Investor Update
February 2016



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, petroleum products and natural gas prices, and refining, marketing 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 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.

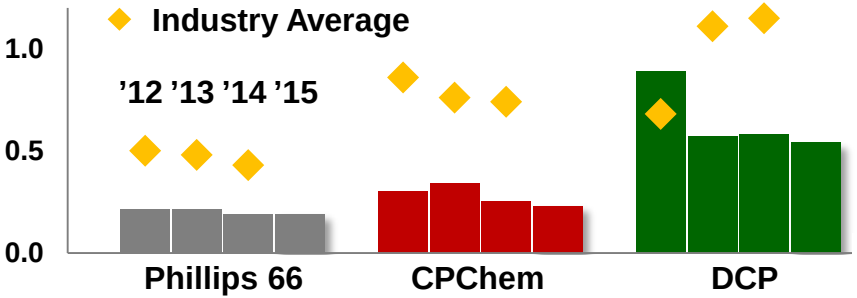
This presentation includes non-GAAP financial measures. You can find the reconciliations to comparable GAAP financial measures at the end of the presentation materials or in the “Investors” section of our website.

Strategy

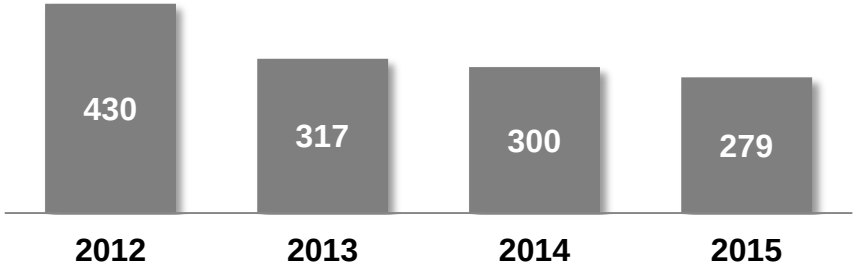
Operating Excellence	Committed to safety, reliability and environmental stewardship while protecting shareholder value
Growth	Reshaping our portfolio by capturing growth opportunities in Midstream and Chemicals
Returns	Enhancing returns by maximizing earnings from existing assets and investing capital efficiently
Distributions	Committed to dividend growth, share repurchases and financial strength
High-Performing Organization	Building capability, pursuing excellence and doing the right thing

Operating Excellence

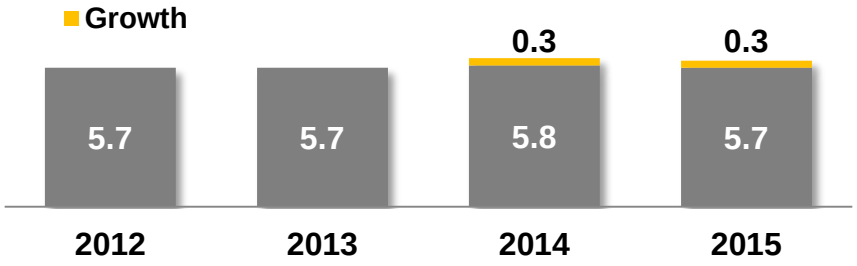
Total Recordable Rates
(Incidents per 200,000 Hours Worked)



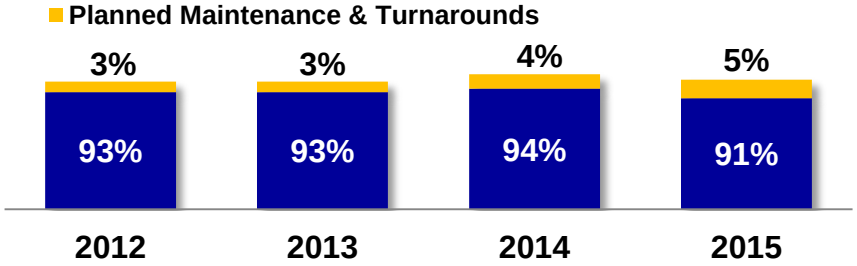
Refining Environmental Metrics



Operating Costs and SG&A
($B)



Refining Capacity Utilization
(%)



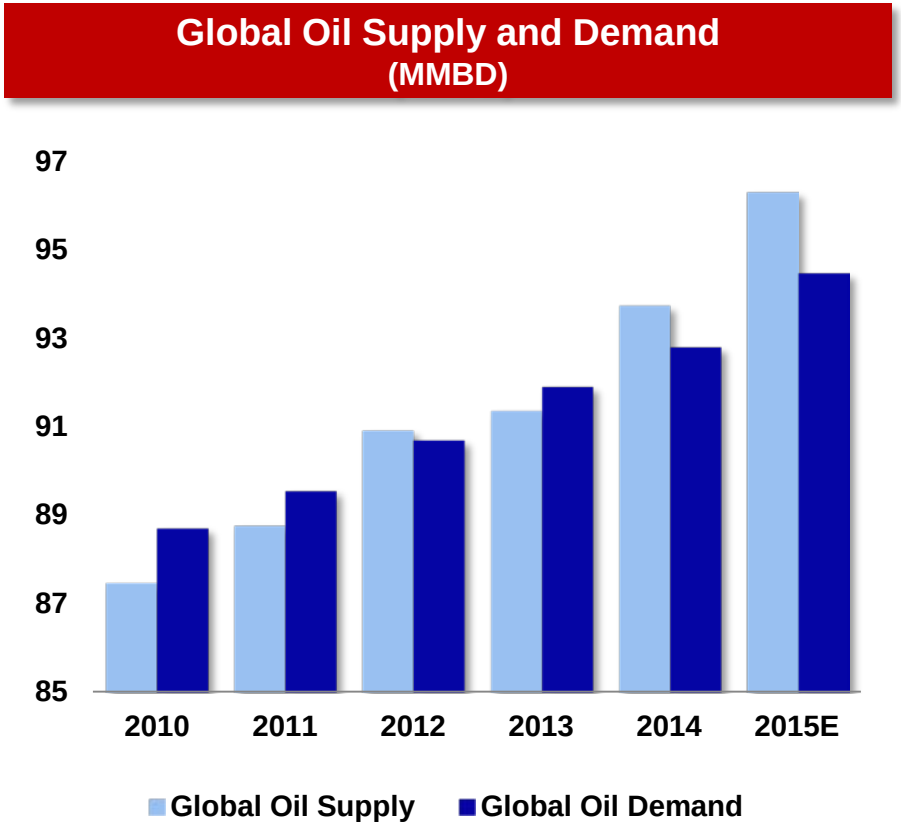
See appendix for footnotes.

Global Energy Landscape

Abundant supply

Demand exceeding expectations

Energy efficiency increasing



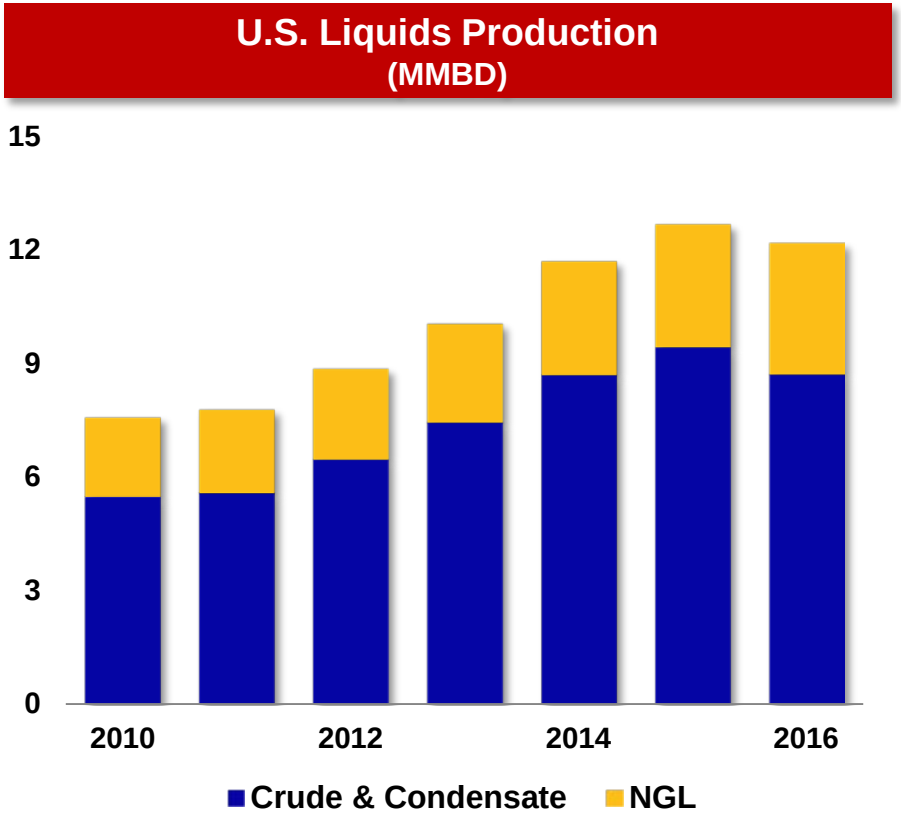
Source: International Energy Agency, January 19, 2016

U.S. Energy Landscape

NGL production remains resilient

Pace of infrastructure investment contingent on production growth

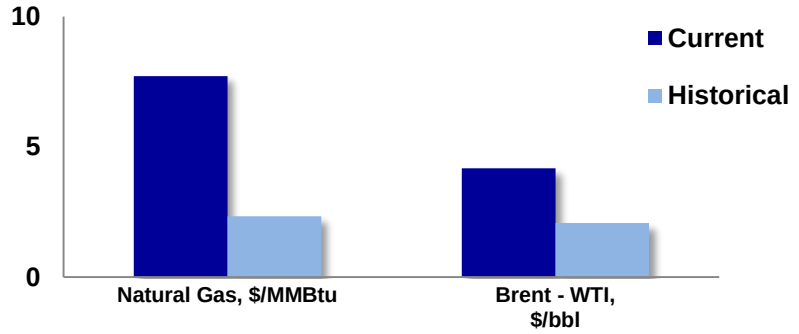
Stronger fuels demand



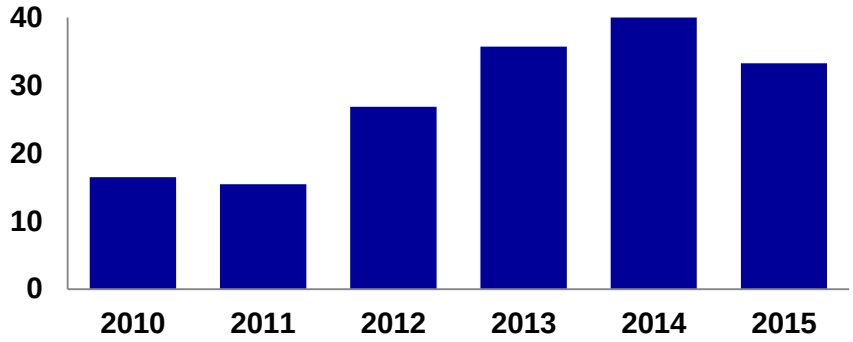
Source: EIA Short Term Energy Outlook, February 1, 2016

U.S. Downstream Advantage

U.S. Refiners Advantage



N.A. HDPE Chain Cash Margin (CPP)



Refiners and chemical manufacturers remain advantaged

- Low feedstock costs
- Low energy costs
- Scale and complexity

MLP structure supports midstream investment

See appendix for footnotes.

Value of Integration

Creating value across downstream

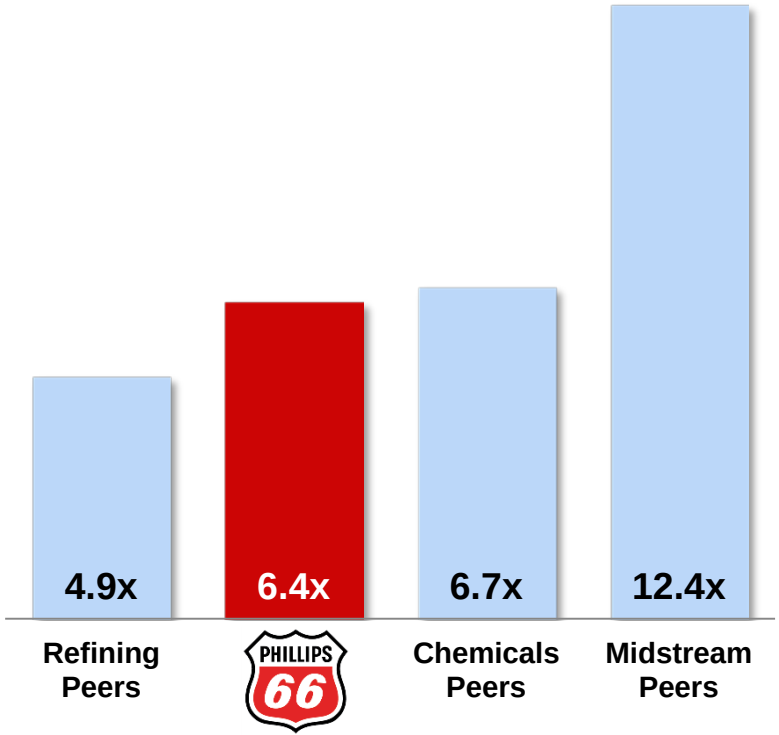
Accelerating growth

Leveraging existing portfolio

Allocating capital efficiently

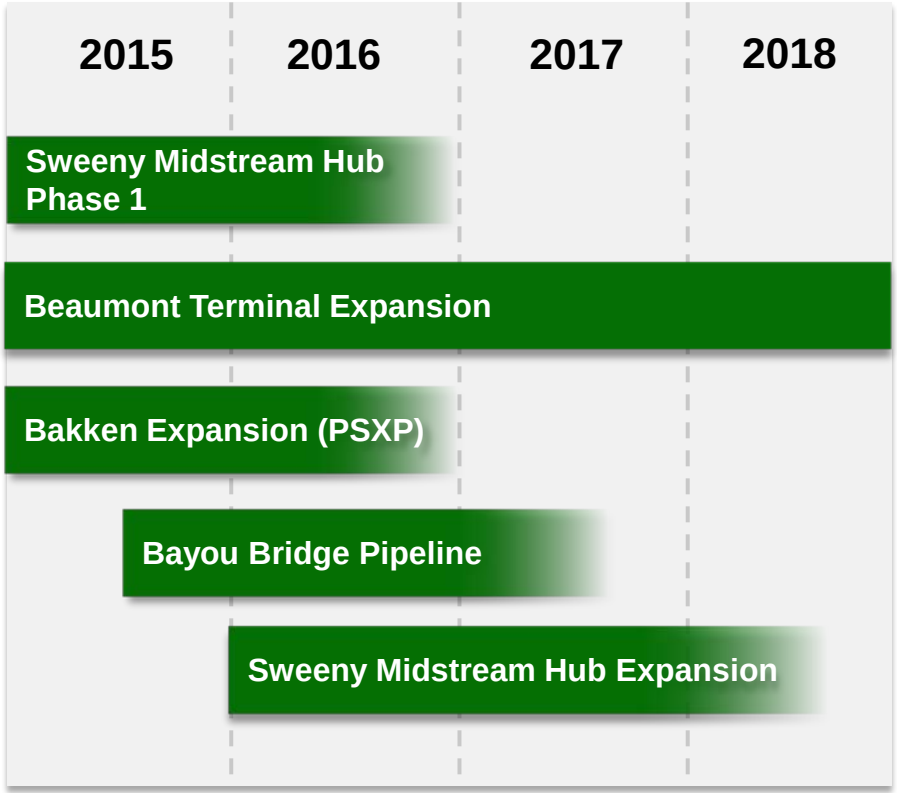
Expanding multiple

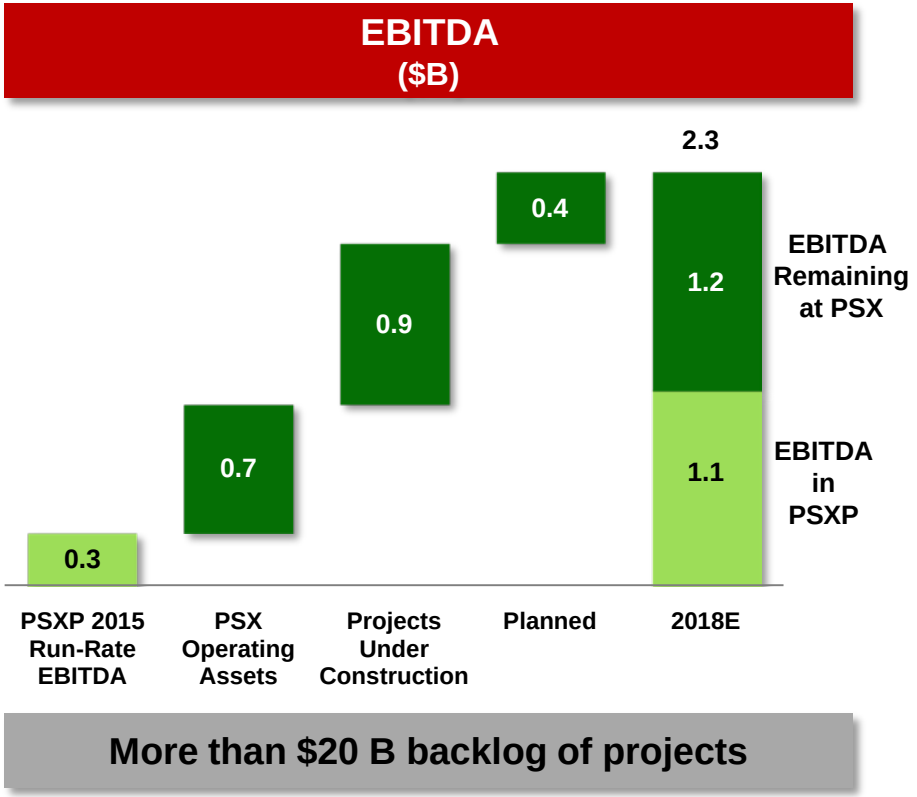
EV/EBITDA Multiples



See appendix for footnotes.

Midstream





DCP EBITDA excluded.
See appendix for additional footnotes.

PSXP Value to PSX

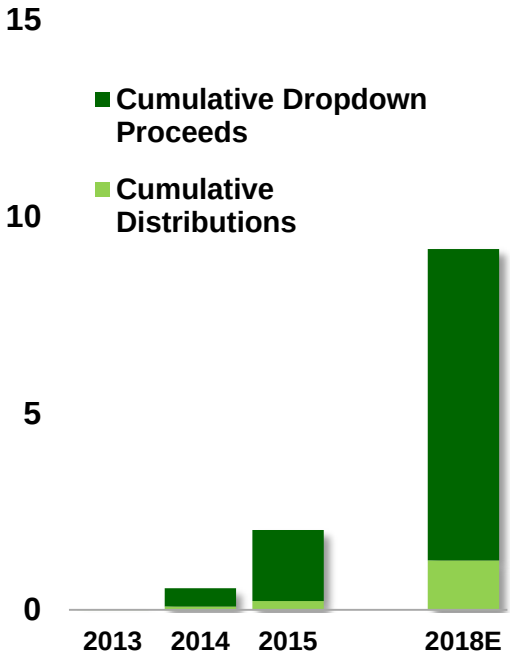
Fee-based assets

Growth opportunities

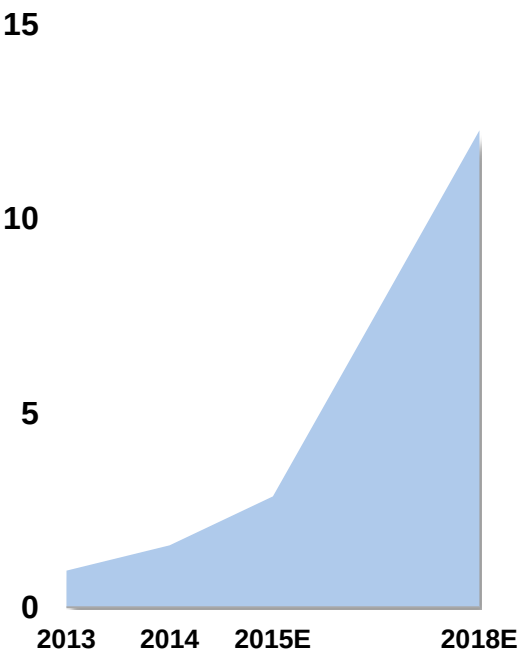
- Organic
- Drop downs
- Selective acquisitions

Funds Midstream growth

Cumulative Cash from PSXP ($B)



PSX Equity Value of PSXP Distributions ($B)



See appendix for footnotes.

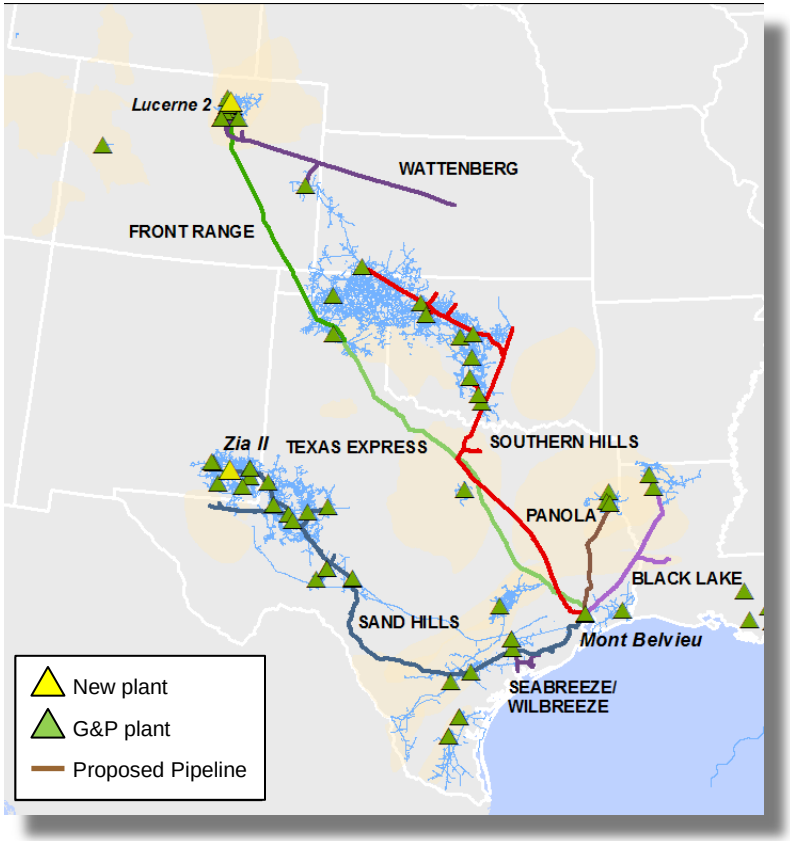
DCP Midstream

Placed following projects into service in 2015

- Keathley Canyon
- National Helium Plant expansion
- Zia II Plant and Gathering
- Lucerne 2 Plant and Gathering
- Sand Hills Laterals
- DJ Basin Grand Parkway

Self-help initiatives

- Operating improvements
- Contract realignment
- Capital discipline



See appendix for footnotes.

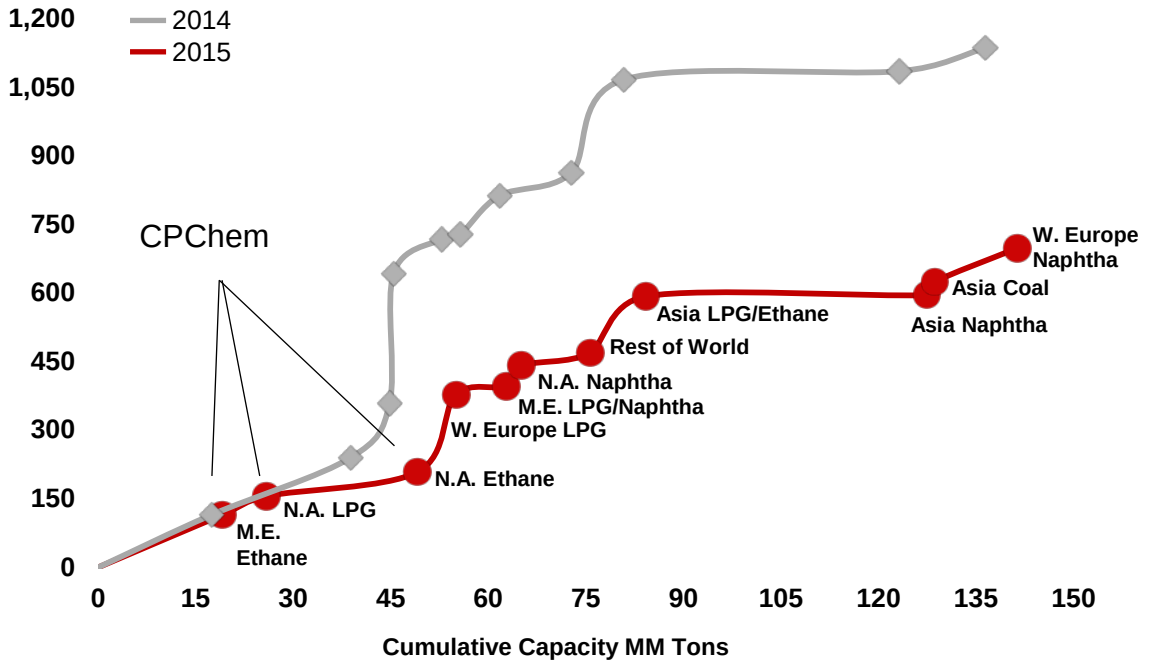
Chemicals

Petrochemical demand driven by global GDP growth

Cost-advantaged feedstocks

High capacity utilization supports strong margins

2015E vs 2014 Average Ethylene Production Cost Curve ($/ton)



Source: Wood MacKenzie

CPChem Projects Update

$1.5 B EBITDA growth by 2018

Completed 1-hexene project and 10th Sweeny furnace in 2014

NAO expansion

- 100 kMTA at Cedar Bayou, TX
- Completed 2Q 2015

USGC Petrochemicals

- 1,500 kMTA (ethylene) at Cedar Bayou, TX
- 1,000 kMTA (polyethylene) at Old Ocean, TX
- Planned start-up mid-2017

New cracker under consideration



See appendix for footnotes.

Refining
Enhancing Returns

Significant free cash flow generation

High-return projects creating sustainable earnings increases

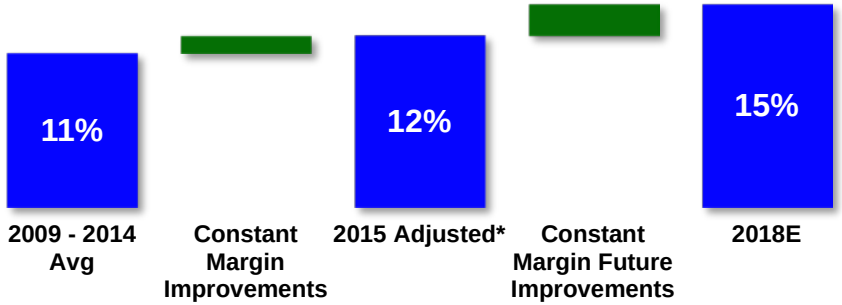
Increasing ROCE 4% by 2018

Expansive footprint provides leverage for Midstream growth

2009 – 2014 Average Annual Free Cash Flow ($B)



Return on Capital Employed (ROCE)



* Estimated based on constant margins.
See appendix for footnotes.

Marketing & Specialties

High-returning businesses

35% ROCE

U.S. Marketing

- Wholesale model
- Enhancing fuels brands
- Volume growth

International Marketing

- Retail / wholesale model
- Adding 100+ sites

Specialties

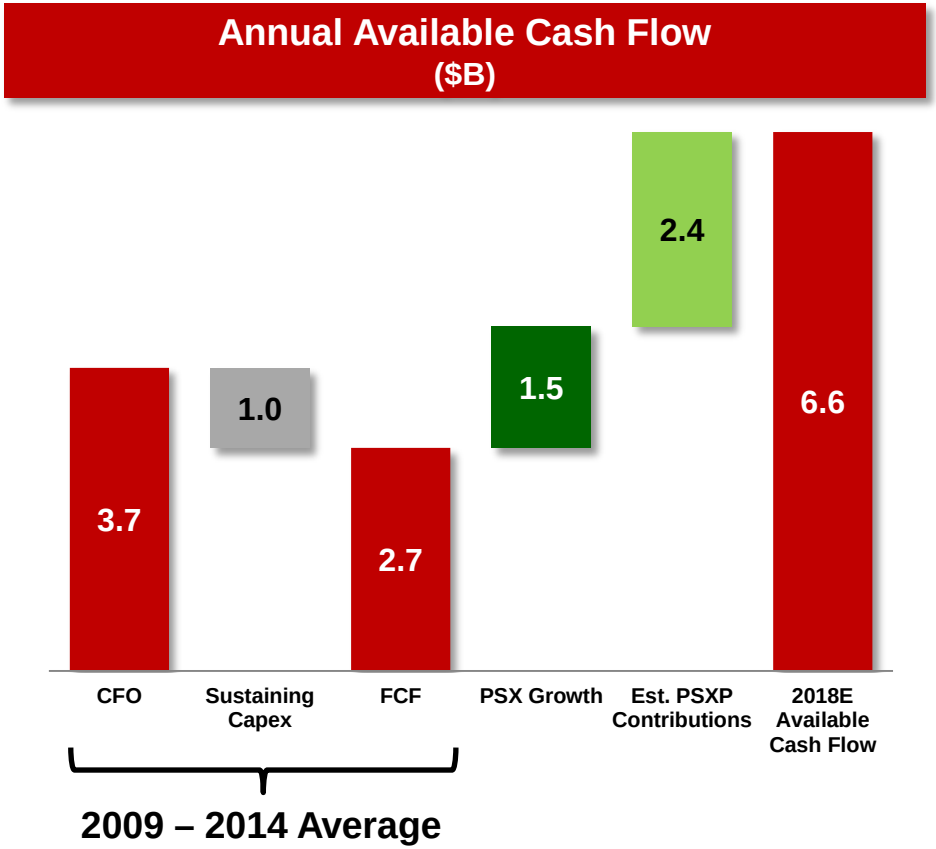
- Grow Lubricants earnings and international portfolio



See appendix for footnotes.

Phillips 66 Available Cash Flow

- Diversified cash generation
- Funding transformational growth
- Growing distributions
- Financial flexibility
- Strong free cash flow yield



See appendix for footnotes.

Capital Allocation

Ensuring financial flexibility

- Investment grade credit rating
- Strong balance sheet

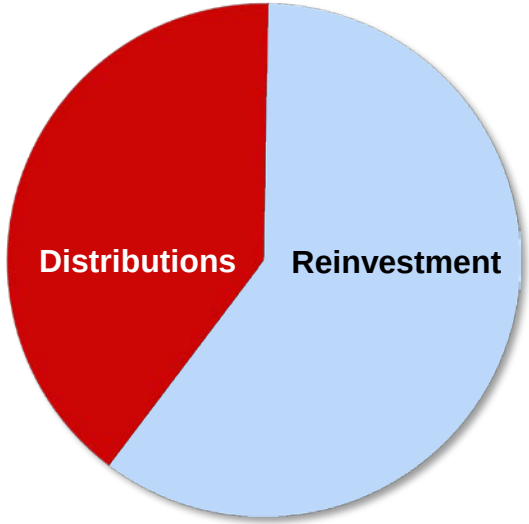
Funding growth

- Cash from operations
- PSXP proceeds

Returning capital to shareholders

- Dividend growth
- Ongoing share repurchases

2014 – 2016E



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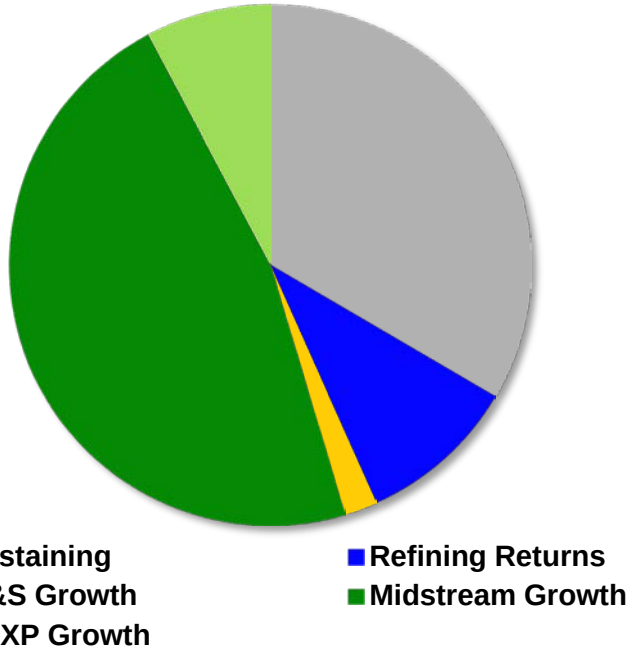
Capital Budget

Announced 2016
$3.9 B



$2.6 B Growth capital

Legacy, scalable Midstream assets

Fee-based assets suitable for PSXP dropdown

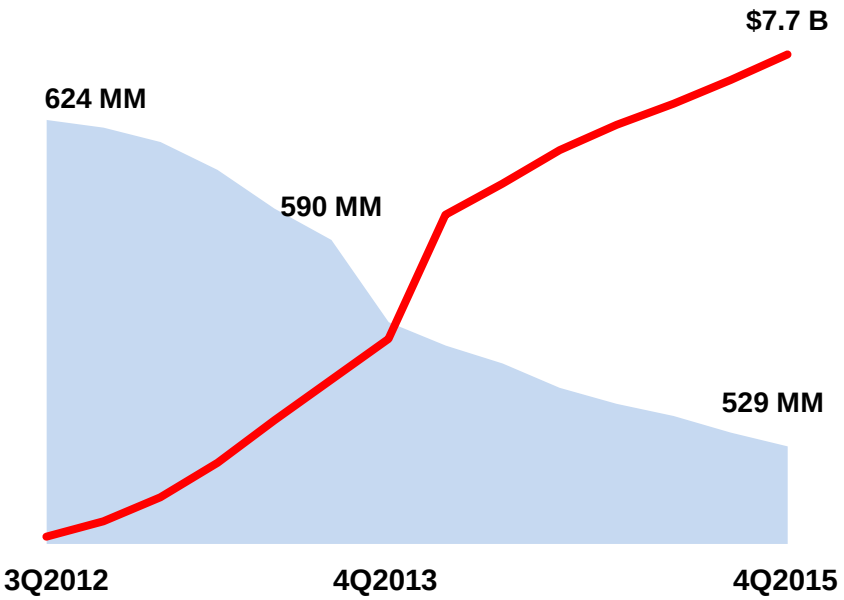
Quick payout Refining projects

$1.3 B Sustaining capital

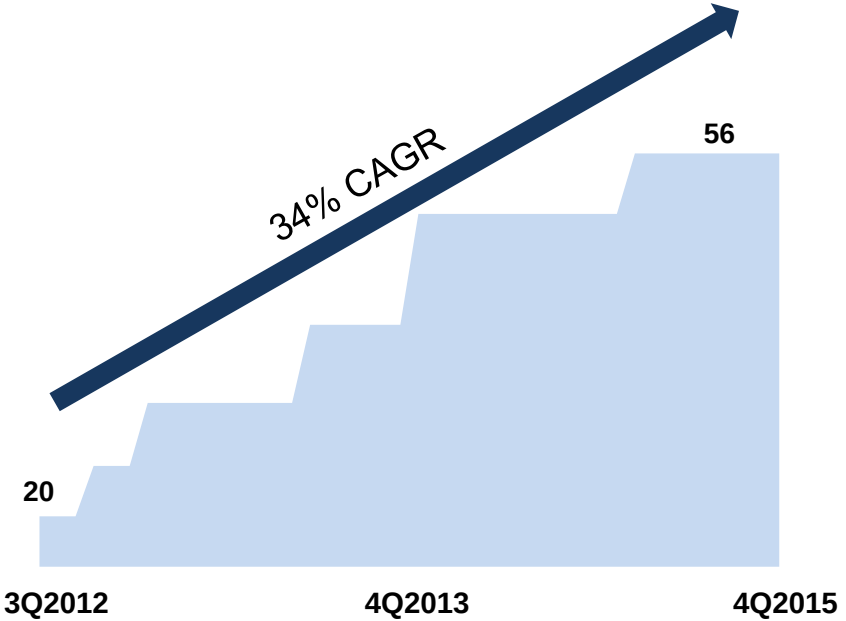
Maintaining safe, reliable assets

Distributions

Share Count and Capital Returned



Dividend Growth
(Quarterly ¢/share)



See appendix for footnotes.

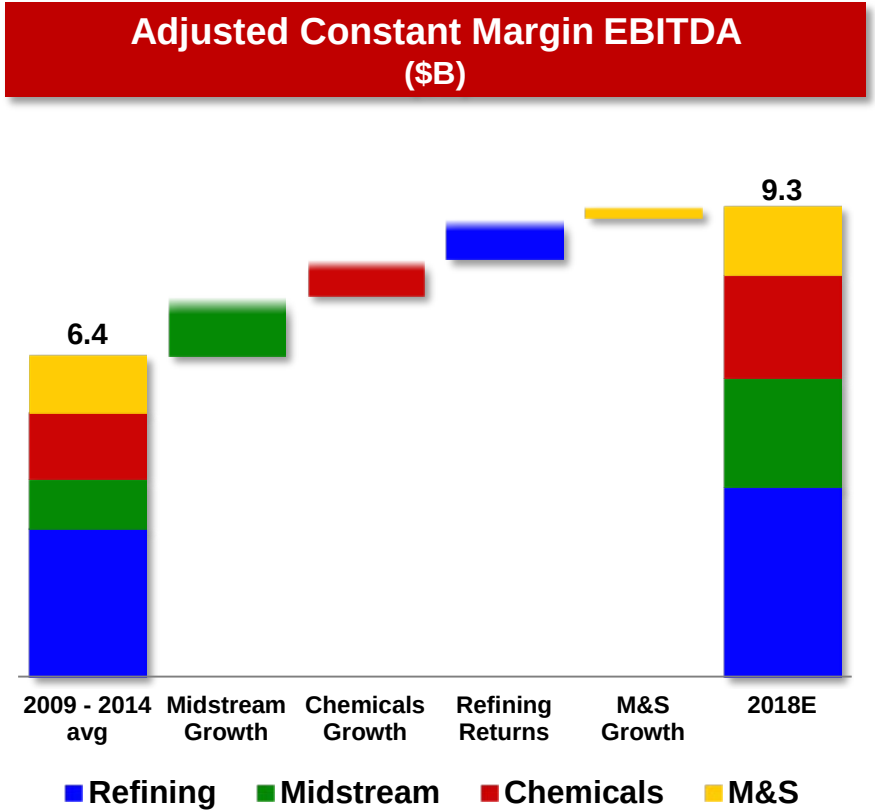
Delivering Value

45% EBITDA growth

Growing Midstream and Chemicals

Enhancing returns in Refining

Realizing benefits of reinvestment



See appendix for footnotes.

Compelling Investment

- Shareholder returns
- Unique portfolio
- EBITDA growth
- Disciplined capital allocation
- Multiple expansion





Institutional Investors Contact

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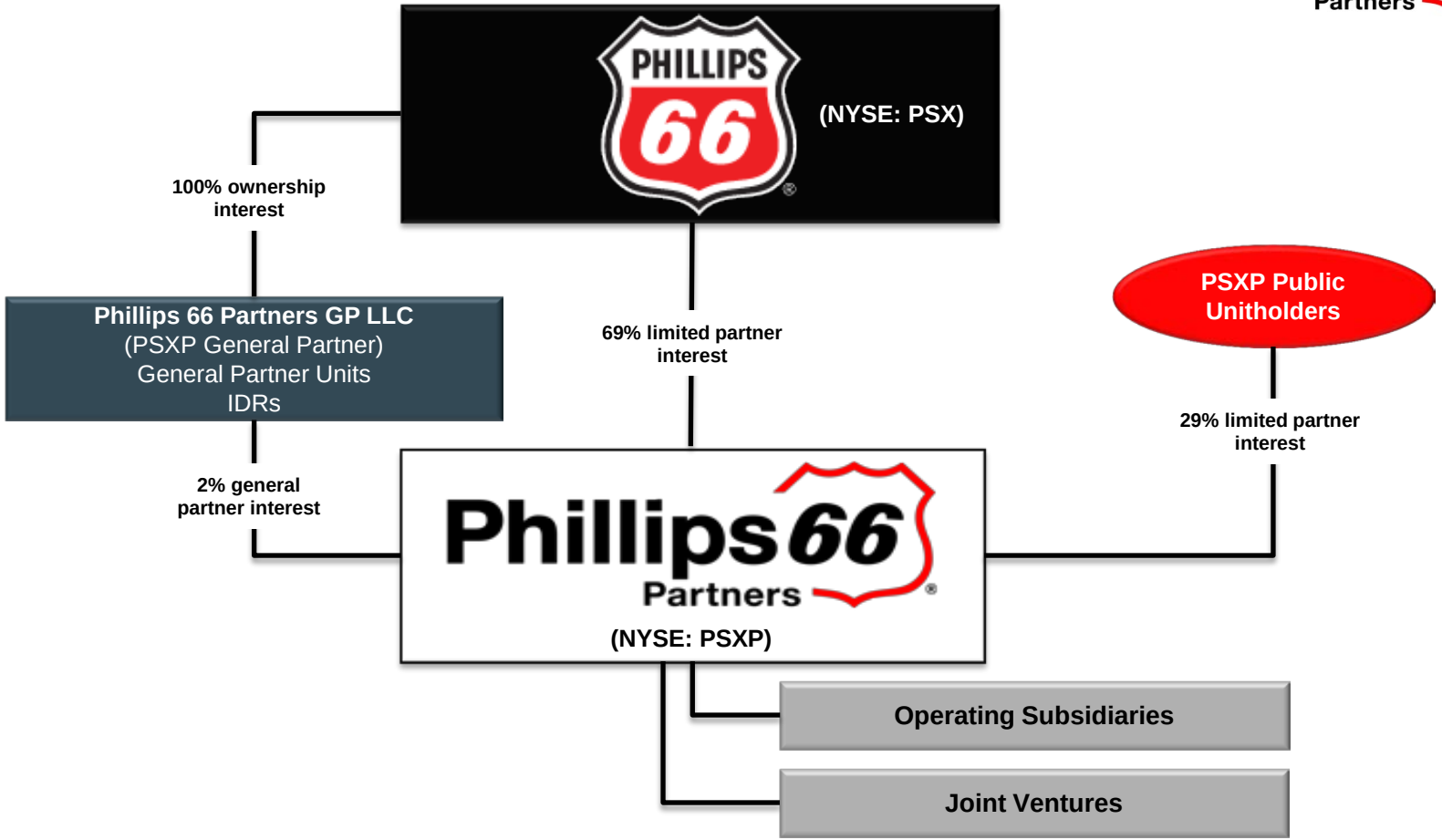
Phillips 66 Partners Ownership Structure



Phillips 66 Partners

Strong alignment with Phillips 66

Highly integrated assets

Stable and predictable cash flows

Significant growth potential

Financial flexibility



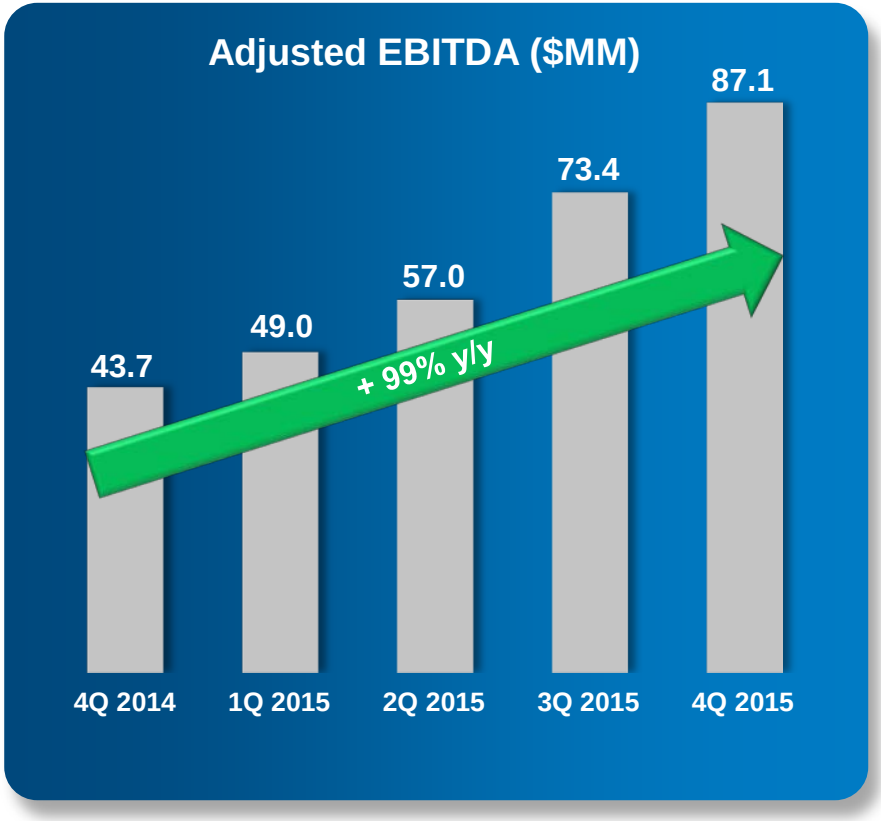
Pecan Grove Marine Dock

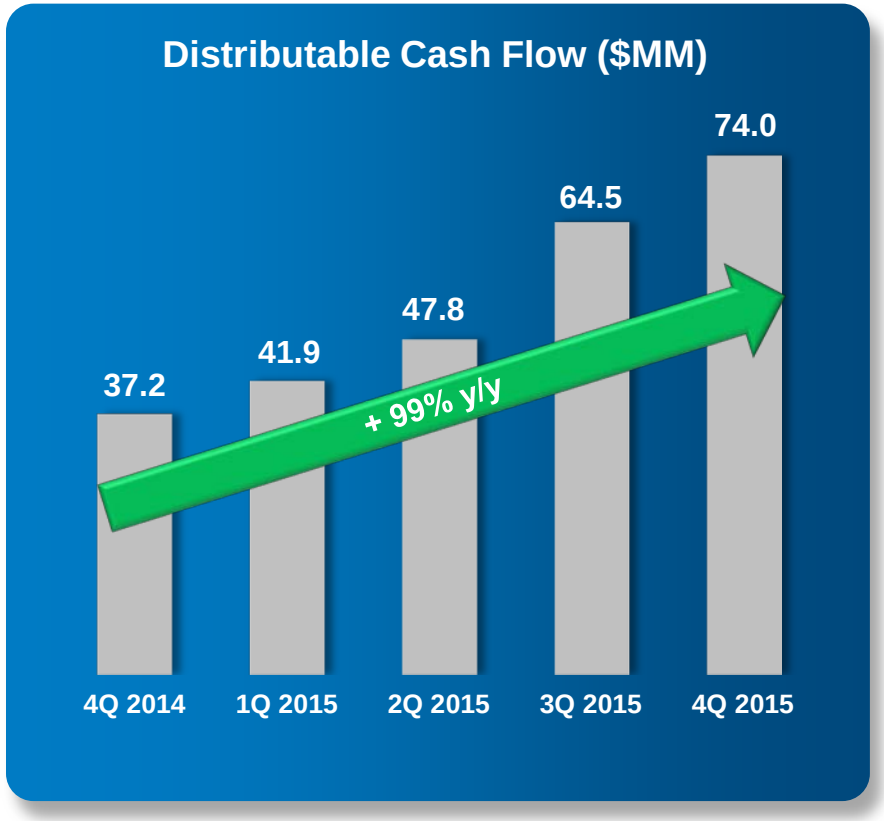
Distribution Growth



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

Adjusted EBITDA and DCF





$314 MM Announced 2016 Organic Growth Plan

Phillips 66 Partners

Bayou Bridge Pipeline

- Transports crude from Nederland, TX to Lake Charles, LA, and St. James, LA
- Increases crude supply options for LA refineries
- Expected completion of Lake Charles leg in 1Q 2016
- Expected completion of St. James segment in second half of 2017

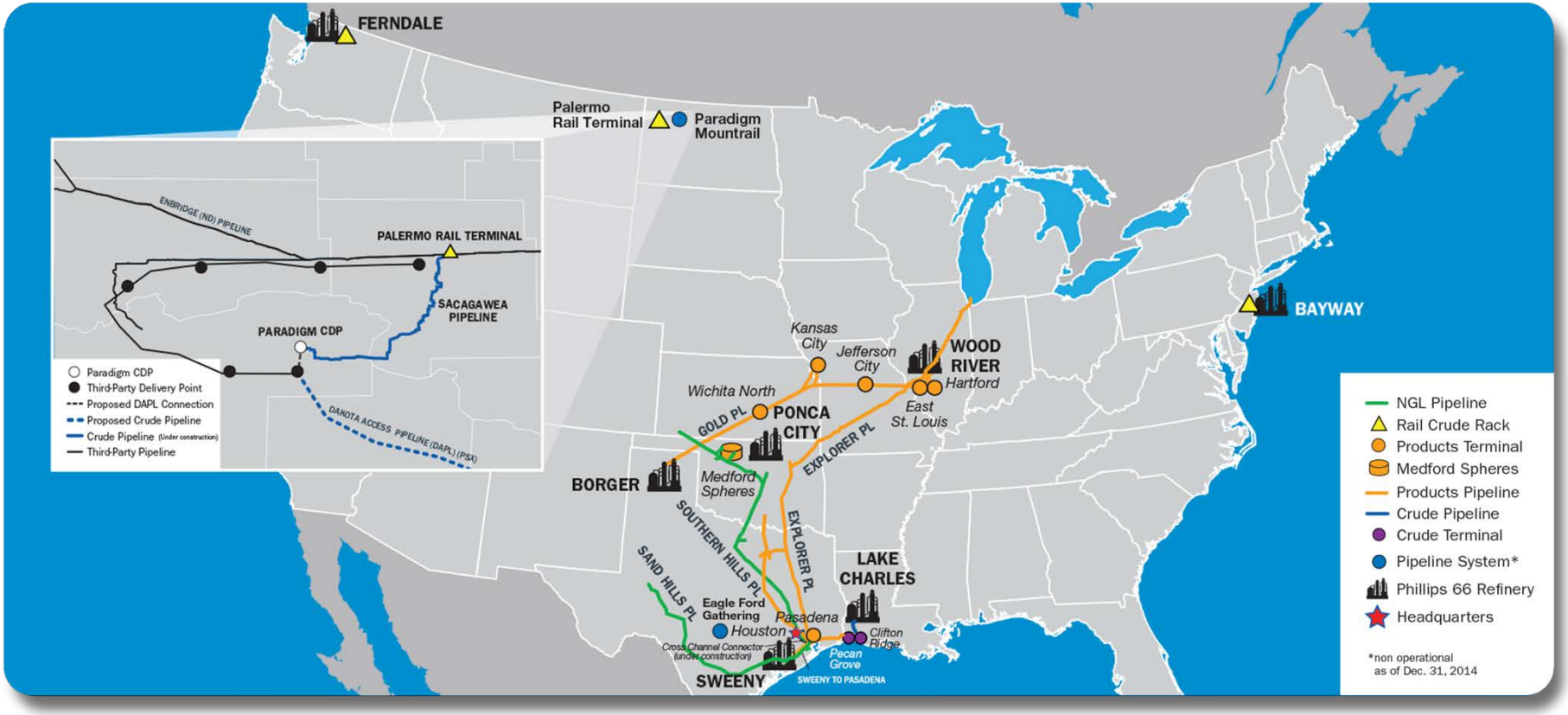
Sacagawea Pipeline

- 76-mile Sacagawea Pipeline and central delivery facility for gathering systems
- Connection into 100 MBD Palermo crude oil rail-loading facility
- Provides increased logistics options for shippers in the Bakken region
- Terminal completed in 4Q 2015; pipeline expected completion in 3Q 2016

Sand Hills Pipeline

- Adding lateral connections and increasing pumping capacity

Highly Integrated Assets



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

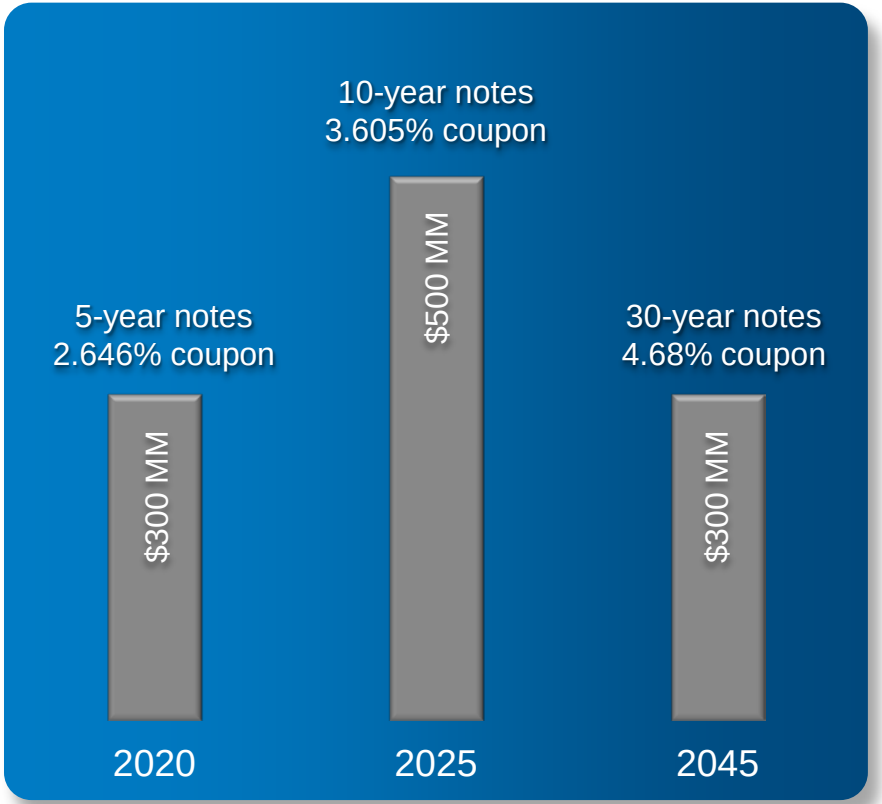
Balanced Debt Maturity Profile

$1.1 B debt issuance February 2015

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

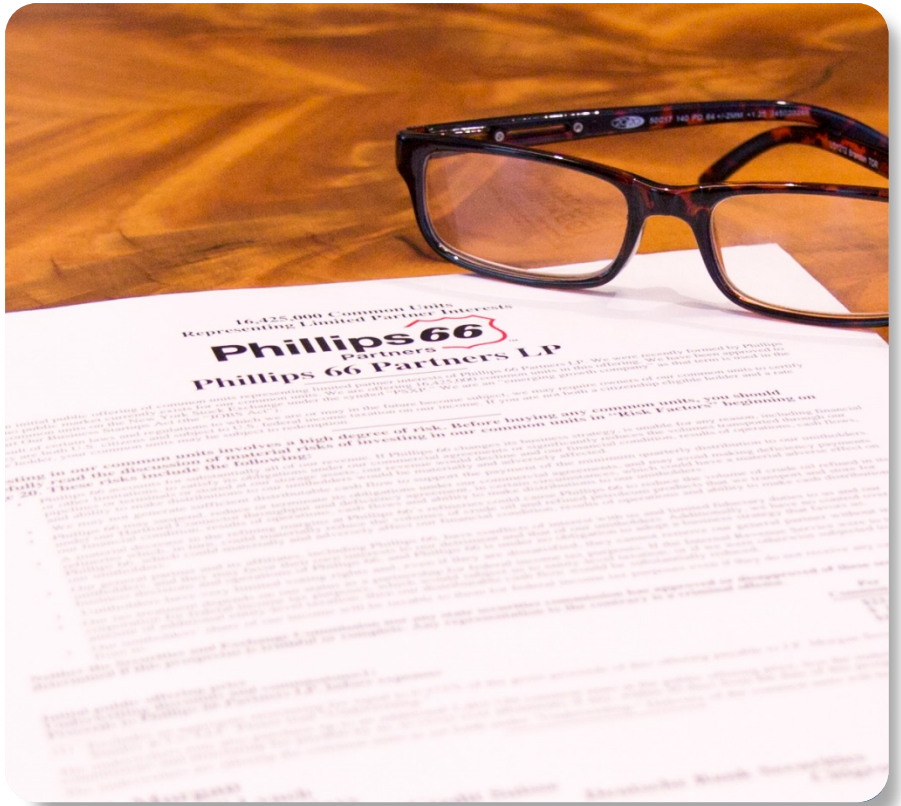
Average cost of 3.64%

BBB (stable) / Baa3 (stable)

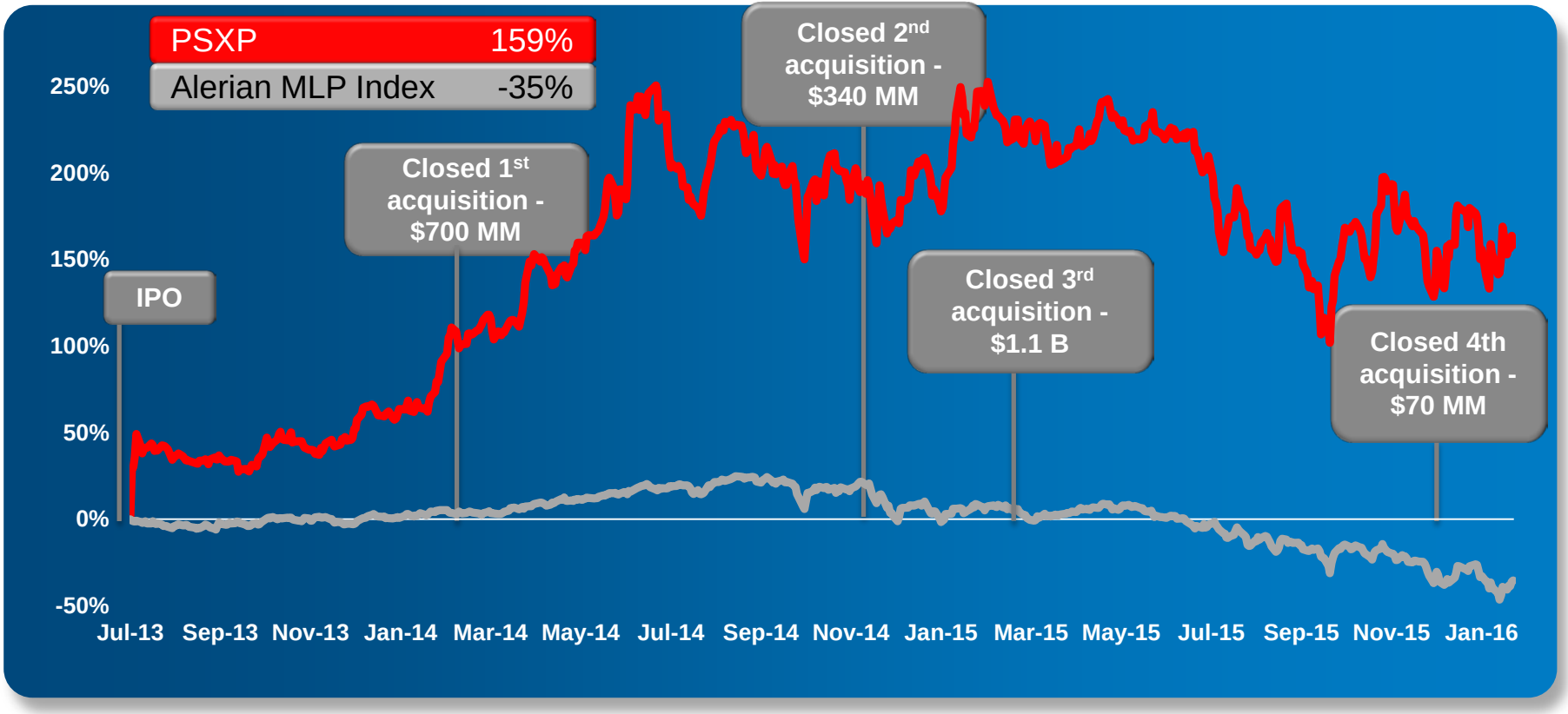


Financial Flexibility

- 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



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Appendix



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

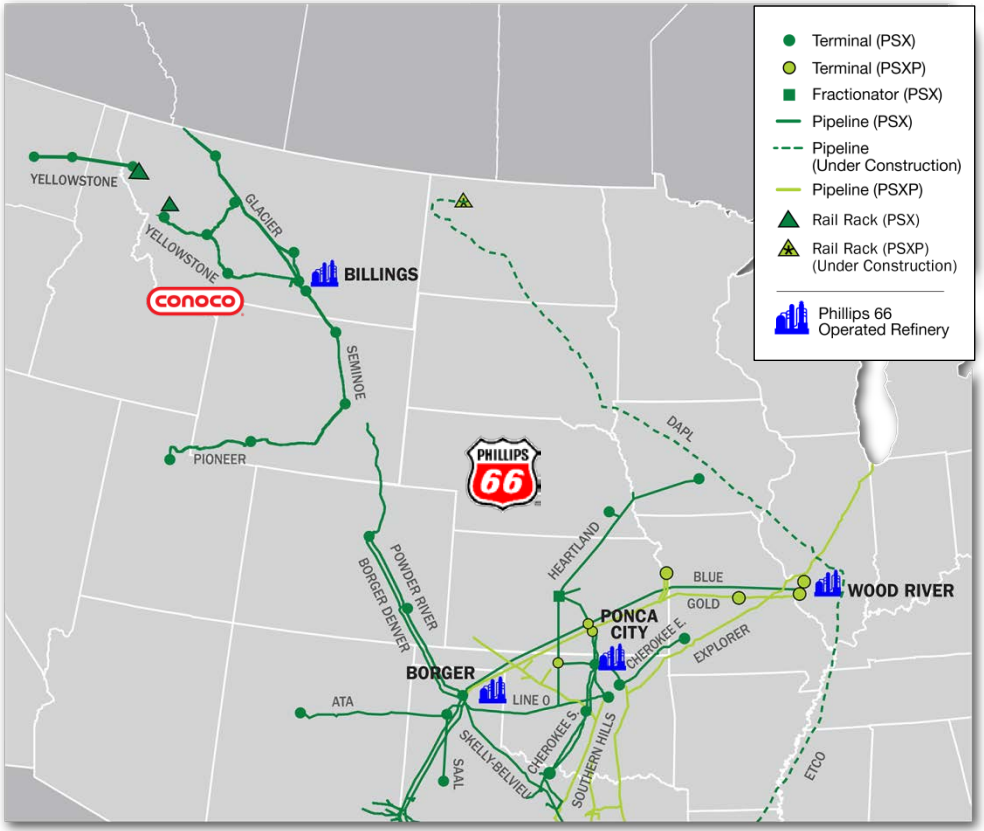
- Optimize crude slate
- Expand export capability
- Increase yields
- Maintain cost discipline
- Enhance portfolio



Marketing and Specialties: Selective Growth

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

Midcontinent
Integrated Growth



Midstream

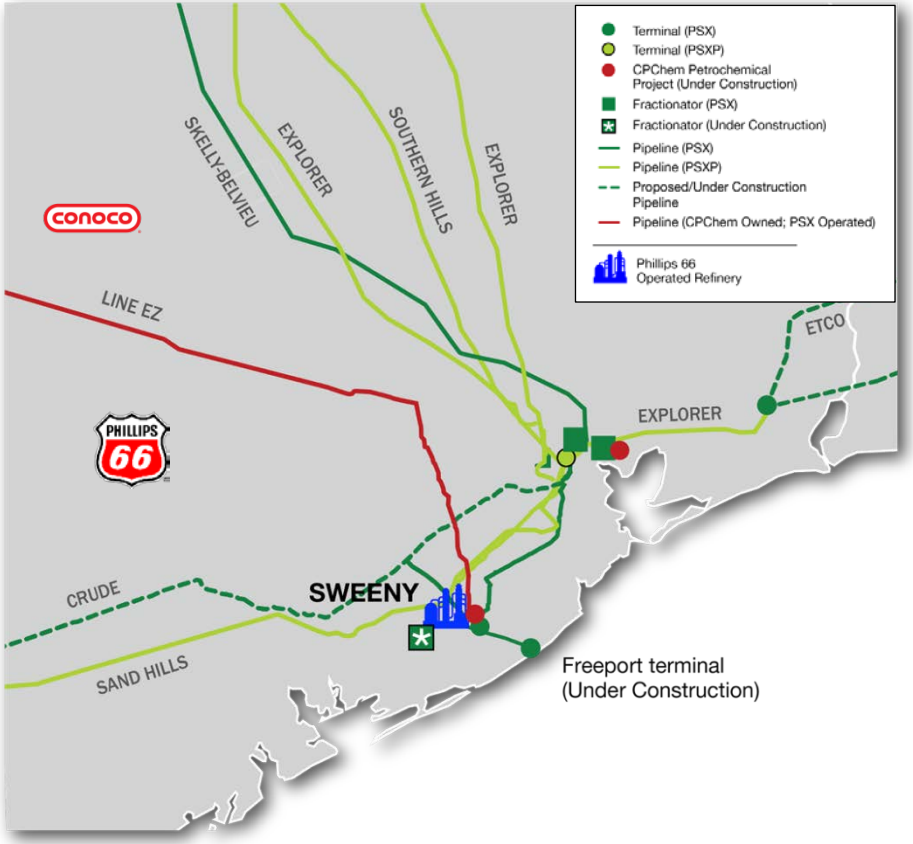
- $280 MM EBITDA growth
  - Palermo rail terminal/Sacagawea pipeline (PSXP)
  - Dakota Access/ETCO crude pipelines

Refining, Marketing & Specialties

- $430 MM EBITDA growth
- Ponca City
  - Yield improvement project
  - Tight oil processing flexibility
  - 100% lease crude purchases
- Wood River
  - Dilbit capacity increase
  - ULSD expansion
  - FCC modernization
- Billings
  - Vacuum tower project
- Marketing & Specialties
  - Grow branded fuels volumes
  - Enhance Phillips 66 brand
  - Marketing JVs and Alliances

See appendix for footnotes.

Western Gulf
Creating a World-Class Energy Complex



Midstream

$750 MM EBITDA growth

- Sweeny Fractionator One
- Freeport LPG export terminal
- Cross-channel connector (PSXP)
- Eagle Ford crude pipeline
- Sweeny Fractionator Two

Refining, Marketing & Specialties

$70 MM EBITDA growth

Sweeny

- FCC yield improvement

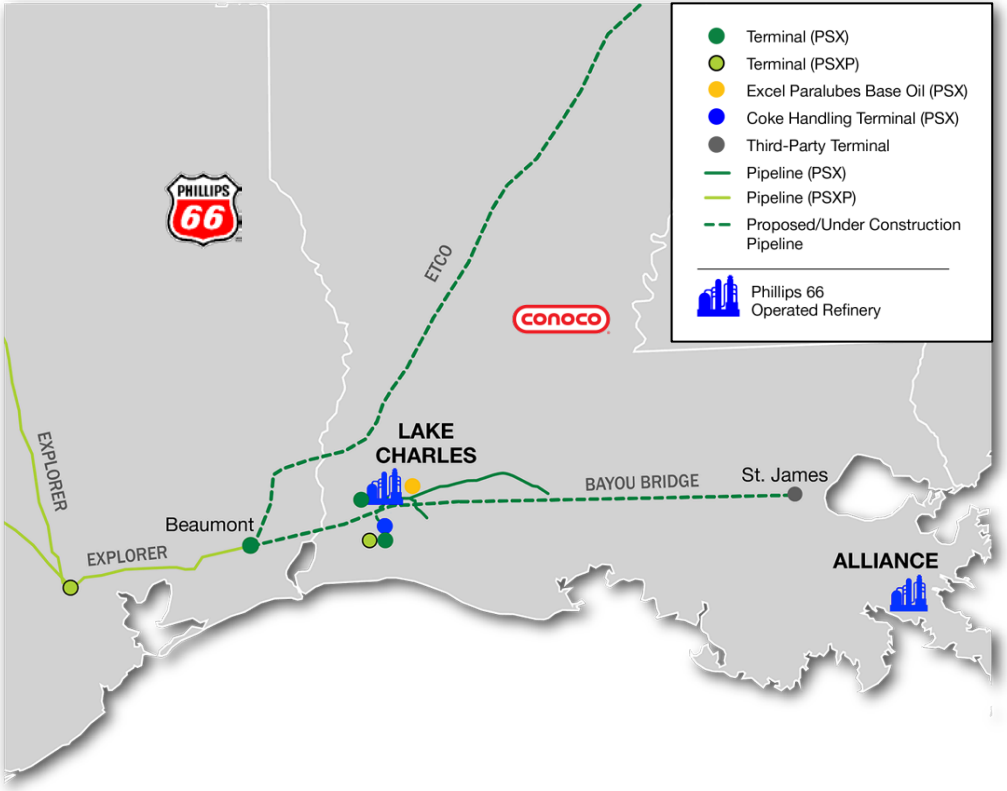
Marketing & Specialties

- Grow unbranded fuels volumes
- Focus on high-quality branded assets
- Increase high-margin exports

See appendix for footnotes.

Eastern Gulf

Refining Logistics and Midstream Growth



Midstream

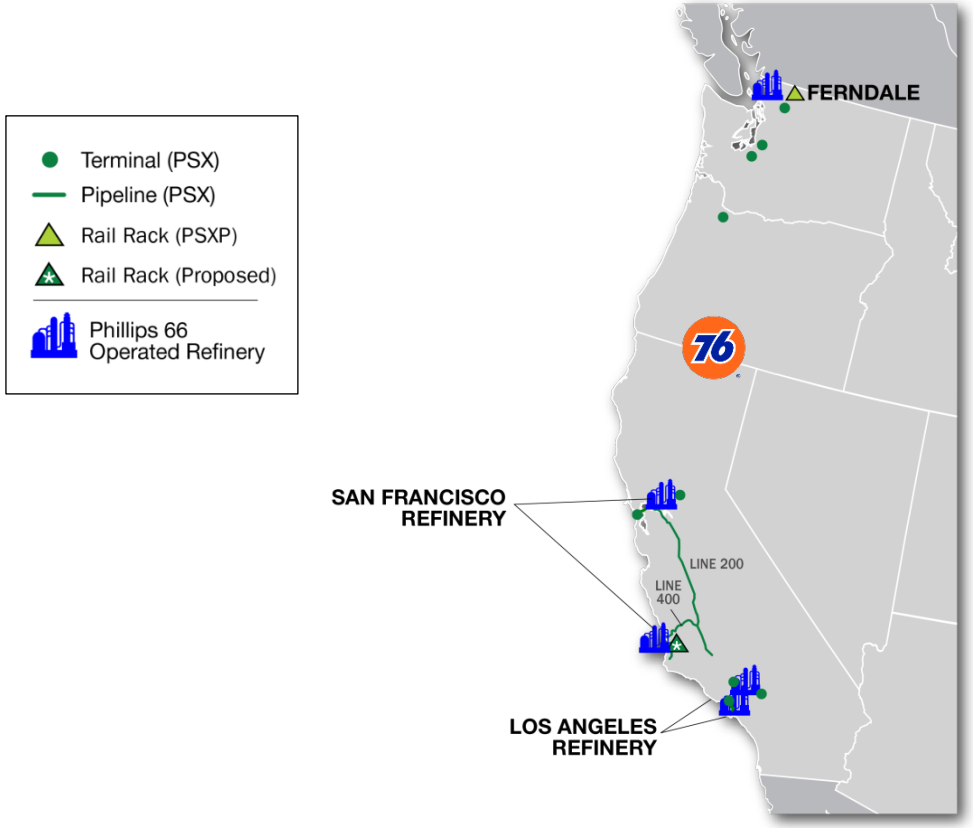
- $200 MM EBITDA growth
  - Beaumont terminal expansion: +7 MMBbls
  - Bayou Bridge pipeline
  - Alliance clean products dock

Refining, Marketing & Specialties

- $150 MM EBITDA growth
- Lake Charles
  - FCC yield improvement
  - Increase feedstock advantage
- Alliance
  - Increase light crude runs
- Marketing & Specialties
  - Grow unbranded fuels volumes
  - Leverage brand value through licensing
  - Increase high-margin exports
  - Grow performance lubricants and export sales

See appendix for footnotes.

West Coast
Enhancing Returns



Midstream

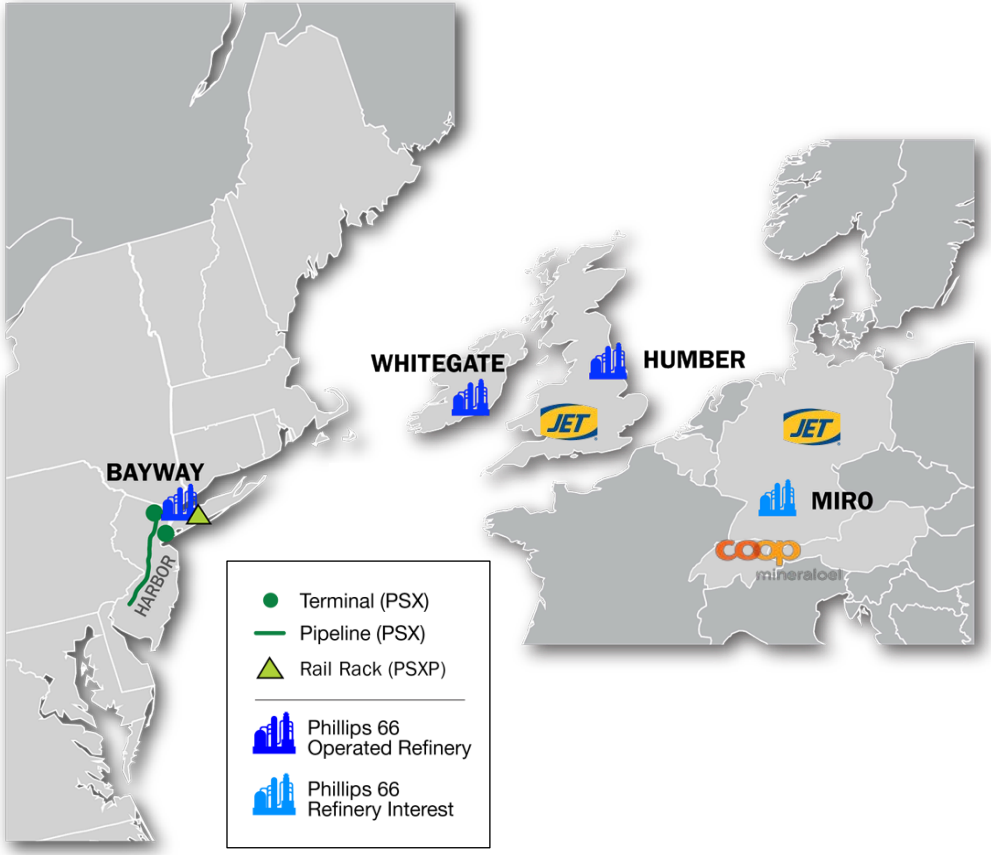
- $60 MM EBITDA growth
  - Completed Ferndale rail rack 4Q 2014 (PSXP)
  - Los Angeles waterborne crude tank
  - Santa Maria rail rack

Refining, Marketing & Specialties

- $60 MM EBITDA growth
- San Francisco
  - Hydrocracker debottleneck
  - Yield improvements
- Los Angeles
  - FCC energy reduction
- Marketing & Specialties
  - Grow branded and unbranded fuels volumes
  - Enhance 76 brand
  - Increase high-margin exports
  - Grow export lubricant sales

See appendix for footnotes.

Atlantic Basin
Enhancing Returns



See appendix for footnotes.

Midstream

$50 MM EBITDA growth

- Completed Bayway rail rack 3Q 2014 (PSXP)
- Bayway LPG loading facility

Refining, Marketing & Specialties

$200 MM EBITDA growth

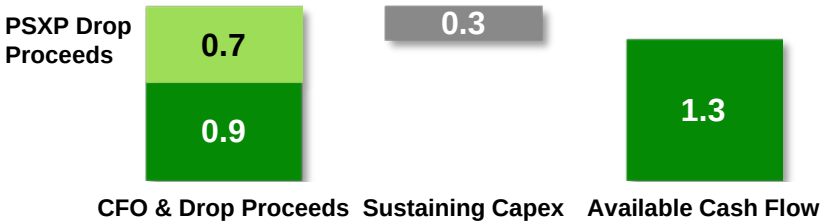
Bayway
- FCC reactor modernization
- Yield improvements

Marketing & Specialties
- Grow JET and COOP brands in Europe
- Increase unbranded volumes in the U.K. and U.S.
- Expand brand licensing in the U.S.

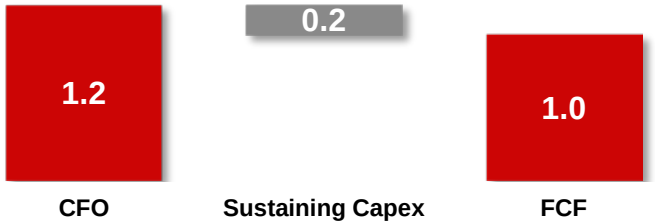
Free Cash Flow

2013 – 1H 2015 Average

Midstream ($B)



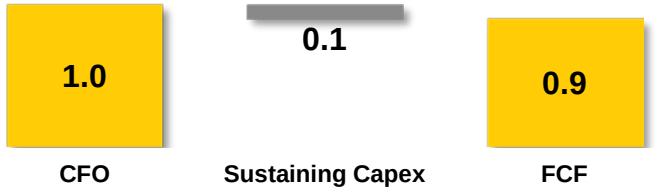
Chemicals ($B)



Refining ($B)

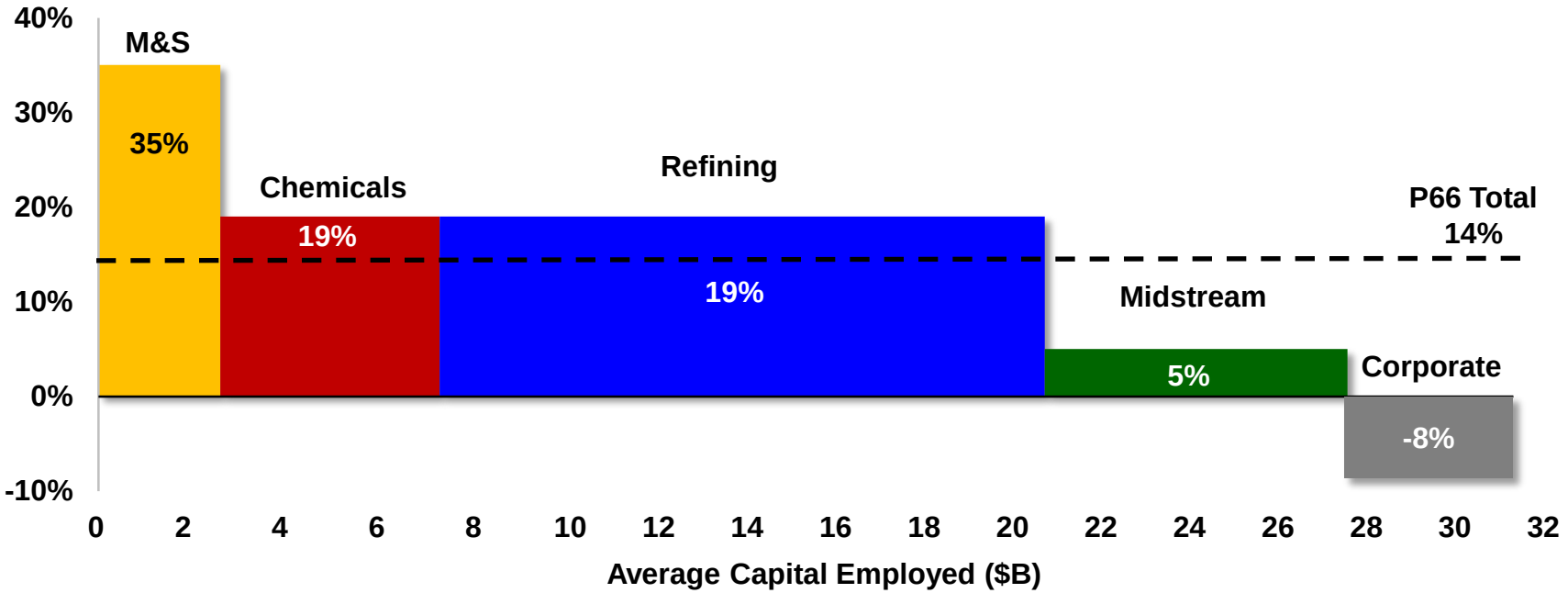


Marketing & Specialties ($B)

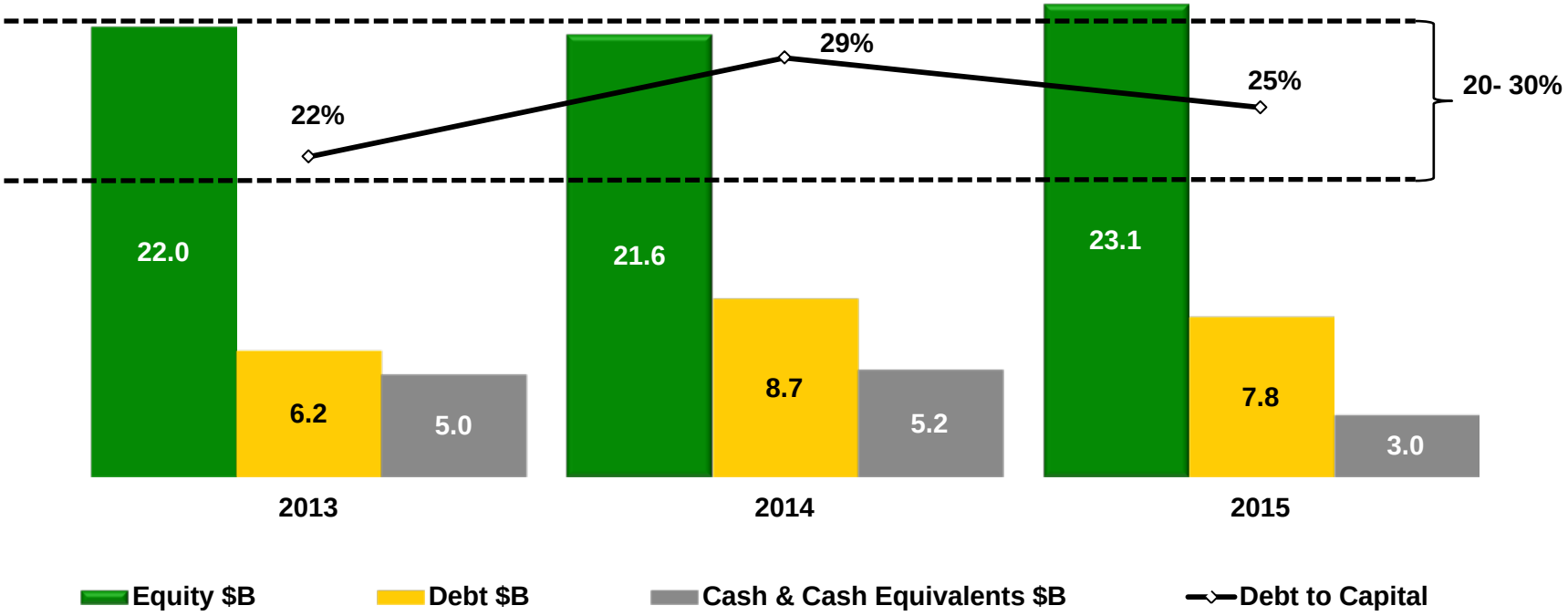


CFO excludes working capital.
Average from 2013 – 1H 2015
DCP Midstream, CPChem and WRB free cash flow calculated at the enterprise level

2015 Adjusted ROCE



Capital Structure



Excludes PSXP.

2016 Sensitivities – Phillips 66

	Annual Net Income $MM
Midstream - DCP (net to Phillips 66)	
10¢/Gal Increase in NGL price	25
$1/MMBtu Increase in Natural Gas price	20
$10/BBL Increase in WTI price	10
Chemicals - CPChem (net to Phillips 66)	
1¢/Lb Increase in Chain Margin (Ethylene, Polyethylene, NAO)	35
Worldwide Refining	
$1/BBL Increase in Gasoline Margin	230
$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)	45
$1/BBL Widening WTI / WCS Differential (WTI less WCS)	40
$1/BBL Widening WTI / WTS Differential (WTI less WTS)	20
$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 2016 Capital Program

	Millions of Dollars		
	Sustaining Capital	Growth Capital	Capital Budget
Phillips 66 2016 Consolidated Capital Budget			
Midstream *(1)*	$ 227	2,119	2,346
Chemicals	—	—	—
Refining	833	384	1,217
Marketing and Specialties	57	80	137
Corporate and Other	180	—	180
	$ 1,297	2,583	3,880

(1) Includes 100% of Phillips 66 Partners.

1Q 2015 Phillips 66 Partners Acquisition

Phillips 66 Partners

Drop down assets

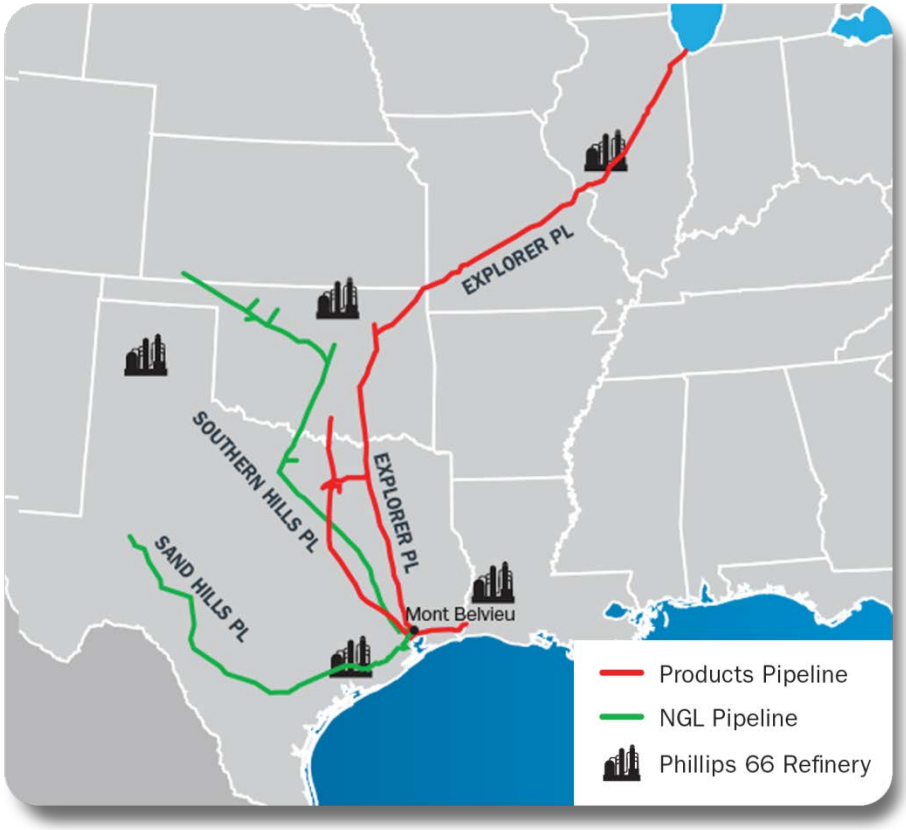
- 33.3% interest in Sand Hills NGL pipeline
- 33.3% interest in Southern Hills NGL pipeline
- 19.5% interest in Explorer refined products pipeline

$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



Footnotes

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).

Growth component of operating costs is estimated based on forecasted growth spending.

Slide 7

Current based on 2015 average

History based on 2000 – 2014 average

Natural Gas: Advantage calculated as average of ICE NBP gas and Japan natural gas LNG import price less Henry Hub (source: Morningstar)

Brent – WTI: Brent Dated less WTI at Cushing (source: Morningstar)

Footnotes

Slide 8

Average of company EV (daily EV 1/1/16-1/15/16) and 2016 consensus EBITDA as of January 15, 2016.
Refining Peers is average of: DK, HFC, MPC, PBF, TSO, VLO, WNR
Chemicals Peers is average of: CE, DOW, EMN, HUN, LYB, WLK
Midstream Peers is average of: EPD, ETE, OKE, TRGP
Source: Bloomberg

Slide 9

PSX Operating assets EBITDA includes Refining Logistics. Refining Logistics represents terminaling, storage and other logistics assets currently embedded in the Refining segment. Amount represents an estimate of the EBITDA potential of these assets if they were transferred to Midstream and market-based fees for their use were charged to the Refining segment.

Projects under construction and planned EBITDA growth is 2018 estimated run-rate EBITDA of projects completed second-half 2014 or later. PSXP EBITDA includes EBITDA attributable to Phillips 66 noncontrolling interests.

Footnotes

Slide 10

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, except to the extent PSXP funds consideration for a dropdown transaction with public debt and equity offerings.

PSXP equity value based on LP distributions multiple of 20x and GP distributions multiple of 30x.

Slide 13

EBITDA growth is 2018 estimated run-rate EBITDA of the following projects: 1-hexene, 10th Sweeny furnace, NAO expansion project and USGC petrochemical project. $1.5 B estimated incremental EBITDA based on 2012 industry margins.

Slide 14

CFO excludes working capital. WRB free cash flow calculated at the enterprise level.

2015 Adjusted ROCE includes project and operational improvements since 2014 on a constant margin basis. Future improvements include estimated run-rate improvement of projects completed by 2018.

Footnotes

Slide 15

ROCE is 2015 adjusted.

Slide 16

CFO excludes working capital. Available Cash Flow growth is 2018 estimated run-rate Free Cash Flow of projects completed primarily second-half 2014 or later. Assumes joint ventures distribute 100% of growth EBITDA.

PSXP contributions to PSX include distributions and PSXP funding for organic growth capital and drop-downs. See footnotes to slide 10 for an explanation of the impact of PSXP drop proceeds on Phillips 66's consolidated cash balance.

Slide 17

Excludes $1.5 B equity contribution to DCP in 2015.

Slide 19

Capital returned includes the 2014 PSPI share exchange and excludes dividend payments.

Footnotes

Slide 20

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

Midstream EBITDA excludes EBITDA attributable to Phillips 66 noncontrolling interests.

EBITDA growth is 2018 estimated run-rate EBITDA of projects completed primarily second-half 2014 or later.

Slide 21

Chart reflects total shareholder return May 1, 2012 to January 31, 2016. Dividends assumed to be reinvested in stock on payment date.

Slide 34

Chart reflects total shareholder return July 22, 2013 to January 31, 2016. Dividends assumed to be reinvested in stock on payment date.

Slides 38-42

EBITDA growth is 2018 estimated run-rate EBITDA of projects completed second half of 2014 or later.

Non-GAAP Reconciliations

Forecasted EBITDA

Forecasted EBITDA estimates were primarily derived on an EBITDA-only basis (revenue and cost projections). Accordingly, all the elements required for forecasted net income, including income taxes, interest expense, and depreciation and amortization, are not available. Together, these items generally result in a significant uplift in EBITDA over net income. Run rate EBITDA reflects annualized forecasted EBITDA estimates of assets immediately upon completion/acquisition.

Forecasted Available Cash Flow

Forecasted available cash flow estimates were primarily derived on a forecasted EBITDA basis, with adjustments for estimated interest and tax payments and sustaining capital expenditures. Accordingly, all the elements required for forecasted cash from operations are not available. Generally, the timing of working capital impacts would be the primary difference between forecasted available cash flow and forecasted cash from operations.

Non-GAAP Reconciliations

		Millions of Dollars Average 2009-2014
Refining Free Cash Flow		
Numerator		
Cash From Operations GAAP	$	2,615
Less: Change in Non-Cash Working Cap.		152
Cash From Operations (excluding WC)		2,463
Less: P66 Equity affiliate cash from ops		584
Add: Equity look through cash from ops		573
Adjusted FCF (excl WC)	$	2,452
Total Capex GAAP	$	1,038
Less: Growth Capex		287
Sustaining Capex		751
Less: P66 Equity affiliate sustaining capex		-
Add: Equity look through sustaining capex		134
Adjusted Sustaining Capex	$	885
Free Cash Flow	$	1,567

Non-GAAP Reconciliations

	Millions of Dollars Average 2009-2014	
	Refining	Marketing & Specialties
ROCE		
Numerator		
Net Income	1,127	727
After-tax interest expense	0	0
GAAP ROCE earnings	1,127	727
Special Items	344	(34)
Adjusted ROCE earnings	1,471	693
Denominator		
GAAP average capital employed*	13,377	2,743
Discontinued Operations	-	-
Adjusted average capital employed*	13,377	2,743
Average Adjusted ROCE *(percent)*	11%	25%
Average GAAP ROCE *(percent)*	8%	27%

**2014 Total equity plus debt.*

Non-GAAP Reconciliations

		Millions of Dollars Average 2009-2014
Phillips 66 Free Cash Flow		
Numerator		
Cash From Operations GAAP	$	3,650
Less: Change in Non-Cash Working Cap.		(128)
Cash From Operations (excluding WC)	$	3,737
Total Capex GAAP	$	3,773
Less: Growth Capex		2,788
Sustaining Capex	$	985
Free Cash Flow*	$	2,752

** Not adjusted for equity affiliates.*

Non-GAAP Reconciliations

	Millions of Dollars Average 2009 - 2014					
	Midstream	Chemicals	Refining	Marketing & Specialties	Corporate	Phillips 66
Adjusted EBITDA by Segment Reconciliation						
Net income attributable to Phillips 66	$ 657	729	1,127	727	(292)	3,100
Less:						
Income from discontinued operations	-	-	-	-		151
Plus:						
Net income attributable to noncontrolling interests	12	-	-	-		12
Provision for income taxes	241	292	687	409	(176)	1,452
Net interest expense	-	-	(1)	(19)	126	106
Depreciation and amortization	86	-	668	128	34	916
EBITDA	$ 996	1,021	2,481	1,245	(308)	5,434
Adjustments (pretax):						
EBITDA attributable to Phillips 66 noncontrolling interests	(17)	-	-	-	-	(17)
Proportional share of selected equity affiliates income taxes	3	76	2	-	-	81
Proportional share of selected equity affiliates net interest	108	20	(119)	-	-	9
Proportional share of selected equity affiliates depreciation and a	166	215	208	-	-	589
Gain on asset dispositions	(308)	-	(16)	(78)	-	(401)
Gain on share issuance by equity affiliate	(23)	-	-	-	-	(23)
Impairments	100	22	456	12	4	594
Cancelled projects	-	-	25	-	-	25
Severence accruals	-	-	9	-	-	9
Exit of a business line	-	-	-	9	-	9
Pending Claims and settlements	(6)	-	16	(11)	-	(1)
Premium on early debt retirement	-	24	-	-	-	24
Repositioning Costs	-	-	-	-	14	14
Hurricane-related costs	-	-	9	-	-	9
Tax law impacts	-	-	(4)	(1)	-	(5)
Lower-of-cost-or-market inventory adjustments	-	1	7	-	-	8
Adjusted EBITDA*	$ 1,021	1,377	3,074	1,176	(289)	6,359

** Proportional share of selected equity affiliates is net of noncontrolling interests.*

Non-GAAP Reconciliations

		Millions of Dollars Average 2013-1H 2015			
		Midstream	Chemicals	Refining	Marketing & Specialties
FCF Yield					
Numerator					
Cash From Operations GAAP	$	750	597	2,557	1,177
Less: Change in Non-Cash Working Cap.		12	-	(330)	168
Cash From Operations (excluding WC)		738	597	2,887	1,009
Less: P66 Equity affiliate cash from ops		200	597	749	-
Add: Equity look through cash from ops		372	1,170	564	-
Adjusted FCF (excl WC)	$	910	1,170	2,702	1,009
Total Capex GAAP		869	-	415	176
Less: Growth Capex		728	-	(343)	120
Sustaining Capex		142	-	758	56
Less: P66 Equity affiliate sustaining capex		-	-	-	-
Add: Equity look through sustaining capex		133	200	109	-
Adjusted Sustaining Capex	$	275	200	867	56
Free Cash Flow	$	635	970	1,835	952

Non-GAAP Reconciliations

	Millions of Dollars 2015					
	Phillips 66	Midstream	Chemicals	Refining	Marketing & Specialties	Corporate
ROCE						
Numerator						
Net Income	$ 4,280	74	962	2,554	1,187	(497)
After-tax interest expense	201	-	-	-	-	201
GAAP ROCE earnings	4,481	74	962	2,554	1,187	(296)
Special Items	(34)	235	(10)	(28)	(240)	9
Adjusted ROCE earnings	$ 4,447	309	952	2,526	947	(287)
Denominator						
GAAP average capital employed*	$ 31,749	6,793	4,921	13,582	2,735	3,718
Discontinued Operations	-	-	-	-	-	-
Adjusted average capital employed*	$ 31,749	6,793	4,921	13,582	2,735	3,718
Annualized Adjusted ROCE *(percent)*	14%	5%	19%	19%	35%	-8%
Annualized GAAP ROCE *(percent)*	14%	1%	20%	19%	43%	-8%

**Total equity plus debt.*

**Total equity plus debt.*

Non-GAAP Reconciliations

	Millions of Dollars		
	Phillips 66 Consolidated	Phillips 66 Partners	Adjusted Phillips 66
	2013		
Total Debt	$ 6,155	$ -	$ 6,155
Total Equity	$ 22,392	$ 409	$ 21,983
Debt-to-Capital Ratio	**22%**		**22%**
	2014		
Total Debt	$ 8,684	$ 18	$ 8,666
Total Equity	$ 22,037	$ 415	$ 21,622
Debt-to-Capital Ratio	**28%**		**29%**
	2015		
Total Debt	$ 8,887	$ 1,091	$ 7,796
Total Equity	$ 23,938	$ 809	$ 23,129
Debt-to-Capital Ratio	**27%**		**25%**

PSXP 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.

PSXP Adjusted EBITDA and Distributable Cash Flow Reconciliation to Net Income

	$ MM				
	4Q 2015	3Q 2015	2Q 2015	1Q 2015	4Q 2014
Net Income	$ 64.5	$ 52.3	$ 42.0	$ 35.4	$ 36.3
Plus:					
Depreciation	5.7	5.7	5.3	5.1	4.5
Net interest expense	9.2	9.1	9.5	5.8	2.1
Amortization of deferred rentals	0.1	0.1	0.1	0.1	0.1
Provision for (benefit from) income taxes	0.1	0.1	(0.1)	0.2	0.2
EBITDA	79.6	67.3	56.8	46.6	43.2
Distributions in excess of equity earnings	6.6	4.6	0.2	0.7	-
Expenses indemnified or prefunded by Phillips 66	0.5	1.1	-	0.3	0.1
Transaction costs associated with acquisitions	0.4	0.4	-	1.4	1.0
EBITDA attributable to Predecessors	-	-	-	-	(0.6)
Adjusted EBITDA	87.1	73.4	57.0	49.0	43.7
Plus:					
Adjustments related to minimum volume commitments	(1.7)	2.4	2.2	1.1	(2.4)
Phillip 66 prefunded maintenance capital expenditures	-	-	-	-	0.1
Less:					
Net interest	9.2	9.1	9.5	6.5	1.4
Income taxes paid (refunded)	(0.1)	-	0.4	-	-
Maintenance capital expenditures	2.3	2.2	1.5	1.7	2.8
Distributable Cash Flow	74.0	64.5	47.8	41.9	37.2