



Enterprise GP Holdings Reports Fourth Quarter 2009 Results

February 25, 2010

Record Distributable Cash Flow

HOUSTON, Feb 25, 2010 (BUSINESS WIRE) -- Enterprise GP Holdings L.P. (NYSE: EPE) today announced its consolidated and parent-only financial results for the three months and year ended December 31, 2009. Enterprise GP Holdings L.P., the Parent Company, reported record distributable cash flow of \$83.6 million for the fourth quarter of 2009, a 23 percent increase from distributable cash flow of \$67.9 million reported for the fourth quarter of 2008. For 2009, Enterprise GP Holdings generated record distributable cash flow of \$309.5 million compared to \$250 million of distributable cash flow reported in 2008.

On January 12, 2010, the Board of Directors of Enterprise GP Holdings' general partner approved an increase in the partnership's quarterly cash distribution rate to \$0.53 per Unit with respect to the fourth quarter of 2009, which is 12.8 percent higher than the \$0.47 per Unit that was paid with respect to the fourth quarter of 2008. Distributable cash flow provided 1.1 times coverage of the quarterly cash distribution which was paid on February 5, 2010. 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 U.S. GAAP measure, which is net cash flow provided by operating activities.

The Parent Company received \$94.0 million of cash distributions from its investments with respect to the fourth quarter of 2009. This represents a 9.2 percent increase from the \$86.1 million of cash distributions it received with respect to the fourth quarter of 2008. The increase in cash distributions is primarily due to higher cash distribution rates from Enterprise Products Partners and Energy Transfer Equity with respect to the fourth quarter of 2009 as compared to the same period of 2008, as well as additional common units issued by each partnership in 2009. Cash distributions received from Enterprise Products Partners and EPGP with respect to the fourth quarter of 2009 reflect the common units and other consideration it received in connection with the merger of TEPPCO and TEPPCO GP with Enterprise Products Partners on October 26, 2009.

| <i>(Amounts in millions)</i> | 4 th Qtr 2009 ⁽¹⁾ | 4 th Qtr 2008 ⁽¹⁾ |
|--------------------------------|--|--|
| Enterprise and TEPPCO | \$72.8 | \$66.0 |
| Energy Transfer Equity & LE GP | 21.2 | 20.1 |
| Total | \$94.0 | \$86.1 |

⁽¹⁾ See Exhibit A for detailed information regarding distributions the Parent Company received from its investments.

Consolidated net income attributable to Enterprise GP Holdings was \$76.8 million, or \$0.55 per unit on a fully diluted basis, for the fourth quarter of 2009 compared to \$26.0 million, or \$0.21 per unit on a fully diluted basis, for the fourth quarter of 2008. Enterprise GP Holdings benefited from strong results recorded by Enterprise Products Partners in the fourth quarter 2009 supported by record natural gas liquid ("NGL") pipeline volumes, NGL fractionation volumes and equity NGL production, and near record natural gas pipeline volumes. Net income attributable to Enterprise Products Partners for the fourth quarter of 2009 was positively impacted by notable items totaling \$49 million, consisting of \$24 million related to the settlement of a rate case for its Mid-America pipeline, and \$25 million from insurance proceeds associated with Hurricanes Ike and Katrina and for repairs to the Independence Trail pipeline.

Parent Company interest expense for the fourth quarter of 2009 decreased to \$9.1 million from \$16.8 million recorded in the fourth quarter of 2008, primarily due to lower interest rates.

"This year was exceptional for our partnership, highlighted by record distributable cash flow recorded in each quarter," said Dr. Ralph S. Cunningham, president and chief executive officer of Enterprise GP Holdings. "The fourth quarter was the seventh consecutive quarter of reporting record distributable cash flow as our partnership continues to benefit from the underlying businesses of Enterprise Products Partners, which posted record results in the fourth quarter and 2009. We continue to benefit from the diversified base of assets of the partnerships in which we are invested as they consistently generate solid results. The incentive distribution rights associated with our general partner interests should enhance our prospects for long-term cash distribution growth, which should allow us to continue our track record of increasing quarterly cash distributions paid to our partners," continued Cunningham.

Parent Company Financial Information

In order for the unitholders of Enterprise GP Holdings and others to more fully understand the Parent Company's business 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., in Enterprise Products Partners 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 the equity earnings related to Enterprise Products Partners in the preparation of our consolidated 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 received with respect to a given period from the Parent Company's investments in limited and general partner interests; less the sum of,
- Parent Company general and administrative costs on a standalone basis;
- Parent Company interest expense on a standalone basis, before non-cash amortization; and
- the general and administrative costs, on a standalone basis, of the general partner of Enterprise Products Partners.

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 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., as well as certain noncontrolling 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.

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, 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.

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.

Enterprise GP Holdings L.P. - Parent Company

Selected Financial Data- UNAUDITED

Exhibit A

For the Three Months and Years Ended December 31, 2009 and 2008

(Amounts in millions)

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 | | For the Year | |
|---|----------------------|------------|--------------------|------------|
| | Ended December 31, | | Ended December 31, | |
| | 2009 | 2008 | 2009 | 2008 |
| Cash distributions from investees: (1) | | | | |
| <i>Enterprise Products Partners and EPGP: (2)</i> | | | | |
| From common units of Enterprise Products Partners | \$ 11.9 | \$ 7.2 | \$ 38.1 | \$ 28.0 |
| From 2% general partner interest and related IDRs | 60.9 | 40.2 | 203.9 | 150.0 |
| <i>TEPPCO and TEPPCO GP: (3,4)</i> | | | | |
| From units of TEPPCO | n/a | 3.2 | 6.4 | 12.6 |
| From 2% general partner interest and related IDRs | n/a | 15.4 | 31.0 | 58.1 |
| <i>Energy Transfer Equity and LE GP:</i> | | | | |
| From common units of Energy Transfer Equity | 21.0 | 19.9 | 83.2 | 74.4 |
| From member interest in LE GP | 0.2 | 0.2 | 0.7 | 0.5 |
| Total cash distributions from investees | 94.0 | 86.1 | 363.3 | 323.6 |
| Cash expenses, primarily Parent Company | (10.4) | (18.2) | (53.8) | (73.6) |
| Distributable cash flow | \$ 83.6 | \$ 67.9 | \$ 309.5 | \$ 250.0 |
| Distributions by Parent Company | \$ 73.8 | \$ 57.9 | \$ 282.6 | \$ 220.5 |
| Coverage ratio | 1.1x | 1.2x | 1.1x | 1.1x |
| Parent Company summarized income statement data: | | | | |
| Equity in income of investees (5) | \$ 87.5 | \$ 44.8 | \$ 259.8 | \$ 238.8 |
| General and administrative costs | 1.6 | 2.0 | 10.3 | 7.3 |
| Operating income | 85.9 | 42.8 | 249.5 | 231.5 |
| Interest expense, net | (9.1) | (16.8) | (45.4) | (67.5) |
| Net income attributable to Enterprise GP Holdings L.P. | \$ 76.8 | \$ 26.0 | \$ 204.1 | \$ 164.0 |
| Parent Company debt principal outstanding at end of period | \$ 1,081.5 | \$ 1,077.0 | \$ 1,081.5 | \$ 1,077.0 |

Represents cash distributions received with respect to such quarter. With respect to cash distributions for the fourth quarter of 2009, we received (1) the distributions shown for Enterprise Products Partners and its general partner on February 4, 2010. We received the distributions shown for Energy Transfer Equity and its general partner on February 19, 2010.

Cash distributions from Enterprise Products Partners and EPGP with respect to the fourth quarter of 2009 reflect the common units and other (2) consideration received by the Parent Company in connection with the merger of TEPPCO and TEPPCO GP with Enterprise Products Partners on October 26, 2009 (see notes 3 and 4 below).

We did not receive any distributions from TEPPCO with respect to the third and fourth quarters of 2009. The TEPPCO merger was completed on October 26, 2009. Under the terms of the merger agreement, each of TEPPCO's unitholders (including the Parent Company) received 1.24 (3) common units of Enterprise Products Partners for each TEPPCO unit owned immediately prior to the merger. As a result, the Parent Company received 5,456,000 common units of Enterprise Products Partners in exchange for the 4,400,000 TEPPCO units that it owned immediately prior to the merger.

Immediately prior to and as a condition to the TEPPCO merger, TEPPCO GP merged with a wholly owned subsidiary of Enterprise Products (4) Partners. In connection with this merger, the Parent Company, as owner of TEPPCO GP and EPGP, received an additional 1,331,681 common units of Enterprise Products Partners and an increase in the capital account of EPGP sufficient to maintain EPGP's 2% general partner interest in Enterprise Products Partners.

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

Enterprise GP Holdings L.P.

Condensed Statements of Consolidated Operations - UNAUDITED

Exhibit B

For the Three Months and Year Ended December 31, 2009 and 2008

(Amounts in millions, except per unit amounts)

The Parent Company owns the general partner of (and therefore controls) Enterprise Products Partners; thus, our consolidated financial statements include the consolidated financial results of Enterprise Products Partners. The net income of Enterprise Products Partners allocated to limited partner interests not owned by the Parent Company is allocated to noncontrolling interests. The following table presents summarized income statement data for the consolidated Partnership for the periods indicated:

| | For the Three Months | | For the Year | |
|---|----------------------|------------|--------------------|-------------|
| | Ended December 31, | | Ended December 31, | |
| | 2009 | 2008 | 2009 | 2008 |
| Revenue | \$ 8,400.3 | \$ 5,925.5 | \$ 25,510.9 | \$ 35,469.6 |
| Costs and expenses: | | | | |
| Operating costs and expenses | 7,769.0 | 5,468.7 | 23,565.8 | 33,618.9 |
| General and administrative costs | 40.7 | 38.9 | 182.8 | 144.8 |
| Total costs and expenses | 7,809.7 | 5,507.6 | 23,748.6 | 33,763.7 |
| Equity in income (loss) of unconsolidated affiliates | 34.6 | (2.1) | 92.3 | 66.2 |
| Operating income | 625.2 | 415.8 | 1,854.6 | 1,772.1 |
| Other income (expense): | | | | |
| Interest expense | (179.1) | (161.1) | (687.3) | (608.3) |
| Other, net | (3.9) | 7.0 | (1.7) | 12.3 |
| Total other income (expense) | (183.0) | (154.1) | (689.0) | (596.0) |
| Income before provision for income taxes | 442.2 | 261.7 | 1,165.6 | 1,176.1 |
| Provision for income taxes | 1.5 | (10.9) | (25.3) | (31.0) |
| Net income | 443.7 | 250.8 | 1,140.3 | 1,145.1 |
| Net income attributable to noncontrolling interest | (366.9) | (224.8) | (936.2) | (981.1) |
| Net income attributable to Enterprise GP Holdings L.P. | \$ 76.8 | \$ 26.0 | \$ 204.1 | \$ 164.0 |
| Allocation of net income to: | | | | |
| Limited partners | \$ 76.8 | \$ 26.0 | \$ 204.1 | \$ 164.0 |
| General partner | * | * | * | * |
| Earnings per Unit, basic and fully diluted: | | | | |
| Net income per Unit | \$ 0.55 | \$ 0.21 | \$ 1.48 | \$ 1.33 |
| Average LP Units outstanding | 139.2 | 123.2 | 137.8 | 123.2 |

* Amount is negligible

Enterprise GP Holdings L.P. - Parent Company

Non-GAAP Reconciliations - UNAUDITED

Exhibit C

For the Three Months and Year Ended December 31, 2009 and 2008

(Amounts in millions)

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

| | For the Three Months | | For the Year | |
|--|----------------------|---------|--------------------|----------|
| | Ended December 31, | | Ended December 31, | |
| | 2009 | 2008 | 2009 | 2008 |
| Distributable Cash Flow (Exhibit A) | \$ 83.6 | \$ 67.9 | \$ 309.5 | \$ 250.0 |
| 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) | (94.0) | (86.1) | (363.3) | (323.6) |
| Distributions received from investees during period | 90.8 | 82.3 | 355.4 | 313.5 |
| Expenses of EPGP and TEPPCO GP | 0.1 | -- | 0.2 | 0.1 |

| | | | | |
|---|----------------|----------------|-----------------|-----------------|
| Net effect of changes in operating accounts | 0.3 | 0.5 | (3.2) | (5.3) |
| Net cash flow provided by operating activities | \$ 80.8 | \$ 64.6 | \$ 298.6 | \$ 234.7 |

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

SOURCE: Enterprise GP Holdings L.P.

Enterprise GP Holdings L.P.
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