

Investor Update
Second Quarter 2015



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NYSE: PSX
www.phillips66.com

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 NGL, crude oil and natural gas prices, and petrochemical and refining 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 NGL, crude oil, natural gas 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.

Phillips 66

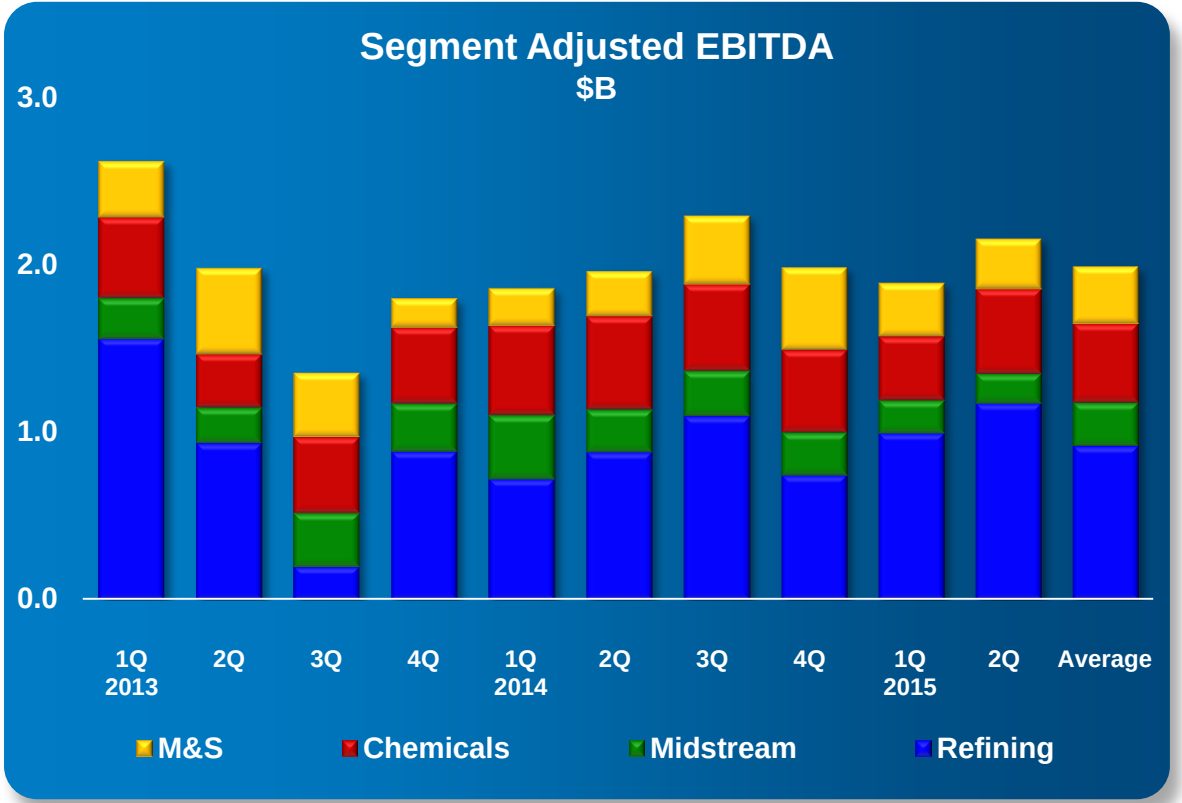
- Diversified portfolio of leading downstream businesses
- Resilient cash flow through the commodity cycle
- Disciplined capital allocation
  - Chemicals and Midstream growth
  - Share repurchases and dividends
  - Financial flexibility



Freeport LPG Terminal

Phillips 66 Financial Highlights

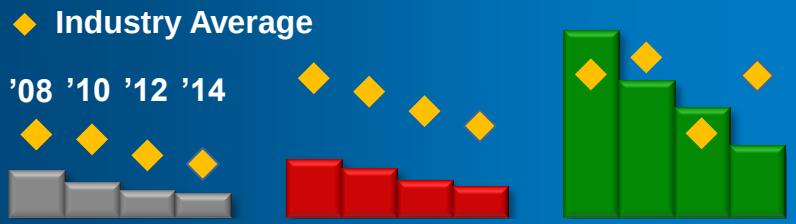
	2Q 2015
Adjusted EBITDA	$2.1 B
Capital expenditures	$1.2 B
Distributions	$0.6 B



See appendix for footnotes.

Operating Excellence

Total Recordable Rates
Incidents per 200,000 Hours Worked



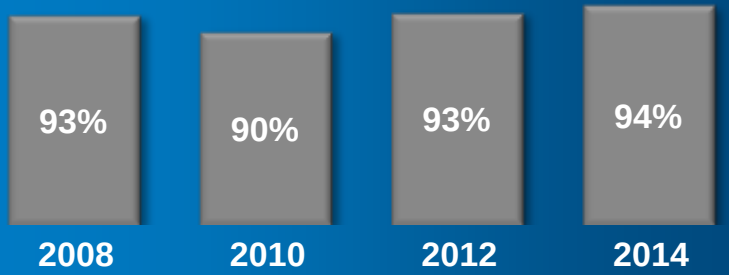
Refining Environmental Metrics



Operating Costs and SG&A
$B



Refining Capacity Utilization
%



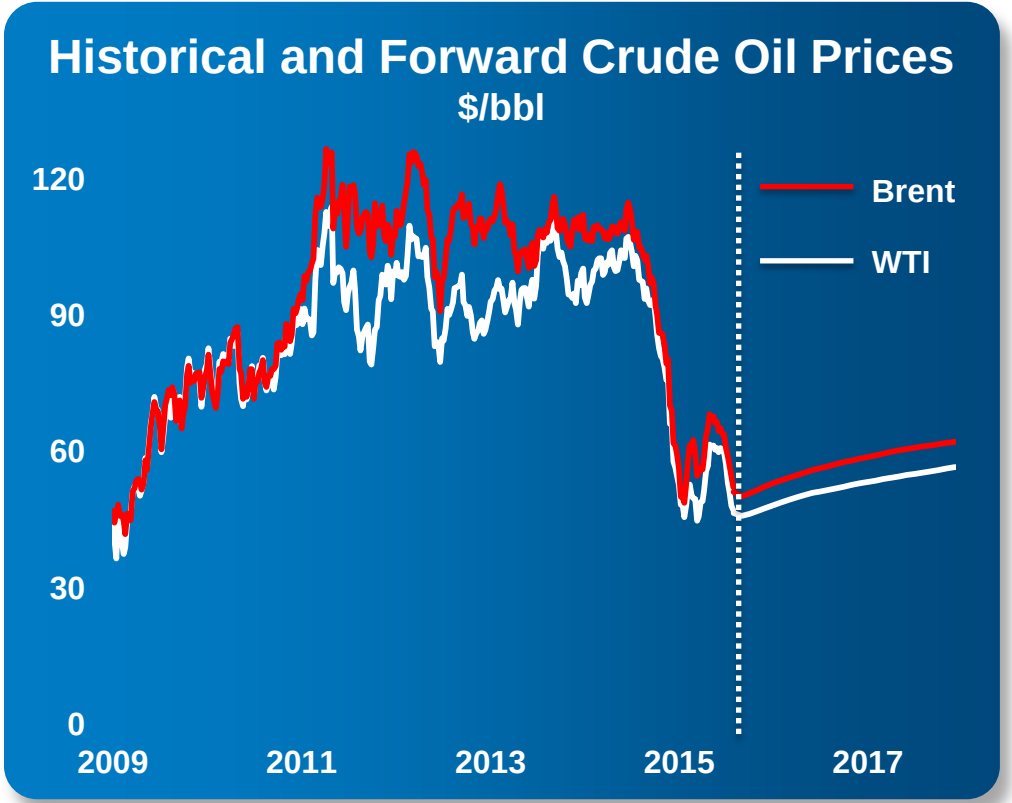
See appendix for footnotes.

Energy Landscape

Markets seeking balance

Global economic boost from lower energy prices should stimulate demand

Reduced E&P investment slows U.S. infrastructure growth



Source: Bloomberg

Segment Strategy



Midstream: Growth

- Execute Sweeny hub
- Grow integrated Transportation system
- PSXP as a funding vehicle
- Expand DCP G&P
- Pursue organic and M&A opportunities



Chemicals: Growth

- Grow CPChem organically
- Advance olefins and polyolefins projects
- Capitalize on domestic feedstock advantage
- Leverage proprietary technology



Refining: Enhance Returns

- Optimize crude slate
- Expand export capability
- Increase yields
- Maintain cost discipline
- Enhance portfolio



Marketing and Specialties: Selective Growth

- Expand European retail marketing
- Grow lubricants
- Ensure domestic refinery pull-through

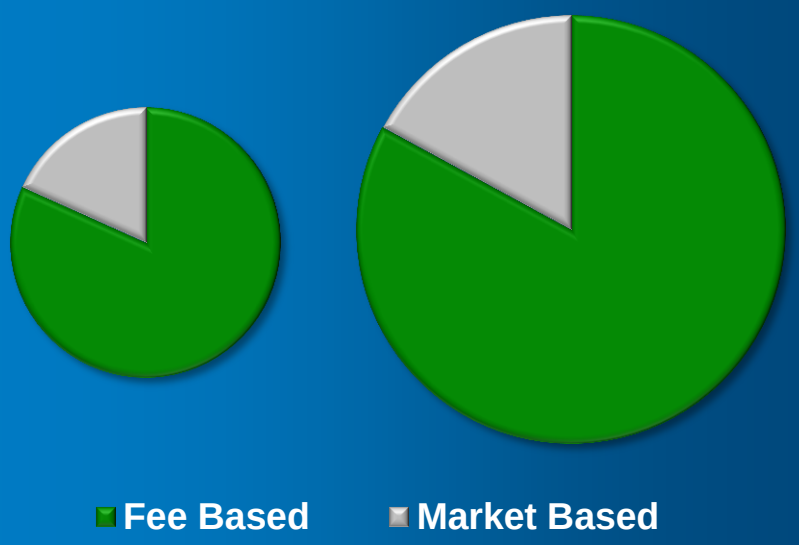
Midstream

NGL

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

Transportation

- Beaumont crude/products hub
- Bakken to Patoka/Beaumont pipelines
- Bayou Bridge Pipeline



DCP EBITDA excluded.
See appendix for additional footnotes.

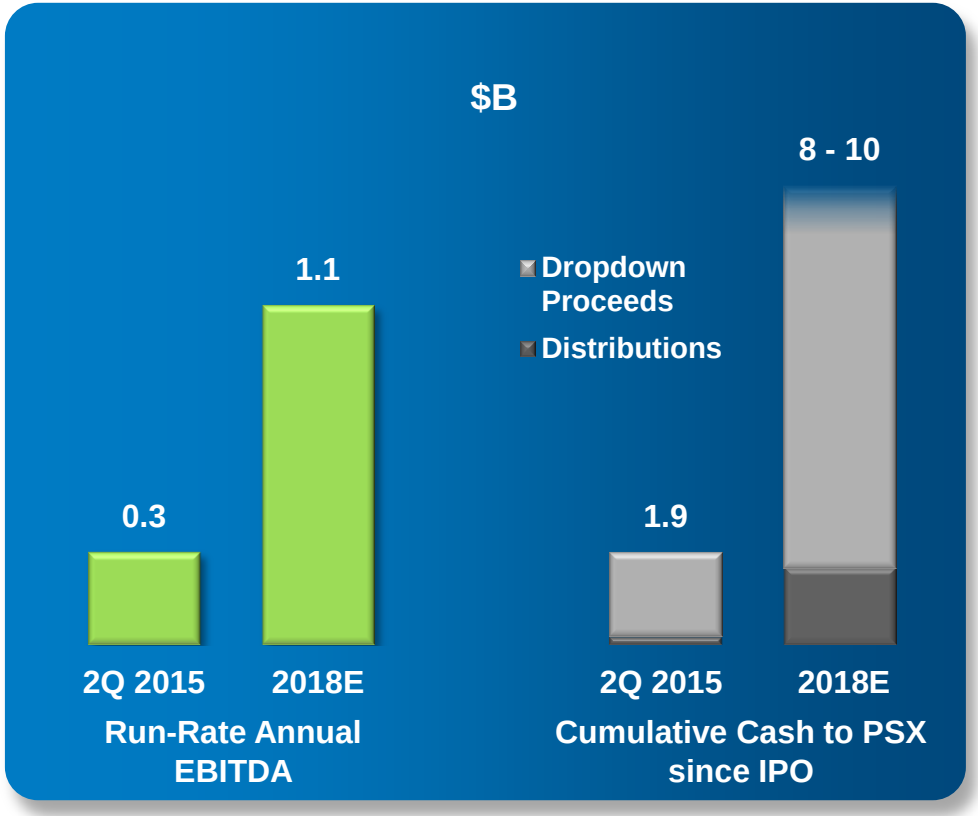
Midstream EBITDA Growth



DCP EBITDA excluded.
See appendix for additional footnotes.

Phillips 66 Partners Growth

- Fee-based business model
- Growing cash flows
- 30% distribution CAGR through 2018
- Funding Midstream growth



See appendix for footnotes.

DCP Midstream

Major U.S. midstream business

- Largest NGL producer
- Largest natural gas processing company
- Third largest NGL pipeline operator

Footprint of strategically integrated assets

Growing gathering and processing business

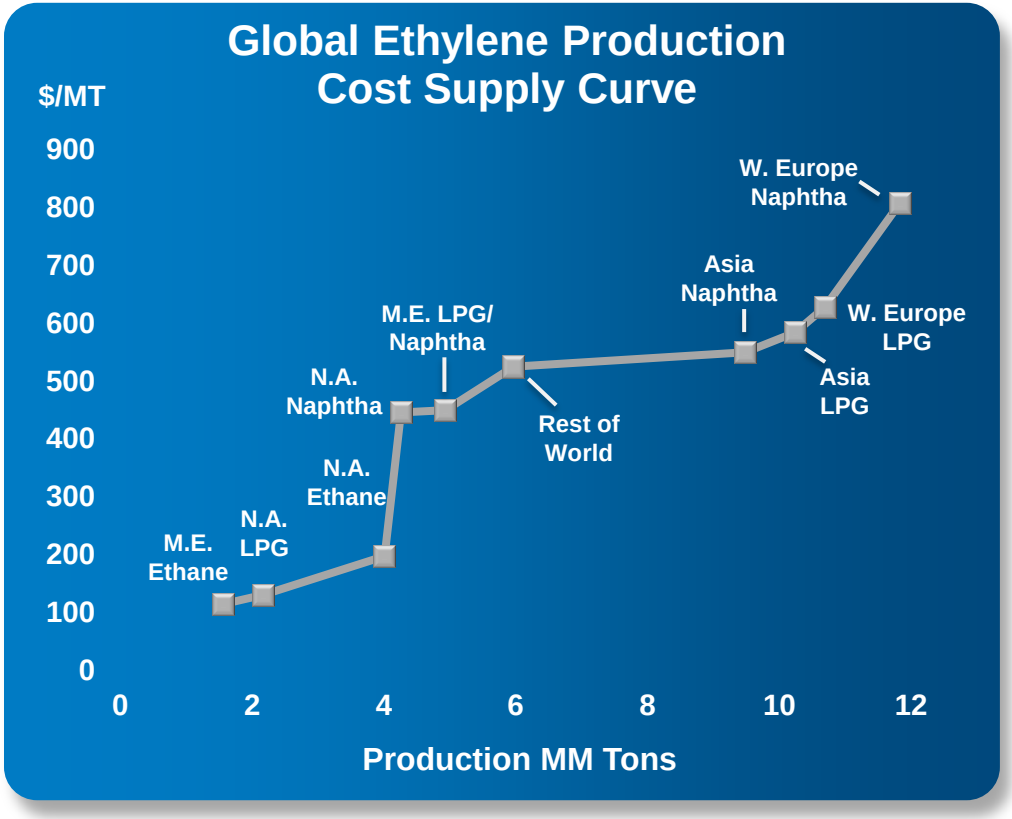


Chemicals Environment

Narrowing spread of ethane/LPG feedstocks

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

Expect high operating rates



Source: Chief Economist Office; Wood Mackenzie.

CPChem

Leading petrochemical company

Feedstock advantaged

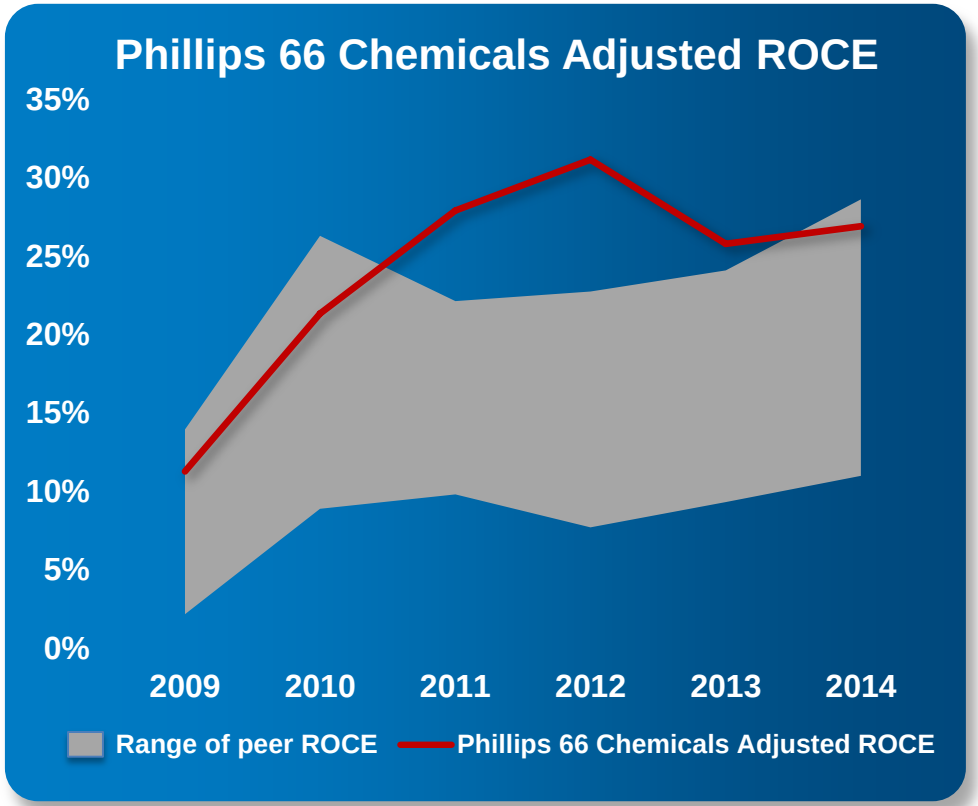
10.5 B Lb/yr worldwide ethylene capacity

Strong global aromatics position

USGC Petrochemicals project on track
- $6 B estimated capital spend
- 50% complete, start-up 2Q 2017
- 3.3 B Lb/yr ethane cracker
- 2.2 B Lb/yr polyethylene production

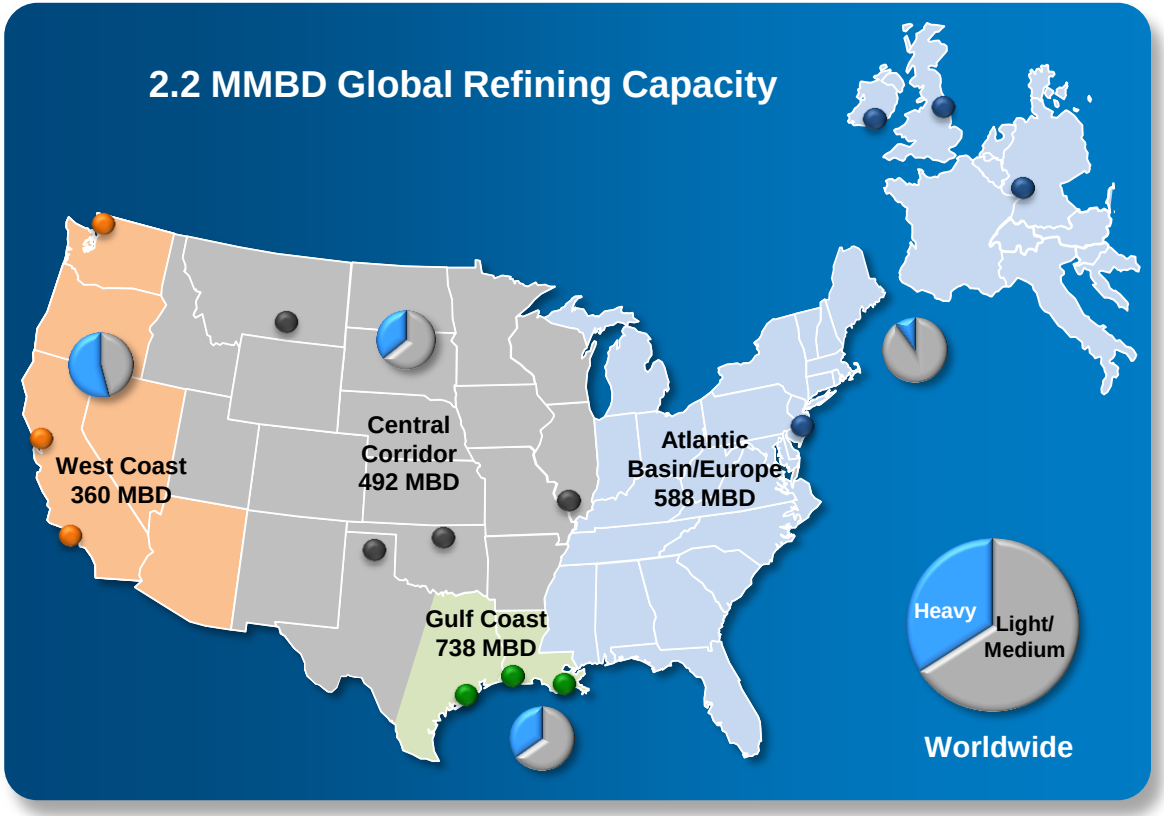
Self-funded capital program

$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.

Refining



- Optimizing crude slate
- Improving yields
- Expanding export capability
- Managing costs
- Enhancing portfolio

Marketing and Specialties

High-returning businesses

U.S. Marketing

Wholesale network

~8,600 branded sites

International Marketing

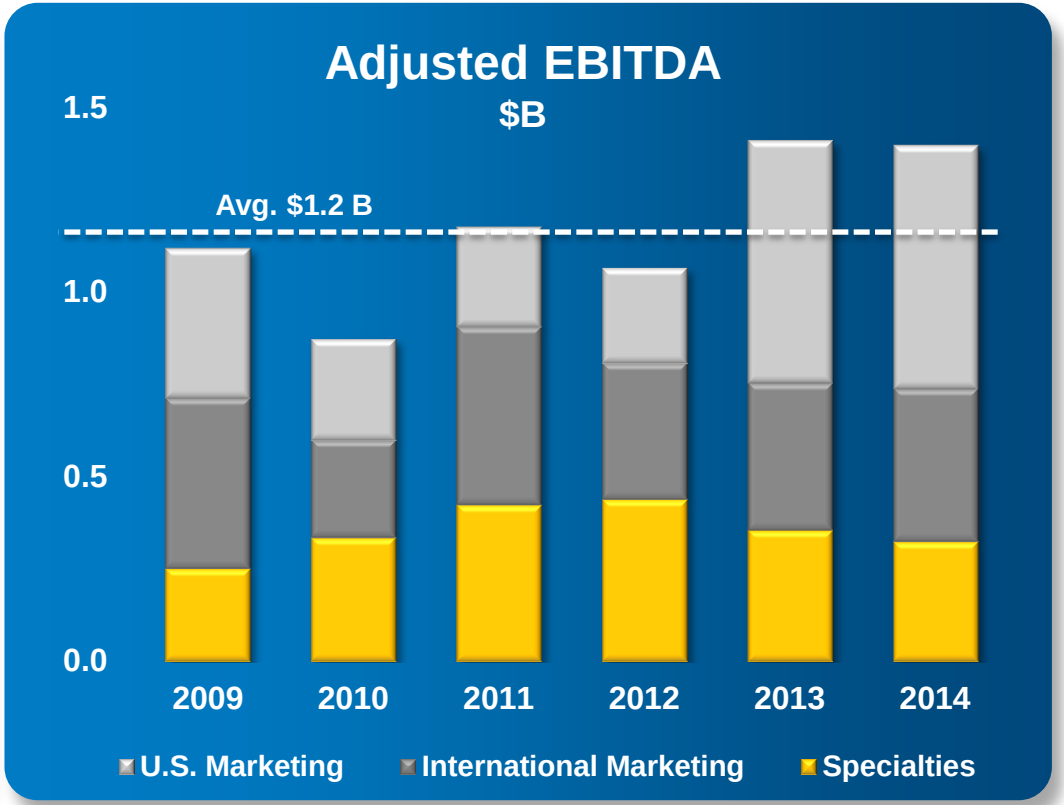
Low-cost, high-volume business

~1,520 sites

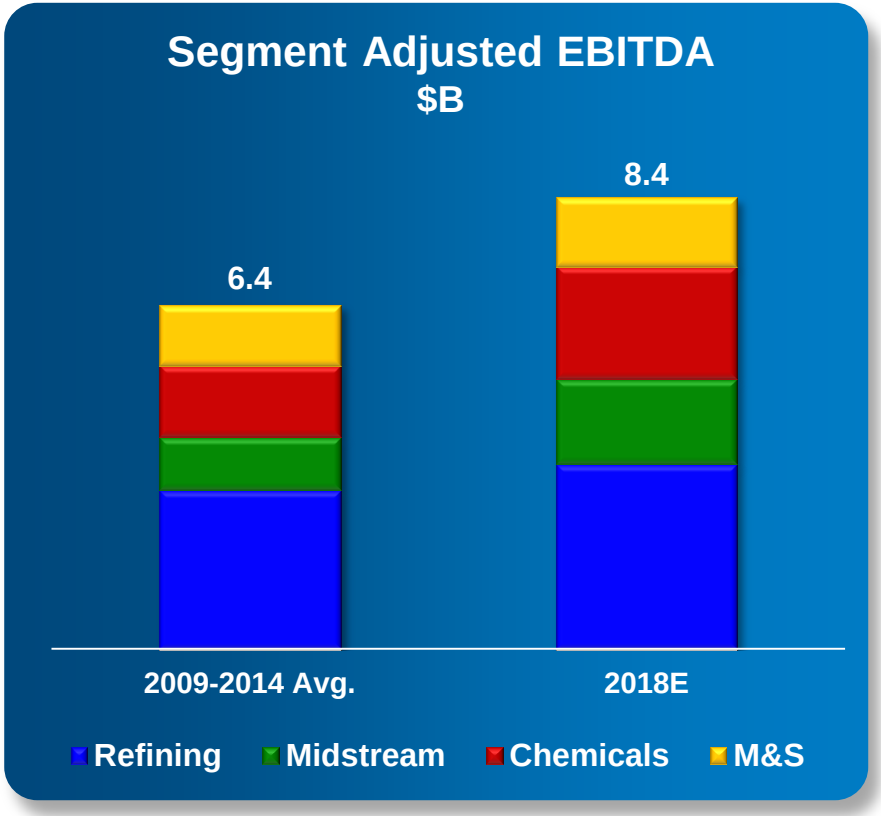
Specialties

Finished lubricants

Base oil joint venture



EBITDA Growth



More than 30% EBITDA growth

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.
Midstream EBITDA reflects Phillips 66's ownership percentage of PSXP

Financial Strategy

Ensuring financial flexibility

- Investment grade credit rating
- Adequate liquidity

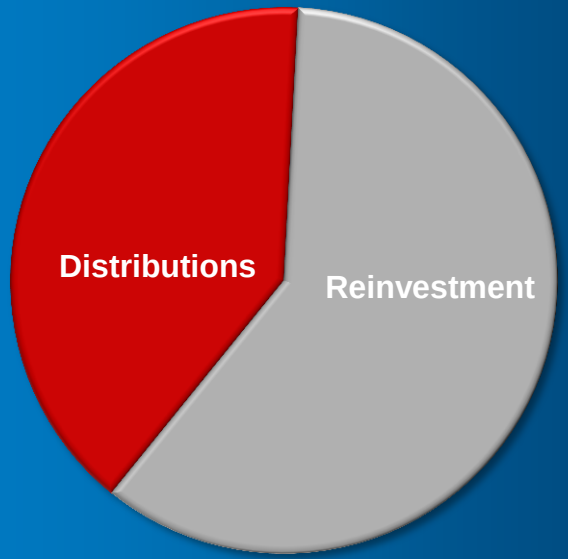
Funding transformational growth

- Cash from operations
- Dropdowns to PSXP

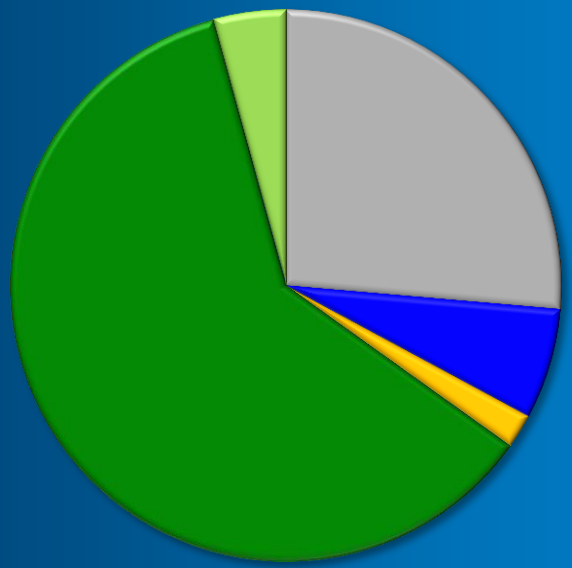
Returning capital to shareholders

- Dividend growth
- Ongoing share repurchases

2014E – 2016E



2015 Capital Budget



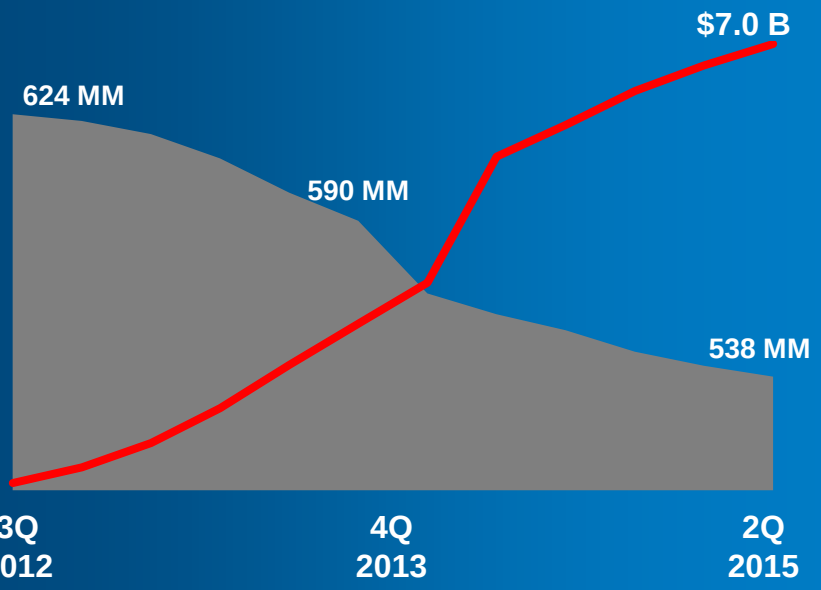
$3.4 B Growth capital

- Sweeny Fractionator One
- LPG Export Terminal
- Bakken to Patoka/Beaumont pipelines
- Beaumont Terminal expansion
- $0.2 B for PSXP projects

$1.2 B Sustaining capital

Distributions

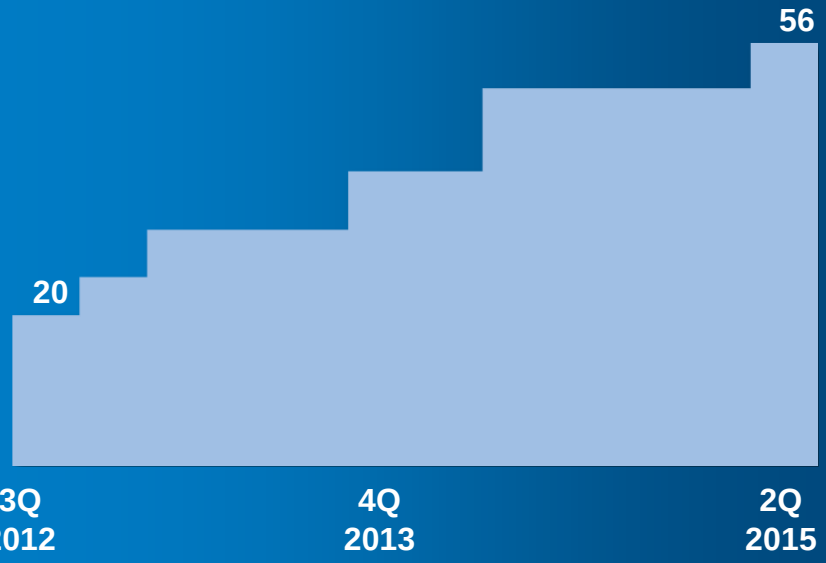
Share Count and Capital Returned



$1.4 B remaining authorized share repurchases

Dividend Growth

Quarterly ¢/share

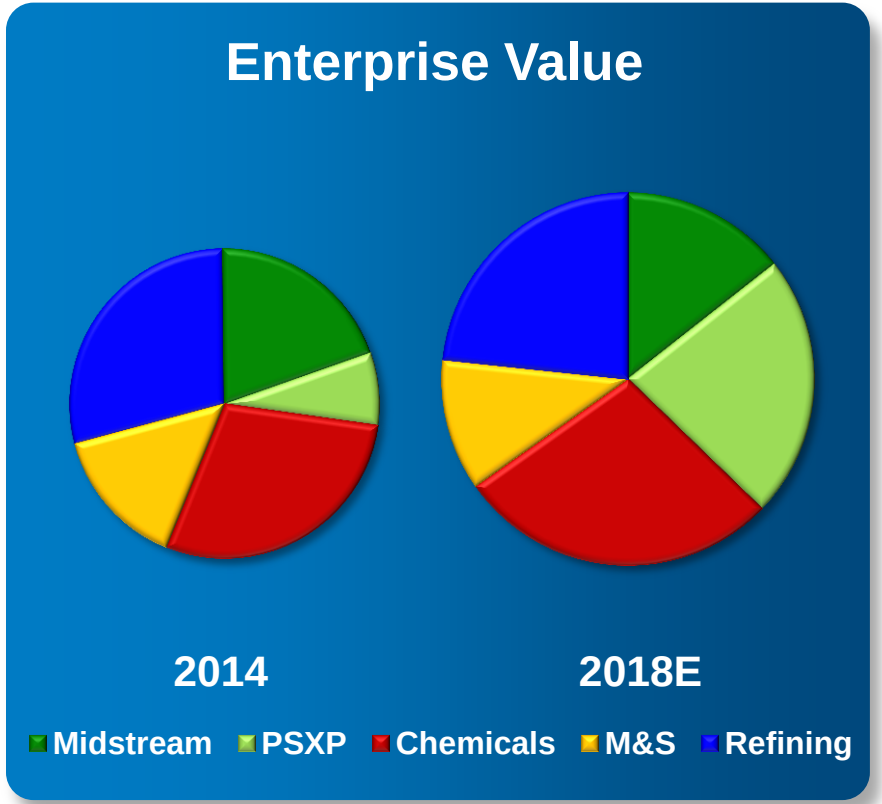


180% dividend growth

See appendix for footnotes.

Creating Value

- Uniquely positioned portfolio
- Disciplined capital allocation
- More than 30% EBITDA growth
- Multiple expansion
- Commitment to distributions
- Strong balance sheet





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Investor Update

August 2015



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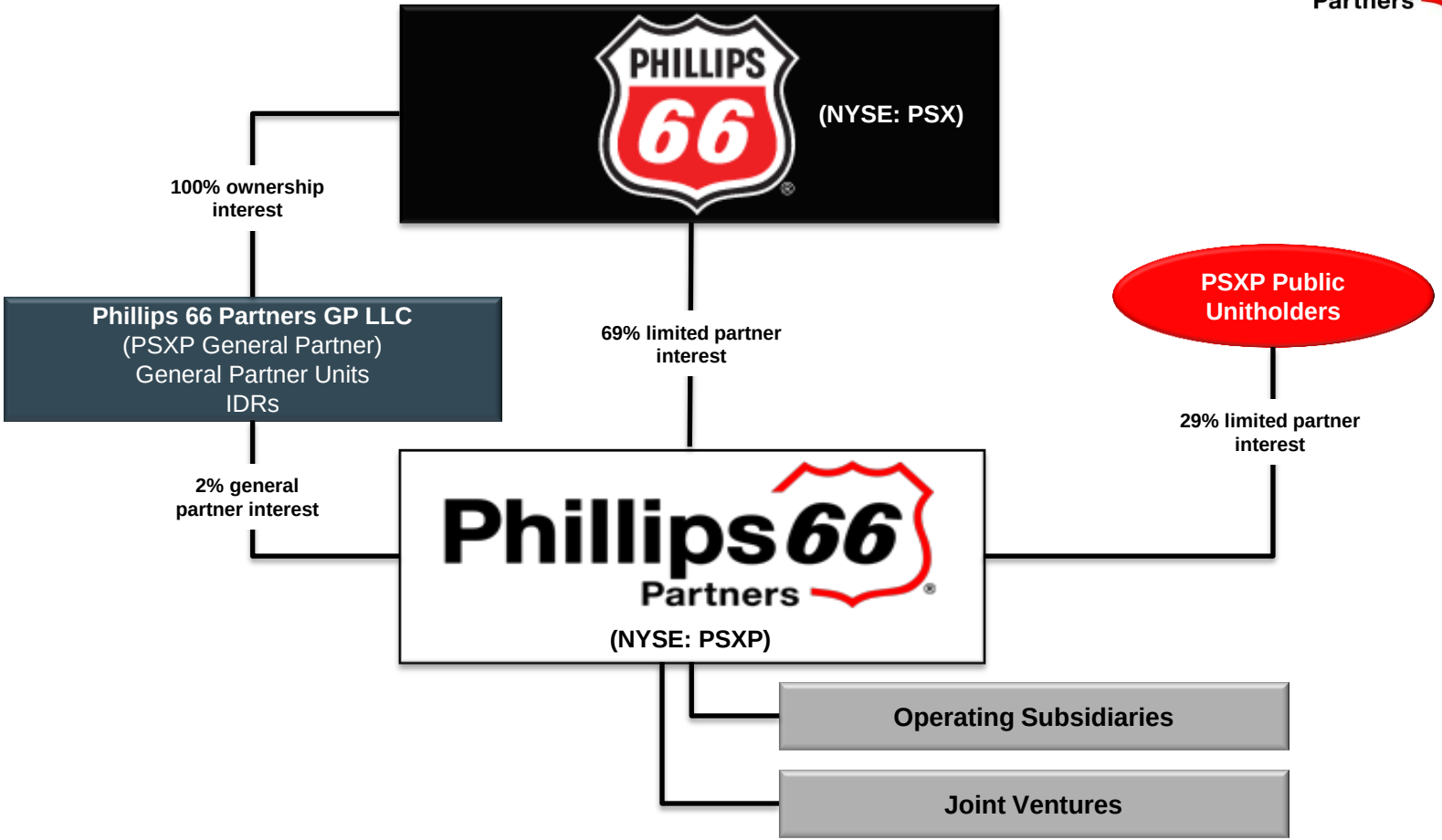
Non-GAAP Financial Measure Disclosure

Today's presentation includes certain non-GAAP financial measures as defined under Regulation G of the Securities Exchange Act of 1934, as amended. A reconciliation of those measures to the most directly comparable GAAP measures is available in the appendix to this presentation.

Phillips 66 Partners Ownership Structure



Phillips 66 Partners

Strong alignment with Phillips 66

Highly integrated assets

Stable and predictable cash flows

Significant growth potential

Financial flexibility



Pecan Grove Marine Dock

Phillips 66 Partners Financial Highlights



	2Q 2015
Distributable cash flow	$47.8 MM
Adjusted EBITDA	$57.0 MM

Acquired interest in three pipeline assets in Q1 2015

* Represents the minimum quarterly distribution for 3Q 2013, actual distribution of $0.1548 equal to MQD prorated
See appendix for footnotes.

Q1 2015 Acquisition

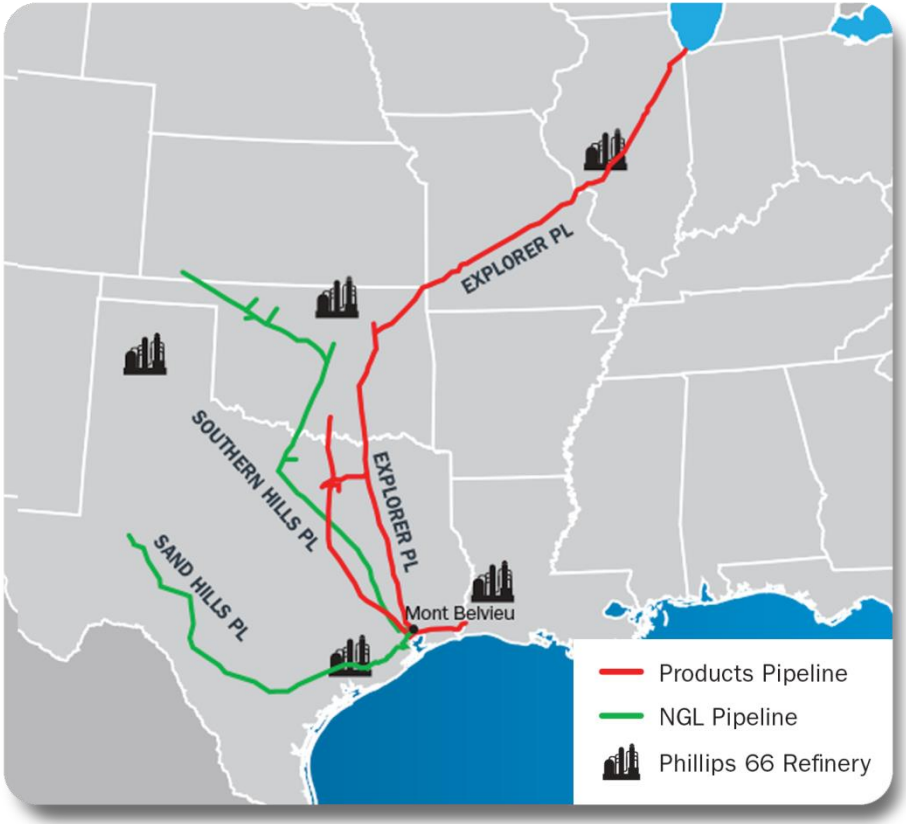
Phillips 66 Partners

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

$1.1 B acquisition
- Asset-level 2015E EBITDA of $115 million
- Implied 9.5x purchase multiple on assets' 2015E EBITDA

Assets supported by long-term, fee-based agreements, primarily under take-or-pay terms

Additional organic growth opportunities through identified expansion projects

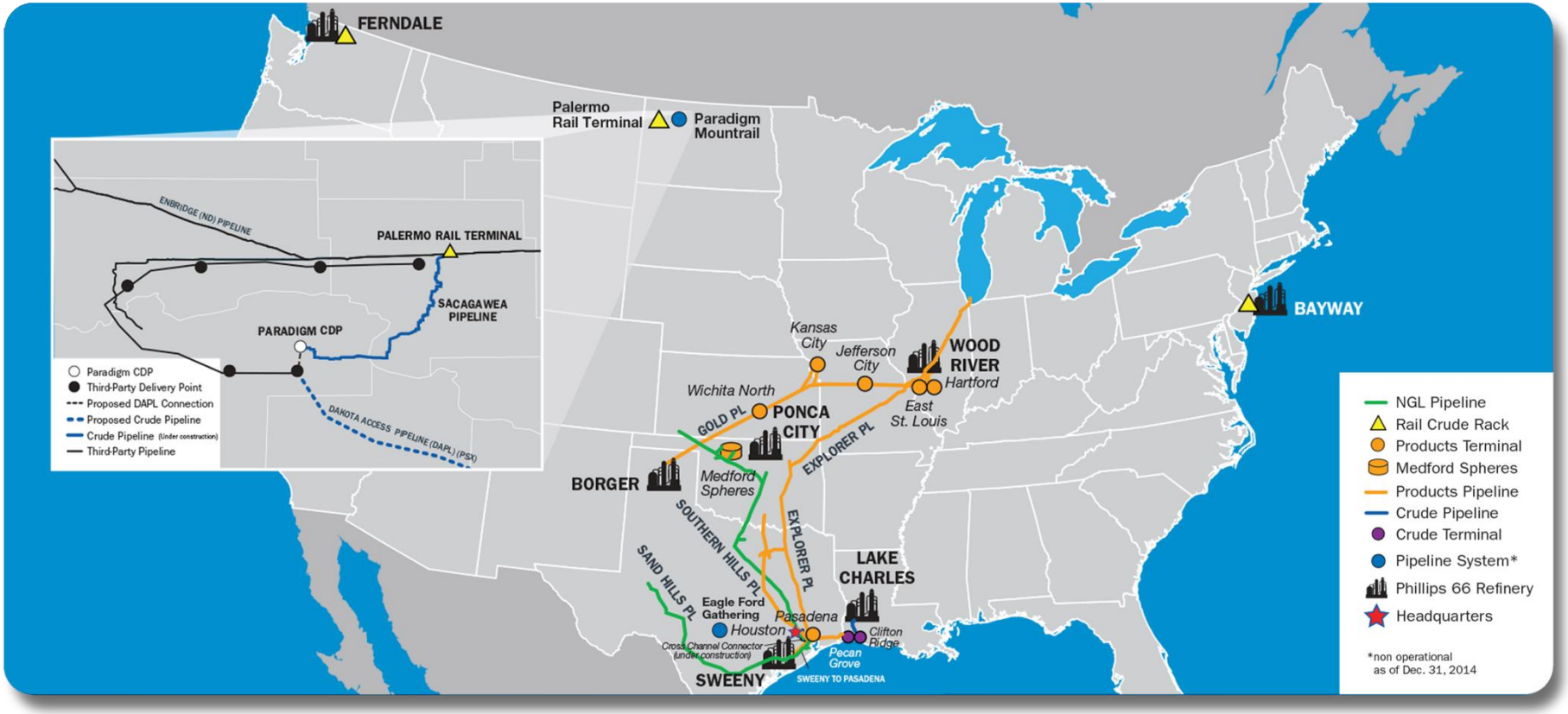


$275 MM In Announced Organic Growth

Cross-Channel Connector Pipeline	• Capital cost: $22 MM • Increases access to export docks for shippers in Houston Ship Channel • Expected completion in 4Q 2015
Eagle Ford Crude Gathering System	• Capital cost: $50 MM • Connects Eagle Ford crude oil production to third-party pipelines • Initial operations commenced January 2015; expected completion in 3Q 2015
Bakken Joint Ventures	• Capital cost: $160 MM (PSXP share) • 100 MBD Palermo crude oil rail-loading facility, 76-mile Sacagawea Pipeline and central delivery facility for gathering systems • Provides increased logistics options for shippers in the Bakken region • Expected terminal completion in 4Q 2015; pipeline completion in 2016
Sand Hills Pipeline	• Capital cost: ~ $45 MM (PSXP share) • Adding lateral connections and increasing pumping capacity beyond 200 MBD

See appendix for footnotes.

Highly Integrated Assets



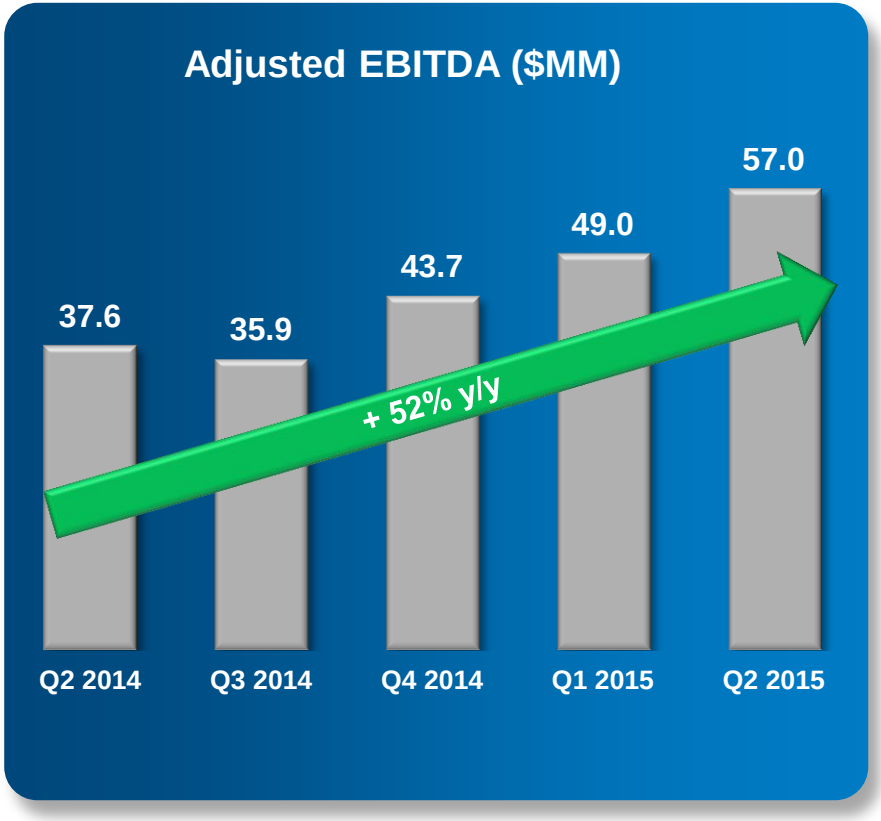
Palermo Rail Terminal expected to be operational Q4 2015.

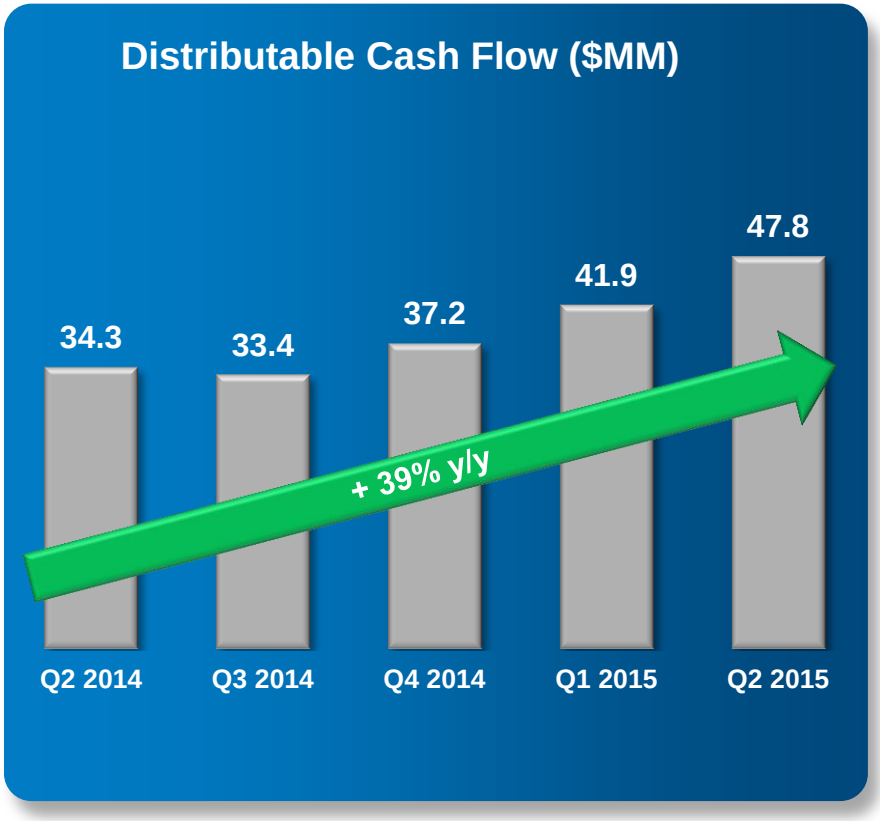
Fee-based, Long-term contracts provide stability

	Asset	Initial Term (years)	Maximum Term with Options (years)
Pipelines	Clifton Ridge to Lake Charles	10	20
	Sweeny to Pasadena	10	20
	Hartford Connector	23 *	23
	Gold Line	10	15
	Sand Hills	15	15
	Southern Hills	15	15
	Explorer	Various	Various
Terminals / Storage	Clifton Ridge terminal	5	20
	Clifton Ridge / Pecan grove docks	5	20
	Pasadena terminal	5	20
	Pasadena and Hartford truck racks	5	20
	Gold Line terminals	5	15
	Medford Spheres	10	20
	Bayway Rail Rack	10	20
	Ferndale Rail Rack	10	20

* Includes PSX JV Wood River Refinery to Hartford and Hartford to Explorer pipelines. The term of the Hartford Connector throughput and deficiency agreement began in January 2008

Adjusted EBITDA and DCF





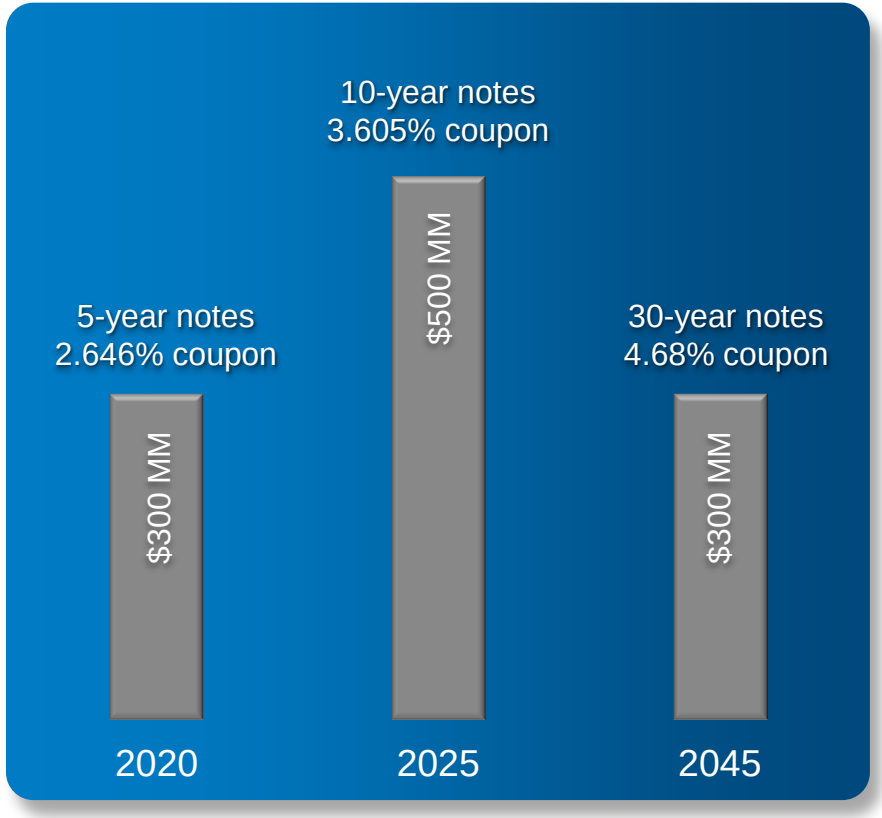
Balanced Debt Maturity Profile

$1.1 B debt issuance February 2015

- 5-Year $300 MM notes
- 10-Year $500 MM notes
- 30-Year $300 MM notes

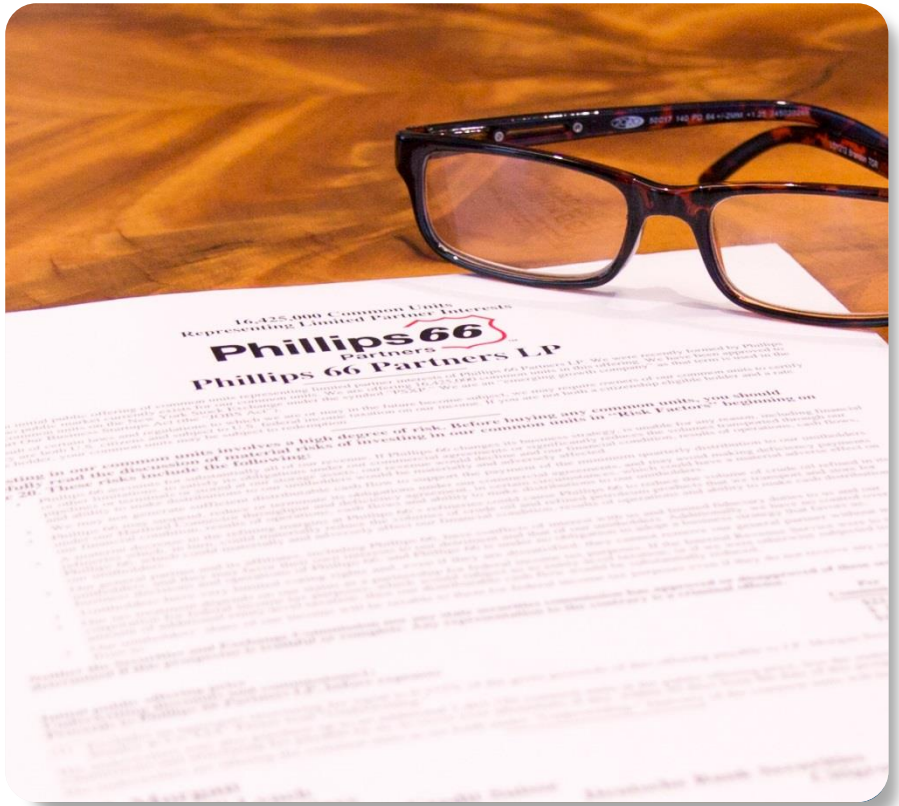
Average cost of 3.64%

BBB (stable) / Baa3 (stable)

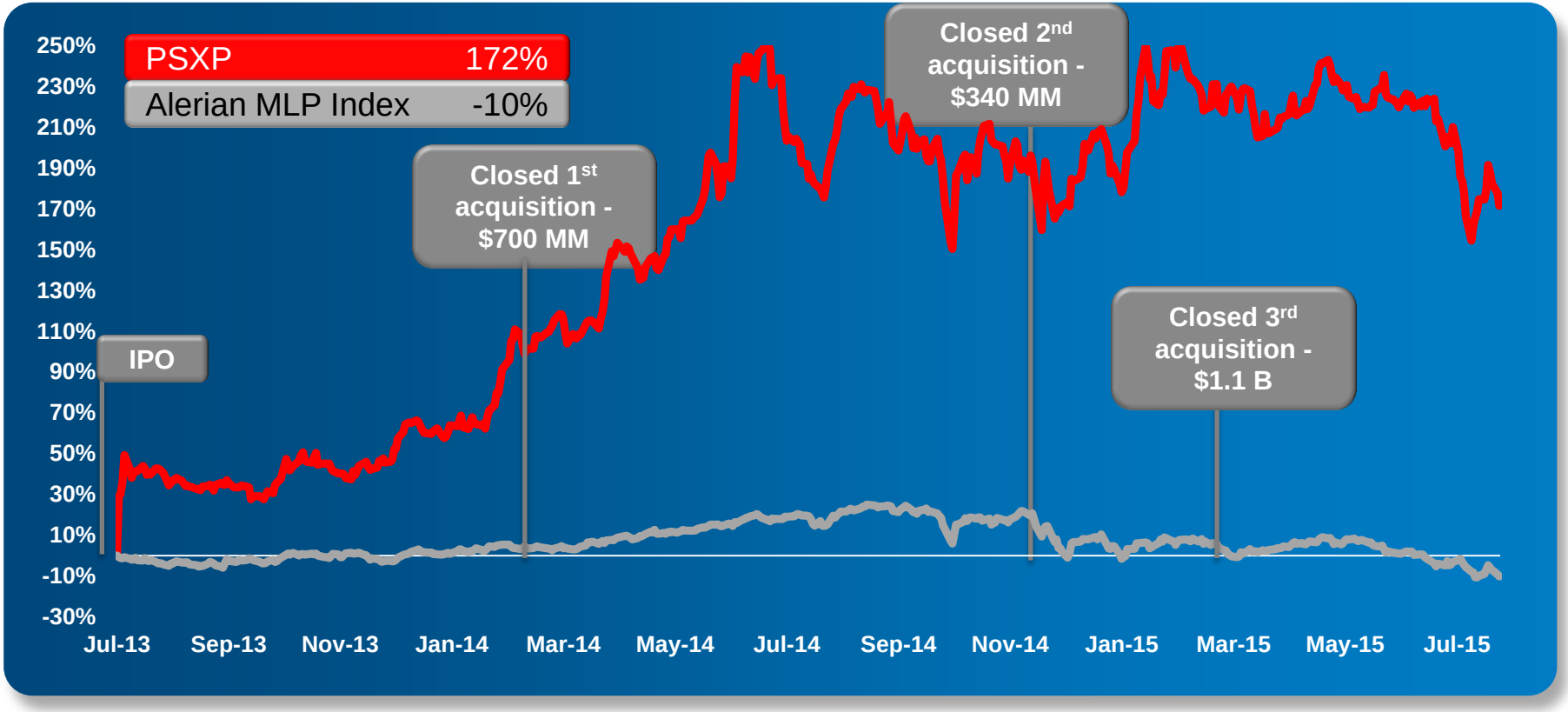


Financial Flexibility

- Investment grade credit rating
- Target 3.5x debt / EBITDA
- 30% distribution CAGR through 2018
- Target 1.1x annual coverage ratio
- Support Phillips 66 Midstream growth



Total Return Since IPO



Source: Bloomberg

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Footnotes

Slide 5

The chart represents look-through EBITDA and the Corporate segment EBITDA is excluded. Average Corporate adjusted quarterly EBITDA for 2013-2014 is ($86) MM.

Slide 6

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).

Refining Environmental Event – is a key operational compliance indicator and generally reflects events when an exceedance of a numeric emissions or discharge limit occurs. It includes all events regardless of reporting frequency resulting in permit or regulatory-based numeric emissions exceedances. It also includes immediately agency-reportable exceedances.

Slide 9

EBITDA excludes DCP but includes 100% PSXP EBITDA.

Slide 10

PSXP EBITDA includes EBITDA attributable to Phillips 66 noncontrolling interests.

Footnotes

Slide 11

PSXP is a consolidated subsidiary of PSX. Accordingly, quarterly cash distributions paid from PSXP to PSX, and consideration paid by PSXP to PSX in a dropdown transaction, both eliminate in consolidation and do not impact PSX's consolidated cash balance. PSX's consolidated cash balance increases to the extent PSXP funds consideration for a dropdown transaction with public debt and equity offerings

Slide 14

Growth capital reflects 100% CPChem growth capital. Growth EBITDA (& start-up year) includes: 1-hexene (2014), 10th Sweeny furnace (2014), NAO expansion project (2015) and USGC petrochemical project (2017).

Peers: Dow, ExxonMobil Chemical, LyondellBasell, Westlake

Slide 17

The chart represents look-through EBITDA and the Corporate segment EBITDA is excluded.

Slide 20

Capital returned includes the 2014 PSPI share exchange and excludes dividends payments

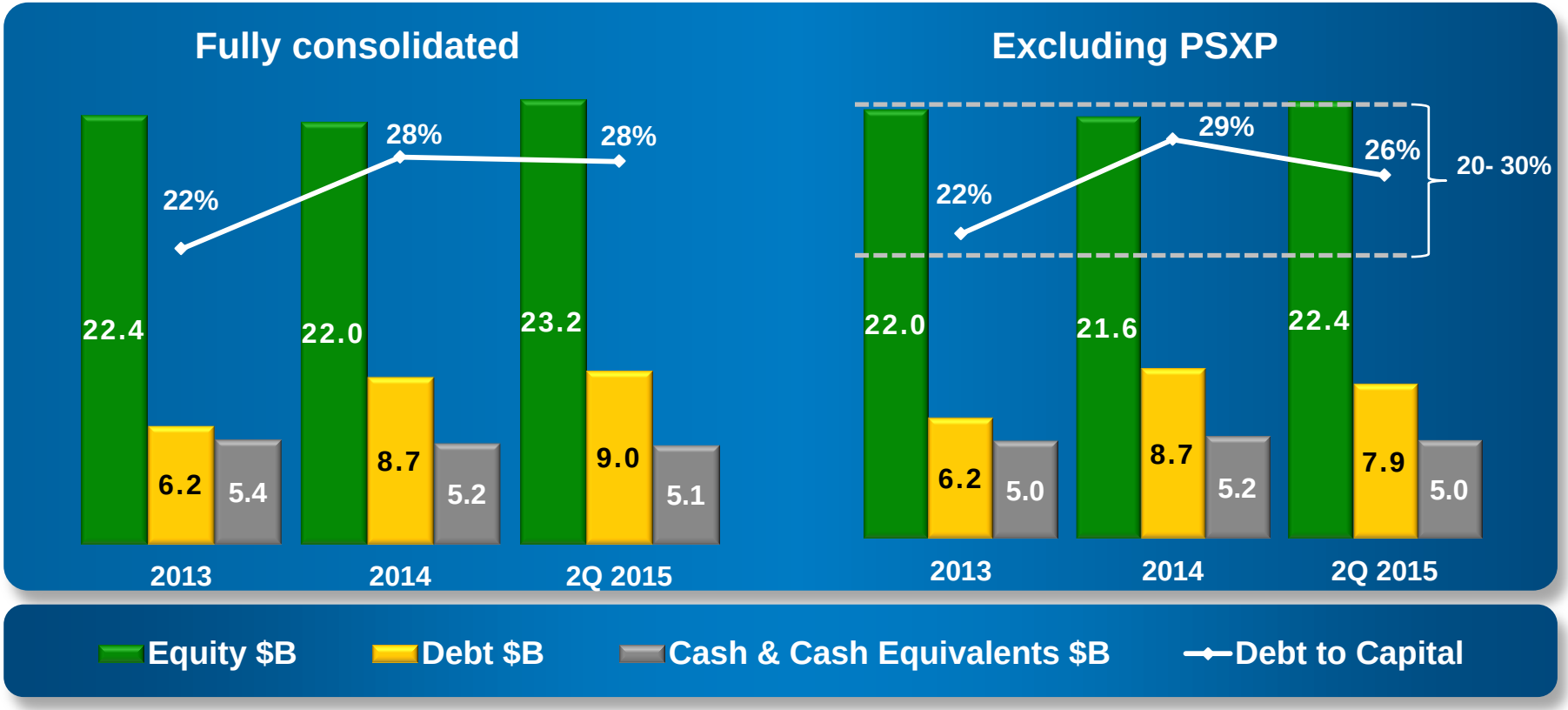
Slide 27

Debt and equity issuance amounts are gross of fees. Transaction between PSX and PSXP eliminate in consolidation.

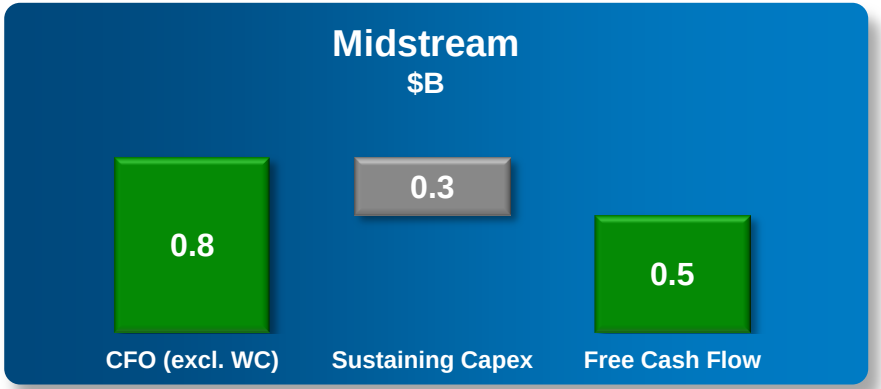
Slide 29

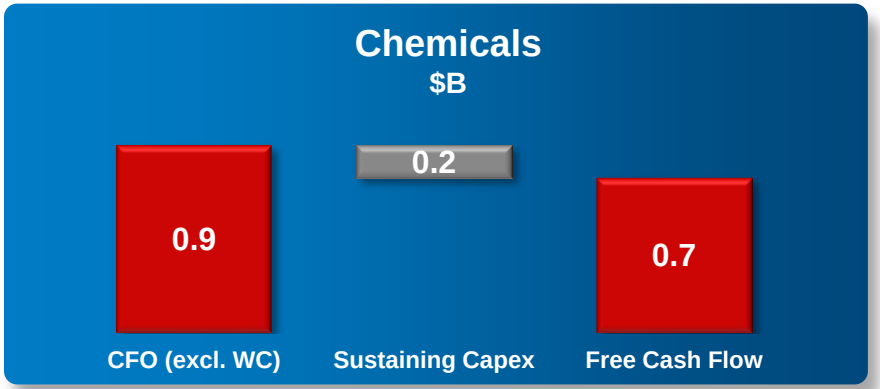
$275 MM organic capital includes 2014 and 2015 spending

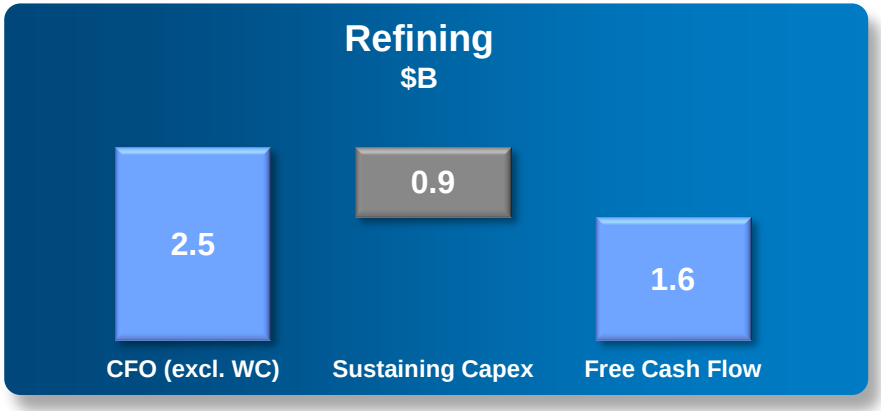
Capital Structure



Free Cash Flow



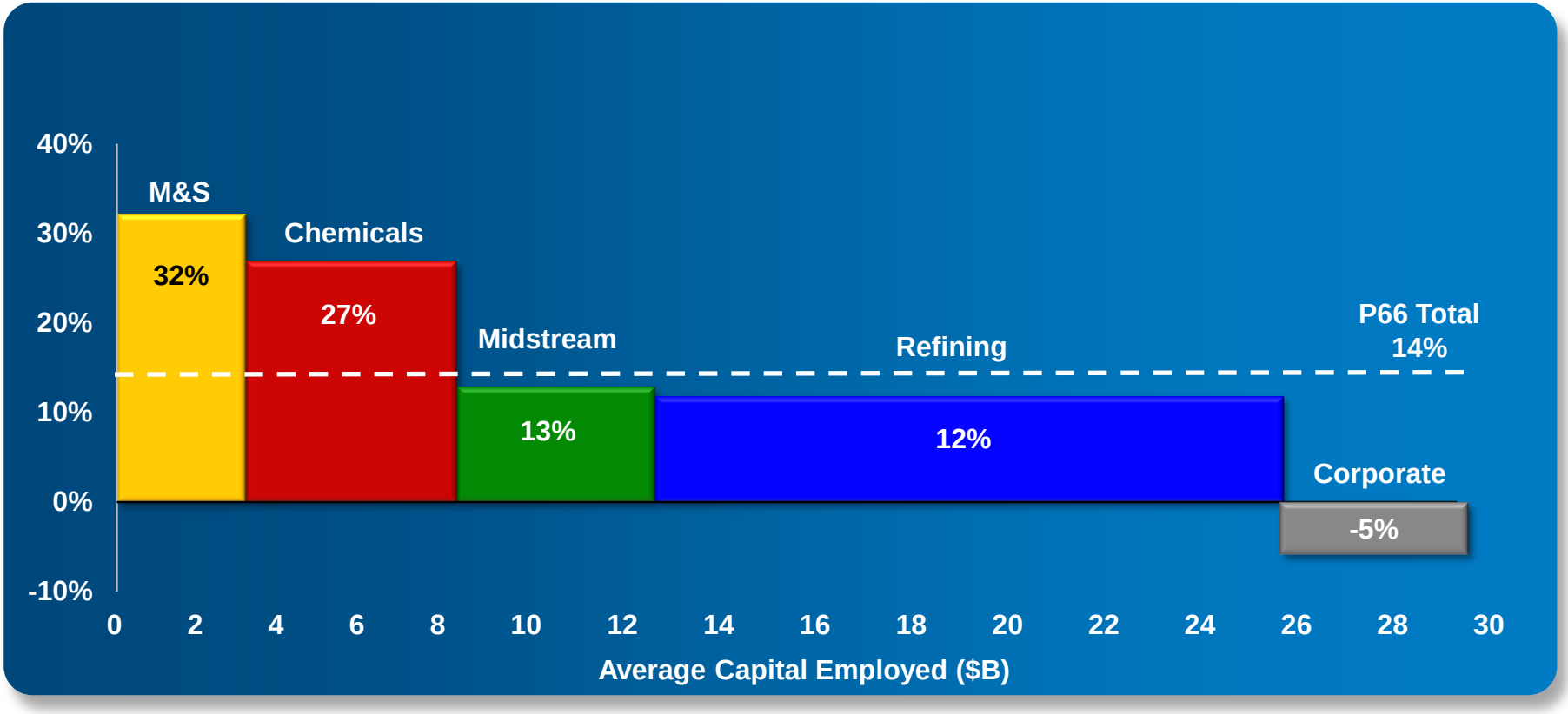




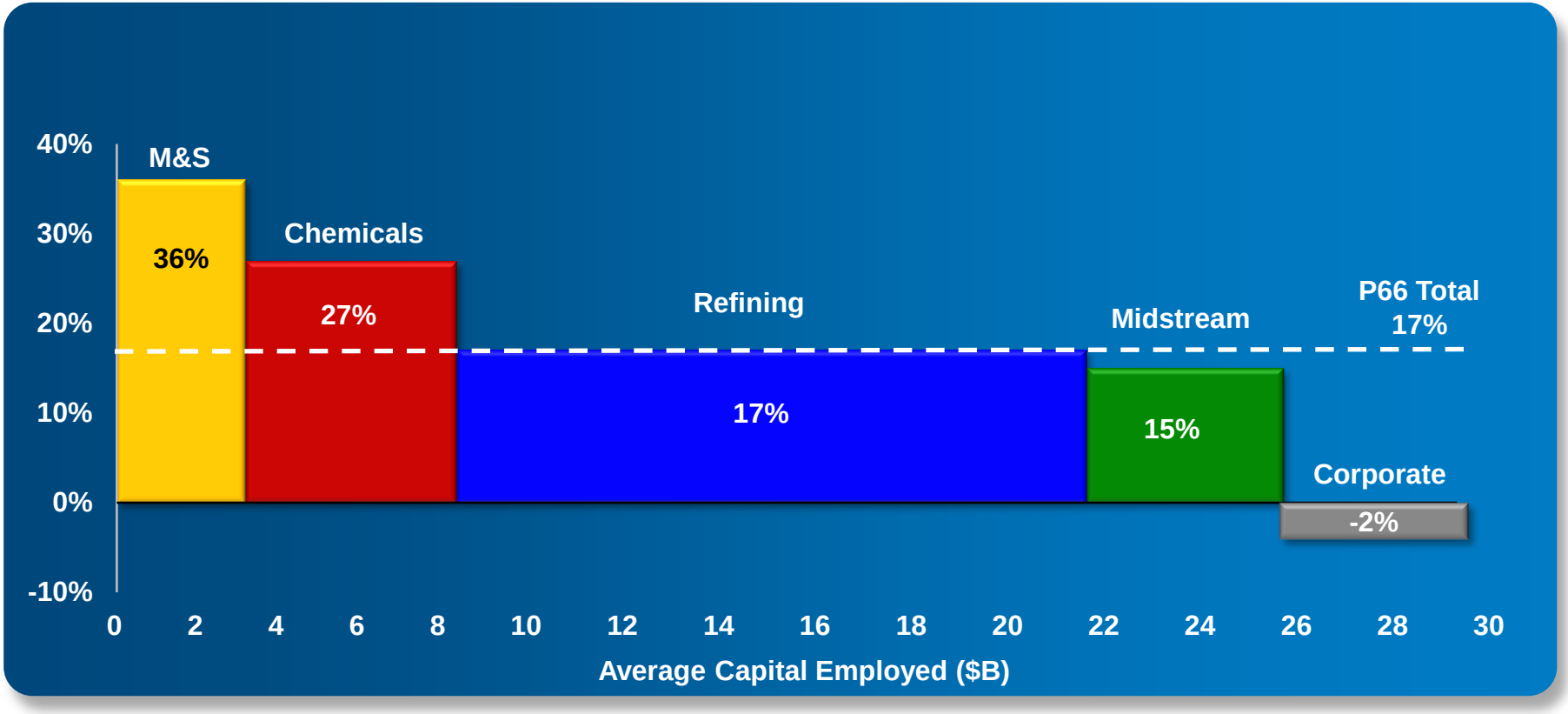


Average from 2009-2014, DCP Midstream, CPChem and WRB free cash flow calculated at the enterprise level

2014 Adjusted ROCE

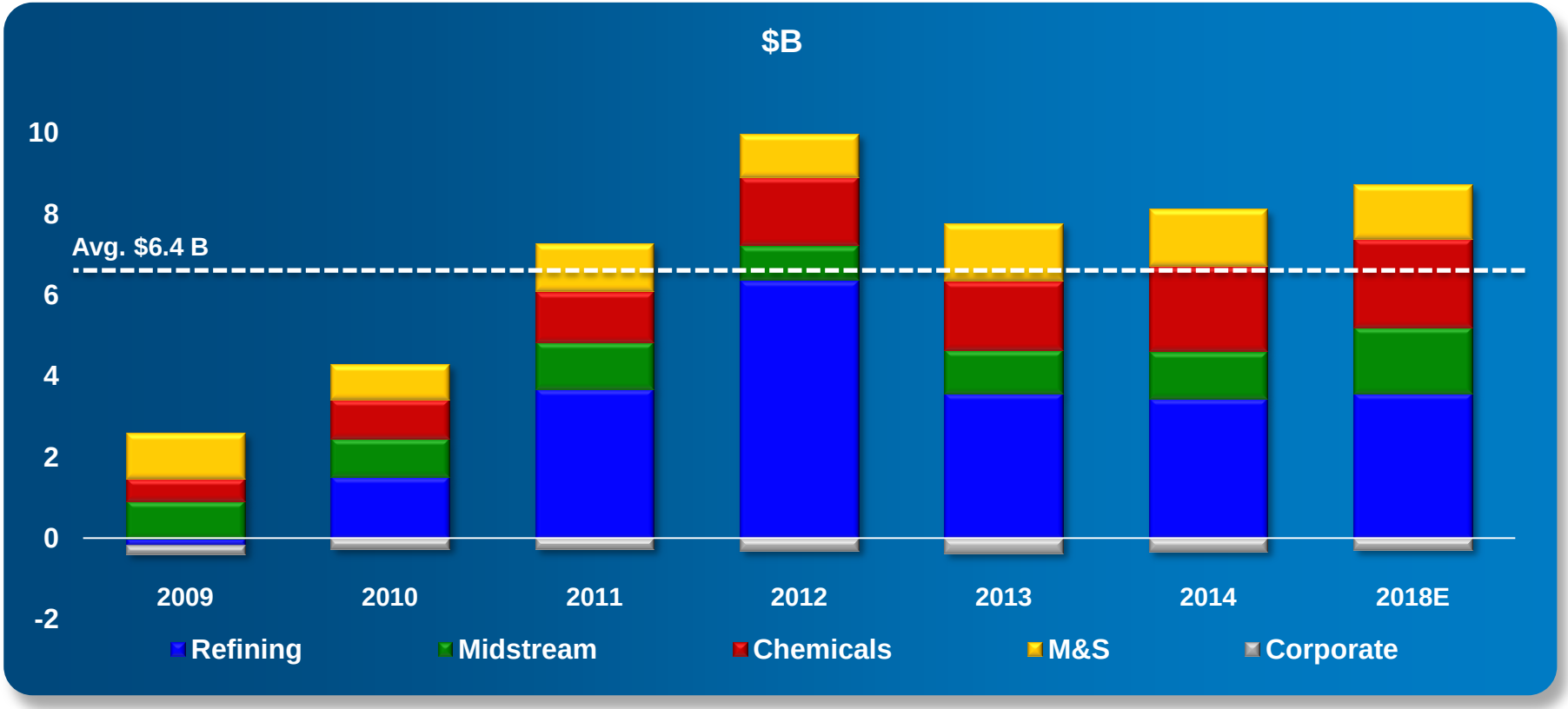


2014 Adjusted CROCE



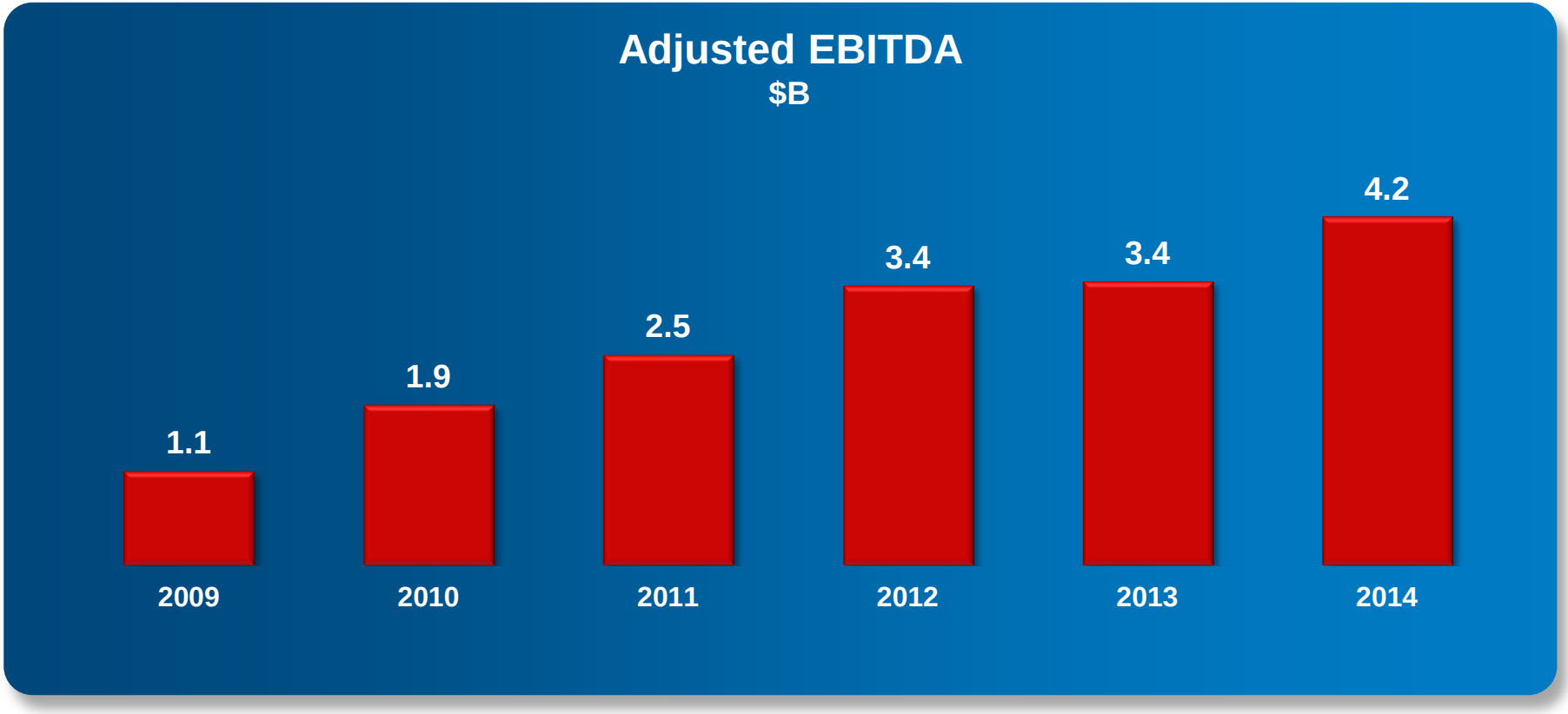
CROCE defined as Adjusted Net Income plus Depreciation and Amortization divided by Average Capital Employed.

Adjusted EBITDA



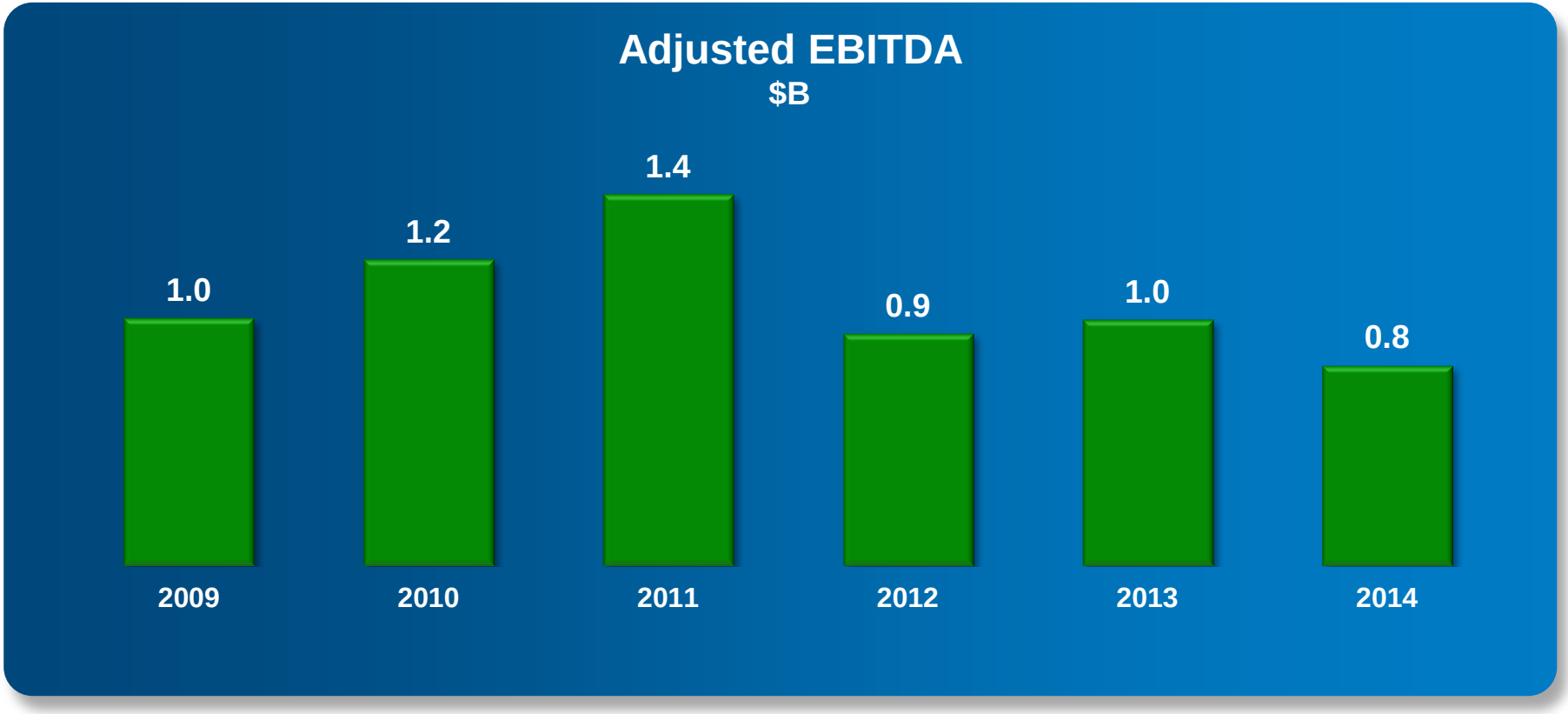
Average is 2009 through 2014.

Chemicals – CPChem



Reflects 100% CPChem.

Midstream – DCP



Reflects 100% DCP Midstream.

2015 Sensitivities – Phillips 66

	Annual Net Income $MM
Midstream - DCP (net to Phillips 66)	
10¢/Gal Increase in NGL price	30
$1/MMBtu Increase in Natural Gas price	25
$10/BBL Increase in WTI price	15
Chemicals - CPChem (net to Phillips 66)	
1¢/Lb Increase in Chain Margin (Ethylene, Polyethylene, NAO)	35
Worldwide Refining	
$1/BBL Increase in Gasoline Margin	220
$1/BBL Increase in Distillate Margin	200
Impacts due to Actual Crude Feedstock 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)	15
$1/BBL Widening ANS / WCS Differential (ANS less WCS)	10
10¢/MMBtu Increase in Natural Gas price	(10)

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

Phillips 66 Capital Program

	Millions of Dollars		
	2015 Budget		
	Sustaining	Growth	Total
Capital Expenditures and Investments			
Consolidated			
Midstream[1]			
Transportation	148	1,084	1,232
NGL	19	1,912	1,931
	167	2,996	3,163
Chemicals	-	-	-
Refining[2]	813	299	1,112
Marketing and Specialties	78	92	170
Corporate[2]	155	-	155
	1,213	3,387	4,600
Selected Equity Affiliates			
DCP	125	275	400
CPChem	187	1,266	1,453
WRB	150	53	203
	462	1,594	2,056
Capital Program[3]			
Midstream			
Transportation	148	1,084	1,232
DCP	125	275	400
NGL	19	1,912	1,931
	292	3,271	3,563
Chemicals	187	1,266	1,453
Refining	963	352	1,315
Marketing and Specialties	78	92	170
Corporate	155	-	155
	1,675	4,981	6,656

(1) Includes 100% of Phillips 66 Partners

(2) Includes non-cash capitalized leases of $11 million in Refining and $21 million in Corporate and Other

(3) 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
Year ending February 29	2016
Reconciliation of PSXP Estimated EBITDA to Estimated Net Income*	
Estimated net income	$ 82
Plus:	
Depreciation	20
Interest expense	4
Income taxes	9
Estimated EBITDA	$ 115

**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
Phillips 66 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
Annualized Adjusted ROCE *(percent)*		11%	21%	28%	31%	26%	27%
Annualized GAAP ROCE *(percent)*		11%	21%	28%	26%	26%	25%

**Total equity plus debt.*

Non-GAAP Reconciliations

Marketing & Specialties Adjusted EBITDA Reconciliation	Millions of Dollars						
	2009	2010	2011	2012	2013	2014	2009-2014 Average
U.S. Marketing							
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
U.S. Marketing EBITDA	$ 370	553	271	201	689	705	465
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
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
International Marketing EBITDA	$ 463	266	481	371	400	540	420
Adjustments (pretax):							
Gain on asset dispositions	$ -	-	3	-	-	(125)	(20)
International Marketing Adjusted EBITDA*	$ 463	266	484	371	400	415	400

Marketing & Specialties Adjusted EBITDA Reconciliation	Millions of Dollars						
	2009	2010	2011	2012	2013	2014	2009-2014 Average
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
Specialties EBITDA	$ 252	335	466	438	341	324	359
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
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
Marketing and Specialties EBITDA	$ 1,085	1,153	1,218	1,010	1,430	1,569	1,244
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

Non-GAAP Reconciliations

Adjusted EBITDA by Segment Reconciliation		Millions of Dollars						
		2009	2010	2011	2012	2013	2014	2009-2014 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	2010	2011	2012	2013	2014	2009-2014 Average
Refining								
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
Refining EBITDA	$	(212)	(125)	2,840	5,744	3,467	3,171	2,481
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
Severence accruals		-	28	24	-	-	-	9
Hurrican-related costs		-	-	-	54	-	-	9
Tax law impacts		-	-	-	-	(22)	-	(4)
Lower-of-cost-or-market inventory adjustments		-	-	-	-	-	40	7
Refining Adjusted EBITDA	$	(173)	1,519	3,690	6,373	3,583	3,449	3,074

Non-GAAP Reconciliations

Adjusted EBITDA by Segment Reconciliation		Millions of Dollars						
		2009	2010	2011	2012	2013	2014	2009-2014 Average
Marketing and Specialties								
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
Marketing and Specialties EBITDA	$	1,086	1,153	1,218	1,010	1,430	1,570	1,245
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	$	1,123	875	1,178	1,068	1,413	1,401	1,176
Corporate								
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
Corporate EBITDA	$	(213)	(250)	(268)	(421)	(365)	(329)	(308)
Adjustments (pretax):								
Impairments	$	-	-	-	25	-	-	4
Repositioning Costs		-	-	-	85	-	-	14
Corporate Adjusted EBITDA	$	(213)	(250)	(268)	(311)	(365)	(329)	(289)

Non-GAAP Reconciliations

Adjusted EBITDA by Segment Reconciliation		Millions of Dollars						
		2009	2010	2011	2012	2013	2014	2009-2014 Average
Phillips 66								
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
Phillips 66 EBITDA	$	1,646	2,105	7,445	7,693	6,731	6,986	5,434
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
Severence 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
Phillips 66 Adjusted EBITDA	$	2,220	4,049	7,010	9,673	7,408	7,792	6,359

Non-GAAP Reconciliations

	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
Estimated EBITDA	**$ 1,300**	**1,600**

Non-GAAP Reconciliations

Millions of Dollars

	2014					
	Phillips 66	Midstream	Chemicals	Refining	Marketing & Specialties	Corporate
Phillips 66 ROCE						
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*	$ 29,537	4,207	4,489	13,377	2,743	4,722
**Total equity plus debt.*						
Annualized Adjusted ROCE *(percent)*	14%	13%	27%	12%	32%	-5%
Annualized GAAP ROCE *(percent)*	17%	13%	25%	13%	38%	-5%

	Phillips 66	Midstream	Chemicals	Refining	Marketing & Specialties	Corporate
Phillips 66 CROCE						
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*	$ 29,537	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

	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)	-	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	396	855	573	-
Adjusted FCF (excl WC)	$ 763	855	2,452	690
Total Capex GAAP	2,173	-	1,038	439
Less: Growth Capex	2,058	-	287	388
Sustaining Capex	115	-	751	51
Less: P66 Equity affiliate sustaining capex	-	-	-	-
Add: Equity look through sustaining capex	148	150	134	-
Adjusted Sustaining Capex	$ 263	150	885	51
Free Cash Flow	$ 500	705	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
Adjusted FCFY *(percent)*	8%	20%	9%	19%
GAAP CFO/ GAAP Capital Employed *(percent)*	17%	8%	17%	17%

**Total equity plus debt.*

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

Non-GAAP Reconciliations

Adjusted EBITDA by Segment Reconciliation	Millions of Dollars										
	2013				2014				2015		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	Average
Midstream											
Midstream net income	$ 114	92	152	128	194	117	124	107	78	(62)	104
Plus:											
Provision for income taxes	63	49	87	65	108	63	70	68	38	(37)	57
Depreciation and amortization	19	19	19	31	19	21	24	27	26	27	23
Midstream EBITDA	$ 196	160	258	224	321	201	218	202	142	(72)	185
Adjustments (pretax):											
EBITDA attributable to Phillips 66 noncontrolling interests	$ (5)	(4)	(7)	(8)	(8)	(12)	(13)	(12)	(16)	(17)	(10)
Proportional share of selected equity affiliates income taxes	-	2	1	1	2	-	2	(1)	1	(2)	1
Proportional share of selected equity affiliates net interest	22	22	33	33	30	31	29	28	32	33	29
Proportional share of selected equity affiliates depreciation and amortizati	31	33	37	38	39	36	37	38	40	41	37
Lower-of-cost-or-market inventory adjustments	-	-	-	-	-	-	-	2	-	-	-
Impairments by equity affiliates	-	-	-	-	-	-	-	-	-	194	19
Midstream Adjusted EBITDA*	$ 244	$ 213	$ 322	$ 288	384	256	273	257	199	177	261
** Proportional share of selected equity affiliates is net of noncontrolling interests.*											
Chemicals											
Chemicals net income	$ 282	181	262	261	316	324	230	267	203	295	262
Plus:											
Provision for income taxes	121	51	105	98	126	142	98	129	88	121	108
Chemicals EBITDA	$ 403	232	367	359	442	466	328	396	291	416	370
Adjustments (pretax):											
Proportional share of selected equity affiliates income taxes	$ 19	25	25	24	27	28	35	21	22	25	25
Proportional share of selected equity affiliates net interest	2	3	2	3	3	1	2	3	2	1	2
Proportional share of selected equity affiliates depreciation and amortizati	58	60	60	68	62	62	64	70	65	65	63
Impairments	-	-	-	-	-	-	88	-	-	-	9
Lower-of-cost-or-market inventory adjustments	-	-	-	-	-	-	-	3	-	-	-
Chemicals Adjusted EBITDA	$ 482	320	454	454	534	557	517	493	380	507	470

Non-GAAP Reconciliations

Adjusted EBITDA by Segment Reconciliation	Millions of Dollars										
	2013				2014				2015		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	Average
Refining											
Refining net income	$ 904	455	(30)	418	306	390	558	517	538	604	466
Plus:											
Provision for income taxes	467	280	22	266	202	257	301	(64)	226	328	229
Depreciation and amortization	177	168	170	170	172	174	178	180	177	183	175
Refining EBITDA	$ 1,548	903	162	854	680	821	1,037	633	941	1,115	869
Adjustments (pretax):											
Proportional share of selected equity affiliates income taxes	$ 2	1	-	(7)	-	1	-	2	-	(2)	(0)
Proportional share of selected equity affiliates net interest	(26)	(24)	(23)	(22)	(19)	-	-	-	-	-	(11)
Proportional share of selected equity affiliates depreciation and amortizat	58	57	60	62	61	61	61	62	63	63	61
Asset dispositions	-	-	-	-	-	-	-	(145)	(8)	-	(15)
Impairments	-	-	-	-	-	-	-	131	-	-	13
Pending claims and settlements	-	-	-	-	-	-	-	23	-	-	2
Tax law impacts	(22)	-	-	-	-	-	-	-	-	-	(2)
Lower-of-cost-or-market inventory adjustments	-	-	-	-	-	-	-	40	-	-	4
Refining Adjusted EBITDA	$ 1,560	937	199	887	722	883	1,098	746	996	1,176	920
Marketing and Specialties											
Marketing and Specialties net income	$ 190	344	255	105	137	162	368	367	304	314	255
Plus:											
Provision for income taxes	92	187	107	47	68	86	127	160	102	96	107
Depreciation and amortization	33	25	22	23	21	23	24	27	24	23	25
Marketing and Specialties EBITDA	$ 315	556	384	175	226	271	519	554	430	433	386
Adjustments (pretax):											
Asset dispositions	$ -	(40)	-	-	-	-	(109)	(16)	(110)	(132)	(41)
Pending claims and settlements	(25)	-	-	-	-	-	-	(44)	-	-	(7)
Exit of a business line	54	-	-	-	-	-	-	-	-	-	5
Tax law impacts	(6)	-	-	-	-	-	-	-	-	-	(1)
Marketing and Specialties Adjusted EBITDA	$ 338	516	384	175	226	271	410	494	320	301	344

Non-GAAP Reconciliations

Millions of Dollars

Adjusted EBITDA by Segment Reconciliation	2013 1Q	2013 2Q	2013 3Q	2013 4Q	2014 1Q	2014 2Q	2014 3Q	2014 4Q	2015 1Q	2015 2Q	Average
Corporate											
Corporate net income (loss)	$ (95)	(126)	(113)	(97)	(81)	(121)	(91)	(100)	(126)	(125)	(106)
Plus:											
Provision for income taxes	(80)	(60)	(43)	(80)	(78)	(61)	(58)	(90)	(63)	(68)	(68)
Net interest expense	65	66	65	62	63	60	55	68	81	67	65
Depreciation and amortization	13	17	22	19	22	21	23	39	26	40	22
Corporate EBITDA	$ (97)	(103)	(69)	(96)	(74)	(101)	(71)	(83)	(82)	(86)	(86)
Adjustments (pretax):											
Impairments	$ -	-	-	-	-	-	-	-	-	-	-
Pending claims and settlements	$ -	-	-	-	-	-	-	-	-	(5)	
Corporate Adjusted EBITDA	$ (97)	(103)	(69)	(96)	(74)	(101)	(71)	(83)	(82)	(91)	(86)
Phillips 66											
Phillips 66 net income	$ 1,410	960	540	833	1,578	872	1,189	1,158	997	1,025	1,056
Less:											
Income from discontinued operations	15	14	14	18	706	-	-	-	-	-	77
Plus:											
Provision for income taxes	663	507	278	396	426	487	538	203	391	440	433
Net interest expense	65	66	65	62	63	60	55	68	81	67	65
Depreciation and amortization	242	229	233	243	234	239	249	273	253	274	247
Phillips 66 EBITDA	$ 2,365	1,748	1,102	1,516	1,595	1,658	2,031	1,702	1,722	1,806	1,725
Adjustments (pretax):											
EBITDA attributable to Phillips 66 noncontrolling interests	$ (5)	(4)	(7)	(8)	(8)	(12)	(13)	(12)	(16)	(17)	(10)
Proportional share of selected equity affiliates income taxes	21	28	26	18	29	29	37	22	23	21	25
Proportional share of selected equity affiliates net interest	(2)	1	12	14	14	32	31	31	34	34	20
Proportional share of selected equity affiliates depreciation and amortizat	147	150	157	168	162	159	162	170	168	169	161
Asset dispositions	-	(40)	-	-	-	-	(109)	(161)	(118)	(132)	(56)
Impairments	-	-	-	-	-	-	88	131	-	-	22
Exit of a business line	54	-	-	-	-	-	-	-	-	-	5
Tax law impacts	(28)	-	-	-	-	-	-	-	-	-	(3)
Impairments by equity affiliates	-	-	-	-	-	-	-	-	-	194	19
Pending claims and settlements	(25)	-	-	-	-	-	-	(21)	-	(5)	(5)
Lower-of-cost-or-market inventory adjustments	-	-	-	-	-	-	-	45	-	-	5
Phillips 66 Adjusted EBITDA	$ 2,527	1,883	1,290	1,708	1,792	1,866	2,227	1,907	1,813	2,070	1,908

Adjusted EBITDA and Distributable Cash Flow Reconciliation to Net Income

	$ MM				
	2Q 2015	1Q 2015	4Q 2014	3Q 2014	2Q 2014
Net Income	$ 42.0	$ 35.4	$ 36.3	$ 30.0	$ 30.9
Plus:					
Depreciation	5.3	5.1	4.5	4.2	3.9
Net interest expense	9.5	5.8	2.1	1.4	1.3
Amortization of deferred rentals	0.1	0.1	0.1	0.1	0.1
Provision for (benefit from) income taxes	(0.1)	0.2	0.2	0.1	0.2
EBITDA	56.8	46.6	43.2	35.8	36.4
Distributions in excess of equity earnings	0.2	0.7	-	-	-
Expenses indemnified or prefunded by Phillips 66	-	0.3	0.1	0.7	-
Transaction costs associated with acquisitions	-	1.4	1.0	0.2	-
EBITDA attributable to predecessors	-	-	(0.6)	(0.8)	1.2
Adjusted EBITDA	57.0	49.0	43.7	35.9	37.6
Plus:					
Adjustments related to minimum volume commitments	2.2	1.1	(2.4)	1.4	(0.7)
Phillip 66 prefunded maintenance capital expenditures	-	-	0.1	-	1.1
Less:					
Net interest	9.5	6.5	1.4	1.7	0.1
Income taxes paid	0.4	-	-	-	0.2
Maintenance capital expenditures	1.5	1.7	2.8	2.2	3.4
Distributable Cash Flow	47.8	41.9	37.2	33.4	34.3