BUCKEYE PARTNERS, L.P.
SELECTED FINANCIAL AND OPERATING DATA
Non-GAAP Reconciliations
(In thousands, except coverage ratio)
(Unaudited)

	Three Months Ended September 30, 2017	Three Months Ended September 30, 2016	Nine Months Ended September 30, 2017	Nine Months Ended September 30, 2016	Twelve Months Ended September 30, 2017
Net income	$ 120,224	$ 160,270	$ 362,912	$ 439,746	$ 471,841
Less: Net income attributable to noncontrolling interests	(4,037)	(3,896)	(10,427)	(11,803)	(11,691)
Net income attributable to Buckeye Partners, L.P.	116,187	156,374	352,485	427,943	460,150
Add: Interest and debt expense	56,561	48,476	168,870	144,093	219,699
Income tax expense	448	308	1,709	896	2,273
Depreciation and amortization (1)	65,661	63,472	195,987	188,220	262,426
Non-cash unit-based compensation expense	8,176	8,853	25,756	22,912	36,188
Acquisition and transition expense (2)	1,447	309	3,275	479	10,992
Hurricane-related costs (3)	1,804	—	4,820	—	21,615
Proportionate share of Adjusted EBITDA for the equity method investment in VTTI (4)	33,430	—	90,848	—	90,848
Less: Amortization of unfavorable storage contracts (5)	—	(443)	—	(5,979)	—
Gains on property damage recoveries (6)	—	(5,700)	(4,621)	(5,700)	(4,621)
Gain on sale of ammonia pipeline	—	—	—	—	(5,299)
Earnings from the equity method investment in VTTI (4)	(6,396)	—	(15,111)	—	(15,111)
Adjusted EBITDA	$ 277,318	$ 271,649	$ 824,018	$ 772,864	$ 1,079,160
Less: Interest and debt expense, excluding amortization of deferred financing costs, debt discounts and other	(52,230)	(44,268)	(155,817)	(131,465)	(202,348)
Income tax (expense) benefit, excluding non-cash taxes	(448)	(308)	(1,143)	(896)	29
Maintenance capital expenditures	(35,490)	(33,094)	(108,570)	(84,541)	(153,720)
Proportionate share of VTTI's interest expense, current income tax expense, realized foreign currency derivative gains and losses, and maintenance capital expenditures (4)	(10,145)	—	(28,853)	—	(28,853)
Add: Hurricane-related maintenance capital expenditures	2,929	—	13,358	—	19,412
Distributable cash flow	$ 181,934	$ 193,979	$ 542,993	$ 555,962	$ 713,680
Distributions for coverage ratio (7)	$ 186,198	$ 161,755	$ 542,661	$ 478,869	$ 717,547
Less: Distributions on block sale (8)	4,850	—	4,850	—	4,850
Pro forma distributions for coverage ratio	$ 181,348	$ 161,755	$ 537,811	$ 478,869	$ 712,697
Coverage ratio	0.98	1.20	1.00	1.16	0.99
Pro forma coverage ratio excluding block sale	1.00	1.20	1.01	1.16	1.00

(1) Includes 100% of the depreciation and amortization expense of $18.1 million and $18.5 million for Buckeye Texas Partners LLC for the three months ended September 30, 2017 and 2016, respectively, $54.1 million and $52.5 million for the nine months ended September 30, 2017 and 2016, respectively, and $73.3 million for the twelve months ended September 30, 2017.

(2) Represents transaction, internal and third-party costs related to asset acquisition and integration.

(3) Represents costs incurred at our BBH facility in the Bahamas, Yabucoa Terminal in Puerto Rico, Corpus Christi facilities in Texas, and certain terminals in Florida, as a result of Hurricanes Harvey, Irma, and Maria, which occurred in August and September 2017, as well as Hurricane Matthew, which occurred in October 2016, consisting of operating expenses and write-offs of damaged long-lived assets.

(4) Due to the significance of our equity method investment in VTTI B.V. ("VTTI"), effective January 1, 2017, we applied the definitions of Adjusted EBITDA and distributable cash flow, covered in our description of non-GAAP financial measures, with respect to our proportionate share of VTTI's Adjusted EBITDA and distributable cash flow. The calculation of our proportionate share of the reconciling items used to derive these VTTI performance metrics is based upon our 50% equity interest in VTTI, prior to adjustments related to noncontrolling interests in several of its subsidiaries and partnerships, which are immaterial.

(5) Represents amortization of negative fair value allocated to certain unfavorable storage contracts acquired in connection with the BBH acquisition.

(6) Represents gains on recoveries of property damages caused by third parties, primarily related to an allision with a ship dock at our terminal located in Pennsauken, New Jersey.

(7) Represents cash distributions declared for LP Units and for distribution equivalent rights with respect to certain unit-based compensation awards ("DERs") outstanding as of each respective period. Amounts for the three, nine and twelve months ended September 30, 2017 reflect actual cash distributions paid on LP Units and DERs for the quarters ended December 31, 2016, March 31, 2017 and June 30, 2017 and estimated cash distributions for LP Units and DERs for the quarter ended September 30, 2017, as applicable.

(8) Amounts reflect cash distributions declared for 3,841,932 LP Units at $1.2625 per unit for the three months ended September 30, 2017. These LP Units were issued under a block sale on September 21, 2017. The net proceeds from the block sale were used to repay borrowings on our revolving credit facility, which in part were used to fund the merger of VTTI Energy Partners LP with and into a direct wholly owned subsidiary of VTTI B.V. and 2017 capital expenditures.