Enterprise GP Holdings Reports Record Third Quarter 2008 Results

November 10, 2008

HOUSTON--(BUSINESS WIRE)--Nov. 10, 2008--Enterprise GP Holdings L.P., (NYSE:EPE) today announced its consolidated and parent-only financial results for the three and nine months ended September 30, 2008. Enterprise GP Holdings, the Parent Company, reported record distributable cash flow of $65.0 million for the third quarter of 2008. Distributable cash flow for the third quarter of 2008 provided 1.2 times coverage of the $0.455 per unit distribution with respect to the third quarter of 2008 which will be paid on November 13, 2008. This distribution rate represents a 15.2 percent increase from the $0.395 per unit paid with respect to the third quarter of 2007, and a 3.4 percent increase from the $0.44 per unit paid with respect to the second quarter of 2008. Distributable cash flow for the nine months ended September 30, 2008 was $182.1 million and provided 1.1 times coverage of the cash distributions paid with respect to the same period. Distributable cash flow is a non-generally accepted accounting principle ("non-GAAP") financial measure that is defined and reconciled later in this press release to its most directly comparable generally accepted accounting principle ("GAAP") measure, which is net cash flow provided by operating activities.

Enterprise GP Holdings will receive $82.3 million of total cash distributions from its investments with respect to the third quarter of 2008. This represents a 17.2 percent increase from the $70.2 million in distributions the Parent Company received with respect to the third quarter of 2007. This increase in cash distributions is primarily due to higher cash distribution rates from Enterprise Products Partners, TEPPCO and Energy Transfer Equity with respect to the third quarter of 2008 relative to the same period in 2007. The following table presents a comparison of distributions declared for the third quarter of 2008 with those received for the third quarter of 2007 (dollars in thousands).

	3rd Qtr 2008	3rd Qtr 2007	Change
Enterprise Products Partners & EPGP	$ 44,812	$ 39,397	13.7%
TEPPCO Partners & TEPPCO GP	18,632	15,437	20.7%
Energy Transfer Equity & LE GP	18,825	15,335	22.8%
Total	$ 82,269	$ 70,169	17.2%

The distribution from TEPPCO was received on November 6, while the cash distributions from Enterprise Products Partners and Energy Transfer Equity are scheduled to be received on November 13 and November 19, respectively.

Consolidated net income for Enterprise GP Holdings increased by 242 percent to $42.0 million, or $0.34 per unit on a fully diluted basis, for the third quarter of 2008 compared to $12.3 million, or $0.10 per unit on a fully diluted basis, for the third quarter of 2007. This increase in consolidated net income is primarily attributable to the continued strong financial and operating results of Enterprise Products Partners, along with increased income from TEPPCO, and equity earnings from Energy Transfer Equity.

"We are pleased to report another quarter of record distributable cash flow, enabling us to increase the cash distribution to our partners by 15 percent compared to what we paid with respect to the third quarter of last year," said Dr. Ralph S. Cunningham, president and chief executive officer of Enterprise GP Holdings. "Our partnership continues to benefit from its investments in Enterprise Products Partners, TEPPCO Partners and Energy Transfer Equity as each partnership posted solid operating results and generated strong cash flow this quarter."

In November 2008, Enterprise GP Holdings will reinvest $5 million of Enterprise Products Partners cash distributions to purchase additional units using Enterprise Products Partners' Distribution Reinvestment Plan.

Basis of Presentation of Financial Information

Our Investment in Enterprise Products Partners business segment reflects the consolidated operations of Enterprise Products Partners and its general partner. Our Investment in TEPPCO business segment reflects the consolidated operations of TEPPCO and its general partner. The Investment in TEPPCO segment represents the historical operations of TEPPCO and its general partner that were under common control with the Parent Company prior to its acquisition of these interests on May 7, 2007. We control Enterprise Products Partners and TEPPCO through our ownership of their respective general partners. Our Investment in Energy Transfer Equity business segment reflects our non-controlling interests in Energy Transfer Equity and its general partner accounted for under the equity method of accounting. We evaluate segment performance based on operating income.

In accordance with rules and regulations of the U.S. Securities and Exchange Commission ("SEC") and various other accounting standard-setting organizations, our general purpose financial statements reflect the consolidation of the financial statements of businesses that we control through the ownership of general partner interests (e.g., Enterprise Products Partners and TEPPCO). Our general purpose consolidated financial statements present those investments in which we do not have a controlling interest as unconsolidated affiliates (e.g., Energy Transfer Equity and its general partner). To the extent that Enterprise Products Partners and TEPPCO reflect investments in unconsolidated affiliates in their respective consolidated financial statements, such investments will also be reflected as such in our general purpose financial statements unless subsequently consolidated by us due to common control considerations (e.g., Jonah Gas Gathering Company). Also, minority interest presented in our financial statements reflects third-party and related party ownership of our consolidated subsidiaries, which include the third-party and related party unitholders of Enterprise

Products Partners, TEPPCO and Duncan Energy Partners. Unless noted otherwise, our discussions and analysis in this press release are presented from the perspective of our consolidated businesses and operations.

In order for the unitholders of Enterprise GP Holdings and others to more fully understand the Parent Company's business activities and financial statements on a standalone basis, our press release includes information devoted exclusively to the Parent Company apart from that of our consolidated Partnership. A key difference between the non-consolidated Parent Company financial information and those of our consolidated Partnership is that the Parent Company views each of its investments (i.e., Enterprise Products Partners, TEPPCO and Energy Transfer Equity) as unconsolidated affiliates and records its share of the net income of each as equity earnings. In accordance with GAAP, we eliminate such equity earnings in the preparation of our consolidated Partnership financial statements.

Use of Non-GAAP Financial Measures

- The press release and accompanying schedules include the non-GAAP financial measure of distributable cash flow. Exhibit C provides a reconciliation of this non-GAAP financial measure to its most directly comparable financial measure calculated in accordance with GAAP. Distributable cash flow should not be considered an alternative to GAAP financial measures such as net income, net cash flow provided by operating activities or any other GAAP measure of liquidity or financial performance. We define distributable cash flow as follows:
- Cash distributions expected to be received from the Parent Company's investments in limited and general partner interests (including related incentive distribution rights, if any, held by these general partners); less the sum of,
- Parent Company general and administrative costs on a standalone basis; and
- the general and administrative costs, on a standalone basis, of the general partners of Enterprise Products Partners and TEPPCO.

Distributable cash flow is a significant liquidity metric used by senior management to compare net cash flow generated by the Parent Company's investments to the cash distributions the Parent Company is expected to pay its partners. Using this metric, senior management can quickly compute the coverage ratio of estimated cash flow to planned cash distributions.

Distributable cash flow is an important non-GAAP financial measure for the Parent Company's unitholders since it indicates to investors whether or not the Parent Company's investments are generating cash flow at a level that can sustain or support an increase in quarterly cash distribution levels. Financial metrics such as distributable cash flow are quantitative standards used by the investment community because the value of a partnership unit is in part measured by its yield (which, in turn, is based on the amount of cash distributions a partnership pays to a unitholder).

Company Information and Forward-Looking Statements

Enterprise GP Holdings L.P. is one of the largest publicly traded GP partnerships and it owns the general partner and certain limited partner interests in Enterprise Products Partners L.P. and TEPPCO Partners, L.P., as well as certain non-controlling general partner and limited partner interests in Energy Transfer Equity, L.P. For more information on Enterprise GP Holdings L.P., visit its website at www.enterprisegp.com.

Enterprise GP Holdings has no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

- This press release contains various forward-looking statements and information that are based on Enterprise GP Holdings' beliefs and those of its general partner, as well as assumptions made by and information currently available to Enterprise GP Holdings. When used in this press release, words such as "anticipate," "project," "expect," "plan," "goal," "forecast," "intend," "could," "believe," "may," and similar expressions and statements regarding the plans and objectives of Enterprise GP Holdings, Enterprise Products Partners, TEPPCO, Energy Transfer Equity or Energy Transfer Partners (the "Related Companies") for future operations, are intended to identify forward-looking statements. Although Enterprise GP Holdings and its general partner believe that such expectations reflected in such forward-looking statements are reasonable, neither Enterprise GP Holdings nor its general partner can give assurances that such expectations will prove to be correct. Such statements are subject to a variety of risks, uncertainties and assumptions. If one or more of these risks or uncertainties materialize, or if underlying assumptions prove incorrect, Enterprise GP Holdings' actual results may vary materially from those it anticipated, estimated, projected or expected. Among the key risk factors that may have a direct bearing on the Related Companies, and in turn, Enterprise GP Holdings' results of operations and financial condition are:
- fluctuations in oil, natural gas and natural gas liquid prices and production due to weather and other natural and economic forces;
- the effects of the Related Companies debt level on its future financial and operating flexibility;
- a reduction in demand for the Related Companies products by the petrochemical, refining, heating or other industries;
- a decline in the volumes delivered by the Related Companies' facilities;
- the failure of any of the Related Companies' credit risk management efforts to adequately protect it against customer non-payment;
- terrorist attacks aimed at the Related Companies' facilities; and
- the failure to successfully integrate the Related Companies' operations with companies, if any, that they may acquire in the future.

Exhibit A

Enterprise GP Holdings L.P. - Parent Company
Distributable Cash Flow, Summary Income Statements and Selected Balance Sheet Data-
UNAUDITED
For the Three and Nine Months Ended September 30, 2008 and 2007
(Amounts in thousands)

The following table presents distributable cash flow, summarized income statement data and selected balance sheet information for the Parent Company with respect to the periods shown and at the dates indicated.

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2008	2007	2008	2007
Cash distributions from investees: (1)				
Enterprise Products Partners and EPGP:				
From 13,454,498 common units of Enterprise Products Partners	$ 7,030	$ 6,593	$ 20,787	$ 19,476
From 2% general partner interest	4,669	4,347	13,778	12,818
From general partner IDRs	33,113	28,457	96,064	82,161
TEPPCO and TEPPCO GP:				
From 4,400,000 common units of TEPPCO	3,190	3,058	9,438	9,086
From 2% general partner interest	1,547	1,275	4,298	3,786
From general partner IDRs	13,895	11,104	38,244	32,741
Energy Transfer Equity and LE GP:				
From 38,976,090 common units of Energy Transfer Equity	18,709	15,201	54,567	29,720
From 34.9% member interest in LE GP	116	134	338	224
Total cash distributions from investees	82,269	70,169	237,514	190,012
Expenses:				
Parent company expenses, excluding non-cash amortization and other costs	(17,193)	(22,102)	(55,257)	(47,280)
EPGP expenses	(70)	(106)	(152)	(305)
TEPPCO GP expenses	7	(15)	(35)	(153)
Total expenses	(17,256)	(22,223)	(55,444)	(47,738)
Distributable cash flow	$ 65,013	$ 47,946	$ 182,070	$ 142,274

Distributions by parent company:				
To limited partners:				
EPCO and affiliates	$ 41,941	$ 36,062	$ 121,516	$ 98,887
Public	14,111	12,599	41,097	29,027
To general partner	6	5	16	13
To former owners of TEPPCO GP	--	--	--	15,084
Total cash distributions	$ 56,058	$ 48,666	$ 162,629	$ 143,011
Summary income statement data:				
Equity earnings in investees (2)	$ 59,830	$ 38,700	$ 194,004	$ 139,851
General and administrative costs	1,510	891	5,288	2,420
Operating income	58,320	37,809	188,716	137,431
Interest expense, net (3)	(16,284)	(25,535)	(50,764)	(50,200)
Provision for income tax	--	3	--	3
Net income	$ 42,036	$ 12,277	$ 137,952	$ 87,234
Selected balance sheet data:				
Debt principal outstanding at end of period	$1,077,000	$1,083,000	$1,077,000	$1,083,000

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(1) Represents cash distributions received or, in the case of the most recent quarter, declared and expected to be received with respect to such quarter. With respect to cash distributions from investees for the third quarter of 2008, we received the distribution shown for TEPPCO and its general partner on November 6, 2008. We expect to receive the declared distributions from Enterprise Products Partners, Energy Transfer Equity and their respective general partners on November 13, 2008 and November 19, 2008, respectively.

(2) Represents the Parent Company's share of net income of Enterprise Products Partners, TEPPCO, Energy Transfer Equity and their respective general partners.

(3) Parent company interest expense decreased during the third quarter of 2008 relative to the third quarter of 2007 primarily due to lower interest rates. The weighted-average interest rate paid by the Parent Company during the third quarter of 2008 was 4.71% compared to 7.15% for the third quarter of 2007.

Exhibit B

Enterprise GP Holdings L.P.
Condensed Statements of Consolidated Operations - UNAUDITED
For the Three and Nine Months Ended September 30, 2008 and 2007
(Amounts in thousands, except per unit amounts)

Since the Parent Company owns the general partner of Enterprise Products Partners and TEPPCO, our general purpose condensed consolidated financial statements include the financial results of Enterprise Products Partners, EPGP, TEPPCO and TEPPCO GP. The earnings of Enterprise Products Partners, EPGP, TEPPCO and TEPPCO GP that are allocated to limited partner interests not owned by the Parent Company are reflected as minority interest expense in our condensed statements of consolidated operations. On a consolidated basis, we have classified our operations into three business segments: Investment in Enterprise Products Partners, Investment in TEPPCO and Investment in Energy Transfer Equity. The following table summarizes our financial information by business segment:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2008	2007	2008	2007
Revenues:				
Investment in Enterprise Products Partners	$ 6,297,902	$4,111,996	$18,322,052	$11,647,656
Investment in TEPPCO	4,264,399	2,628,068	11,371,807	6,759,219
Eliminations	(63,165)	(18,340)	(149,759)	(50,606)
Total revenues	10,499,136	6,721,724	29,544,100	18,356,269
Costs and expenses:				
Investment in Enterprise Products Partners	5,993,732	3,915,232	17,310,123	11,048,573
Investment in TEPPCO	4,176,200	2,550,079	11,083,913	6,503,284
Other, non-segment including Parent Company	(61,442)	(17,328)	(140,117)	(38,674)
Total costs and expenses	10,108,490	6,447,983	28,253,919	17,513,183
Equity in earnings of unconsolidated affiliates:				
Investment in Enterprise Products Partners (1)	9,652	11,604	31,914	9,516
Investment in TEPPCO (1)	399	(1,991)	(142)	(4,120)
Investment in Energy Transfer Equity (2)	9,336	(3,042)	36,491	(268)
Total equity earnings	19,387	6,571	68,263	5,128
Operating income:				
Investment in Enterprise				

Products Partners	313,822	208,368	1,043,843	608,599
Investment in TEPPCO	88,598	75,998	287,752	251,815
Investment in Energy Transfer Equity	9,336	(3,042)	36,491	(268)
Other, non-segment including Parent Company	(1,723)	(1,012)	(9,642)	(11,932)
Total operating income	410,033	280,312	1,358,444	848,214
Interest expense	(153,253)	(137,602)	(447,173)	(341,949)
Provision for income taxes	(7,666)	(2,056)	(20,086)	(9,208)
Other income, net	496	2,856	3,371	69,152
Income before minority interest	249,610	143,510	894,556	566,209
Minority interest (3)	(207,574)	(131,233)	(756,604)	(478,975)
Net income	$ 42,036	$ 12,277	$ 137,952	$ 87,234
Allocation of net income to:				
Limited partners	$ 42,032	$ 12,276	$ 137,938	$ 87,225
General partner	$ 4	$ 1	$ 14	$ 9
Earnings per Unit, basic and fully diluted:				
Net income per Unit	$ 0.34	$ 0.10	$ 1.12	$ 0.80
Average LP Units outstanding (4)	123,192	119,690	123,192	108,663

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(1) Represents equity earnings from third-party unconsolidated affiliates as recorded by Enterprise Products Partners and TEPPCO.

(2) Represents the Parent Company's share of the net income of Energy Transfer Equity and its general partner. The Parent Company's investment in Energy Transfer Equity and its general partner, which were acquired in May 2007, is accounted for using the equity method.

(3) Primarily represents earnings of Enterprise Products Partners, Duncan Energy Partners and TEPPCO that are allocated to their respective limited partner interests not owned by the Parent Company.

(4) The Parent Company's 16,000,000 Class C units are non-participating securities; thus, they are excluded from our earnings per Unit computations.

Exhibit C

Enterprise GP Holdings L.P. - Parent Company
Non-GAAP Reconciliations - UNAUDITED
For the Three and Nine Months Ended September 30, 2008 and 2007
(Amounts in thousands)

The following table presents the reconciliation of the Parent Company's non-GAAP distributable cash flow to GAAP net cash flow provided by operating activities.

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2008	2007	2008	2007
Distributable Cash Flow (Exhibit A)	$ 65,013	$ 47,946	$ 182,070	$ 142,274
Adjustments to derive net cash flow provided by operating activities (add or subtract as indicated by sign of number):				
Distributions to be received from investees with respect to period indicated (Exhibit A) (1)	(82,269)	(70,169)	(237,514)	(190,012)
Distributions received from investees during period	79,098	67,180	231,251	167,497
Expenses of EPGP and TEPPCO GP	63	120	187	458
Net effect of changes in operating accounts	(1,421)	(1,243)	(5,877)	9,614
Net cash flow provided by operating activities	$ 60,484	$ 43,834	$ 170,117	$ 129,831

(1) Represents cash distributions collected subsequent to the end of each reporting period.

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SOURCE: Enterprise GP Holdings L.P.