b>	<b>(308)</b>
Adjustments (pretax):							
Impairments	\$ -	-	-	25	-	-	4
Repositioning Costs	-	-	-	85	-	-	14
<b>Corporate Adjusted EBITDA</b>	<b>\$ (213)</b>	<b>(250)</b>	<b>(268)</b>	<b>(311)</b>	<b>(365)</b>	<b>(329)</b>	<b>(289)</b>



# Non-GAAP Reconciliations



Adjusted EBITDA by Segment Reconciliation	Millions of Dollars						2009-2014
	2009	2010	2011	2012	2013	2014	Average
<b>Phillips 66</b>							
Phillips 66 net income attributable to Phillips 66	\$ 476	735	4,775	4,124	3,726	4,762	3,100
Less:							
Income from discontinued operations	19	30	43	48	61	706	151
Plus:							
Net income attributable to noncontrolling interests	3	5	5	7	17	35	12
Provision for income taxes	357	562	1,822	2,473	1,844	1,654	1,452
Net interest expense	(44)	(41)	(16)	231	258	246	106
Depreciation and amortization	873	874	902	906	947	995	916
<b>Phillips 66 EBITDA</b>	<b>\$ 1,646</b>	<b>2,105</b>	<b>7,445</b>	<b>7,693</b>	<b>6,731</b>	<b>6,986</b>	<b>5,434</b>
Adjustments (pretax):							
EBITDA attributable to Phillips 66 noncontrolling interests	\$ -	(9)	(10)	(13)	(24)	(45)	(17)
Proportional share of selected equity affiliates income taxes	47	63	80	84	93	117	81
Proportional share of selected equity affiliates net interest	(26)	(6)	(27)	(20)	25	108	9
Proportional share of selected equity affiliates depreciation and amortization	557	540	584	580	622	653	589
Gain on asset dispositions	(37)	(234)	(1,636)	(189)	(40)	(270)	(401)
Gain on share issuance by equity affiliate	(135)	-	-	-	-	-	(23)
Impairments	129	1,512	506	1,197	-	219	594
Cancelled projects	-	106	44	-	-	-	25
Severance accruals	-	28	24	-	-	-	9
Exit of a business line	-	-	-	-	54	-	9
Pending claims and settlements	39	(56)	-	56	(25)	(21)	(1)
Premium on early debt retirement	-	-	-	144	-	-	24
Repositioning Costs	-	-	-	85	-	-	14
Hurricane-related costs	-	-	-	56	-	-	9
Tax law impacts	-	-	-	-	(28)	-	(5)
Lower-of-cost-or-market inventory adjustments	-	-	-	-	-	45	8
<b>Phillips 66 Adjusted EBITDA</b>	<b>\$ 2,220</b>	<b>4,049</b>	<b>7,010</b>	<b>9,673</b>	<b>7,408</b>	<b>7,792</b>	<b>6,359</b>

# Non-GAAP Reconciliations



Millions of Dollars 2014

Net Debt-to-Capital Ratio	
Short-term debt	\$ 842
Long-term debt	7,842
Less: Cash and cash equivalents	(5,207)
<b>Net Debt</b>	<b>\$ 3,477</b>

Noncontrolling Interest	\$ 447
Common Equity	21,590
<b>Total Equity</b>	<b>22,037</b>

Net debt-to-capital ratio	14%
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Millions of Dollars

	Low	High
100% CPChem Incremental Project Earnings Projections		
Estimated incremental net income	\$ 1,000	1,313
Plus:		
Estimated income taxes	20	27
Estimated net interest expense	-	-
Estimated depreciation	280	260
<b>Estimated EBITDA</b>	<b>\$ 1,300</b>	<b>1,600</b>

# Non-GAAP Reconciliations



	Millions of Dollars					
	Phillips 66	Midstream	Chemicals	Refining	Marketing & Specialties	Corporate
ROCE 2014						
Numerator						
Net Income	\$ 4,797	541	1,137	1,771	1,034	(393)
After-tax interest expense	173	-	-	-	-	173
GAAP ROCE earnings	4,970	541	1,137	1,771	1,034	(220)
Special Items	(981)	1	72	(195)	(152)	0
Adjusted ROCE earnings	\$ 3,990	542	1,209	1,576	882	(220)
Denominator						
GAAP average capital employed*	\$ 29,634	4,207	4,489	13,377	2,743	4,722
Discontinued Operations	96	-	-	-	-	-
Adjusted average capital employed*	\$ 29,730	4,207	4,489	13,377	2,743	4,722
*Total equity plus debt.						
Annualized Adjusted ROCE (percent)	13%	13%	27%	12%	32%	-5%
Annualized GAAP ROCE (percent)	17%	13%	25%	13%	38%	-5%

	Millions of Dollars					
	Phillips 66	Midstream	Chemicals	Refining	Marketing & Specialties	Corporate
CROCE 2014						
Numerator						
Net Income	\$ 4,797	541	1,137	1,771	1,034	(393)
After-tax interest expense	173	-	-	-	-	173
Depreciation and amortization	995	91	-	704	95	106
	5,966	633	1,137	2,475	1,129	(114)
Special Items	(981)	1	72	(195)	(152)	0
Adjusted CROCE earnings	\$ 4,985	634	1,209	2,280	977	(114)
Denominator						
GAAP average capital employed*	\$ 29,634	4,207	4,489	13,377	2,743	4,722
Discontinued Operations	96	-	-	-	-	-
Adjusted average capital employed*	\$ 29,730	4,207	4,489	13,377	2,743	4,722
*Total equity plus debt.						
Adjusted CROCE (percent)	17%	15%	27%	17%	36%	-2%
Net Income/ GAAP Average Capital Employed (percent)	16%	13%	25%	13%	38%	-8%

# Non-GAAP Reconciliations



Millions of Dollars					
Average 2009-2014					
	Midstream	Chemicals	Refining	Marketing & Specialties	
FCF Yield					
Numerator					
Cash From Operations GAAP	\$ 559	230	2,615	563	
Less: Change in Non-Cash Working Cap.	(13)	(0)	152	(127)	
Cash From Operations (excluding WC)	572	230	2,463	690	
Less: P66 Equity affiliate cash from ops	205	230	584	-	
Add: Equity look through cash from ops	431	856	573	-	
Adjusted FCF (excl WC)	\$ 798	856	2,452	690	
Total Capex GAAP	2,173	-	1,038	439	
Less: Growth Capex	2,058	-	287	388	
Sustaining Capex	115	-	751	52	
Less: P66 Equity affiliate sustaining capex	-	-	-	-	
Add: Equity look through sustaining capex	148	150	134	-	
Adjusted Sustaining Capex	\$ 263	150	885	52	
Free Cash Flow	\$ 535	706	1,567	639	
Denominator					
GAAP average capital employed*	\$ 3,346	3,053	15,052	3,382	
Less: P66 Equity affiliate capital employed	512	3,053	2,507	-	
Add: Equity look through capital employed	3,667	3,515	5,231	-	
Adjusted average capital employed*	\$ 6,501	\$ 3,515	\$ 17,776	\$ 3,382	
*Total equity plus debt.					
Adjusted FCFY (percent)	8%	20%	9%	19%	
GAAP CFO/ GAAP Capital Employed (percent)	17%	8%	17%	17%	

# Non-GAAP Reconciliations



		Millions of Dollars					
		2009	2010	2011	2012	2013	2014
100% CPChem							
Net Income	\$	615	1,388	1,970	2,403	2,743	3,288
Plus:							
Income taxes		26	42	57	67	71	86
Net interest expense		58	63	18	8	(3)	(2)
Depreciation and amortization		285	255	258	265	278	296
EBITDA	\$	984	1,748	2,303	2,743	3,089	3,668
Adjustments (pre-tax):							
Proportional share of equity affiliates income taxes		48	76	93	91	115	136
Proportional share of equity affiliates net interest expense		10	8	14	17	24	19
Proportional share of equity affiliates depreciation and amortization		98	112	138	157	214	220
Impairments		-	-	-	91	-	175
Premium on early debt retirement		-	-	-	287	-	-
Lower-of-cost-or-market inventory adjustments		-	-	-	-	-	6
Adjusted EBITDA	\$	1,140	1,944	2,548	3,386	3,442	4,224

		Millions of Dollars					
		2009	2010	2011	2012	2013	2014
100% DCP Midstream							
Net Income	\$	339	592	863	486	491	288
Plus:							
Income taxes		18	5	3	2	10	11
Net interest expense		254	253	213	193	249	287
Depreciation and amortization		405	413	449	291	314	348
EBITDA	\$	1,016	1,263	1,528	972	1,064	934
Adjustments (pre-tax):							
Proportional share of equity affiliates income taxes		(1)	-	-	(1)	(3)	(6)
Proportional share of equity affiliates net interest expense		(18)	(20)	(25)	(32)	(40)	(67)
Proportional share of equity affiliates depreciation and amortization		(41)	(50)	(59)	(43)	(67)	(86)
Adjusted EBITDA	\$	956	1,193	1,444	896	954	775