

Financial Overview

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Chief Financial Officer

2015 Budgeted Distributable Cash Flow (DCF)

(millions, except per share)

	2015	2014	Change	
	Budget	Actual	\$	%
<u>Distributable cash flow</u>				
Net Income before certain items	\$ 1,903	\$ 2,340	\$ (437)	-19%
DD&A, including KMI share of JV DD&A ^(a)	2,564	2,390	174	7%
Book taxes ^(b)	1,167	840	327	39%
Cash taxes	(56)	(448)	392	-88%
Noncontrolling interest	(21)	(12)	(9)	79%
Sustaining capex incl. KMI share of JV sustaining capex ^(c)	(586)	(509)	(77)	15%
MLP declared distributions	-	(2,000)	2,000	-100%
Other	34	17	17	101%
Total distributable cash flow	\$ 5,005	\$ 2,618	\$ 2,387	91%
Average fully-diluted shares outstanding ^(d,e)	2,176	1,312	864	66%
DCF per share	\$ 2.30	\$ 2.00	\$ 0.30	15%
Declared dividend per share	\$ 2.00	\$ 1.74	\$ 0.26	15%
Excess coverage	\$ 654	\$ 335	\$ 319	95%

Note: Excludes certain items. See Appendix for defined terms and reconciliation to GAAP net income.

(a) Includes KMI share of Certain Equity Investees DD&A, \$318 and \$305 million in 2015 and 2014, respectively.

(b) Includes KMI's share of c-corporation equity method investees book taxes of \$69 and \$75 million in 2015 and 2014, respectively.

(c) Includes KMI share of Certain Equity Investees sustaining capital expenditures, \$77 and \$59 million in 2015 and 2014, respectively.

(d) 2015 includes 8 million unvested restricted shares that contain rights to dividends and 30 million shares due to dilutive impact from warrants under treasury stock method.

(e) 2014 includes unvested restricted shares that contain rights to dividends. 4Q 2014 is included based on shares outstanding as of 12/31/14 and therefore the full year includes a full 4Q impact of the KMI consolidation transaction which closed November 26, 2014.

2015 Budgeted Income

(millions, except per share)

	2015	2014	Change	
	Budget	Actual	\$	%
<u>Segment earnings before DD&A (EBDA)</u>				
Natural Gas Pipelines	\$ 4,093	\$ 4,069	\$ 24	1%
CO ₂	1,343	1,458	(115)	-8%
Products Pipelines	1,114	860	254	29%
Terminals	1,174	979	195	20%
Kinder Morgan Canada	184	182	2	1%
Corporate / Other	(28)	(9)	(19)	214%
Total segment EBDA	7,879	7,539	340	5%
Book DD&A	(2,246)	(2,085)	(161)	8%
G&A	(604)	(602)	(2)	0%
Interest expense	(2,120)	(1,810)	(310)	17%
Pre-tax income	2,909	3,042	(133)	-4%
Book taxes ^(a)	(1,005)	(702)	(303)	43%
Net Income before certain items	1,903	2,340	(437)	-19%
Noncontrolling interest	(21)	(1,417)	1,396	-98%
Net income attributable to KMI before certain items	\$ 1,882	\$ 923	\$ 959	104%
Average fully-diluted shares outstanding ^(b)	2,176	1,144	1,032	90%
Fully-diluted adjusted EPS	\$ 0.86	\$ 0.80	\$ 0.06	8%
Natural Gas EBDA plus JV DD&A ^(c)	\$ 4,397	\$ 4,367	\$ 30	1%
Total segment EBDA plus JV DD&A^(d)	\$ 8,197	\$ 7,844	\$ 353	4%

Note: Excludes certain items.

(a) Excludes certain book taxes reflected above in Segment EBDA of \$92 and \$63 million in 2015 and 2014, respectively.

(b) Includes restricted shares that participate in dividends. 2015 Budget also includes the estimated dilutive impact of the warrants.

(c) Includes Natural Gas Pipelines share of Certain Equity Investees DD&A, \$304 and \$298 million in 2015 and 2014, respectively.

(d) Includes KMI share of Certain Equity Investees DD&A, \$318 and \$305 million in 2015 and 2014, respectively.

2015 Budgeted Quarterly Profile

(\$ in millions, except per share)

	Q1	Q2	Q3	Q4	Total
<u>Total segment EBDA plus JV DD&A^(a)</u>					
2015 Budget	25%	24%	24%	27%	\$ 8,197
2014	25%	24%	25%	26%	\$ 7,844
2013	24%	24%	25%	27%	\$ 7,237
2012	22%	23%	27%	28%	\$ 6,252
2011	24%	23%	26%	27%	\$ 3,840
<u>Distributable cash flow^(b)</u>					
2015 Budget	26%	22%	24%	28%	\$ 5,005
2014	22%	13%	16%	49%	\$ 2,618
2013	30%	17%	25%	28%	\$ 1,713
2012	21%	22%	26%	31%	\$ 1,411
2011	30%	20%	22%	28%	\$ 866
<u>Fully-diluted earnings per share (EPS)^(c)</u>					
2015 Budget	26%	22%	23%	29%	\$ 0.86

Note: Excludes certain items.

(a) Includes KMI share of Certain Equity Investees DD&A.

(b) Includes KMI share of Certain Equity Investees DD&A and reduced by KMI share of Certain Equity Investees sustaining capital expenditures.

(c) Historical period EPS not comparable to 2015.

2015 Budget Assumptions / Highlights

■ Business segments

— Natural Gas Pipelines

- Growth driven by South Texas expansion projects, incremental transport revenues on TGP and EPNG and incremental Eagle Ford volumes
- Growth partially offset by expiring contracts / contract buyouts (KinderHawk, Cheyenne Plains and KM Louisiana)

— CO₂

- Oil & Gas: oil volumes net = +3,400 Bbl/d; unhedged price = \$70/Bbl
- S&T: price decline (vs. 2014) largely offset by incremental volumes from Cow Canyon expansion

— Terminals

- Roughly 85% of growth from expansion projects
- Roughly 15% of growth from acquisitions

— Products Pipelines

- Increased volumes on KMCC
- Condensate splitter in-service
- Full-year impact of Cochin reversal
- Improved transmix margins

— Kinder Morgan Canada

- CAD/USD exchange rate = 0.92x

■ Interest expense

- Avg. 3-month LIBOR rate of ~0.55% for year, based on approximate forward curve at time of budget

■ Cash taxes

- KMI not expected to be a U.S. federal cash tax payer in 2015

2015 Cash Tax Budget Calculation Detail

(\$ in millions)

	<u>2015 Budget</u>
Segment EBDA	\$ 7,879
Noncontrolling interest	(21)
JV earnings from c-corps	(149)
JV distributions from c-corps (net of 80% DRD)	40
JV Book DD&A (pass-thru entities)	223
G&A expense	(604)
Interest expense	(2,120)
Segment book taxes	92
Book capex items expensed for tax purposes ^(a)	(849)
Tax depreciation	(4,656)
Other items	33
Taxable income	\$ (133)
KMI U.S. federal cash taxes	\$ -
KMI state cash taxes	1
Other cash taxes ^(b)	55
Total cash taxes	\$ 56

Note: Excludes certain items.

(a) Includes certain sustaining capex, interest during construction, capitalized CO₂, intangible completion costs, and capitalized overhead which can be expensed for tax purposes.

(b) Includes cash taxes for (i) our share of Plantation, Citrus, and NGPL (ii) our bulk terminals held in corporate subsidiaries, (iii) Texas margin tax and (iv) foreign taxes.

2015 Sustaining Capital Budget

(\$ in millions)

	2015 <u>Budget</u>	2014 <u>Actual</u>	<u>Change</u>
<u>Sustaining capital expenditures^(a)</u>			
Natural Gas Pipelines	\$ 275	\$ 234	\$ 41
CO ₂	16	12	3
Products Pipelines	57	48	9
Terminals	169	152	17
Kinder Morgan Canada	54	44	10
Corporate / Other	15	19	(4)
Total sustaining capital	\$ 586	\$ 509	\$ 77

Note: Excludes certain items.

(a) Includes KMI share of Certain Equity Investees sustaining capital expenditures, \$77 and \$59 million in 2015 and 2014, respectively.

2015 Growth Capital Budget

(\$ in millions)

	2015 Budget	2014 Actual
<u>Growth capital^(a)</u>		
Natural Gas Pipelines	\$ 2,002	\$ 1,161
CO ₂	1,237	853
Products Pipelines	327	620
Terminals	731	858
Kinder Morgan Canada	84	95
Subtotal	4,381	3,588
APT acquisition	-	961
Crowley acquisition	-	268
Total growth capital	\$ 4,381	\$ 4,817

(a) Includes \$251 and \$390 million of contributions to JVs and \$340 and \$142 million of small acquisitions for 2015 and 2014, respectively.

2015 Financing Plan Budget

(\$ in millions)

	<u>2015 Budget</u>
Equity	\$ 1,400
<u>Debt</u>	
Long-term debt issuance	\$ 4,000
Increase in revolver ^(a)	297
Maturities	<u>(1,316)</u>
Incremental debt	\$ 2,981
Total	\$ 4,381

Note: Excludes certain items.

(a) Excludes changes in working capital.

Credit Ratios and Liquidity^(a)

(\$ in millions)

Credit Ratios

	2011	2012	2013	2014	2015 Budget
Net debt ^(b) to EBITDA	4.5x	5.4x	5.0x	5.5x	5.6x
EBITDA to interest	5.0x	4.0x	3.9x	4.1x	3.6x

Revolver Capacity^(c)

Committed revolving credit facility	\$ 4,000
Less:	
CP / Revolver borrowing	(1,236)
Letters of credit	(229)
Excess capacity	\$ 2,535

Long-term Debt Maturities^(d)

2015	\$ 1,316
2016	\$ 1,677
2017	\$ 3,051
2018	\$ 2,321
2019	\$ 2,812

Note: As of 12/31/2014. Excludes certain items.

(a) Debt of KMI and its consolidated subsidiaries excluding fair value adjustments.

(b) Debt as defined in footnote above, net of cash and excluding Kinder Morgan G.P. Inc.'s \$100 million preferred stock due 2057.

(c) KMI corporate revolver (maturity in November 2019).

(d) 5-year maturity schedule of annual aggregate long-term debt principal. Excludes corporate revolver.

2015 Budget Summary

■ KMI budget

- Declare \$2.00 per share in dividends (15% growth over 2014)
- \$654 million in excess coverage
- Generate \$8.2 billion of segment EBDA
- Year-end 2015 net debt to EBITDA of 5.6x

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