

**MAGELLAN MIDSTREAM HOLDINGS, L.P.**  
**CONSOLIDATED STATEMENTS OF INCOME**  
(In thousands, except per unit amounts)  
(Unaudited)

	<b>Three Months Ended March 31,</b>	
	<b>2008</b>	<b>2009</b>
Transportation and terminals revenues .....	\$ 144,805	\$ 155,020
Product sales revenues .....	201,718	57,716
Affiliate management fee revenue .....	183	190
Total revenues .....	346,706	212,926
Costs and expenses:		
Operating .....	55,425	60,467
Product purchases .....	177,568	52,630
Depreciation and amortization .....	21,013	23,152
General and administrative .....	18,290	21,136
Total costs and expenses .....	272,296	157,385
Gain on assignment of supply agreement .....	26,492	—
Equity earnings .....	405	519
Operating profit .....	101,307	56,060
Interest expense .....	12,939	15,552
Interest income .....	(296)	(221)
Interest capitalized .....	(1,302)	(936)
Debt placement fee amortization .....	168	220
Other income .....	—	(82)
Income before provision for income taxes .....	89,798	41,527
Provision for income taxes .....	443	357
Net income .....	\$ 89,355	\$ 41,170
Allocation of net income (a):		
Non-controlling owners' interest .....	\$ 71,736	\$ 29,148
Limited partners' interest .....	18,024	12,022
General partner's interest .....	(405)	—
Net income .....	\$ 89,355	\$ 41,170
Basic and diluted net income per limited partner unit .....	\$ 0.29	\$ 0.19
Weighted average number of limited partner units outstanding used for basic and diluted net income per unit calculation .....	62,654	62,668

(a) The partnership adopted Statement of Financial Accounting Standard ("SFAS") No. 160, *Non-Controlling Interests in Consolidated Financial Statements* on January 1, 2009. As prescribed by SFAS No. 160, the non-controlling owners' interest is treated as a component of equity and is no longer included in expense; therefore, in the statement above, the partnership has allocated net income between the non-controlling owners' interest, the limited partners' interest and the general partner's interest. For presentation and disclosure purposes, the partnership has retrospectively applied SFAS No. 160 for all periods presented.

**MAGELLAN MIDSTREAM HOLDINGS, L.P.**  
**ALLOCATION OF NET INCOME**  
(In thousands, unless otherwise noted)  
(Unaudited)

	<b>Three Months Ended March 31,</b>	
	<b>2008</b>	<b>2009</b>
Net income .....	\$ 89,355	\$ 41,170
Net income applicable to non-controlling owner's interest .....	71,736	29,148
Net income applicable to limited partners and general partner .....	17,619	12,022
Allocation of net income applicable to limited partners and general partner:		
Direct charges to the general partner:		
Reimbursable general and administrative costs .....	408	—
Income applicable to limited partners and general partner before direct charges to general partner .....	18,027	12,022
General partner's share of income <sup>(a)</sup> .....	0.0141%	0%
General partner's allocated share of net income before direct charges .....	3	—
Direct charges to general partner .....	(408)	—
Net income allocated to general partner .....	\$ (405)	\$ —
Net income applicable to limited partners and general partner .....	\$ 17,619	\$ 12,022
Less: net income allocated to general partner .....	(405)	—
Net income allocated to limited partners .....	\$ 18,024	\$ 12,022

- (a) In December 2008, the partnership acquired its general partner from MGG Midstream Holdings, L.P. and since that date its general partner has owned a non-economic interest in the partnership. Subsequent to that transaction, the general partner has not been allocated a portion of the partnership's net income.