



Plains All American Pipeline, L.P. and Plains GP Holdings Report Second-Quarter 2015 Results

Plains All American Pipeline, L.P. (NYSE:PAA) and Plains GP Holdings (NYSE:PAGP) today reported second-quarter 2015 results.

Plains All American Pipeline, L.P.

Summary Financial Information ⁽¹⁾(unaudited)
(in millions, except per unit data)

	Three Months Ended June 30,			Six Months Ended June 30,		
			%			%
	2015	2014		2015	2014	
Net income attributable to PAA	\$ 124	\$ 287	(57)%	\$ 407	\$ 671	(39)%
Diluted net income/(loss) per limited partner unit	\$ (0.06)	\$ 0.45	(113)%	\$ 0.29	\$ 1.18	(75)%
Diluted weighted average limited partner units outstanding	400	367	9%	393	365	8%
EBITDA	\$ 372	\$ 492	(24)%	\$ 881	\$ 1,099	(20)%

	Three Months Ended June 30,			Six Months Ended June 30,		
			%			%
	2015	2014		2015	2014	
Adjusted net income attributable to PAA	\$ 255	\$ 307	(17)%	\$ 624	\$ 660	(5)%
Diluted adjusted net income per limited partner unit	\$ 0.27	\$ 0.50	(46)%	\$ 0.83	\$ 1.15	(28)%
Adjusted EBITDA	\$ 486	\$ 512	(5)%	\$ 1,108	\$ 1,079	3%
Distribution per limited partner unit declared for the period	\$ 0.695	\$ 0.645	7.8%			

(1) PAA's reported results include the impact of items that affect comparability between reporting periods. The impact of certain of these items is excluded from adjusted results. See the section of this release entitled "Non-GAAP Financial Measures and Selected Items Impacting Comparability" and the tables attached hereto for information regarding certain selected items that PAA believes impact comparability of financial results between reporting periods, as well as for information regarding non-GAAP financial measures (such as adjusted EBITDA) and their reconciliation to the most directly comparable measures as reported in accordance with GAAP.

"PAA reported solid second quarter results, with adjusted EBITDA of \$486 million, which was approximately \$26 million above the midpoint of our quarterly guidance range," said Greg L. Armstrong, Chairman and CEO of Plains All American. "PAA will pay a quarterly distribution of \$0.695 per limited partner unit next week, which is the equivalent of \$2.78 per unit on an annualized basis, while PAGP will pay a quarterly distribution of \$0.227 per Class A share, or \$0.908 per share on an annualized basis. These distributions represent a 7.8% and 23.8% increase over comparative distributions paid in the same quarter of 2014, respectively.

"Over the intermediate to long-term, we remain very constructive on the outlook for the North American crude oil industry. Near term, we are cautious as high crude oil and refined product inventory levels will influence oilfield activity and crude oil production levels over the next six to twelve months and competition for the marginal barrel will intensify. Additionally, our current forecast assumes that our All American pipeline in California will not be returned to service during the balance of 2015."

Armstrong added, "Based on this outlook, we have reduced the midpoint of our full-year guidance for adjusted EBITDA by \$50 million. The resulting midpoint guidance of \$2.275 billion remains in line with the full-year guidance range provided at the beginning of the year, albeit near the lower end of the initial range. Importantly, PAA remains well positioned to manage through industry down cycles and capitalize on attractive opportunities as it ended the second quarter of 2015 with approximately \$3.1 billion of committed liquidity, a strong balance sheet and credit metrics that are consistent with our targeted levels."

The following table summarizes selected PAA financial information by segment for the second quarter and first half of 2015:

Summary of Selected Financial Data by Segment⁽¹⁾ (unaudited)
(in millions)

	Three Months Ended June 30, 2015			Three Months Ended June 30, 2014		
			Supply and			Supply and
	Transportation	Facilities	Logistics	Transportation	Facilities	Logistics
Reported segment profit	\$ 186	\$ 144	\$ 41	\$ 221	\$ 134	\$ 133
Selected items impacting the comparability of segment profit ⁽²⁾	70	2	43	8	4	11
<i>Adjusted segment profit</i>	<i>\$ 256</i>	<i>\$ 146</i>	<i>\$ 84</i>	<i>\$ 229</i>	<i>\$ 138</i>	<i>\$ 144</i>
<i>Percentage change in adjusted segment profit versus 2014 period</i>	<i>12%</i>	<i>6%</i>	<i>(42)%</i>			

	Six Months Ended June 30, 2015			Six Months Ended June 30, 2014		
			Supply and			Supply and
	Transportation	Facilities	Logistics	Transportation	Facilities	Logistics
Reported segment profit	\$ 428	\$ 285	\$ 171	\$ 427	\$ 288	\$ 382
Selected items impacting the comparability of segment profit ⁽²⁾	74	5	144	16	9	(44)
<i>Adjusted segment profit</i>	<i>\$ 502</i>	<i>\$ 290</i>	<i>\$ 315</i>	<i>\$ 443</i>	<i>\$ 297</i>	<i>\$ 338</i>
<i>Percentage change in adjusted segment profit versus 2014 period</i>	<i>13%</i>	<i>(2)%</i>	<i>(7)%</i>			

(1) PAA's reported results include the impact of items that affect comparability between reporting periods. The impact of certain of these items is excluded from adjusted results. See the section of this release entitled "Non-GAAP Financial Measures and Selected Items Impacting Comparability" and the tables attached hereto for information regarding certain selected items that PAA believes impact comparability of financial results between reporting periods.

(2) Certain of our non-GAAP financial measures may not be impacted by each of the selected items impacting comparability.

Second-quarter 2015 Transportation adjusted segment profit increased 12% versus comparable 2014 results. This increase was driven by earnings from our 50% interest in the BridgeTex pipeline acquired in November 2014 and higher crude oil pipeline volumes associated with recently completed organic growth projects primarily within the Permian Basin and Eagle Ford producing regions.

Second-quarter 2015 Facilities adjusted segment profit increased by 6% over comparable 2014 results. This increase was primarily due to lower field operating costs associated with our NGL fractionation and Canadian natural gas processing activities.

Second-quarter 2015 Supply and Logistics adjusted segment profit exceeded the high end of our quarterly guidance range but decreased by 42% compared to 2014 results. This decrease was primarily driven by lower margins associated with less favorable crude oil market conditions.

Plains GP Holdings

PAGP's sole assets are its ownership interest in PAA's general partner and incentive distribution rights. As the control entity of PAA, PAGP consolidates PAA's results into its financial statements, which is reflected in the condensed consolidating balance sheet and income statement tables included at the end of this release. Information regarding PAGP's distributions is reflected below:

	Q2 2015	Q1 2015	Q2 2014
Distribution per Class A share declared for the period	\$ 0.227	\$ 0.222	\$0.1834
Q2 2015 distribution percentage growth from prior periods		2.3%	23.8%

Conference Call

PAA and PAGP will hold a conference call on August 5, 2015 (see details below). Prior to this conference call, PAA will furnish a current report on Form 8-K, which will include material in this news release as well as PAA's financial and operational guidance for the third and fourth quarter and full year of 2015. A copy of the Form 8-K will be available at www.plainsallamerican.com, where PAA and PAGP routinely post important information.

The PAA and PAGP conference call will be held at 11:00 a.m. EDT on Wednesday, August 5, 2015 to discuss the following items:

1. PAA's second-quarter 2015 performance;
2. The status of major expansion projects;
3. Capitalization and liquidity;

4. Financial and operating guidance for the third and fourth quarter and full year of 2015; and

5. PAA and PAGP's outlook for the future.

Conference Call Access Instructions

To access the Internet webcast of the conference call, please go to www.plainsallamerican.com, navigate to "Investor Relations," select "PAA" or "PAGP," then "News & Events," and then "Quarterly Earnings." Following the live webcast, the call will be archived for a period of sixty (60) days on the website.

Alternatively, access to the live conference call is available by dialing toll free (800) 230-1059. International callers should dial (612) 234-9959. No password is required. The slide presentation accompanying the conference call will be available a few minutes prior to the call at the above referenced website.

Telephonic Replay Instructions

To listen to a telephonic replay of the conference call, please dial (800) 475-6701, or (320) 365-3844 for international callers, and enter replay access code 363940. The replay will be available beginning Wednesday, August 5, 2015, at approximately 1:00 p.m. EDT and will continue until 11:59 a.m. EDT on September 5, 2015.

Non-GAAP Financial Measures and Selected Items Impacting Comparability

To supplement our financial information presented in accordance with GAAP, management uses additional measures that are known as "non-GAAP financial measures" (such as adjusted EBITDA and implied distributable cash flow ("DCF")) in its evaluation of past performance and prospects for the future. Management believes that the presentation of such additional financial measures provides useful information to investors regarding our performance and results of operations because these measures, when used in conjunction with related GAAP financial measures, (i) provide additional information about our core operating performance and ability to generate and distribute cash flow, (ii) provide investors with the financial analytical framework upon which management bases financial, operational, compensation and planning decisions and (iii) present measurements that investors, rating agencies and debt holders have indicated are useful in assessing us and our results of operations. These measures may exclude, for example, (i) charges for obligations that are expected to be settled with the issuance of equity instruments, (ii) the mark-to-market of derivative instruments that are related to underlying activities in another period (or the reversal of such adjustments from a prior period), gains and losses on derivatives that are related to investing activities (such as the purchase of linefill) and inventory valuation adjustments, as applicable, (iii) long-term inventory costing adjustments, (iv) items that are not indicative of our core operating results and business outlook and/or (v) other items that we believe should be excluded in understanding our core operating performance. We have defined all such items as "Selected Items Impacting Comparability." We consider an understanding of these selected items impacting comparability to be material to the evaluation of our operating results and prospects.

Although we present selected items that we consider in evaluating our performance, you should also be aware that the items presented do not represent all items that affect comparability between the periods presented. Variations in our operating results are also caused by changes in volumes, prices, exchange rates, mechanical interruptions, acquisitions and numerous other factors. These types of variations are not separately identified in this release, but will be discussed, as applicable, in management's discussion and analysis of operating results in our Quarterly Report on Form 10-Q.

Adjusted EBITDA and other non-GAAP financial measures are reconciled to the most comparable measures as reported in accordance with GAAP for the periods presented in the tables attached to this release, and should be viewed in addition to, and not in lieu of, our Consolidated Financial Statements and notes thereto. In addition, PAA maintains on its website (www.plainsallamerican.com) a reconciliation of adjusted EBITDA and certain commonly used non-GAAP financial information to the most comparable GAAP measures. To access the information, investors should click on "PAA" under the "Investor Relations" tab on the home page, select the "Financial Information" tab and navigate to the "Non-GAAP Reconciliations" link.

Forward Looking Statements

Except for the historical information contained herein, the matters discussed in this release consist of forward-looking statements that involve certain risks and uncertainties that could cause actual results or outcomes to differ materially from results or outcomes anticipated in the forward-looking statements. These risks and uncertainties include, among other things, failure to implement or capitalize, or delays in implementing or capitalizing, on planned growth projects; declines in the volume of crude oil, refined product and NGL shipped, processed, purchased, stored, fractionated and/or gathered at or through the use of our facilities, whether due to declines in production from existing oil and gas reserves, failure to develop or slowdown in the development of additional oil and gas reserves, whether from reduced cash flow to fund drilling or the inability to access capital, or other factors; unanticipated changes in

crude oil market structure, grade differentials and volatility (or lack thereof); environmental liabilities or events that are not covered by an indemnity, insurance or existing reserves; fluctuations in refinery capacity in areas supplied by our mainlines and other factors affecting demand for various grades of crude oil, refined products and natural gas and resulting changes in pricing conditions or transportation throughput requirements; the effects of competition; the occurrence of a natural disaster, catastrophe, terrorist attack or other event, including attacks on our electronic and computer systems; tightened capital markets or other factors that increase our cost of capital or limit our ability to obtain debt or equity financing on satisfactory terms to fund additional acquisitions, expansion projects, working capital requirements and the repayment or refinancing of indebtedness; the currency exchange rate of the Canadian dollar; continued creditworthiness of, and performance by, our counterparties, including financial institutions and trading companies with which we do business; maintenance of our credit rating and ability to receive open credit from our suppliers and trade counterparties; weather interference with business operations or project construction, including the impact of extreme weather events or conditions; the availability of, and our ability to consummate, acquisition or combination opportunities; the successful integration and future performance of acquired assets or businesses and the risks associated with operating in lines of business that are distinct and separate from our historical operations; increased costs, or lack of availability, of insurance; non-utilization of our assets and facilities; the effectiveness of our risk management activities; shortages or cost increases of supplies, materials or labor; the impact of current and future laws, rulings, governmental regulations, accounting standards and statements and related interpretations; fluctuations in the debt and equity markets, including the price of our units at the time of vesting under our long-term incentive plans; risks related to the development and operation of our facilities, including our ability to satisfy our contractual obligations to our customers at our facilities; factors affecting demand for natural gas and natural gas storage services and rates; general economic, market or business conditions and the amplification of other risks caused by volatile financial markets, capital constraints and pervasive liquidity concerns; and other factors and uncertainties inherent in the transportation, storage, terminalling and marketing of crude oil and refined products, as well as in the storage of natural gas and the processing, transportation, fractionation, storage and marketing of natural gas liquids as discussed in the Partnerships' filings with the Securities and Exchange Commission.

Plains All American Pipeline, L.P. is a publicly traded master limited partnership that owns and operates midstream energy infrastructure and provides logistics services for crude oil, natural gas liquids ("NGL"), natural gas and refined products. PAA owns an extensive network of pipeline transportation, terminalling, storage and gathering assets in key crude oil and NGL producing basins and transportation corridors and at major market hubs in the United States and Canada. On average, PAA handles approximately 4.3 million barrels per day of crude oil and NGL on its pipelines. PAA is headquartered in Houston, Texas.

Plains GP Holdings is a publicly traded entity that owns an interest in the general partner and incentive distribution rights of Plains All American Pipeline, L.P., one of the largest energy infrastructure and logistics companies in North America. PAGP is headquartered in Houston, Texas.

PLAINS ALL AMERICAN PIPELINE, L.P. AND SUBSIDIARIES
FINANCIAL SUMMARY (unaudited)

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(in millions, except per unit data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
REVENUES	\$ 6,663	\$ 11,195	\$12,605	\$22,878
COSTS AND EXPENSES				
Purchases and related costs	5,848	10,280	10,890	20,950
Field operating costs	417	360	763	696
General and administrative expenses	79	90	157	179
Depreciation and amortization	110	100	217	196
Total costs and expenses	6,454	10,830	12,027	22,021
OPERATING INCOME	209	365	578	857
OTHER INCOME/(EXPENSE)				
Equity earnings in unconsolidated entities	52	23	89	44
Interest expense, net	(105)	(82)	(207)	(161)
Other income/(expense), net	1	4	(3)	2
INCOME BEFORE TAX	157	310	457	742
Current income tax expense	(19)	(16)	(61)	(52)
Deferred income tax benefit/(expense)	(14)	(6)	12	(18)
NET INCOME	124	288	408	672
Net income attributable to noncontrolling interests	-	(1)	(1)	(1)
NET INCOME ATTRIBUTABLE TO PAA	\$ 124	\$ 287	\$ 407	\$ 671
NET INCOME ATTRIBUTABLE TO PAA:				
LIMITED PARTNERS	\$ (22)	\$ 166	\$ 116	\$ 435
GENERAL PARTNER	\$ 146	\$ 121	\$ 291	\$ 236
BASIC NET INCOME/(LOSS) PER LIMITED PARTNER UNIT	\$ (0.06)	\$ 0.45	\$ 0.29	\$ 1.19
DILUTED NET INCOME/(LOSS) PER LIMITED PARTNER UNIT	\$ (0.06)	\$ 0.45	\$ 0.29	\$ 1.18
BASIC WEIGHTED AVERAGE LIMITED PARTNER UNITS OUTSTANDING	397	365	390	363
DILUTED WEIGHTED AVERAGE LIMITED PARTNER UNITS OUTSTANDING	400	367	393	365

ADJUSTED RESULTS

(in millions, except per unit data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
ADJUSTED NET INCOME ATTRIBUTABLE TO PAA	\$ 255	\$ 307	\$ 624	\$ 660
DILUTED ADJUSTED NET INCOME PER LIMITED PARTNER UNIT	\$ 0.27	\$ 0.50	\$ 0.83	\$ 1.15
ADJUSTED EBITDA	\$ 486	\$ 512	\$ 1,108	\$ 1,079

PLAINS ALL AMERICAN PIPELINE, L.P. AND SUBSIDIARIES
FINANCIAL SUMMARY (unaudited)

CONDENSED CONSOLIDATED BALANCE SHEET DATA

(in millions)

	June 30, 2015	December 31, 2014
ASSETS		
Current assets	\$ 3,944	\$ 4,179
Property and equipment, net	13,028	12,272
Goodwill	2,442	2,465
Investments in unconsolidated entities	1,841	1,735
Linefill and base gas	976	930
Long-term inventory	159	186
Other long-term assets, net	494	489
Total assets	<u>\$22,884</u>	<u>\$ 22,256</u>
LIABILITIES AND PARTNERS' CAPITAL		
Current liabilities	\$ 4,474	\$ 4,755
Senior notes, net of unamortized discount	8,759	8,757
Other long-term debt	378	5
Other long-term liabilities and deferred credits	568	548
Total liabilities	<u>14,179</u>	<u>14,065</u>
Partners' capital excluding noncontrolling interests	8,647	8,133
Noncontrolling interests	58	58
Total partners' capital	<u>8,705</u>	<u>8,191</u>
Total liabilities and partners' capital	<u>\$22,884</u>	<u>\$ 22,256</u>

DEBT CAPITALIZATION RATIOS

(in millions)

	June 30, 2015	December 31, 2014
Short-term debt	\$ 915	\$ 1,287
Long-term debt	9,137	8,762
Total debt	<u>\$10,052</u>	<u>\$ 10,049</u>
Long-term debt	\$ 9,137	\$ 8,762
Partners' capital	8,705	8,191
Total book capitalization	<u>\$17,842</u>	<u>\$ 16,953</u>
Total book capitalization, including short-term debt	<u>\$18,757</u>	<u>\$ 18,240</u>
Long-term debt-to-total book capitalization	51%	52%
Total debt-to-total book capitalization, including short-term debt	54%	55%

PLAINS ALL AMERICAN PIPELINE, L.P. AND SUBSIDIARIES
FINANCIAL SUMMARY (unaudited)

SELECTED FINANCIAL DATA BY SEGMENT

(in millions)

	Three Months Ended June 30, 2015			Three Months Ended June 30, 2014		
	Transportation	Facilities	Supply and Logistics	Transportation	Facilities	Supply and Logistics
Revenues (1)	\$ 402	\$ 269	\$ 6,351	\$ 412	\$ 277	\$ 10,860
Purchases and related costs (1)	(29)	(7)	(6,168)	(41)	(12)	(10,578)
Field operating costs (1)(2)	(209)	(97)	(110)	(137)	(106)	(112)
Equity-indexed compensation expense - operations	(3)	(1)	-	(5)	(2)	(1)
Segment general and administrative expenses (2)(3)	(22)	(17)	(27)	(21)	(16)	(27)
Equity-indexed compensation expense - general and administrative	(5)	(3)	(5)	(10)	(7)	(9)
Equity earnings in unconsolidated entities	52	-	-	23	-	-
Reported segment profit	\$ 186	\$ 144	\$ 41	\$ 221	\$ 134	\$ 133
Selected items impacting comparability of segment profit (4)	70	2	43	8	4	11
Adjusted segment profit	\$ 256	\$ 146	\$ 84	\$ 229	\$ 138	\$ 144
Maintenance capital	\$ 33	\$ 17	\$ 2	\$ 42	\$ 5	\$ 1
	Six Months Ended June 30, 2015			Six Months Ended June 30, 2014		
	Transportation	Facilities	Supply and Logistics	Transportation	Facilities	Supply and Logistics
Revenues (1)	\$ 803	\$ 525	\$ 11,984	\$ 798	\$ 576	\$ 22,228
Purchases and related costs (1)	(59)	(11)	(11,521)	(78)	(38)	(21,553)
Field operating costs (1)(2)	(346)	(187)	(227)	(265)	(204)	(218)
Equity-indexed compensation expense - operations	(6)	(2)	(1)	(10)	(2)	(2)
Segment general and administrative expenses (2)(3)	(43)	(33)	(54)	(43)	(29)	(53)
Equity-indexed compensation expense - general and administrative	(10)	(7)	(10)	(19)	(15)	(20)
Equity earnings in unconsolidated entities	89	-	-	44	-	-
Reported segment profit	\$ 428	\$ 285	\$ 171	\$ 427	\$ 288	\$ 382
Selected items impacting comparability of segment profit (4)	74	5	144	16	9	(44)
Adjusted segment profit	\$ 502	\$ 290	\$ 315	\$ 443	\$ 297	\$ 338
Maintenance capital	\$ 66	\$ 32	\$ 4	\$ 76	\$ 15	\$ 4

(1) Includes intersegment amounts.

(2) Field operating costs and Segment general and administrative expenses exclude equity-indexed compensation expense, which is presented separately in the table above.

(3) Segment general and administrative expenses reflect direct costs attributable to each segment and an allocation of other expenses to the segments. The proportional allocations by segment require judgment by management and are based on the business activities that exist during each period.

(4) Certain of our non-GAAP financial measures may not be impacted by each of the selected items impacting comparability.

PLAINS ALL AMERICAN PIPELINE, L.P. AND SUBSIDIARIES
FINANCIAL SUMMARY (unaudited)

OPERATING DATA ⁽¹⁾

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Transportation segment (average daily volumes in thousands of barrels per day):				
Tariff activities				
Crude Oil Pipelines				
All American	18	38	27	36
Bakken Area Systems (2)	147	145	149	138
Basin / Mesa / Sunrise	858	714	839	729
BridgeTex	130	-	107	-
Cactus	62	-	31	-
Capline	169	121	161	123
Eagle Ford Area Systems (2)	308	209	286	199
Line 63 / Line 2000	108	106	122	116
Manito	48	44	51	44
Mid-Continent Area Systems	355	371	363	349
Permian Basin Area Systems	836	759	795	759
Rainbow	116	108	117	114
Rangeland	56	65	59	67
Salt Lake City Area Systems (2)	122	130	126	131
South Saskatchewan	61	58	63	61
White Cliffs	41	24	44	24
Other	791	734	740	692
NGL Pipelines				
Co-Ed	57	55	59	56
Other	137	123	133	119
Tariff activities total	4,420	3,804	4,272	3,757
Trucking	109	127	115	129
Transportation segment total	4,529	3,931	4,387	3,886
Facilities segment (average monthly volumes):				
Crude oil, refined products and NGL terminalling and storage (average monthly capacity in millions of barrels)	99	94	99	95
Rail load / unload volumes (average volumes in thousands of barrels per day)	233	224	220	227
Natural gas storage (average monthly working capacity in billions of cubic feet)	97	97	97	97
NGL fractionation (average volumes in thousands of barrels per day)	103	86	103	89
Facilities segment total (average monthly volumes in millions of barrels) ⁽³⁾	126	120	125	121
Supply and Logistics segment (average daily volumes in thousands of barrels per day):				
Crude oil lease gathering purchases	967	931	974	912
NGL sales	158	139	222	205
Supply and Logistics segment total	1,125	1,070	1,196	1,117

- (1) Volumes associated with assets employed through acquisitions and capital expansion projects represent total volumes (attributable to our interest) for the number of days or months we employed the assets divided by the number of days or months in the period.
- (2) Area systems include volumes (attributable to our interest) from our investments in unconsolidated entities.
- (3) Facilities segment total is calculated as the sum of: (i) crude oil, refined products and NGL terminalling and storage capacity; (ii) rail load and unload volumes multiplied by the number of days in the period and divided by the number of months in the period; (iii) natural gas storage working capacity divided by 6 to account for the 6:1 mcf of natural gas to crude Btu equivalent ratio and further divided by 1,000 to convert to monthly volumes in millions; and (iv) NGL fractionation volumes multiplied by the number of days in the period and divided by the number of months in the period.

PLAINS ALL AMERICAN PIPELINE, L.P. AND SUBSIDIARIES
FINANCIAL SUMMARY (unaudited)

COMPUTATION OF BASIC AND DILUTED NET INCOME PER LIMITED PARTNER UNIT

(in millions, except per unit data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Basic Net Income per Limited Partner Unit				
Net income attributable to PAA	\$ 124	\$ 287	\$ 407	\$ 671
Less: General partner's incentive distribution (1)	(146)	(117)	(289)	(227)
Less: General partner 2% ownership (1)	-	(4)	(2)	(9)
Net income/(loss) attributable to limited partners	(22)	166	116	435
Less: Undistributed earnings allocated and distributions to participating securities (1)	(1)	(1)	(3)	(3)
Net income/(loss) attributable to limited partners in accordance with application of the two-class method for MLPs	<u>\$ (23)</u>	<u>\$ 165</u>	<u>\$ 113</u>	<u>\$ 432</u>
Basic weighted average limited partner units outstanding	397	365	390	363
Basic net income/(loss) per limited partner unit	<u>\$ (0.06)</u>	<u>\$ 0.45</u>	<u>\$ 0.29</u>	<u>\$ 1.19</u>
Diluted Net Income per Limited Partner Unit				
Net income attributable to PAA	\$ 124	\$ 287	\$ 407	\$ 671
Less: General partner's incentive distribution (1)	(146)	(117)	(289)	(227)
Less: General partner 2% ownership (1)	-	(4)	(2)	(9)
Net income/(loss) attributable to limited partners	(22)	166	116	435
Less: Undistributed earnings allocated and distributions to participating securities (1)	(1)	(1)	(3)	(3)
Net income/(loss) attributable to limited partners in accordance with application of the two-class method for MLPs	<u>\$ (23)</u>	<u>\$ 165</u>	<u>\$ 113</u>	<u>\$ 432</u>
Basic weighted average limited partner units outstanding	397	365	390	363
Effect of dilutive securities: Weighted average LTIP units (2)	3	2	3	2
Diluted weighted average limited partner units outstanding	<u>400</u>	<u>367</u>	<u>393</u>	<u>365</u>
Diluted net income/(loss) per limited partner unit	<u>\$ (0.06)</u>	<u>\$ 0.45</u>	<u>\$ 0.29</u>	<u>\$ 1.18</u>

(1) We calculate net income/(loss) attributable to limited partners based on the distributions pertaining to the current period's net income. After adjusting for the appropriate period's distributions, the remaining undistributed earnings or excess distributions over earnings, if any, are allocated to the general partner, limited partners and participating securities in accordance with the contractual terms of the partnership agreement and as further prescribed under the two-class method.

(2) Our Long-term Incentive Plan ("LTIP") awards that contemplate the issuance of common units are considered dilutive unless (i) vesting occurs only upon the satisfaction of a performance condition and (ii) that performance condition has yet to be satisfied. LTIP awards that are deemed to be dilutive are reduced by a hypothetical unit repurchase based on the remaining unamortized fair value, as prescribed by the treasury stock method in guidance issued by the FASB.

SELECTED ITEMS IMPACTING COMPARABILITY

(in millions, except per unit data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Selected Items Impacting Comparability - Income/(Loss) ⁽¹⁾ :				
Gains/(losses) from derivative activities net of inventory valuation adjustments ⁽²⁾	\$ (60)	\$ (14)	\$ (151)	\$ 50
Long-term inventory costing adjustments ⁽³⁾	23	-	(15)	-
Equity-indexed compensation expense ⁽⁴⁾	(11)	(17)	(22)	(36)
Net gain/(loss) on foreign currency revaluation	(1)	11	26	6
Line 901 incident	(65)	-	(65)	-
Deferred income tax expense ⁽⁵⁾	(22)	-	(22)	-
Tax effect on selected items impacting comparability	5	-	32	(9)
Selected items impacting comparability of net income attributable to PAA	<u>\$ (131)</u>	<u>\$ (20)</u>	<u>\$ (217)</u>	<u>\$ 11</u>
Impact to basic net income per limited partner unit	<u>\$ (0.33)</u>	<u>\$ (0.06)</u>	<u>\$ (0.55)</u>	<u>\$ 0.03</u>
Impact to diluted net income per limited partner unit	<u>\$ (0.33)</u>	<u>\$ (0.05)</u>	<u>\$ (0.54)</u>	<u>\$ 0.03</u>

(1) Certain of our non-GAAP financial measures may not be impacted by each of the selected items impacting comparability.

(2) Includes mark-to-market and other gains and losses resulting from derivative instruments that are related to underlying activities in another period (or the reversal of mark-to-market gains and losses from a prior period), gains and losses on derivatives that are related to investing activities (such as the purchase of linefill) and inventory valuation adjustments, as applicable.

(3) Includes the impact of changes in the average cost of long-term inventory that result from fluctuations in market prices and writedowns of such inventory that result from price declines. Long-term inventory consists of minimum working inventory requirements in third-party assets and other working inventory needed for our commercial operations. We consider this inventory necessary to conduct our operations and we intend to carry this inventory for the foreseeable future. Therefore, we classify this inventory as long-term on our balance sheet and do not hedge the inventory with derivative instruments (similar to Linefill in our own assets). See Note 5 to our Consolidated Financial Statements included in Part IV of our 2014 Annual Report on Form 10-K for a complete discussion of our long-term inventory.

(4) Includes equity-indexed compensation expense associated with LTIP awards that will or may be settled in units, as the dilutive impact of these outstanding awards is included in our diluted net income per unit calculation and the majority of these awards are expected to be settled in units.

(5) Includes the initial cumulative effect of the recent change in Canadian tax legislation.

COMPUTATION OF ADJUSTED BASIC AND DILUTED EARNINGS PER LIMITED PARTNER UNIT

(in millions, except per unit data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Basic Adjusted Net Income per Limited Partner Unit				
Net income attributable to PAA	\$ 124	\$ 287	\$ 407	\$ 671
Selected items impacting comparability of net income attributable to PAA (1)	131	20	217	(11)
Adjusted net income attributable to PAA	255	307	624	660
Less: General partner's incentive distribution (2)	(146)	(117)	(289)	(227)
Less: General partner 2% ownership (2)	(2)	(4)	(6)	(9)
Adjusted net income attributable to limited partners	107	186	329	424
Less: Undistributed earnings allocated and distributions to participating securities (2)	(1)	(1)	(3)	(3)
Adjusted limited partners' net income	\$ 106	\$ 185	\$ 326	\$ 421
Basic weighted average limited partner units outstanding	397	365	390	363
Basic adjusted net income per limited partner unit	\$ 0.27	\$ 0.51	\$ 0.84	\$ 1.16
Diluted Adjusted Net Income per Limited Partner Unit				
Net income attributable to PAA	\$ 124	\$ 287	\$ 407	\$ 671
Selected items impacting comparability of net income attributable to PAA (1)	131	20	217	(11)
Adjusted net income attributable to PAA	255	307	624	660
Less: General partner's incentive distribution (2)	(146)	(117)	(289)	(227)
Less: General partner 2% ownership (2)	(2)	(4)	(6)	(9)
Adjusted net income attributable to limited partners	107	186	329	424
Less: Undistributed earnings allocated and distributions to participating securities (2)	(1)	(1)	(3)	(3)
Adjusted limited partners' net income	\$ 106	\$ 185	\$ 326	\$ 421
Diluted weighted average limited partner units outstanding	400	367	393	365
Diluted adjusted net income per limited partner unit	\$ 0.27	\$ 0.50	\$ 0.83	\$ 1.15

(1) Certain of our non-GAAP financial measures may not be impacted by each of the selected items impacting comparability.

(2) We calculate adjusted net income attributable to limited partners based on the distributions pertaining to the current period's net income. After adjusting for the appropriate period's distributions, the remaining undistributed earnings or excess distributions over earnings, if any, are allocated to the general partner, limited partners and participating securities in accordance with the contractual terms of the partnership agreement and as further prescribed under the two-class method.

PLAINS ALL AMERICAN PIPELINE, L.P. AND SUBSIDIARIES
FINANCIAL SUMMARY (unaudited)

FINANCIAL DATA RECONCILIATIONS

(in millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Net Income to Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA") and Excluding Selected Items Impacting Comparability ("Adjusted EBITDA") Reconciliations				
Net Income	\$ 124	\$ 288	\$ 408	\$ 672
Add: Interest expense, net	105	82	207	161
Add: Income tax expense	33	22	49	70
Add: Depreciation and amortization	110	100	217	196
EBITDA	\$ 372	\$ 492	\$ 881	\$1,099
Selected items impacting comparability of EBITDA (1)	114	20	227	(20)
Adjusted EBITDA	\$ 486	\$ 512	\$1,108	\$1,079

(1) Certain of our non-GAAP financial measures may not be impacted by each of the selected items impacting comparability.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Adjusted EBITDA to Implied Distributable Cash Flow ("DCF") Reconciliation				
Adjusted EBITDA	\$ 486	\$ 512	\$1,108	\$1,079
Interest expense, net	(105)	(82)	(207)	(161)
Maintenance capital	(52)	(48)	(102)	(95)
Current income tax expense	(19)	(16)	(61)	(52)
Equity earnings in unconsolidated entities, net of distributions	(3)	2	13	7
Distributions to noncontrolling interests (1)	(1)	(1)	(2)	(2)
Implied DCF (2)	\$ 306	\$ 367	\$ 749	\$ 776

(1) Includes distributions that pertain to the current period's net income, which are paid in the subsequent period.

(2) Including costs of \$65 million related to our Line 901 incident that occurred during May 2015, Implied DCF would have been \$241 million and \$684 million for the three and six months ended June 30, 2015, respectively.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Net Cash Provided by Operating Activities Reconciliation				
EBITDA	\$ 372	\$ 492	\$ 881	\$1,099
Current income tax expense	(19)	(16)	(61)	(52)
Interest expense, net	(105)	(82)	(207)	(161)
Net change in assets and liabilities, net of acquisitions	(336)	(287)	11	9
Other items to reconcile to net cash provided by operating activities:				
Equity-indexed compensation expense	17	34	36	68
Net cash provided by/(used in) operating activities	\$ (71)	\$ 141	\$ 660	\$ 963

CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS

(in millions, except per share data)

	Three Months Ended June 30, 2015			Three Months Ended June 30, 2014		
	PAA	Consolidating Adjustments ⁽¹⁾	PAGP	PAA	Consolidating Adjustments ⁽¹⁾	PAGP
REVENUES	\$6,663	\$ -	\$6,663	\$11,195	\$ -	\$11,195
COSTS AND EXPENSES						
Purchases and related costs	5,848	-	5,848	10,280	-	10,280
Field operating costs	417	-	417	360	-	360
General and administrative expenses	79	1	80	90	1	91
Depreciation and amortization	110	-	110	100	-	100
Total costs and expenses	6,454	1	6,455	10,830	1	10,831
OPERATING INCOME	209	(1)	208	365	(1)	364
OTHER INCOME/(EXPENSE)						
Equity earnings in unconsolidated entities	52	-	52	23	-	23
Interest expense, net	(105)	(2)	(107)	(82)	(3)	(85)
Other income, net	1	-	1	4	-	4
INCOME BEFORE TAX	157	(3)	154	310	(4)	306
Current income tax expense	(19)	-	(19)	(16)	-	(16)
Deferred income tax expense	(14)	(18)	(32)	(6)	(9)	(15)
NET INCOME	124	(21)	103	288	(13)	275
Net income attributable to noncontrolling interests	-	(73)	(73)	(1)	(259)	(260)
NET INCOME ATTRIBUTABLE TO PAGP	<u>\$ 124</u>	<u>\$ (94)</u>	<u>\$ 30</u>	<u>\$ 287</u>	<u>\$ (272)</u>	<u>\$ 15</u>
BASIC NET INCOME PER CLASS A SHARE			<u>\$ 0.14</u>			<u>\$ 0.11</u>
DILUTED NET INCOME PER CLASS A SHARE			<u>\$ 0.14</u>			<u>\$ 0.11</u>
BASIC WEIGHTED AVERAGE CLASS A SHARES OUTSTANDING			<u>224</u>			<u>136</u>
DILUTED WEIGHTED AVERAGE CLASS A SHARES OUTSTANDING			<u>224</u>			<u>136</u>

(1) Represents the aggregate consolidating adjustments necessary to produce consolidated financial statements for PAGP.

CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS

(in millions, except per share data)

	Six Months Ended June 30, 2015			Six Months Ended June 30, 2014		
	PAA	Consolidating Adjustments ⁽¹⁾	PAGP	PAA	Consolidating Adjustments ⁽¹⁾	PAGP
REVENUES	\$12,605	\$ -	\$12,605	\$22,878	\$ -	\$22,878
COSTS AND EXPENSES						
Purchases and related costs	10,890	-	10,890	20,950	-	20,950
Field operating costs	763	-	763	696	-	696
General and administrative expenses	157	2	159	179	2	181
Depreciation and amortization	217	1	218	196	1	197
Total costs and expenses	12,027	3	12,030	22,021	3	22,024
OPERATING INCOME	578	(3)	575	857	(3)	854
OTHER INCOME/(EXPENSE)						
Equity earnings in unconsolidated entities	89	-	89	44	-	44
Interest expense, net	(207)	(4)	(211)	(161)	(5)	(166)
Other income/(expense), net	(3)	-	(3)	2	-	2
INCOME BEFORE TAX	457	(7)	450	742	(8)	734
Current income tax expense	(61)	-	(61)	(52)	-	(52)
Deferred income tax benefit/(expense)	12	(36)	(24)	(18)	(17)	(35)
NET INCOME	408	(43)	365	672	(25)	647
Net income attributable to noncontrolling interests	(1)	(303)	(304)	(1)	(617)	(618)
NET INCOME ATTRIBUTABLE TO PAGP	\$ 407	\$ (346)	\$ 61	\$ 671	\$ (642)	\$ 29
BASIC NET INCOME PER CLASS A SHARE			\$ 0.28			\$ 0.21
DILUTED NET INCOME PER CLASS A SHARE			\$ 0.27			\$ 0.21
BASIC WEIGHTED AVERAGE CLASS A SHARES OUTSTANDING			218			135
DILUTED WEIGHTED AVERAGE CLASS A SHARES OUTSTANDING			606			135

(1) Represents the aggregate consolidating adjustments necessary to produce consolidated financial statements for PAGP.

PLAINS GP HOLDINGS AND SUBSIDIARIES
FINANCIAL SUMMARY (unaudited)

CONDENSED CONSOLIDATING BALANCE SHEET DATA

(in millions)

	June 30, 2015			December 31, 2014		
	PAA	Consolidating Adjustments ⁽¹⁾	PAGP	PAA	Consolidating Adjustments ⁽¹⁾	PAGP
ASSETS						
Current assets	\$ 3,944	\$ 2	\$ 3,946	\$ 4,179	\$ 2	\$ 4,181
Property and equipment, net	13,028	20	13,048	12,272	20	12,292
Goodwill	2,442	-	2,442	2,465	-	2,465
Investments in unconsolidated entities	1,841	-	1,841	1,735	-	1,735
Deferred tax asset	-	1,848	1,848	-	1,705	1,705
Linefill and base gas	976	-	976	930	-	930
Long-term inventory	159	-	159	186	-	186
Other long-term assets, net	494	-	494	489	-	489
Total assets	<u>\$22,884</u>	<u>\$ 1,870</u>	<u>\$24,754</u>	<u>\$22,256</u>	<u>\$ 1,727</u>	<u>\$23,983</u>
LIABILITIES AND PARTNERS' CAPITAL						
Current liabilities	\$ 4,474	\$ 1	\$ 4,475	\$ 4,755	\$ 1	\$ 4,756
Senior notes, net of unamortized discount	8,759	-	8,759	8,757	-	8,757
Other long-term debt	378	560	938	5	536	541
Other long-term liabilities and deferred credits	568	-	568	548	-	548
Total liabilities	<u>14,179</u>	<u>561</u>	<u>14,740</u>	<u>14,065</u>	<u>537</u>	<u>14,602</u>
Partners' capital excluding noncontrolling interests	8,647	(6,846)	1,801	8,133	(6,476)	1,657
Noncontrolling interests	58	8,155	8,213	58	7,666	7,724
Total partners' capital	<u>8,705</u>	<u>1,309</u>	<u>10,014</u>	<u>8,191</u>	<u>1,190</u>	<u>9,381</u>
Total liabilities and partners' capital	<u>\$22,884</u>	<u>\$ 1,870</u>	<u>\$24,754</u>	<u>\$22,256</u>	<u>\$ 1,727</u>	<u>\$23,983</u>

(1) Represents the aggregate consolidating adjustments necessary to produce consolidated financial statements for PAGP.

PLAINS GP HOLDINGS AND SUBSIDIARIES
DISTRIBUTION SUMMARY (unaudited)

Q2 2015 PAGP DISTRIBUTION SUMMARY

(in millions, except per unit and per share data)

	<u>Q2 2015 ⁽¹⁾</u>
PAA Distribution/LP Unit	<u>\$ 0.6950</u>
GP Distribution/LP Unit	<u>\$ 0.3822</u>
Total Distribution/LP Unit	<u>\$ 1.0772</u>
PAA LP Units Outstanding at 7/31/15	398
Gross GP Distribution	\$ 158
Less: IDR Reduction	<u>(6)</u>
Net Distribution from PAA to AAP ⁽²⁾	\$ 152
Less: Debt Service	<u>(3)</u>
Less: G&A Expense	<u>(2)</u>
Cash Available for Distribution by AAP	<u>\$ 147</u>
Distributions to AAP Partners	
Direct AAP Owners & AAP Management (65.6% economic interest)	\$ 96
PAGP (34.4% economic interest)	<u>51</u>
Total distributions to AAP Partners	<u>\$ 147</u>
Distribution to PAGP Investors	<u>\$ 51</u>
PAGP Class A Shares Outstanding at 7/31/15	<u>224</u>
PAGP Distribution/Class A Share	<u>\$ 0.227</u>

- (1) Amounts may not recalculate due to rounding.
(2) Plains AAP, L.P. ("AAP") is the general partner of PAA.

PLAINS GP HOLDINGS AND SUBSIDIARIES
FINANCIAL SUMMARY (unaudited)

COMPUTATION OF BASIC AND DILUTED NET INCOME PER CLASS A SHARE

(in millions, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Basic Net Income per Class A Share				
Net income attributable to PAGP	\$ 30	\$ 15	\$ 61	\$ 29
Basic weighted average Class A shares outstanding	224	136	218	135
Basic net income per Class A share	<u>\$ 0.14</u>	<u>\$ 0.11</u>	<u>\$ 0.28</u>	<u>\$ 0.21</u>
Diluted Net Income per Class A Share				
Net income attributable to PAGP	\$ 30	\$ 15	\$ 61	\$ 29
Incremental net income attributable to PAGP resulting from assumed exchange of AAP units	-	-	105	-
Net income attributable to PAGP including incremental net income from assumed exchange of AAP units	<u>\$ 30</u>	<u>\$ 15</u>	<u>\$ 166</u>	<u>\$ 29</u>
Basic weighted average Class A shares outstanding	224	136	218	135
Dilutive shares resulting from assumed exchange of AAP units	-	-	388	-
Diluted weighted average Class A shares outstanding	<u>224</u>	<u>136</u>	<u>606</u>	<u>135</u>
Diluted net income per Class A share	<u>\$ 0.14</u>	<u>\$ 0.11</u>	<u>\$ 0.27</u>	<u>\$ 0.21</u>

View source version on businesswire.com: <https://www.businesswire.com/news/home/20150804006894/en/>

Plains All American Pipeline, L.P. and Plains GP Holdings
Ryan Smith, 866-809-1291
Director, Investor Relations
or
Al Swanson, 800-564-3036
Executive Vice President, CFO