

Appendix

Distribution of Quarterly Earnings

	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>Year</u>
<u>KMP Earnings</u> (a)					
2007E	20%	22%	24%	34%	\$1.71/u
2006	27%	25%	20%	28%	\$1.98/u
2005	28%	22%	25%	25%	\$2.37/u
2004	23%	23%	27%	27%	\$2.22/u
2003	25%	24%	25%	26%	\$1.98/u
2002	24%	24%	26%	26%	\$1.96/u

Explanation of Return Calculations

	Formula	Notes
Return on Investment =	$\frac{\text{Cash Return}}{\text{Average Total Investment}}$	<p>(a)</p> <p>(b)</p>
Return on Equity =	$\frac{\text{Income}}{\text{Average Equity}}$	<p>(c)</p>

(a) G&A is deducted in calculating overall company return on investment, but is not allocated to the segments and therefore not deducted in calculating the segment information.

(b) Annual number is calculated based on average of the quarterly Total Investment

(c) Equity is based on average of book equity over four quarters excluding minority interest

Explanation of Return Calculations

	Total Investment
	<hr/>
	Gross PP&E
Add:	Investments
	Intangibles
Less:	Cumulative Sustaining Cap Ex
	Minority Interest (<i>KMI</i>)
	Deferred Taxes
	Assumed Liabilities
	<hr/>
	Total Investment

GAAP Reconciliation

- ❖ *Detailed calculations reconciling the non-GAAP terms in this presentation to GAAP are available on our website at:
<http://www.kindermorgan.com/investor/presentations/>*

