

Regency Energy Partners LP
Form 425
February 25, 2015

ETP
REGENCY MERGER: KEY HIGHLIGHTS
13

ETP has executed a definitive agreement to merge with Regency in
an all unit transaction

0.4066

ETP
common
units
per
Regency
LP
unit
plus
an
additional
\$0.32
per
Regency
LP
unit
in
the
form
of
an
amount
of
ETP
common
units (as
determined by the ETP common unit price prior to closing of the merger)

Implied premium at announcement:

13% to Regency's closing price on January 23, 2015

15% to Regency's 3-day VWAP ending January 23, 2015

ETP will guarantee Regency's outstanding debt and will refinance Regency's outstanding revolver borrowings

\$6.6 billion of debt at December 31, 2014

Regency's revolver to be terminated at closing

Assuming an upgrade to investment grade ratings, there is no change of control triggered to Regency's notes

All three rating agencies have affirmed ETP's credit ratings and put Regency on review for upgrade to an investment grade rating
merger

Expected
to
be
breakeven
to
distributable
cash
flow
per

unit
for
ETP
in
2015
and
accretive
in
2016
and
beyond
ETE
will
provide
to
ETP
\$320
million
of
total
IDR
subsidies
over
5
years

\$80 million IDR subsidy for the first full year after closing and \$60 million per year for the following 4 years
ETE and ETP have also agreed to vote their 94.8 million Regency units in support of the merger
Merger subject to customary approvals

Regency unitholder vote (simple majority of outstanding units)

HSR clearance

Expect transaction to close in 2Q15

Merger takes ETP to the next level and creates long term value for all unitholders

(1)

Based on market data as of 1/23/15

Filed by Energy Transfer Partners, L.P.

Pursuant to Rule

425 under the

Subject Company: Regency Energy Partners LP

Commission

File

No.:

001-35262

On February 25, 2015, members of management of Energy Transfer Equity, L.P. (ETE), which owns the general partner of
L.P.

(ETP),

made

a

presentation

to

analysts

at

the

Credit

Suisse

20

th

Annual

Energy

Summit

held

in

Vail,

Colorado.

The

following

is

a

portion

of

the presentation

materials relating to the Partnership's proposed merger with Regency Energy Partners LP (Regency).

Commission File No.: 001-11727

Securities Act of 1933, as amended

ETP
REGENCY MERGER: STRATEGIC CONSIDERATIONS
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(1)
Source: Baker Hughes
(2)
Source: EIA
(3)
Lone Star is owned 70% by ETP and 30% by Regency
A win win

for all stakeholders
LEADING POSITIONS
IN THE MOST
ATTRACTIVE
BASINS IN THE US
WORLD CLASS
MIDSTREAM
FOOTPRINT
COMPLEMENTARY
ASSETS WITH
SIGNIFICANT
GROWTH
OPPORTUNITIES
SIGNIFICANT LONG-
TERM VALUE
CREATION

Strong positions in Permian, Eagle Ford, Marcellus and Utica basins

Active
in
9
of
the
top
10
basins
by
active
rig
count
(1)

Top
3
regions
by
oil
production
and
top
3
regions
by
gas
production
(2)

Adds diversity and leadership positions in substantially all major basins/plays

Combines strong Permian Basin / Eagle Ford positions to create the premier franchise

Provides
additional
customer
relationships
with
some
of
the
most
active
operators
in
each
basin

Current combined gathering and processing throughput of 8.7 Bcf/d

Significant organic growth project opportunities

2015 pro forma growth capex of ~\$4.9 billion

Additional
NGL
production
and
volumes
to
support
Lone
Star's
(3)
leading
NGL
position
in
Mont
Belvieu

Incremental natural gas volumes for ETP's intrastate natural gas system

Substantial cost savings and efficiencies

Higher long-term distribution growth profile than ETP stand-alone

Provides immediate and long-term value to Regency unitholders

ETP
REGENCY MERGER: KEY TAKEAWAYS
15

The merger of ETP and Regency creates benefits for ETE

Immediate increase in overall cash flow and long-term cash flow growth

Improved pro forma credit profile

ETP becomes the second largest MLP

Combined footprint with over 62,270 miles of pipelines and over 60 plants with 8.7 Bcf/d of gathering and processing through

Operations in major high-growth oil and gas shales and basins, including Eagle Ford, Permian, Panhandle and Marcellus / Utica

Regency benefits from size and strength of ETP's diversified platform

Improved access to capital and lower cost of capital

Better potential for growth in a lower commodity price environment

ETE
will
be
stronger
and
better
positioned
for
future
strategic
opportunities
ETP
benefits
from
further
diversified
basin
exposure,
major
presence
in
Marcellus
/
Utica
basins,
increased
NGL
volumes
to
Lone
Star
and
greater
gas
volumes
in
its
intrastate

system
Regency
steps
into
an
investment
grade
balance
sheet
and
an
attractive
cost
of
capital

(1)
Regency G&P segment included in pro forma ETP midstream segment
(2)
Excludes Retail Marketing
16
Stable Fee Based Cash Flow Profile
(2)
Pro Forma
(1)

ETP BENEFITS FROM DIVERSIFICATION OF REGENCY MERGER
WHILE MAINTAINING ATTRACTIVE FEE BASED PROFILE

Fee based
~85-90%

Non-fee based
~10-15%

Fee based
~85-87%

Hedged
commodity
3%

Non-fee based
~10-12%

Midstream
13%

Interstate
23%

Crude /
Refined
products
20%

Retail
15%

Liquids Trans.
& Svcs.
12%

Intrastate
10%

Other
7%

Gathering &
Processing
56%

Transportation
14%

Contract
Services
13%

NGL Services
13%

Natural
resources
4%

Midstream
21%

Interstate
20%

Crude /
Refined
products

16%

Retail

12%

Liquids Trans.

& Svcs.

13%

Intrastate

9%

Other

6%

Contract

Services

3%

Fee based

75%

Hedged

commodity

15%

Non-fee based

10%

2014 Adjusted EBITDA by Segment

Cautionary Statement Regarding Forward-Looking Statements

This report includes forward-looking statements. Forward-looking statements are identified as any statement that does not relate strictly to historical or current facts. Statements using words such as anticipate, believe, intend, project, expect, continue, estimate, goal, forecast, may or similar expressions help identify forward-looking statements and Regency cannot give any assurance that expectations and projections about future events will prove to be correct. Forward-looking statements are subject to a variety of risks, uncertainties and assumptions. These risks and uncertainties include the risks that the proposed transaction may not be consummated or the benefits contemplated therefrom may not be realized. Additional risks include: the ability to obtain requisite regulatory and unitholder approval and the satisfaction of the other conditions to the consummation of the proposed transaction, the ability of ETP to successfully integrate Regency's operations and employees and realize anticipated synergies and cost savings, the potential impact of the announcement or consummation of the proposed transaction on relationships, including with employees, suppliers, customers, competitors and credit rating agencies, the ability to achieve revenue, DCF and EBITDA growth, and volatility in the price of oil, natural gas, and natural gas liquids. Actual results and outcomes may differ materially from those expressed in such forward-looking statements. These and other risks and uncertainties are discussed in more detail in filings made by ETP and Regency with the Securities and Exchange Commission (the SEC), which are available to the public. ETP and Regency undertake no obligation to update publicly or to revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Additional Information and Where to Find It

SECURITY HOLDERS ARE URGED TO READ THE PROXY STATEMENT/PROSPECTUS AND THE REGISTRATION STATEMENT REGARDING THE TRANSACTION CAREFULLY WHEN IT BECOMES AVAILABLE. These documents (when they become available), and any other documents filed by ETP or Regency with the SEC, may be obtained free of charge at the SEC's website, at www.sec.gov. In addition, investors and security holders will be able to obtain free copies of the registration statement and the proxy statement/prospectus by phone, e-mail or written request by contacting the investor relations department of ETP or Regency at the following:

Energy Transfer Partners, L.P.

3738 Oak Lawn Ave.

Dallas, TX 75219

Attention: Investor Relations

Phone: 214-981-0700

Regency Energy Partners LP

2001 Bryan Street, Suite 3700

Dallas, TX 75201

Attention: Investor Relations

Phone: 214-840-5477

Participants in the Solicitation

ETP, Regency and their respective directors and executive officers may be deemed to be participants in the solicitation of proxies in connection with the proposed merger. Information regarding the directors and executive officers of ETP is contained in ETP's Form 10-K for the year ended December 31, 2013, which was filed with the SEC on February 27, 2014. Information regarding the directors and executive officers of Regency is contained in Regency's Form 10-K for the year ended December 31, 2013, which was filed with the SEC on February 27, 2014. Additional information regarding the interests of participants in the solicitation of proxies in connection with the proposed merger will be included in the proxy statement/prospectus.