
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report: October 23, 2003

SUNOCO LOGISTICS PARTNERS L.P.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

1-31219
(Commission
file number)

23-3096839
(IRS employer
identification number)

**Ten Penn Center, 1801 Market Street,
Philadelphia, PA**
(Address of principal executive offices)

19103-1699
(Zip Code)

(215) 977-3000
(Registrant's telephone number, including area code)

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits.

(c) Exhibits

99.1 Press Release dated October 22, 2003.

99.2 Slide presentation given October 23, 2003 during investor teleconference

Item 9. Regulation FD Disclosure

Attached as Exhibit 99.2 to this report, and incorporated herein by reference, is a copy of the slide presentation made during the investor conference call with management, held October 23, 2003, to discuss the Partnership's announced earnings for the third quarter and nine months ended September 30, 2003.

Item 12. Results of Operations and Financial Condition.

On Thursday, October 22, 2003, Sunoco Logistics Partners L.P. (the "Partnership") issued a press release announcing financial results for the Partnership's third quarter and nine months ended September 30, 2003 earnings. A copy of the press release is furnished with this report as Exhibit 99.1, and is incorporated herein by reference.

The information in this report being furnished pursuant to Item 9 and Item 12 of Form 8-K shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that Section, and is not incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such filing.

Forward-Looking Statements

Statements contained in the exhibits to this report that state the Partnership's or its management's expectations or predictions of the future are forward-looking statements. The Partnership's actual results could differ materially from those projected in such forward-looking statements. Factors that could affect those results include those mentioned in the documents that the Partnership has filed with the Securities and Exchange Commission.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SUNOCO LOGISTICS PARTNERS LP.

By: Sunoco Partners LLC,
its General Partner

By: /s/ SEAN P. McGRATH

Sean P. McGrath
Comptroller
(Principal Accounting Officer)

Date: October 23, 2003

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Exhibit</u>
99.1	Press Release dated October 22, 2003
99.2	Slide presentation given October 23, 2003, during investor teleconference

SUNOCO LOGISTICS PARTNERS L.P.
REPORTS THIRD QUARTER AND NINE MONTHS RESULTS

PHILADELPHIA, October 22, 2003 – Sunoco Logistics Partners L.P. (NYSE: SXL) today announced net income for the third quarter ended September 30, 2003 of \$16.9 million, or \$0.72 per limited partner unit on a fully diluted basis, compared with \$13.5 million for the third quarter of 2002, or \$0.58 per limited partner unit on a fully diluted basis. For the nine months ended September 30, 2003, net income increased 21 percent to \$46.6 million compared with \$38.5 million for the nine months ended September 30, 2002.

Net income for the third quarter 2003 increased 25 percent to \$16.9 million from \$13.5 million for the third quarter 2002 due to a \$3.8 million increase in operating income, partially offset by a \$0.4 million increase in net interest expense. Operating income increased by \$3.8 million to \$22.1 million for the third quarter 2003 as compared to the prior year's quarter due primarily to equity income from the corporate joint ventures acquired in November 2002, higher trunk and gathering pipeline revenues and lower operating expenses from the Western Pipeline System, and lower operating expenses at the Eastern Pipeline System. Partially offsetting these was an increase in selling, general and administrative expenses as a result of higher administrative expenses and an increase in depreciation and amortization.

“We are extremely pleased with our third quarter results,” said Deborah M. Fretz, President and Chief Executive Officer of Sunoco Logistics Partners L.P. “Our net income per limited partner unit of \$0.72 was up 24 percent over the prior year's quarter, our second best quarter since going public. We also continue to deliver on our goals by announcing earlier this week a \$0.0125 per unit increase in our quarterly distribution (\$0.05 per unit annualized). This is our third distribution increase since going public in February 2002, representing a 13.9 percent cumulative increase. We also announced the increase in our ownership interest in West Shore Pipe Line from 9.2 percent to 12.3 percent for \$3.7 million. We continue to diligently seek growth opportunities, such as the logistics assets associated with the El Paso Corporation Eagle Point Refinery. Sunoco, Inc. continues to work with El Paso Corporation and the Federal Trade Commission to complete the purchase of the Eagle Point, NJ refinery and believe that they will be able to conclude this process by year end.”

For the nine months ended September 30, 2003, net income increased 21 percent to \$46.6 million compared with \$38.5 million for the nine months ended September 30, 2002. This \$8.1 million increase was the result of a \$8.9 million increase in operating income and a \$1.6 million increase from the absence in the current period of corporate income taxes which were incurred prior to our initial public offering, partially offset by a \$2.4 million increase in net interest expense. Operating income increased \$8.9 million to \$61.4 million for the nine months ended September 30, 2003 compared with \$52.5 million for the prior year period due principally to equity income from the corporate joint ventures acquired in 2002, higher

gross margins from the Western Pipeline System, and a decline in operating expenses at the Eastern Pipeline System. Partially offsetting these amounts was an increase in selling, general and administrative expenses as a result of higher administrative and insurance costs and an increase in depreciation and amortization.

Segmented Third Quarter Results

Eastern Pipeline System

The Eastern Pipeline System experienced a \$2.2 million increase in operating income to \$10.1 million for the third quarter 2003 from \$7.9 million for the third quarter 2002. Sales and other operating revenues increased \$0.5 million from the prior year's quarter to \$24.1 million for the third quarter 2003 mainly as a result of slightly higher revenue per barrel mile and higher product shipments. Other income increased \$1.9 million to \$3.5 million for the third quarter 2003 primarily due to the equity income from the pipeline interests acquired in November 2002 as well as an increase in equity income from the interest in Explorer pipeline as a result of higher volumes. During the third quarter of 2003, Explorer completed its capacity expansion project which has resulted in increased volumes. Operating expenses declined \$0.8 million to \$10.4 million for the third quarter 2003 due to lower pipeline maintenance expenses. Selling, general and administrative expenses increased \$0.7 million to \$4.5 million for the third quarter 2003 due to higher allocated administrative expenses.

Terminal Facilities

Operating income at the Terminal Facilities business segment increased \$0.2 million to \$7.9 million for the quarter ended September 30, 2003 from \$7.7 million for the third quarter 2002. Total revenues increased \$1.9 million to \$24.6 million for the third quarter 2003 primarily due to higher throughput volumes at the Nederland Terminal and higher combined throughput volumes at the refined product terminals, the Fort Mifflin Terminal Complex, and the Marcus Hook Tank Farm (collectively referred to as the "Other Terminals"). Terminal Facilities' operating expenses increased \$1.6 million to \$10.7 million for the third quarter 2003 due mainly to higher maintenance expenses at the Other Terminals.

Western Pipeline System

Operating income for the Western Pipeline System was \$4.1 million for the third quarter 2003, an increase of \$1.5 million compared with the third quarter 2002. This increase was primarily the result of higher trunk and gathering pipeline volumes and revenues, lower pipeline maintenance expenses, and equity income from the interest in West Texas Gulf Pipe Line acquired in November 2002. Total revenues and cost of products sold and operating expenses increased in the third quarter 2003 compared with the third quarter 2002 due primarily to an increase in the price of crude oil and an increase in lease acquisition and bulk volumes. The average price of West Texas Intermediate crude oil at Cushing, Oklahoma, increased to an average price of \$30.22 per barrel for the third quarter 2003 from \$28.25

per barrel for the third quarter 2002. Other income increased to \$1.3 million for the third quarter 2003 due principally to a gain on sale of crude trucks and equity income from the interest acquired in West Texas Gulf Pipe Line. Selling, general and administrative expenses increased \$0.8 million to \$4.1 million for the third quarter 2003 due to higher allocated administrative expenses.

Segmented Nine Month Results

Eastern Pipeline System

Operating income for the Eastern Pipeline System increased \$5.1 million to \$28.1 million for the nine months ended September 30, 2003 compared with \$23.0 million for the prior year comparable period. Sales and other operating revenues were unchanged at \$70.3 million for the nine months ended September 30, 2003 and 2002 as a result of a decrease in total shipments, offset by higher revenue per barrel mile. Other income increased \$3.7 million to \$8.8 million for the nine months ended September 30, 2003 primarily due to the equity income from the pipeline interests acquired in 2002, partially offset by a decline in equity income from the interest in Explorer pipeline as a result of lower volumes. Operating expenses declined \$3.9 million to \$29.3 million for the first nine months of 2003 due mainly to the absence of costs in the current period associated with a pipeline release in January 2002 and lower pipeline maintenance expenses. As this pipeline release occurred prior to the IPO and the Partnership is indemnified by Sunoco, Inc. for liabilities associated with this incident, there was no impact on the Partnership's post-IPO financial results. Selling, general and administrative expenses increased \$2.0 million to \$13.8 million for the nine months ended September 30, 2003 due to higher allocated administrative and insurance expenses. Depreciation and amortization increased \$0.6 million due principally to the acquisition of pipeline joint venture interests in November 2002.

Terminal Facilities

The Terminal Facilities business segment experienced a \$1.8 million decrease in operating income from \$23.9 million for the nine months ended September 30, 2002 to \$22.1 million for the nine months ended September 30, 2003. Total revenues increased \$4.1 million to \$69.4 million for the first nine months of 2003 primarily due to higher combined throughput volumes at the Other Terminals. Operating expenses increased \$3.9 million to \$29.2 million for the first nine months of 2003 due mainly to higher maintenance expenses at the Other Terminals. Selling, general and administrative expenses increased \$1.2 million to \$9.7 million for the nine months ended September 30, 2003 due to higher allocated administrative and insurance expenses. Depreciation and amortization increased \$0.7 million for the nine months ended September 30, 2003 compared with the prior year period due mainly to the two new tanks at the Nederland Terminal.

Western Pipeline System

Operating income for the Western Pipeline System was \$11.2 million for the nine months ended September 30, 2003, an increase of \$5.7 million

compared with the comparable prior year period. This increase was primarily the result of an increase in lease acquisition volumes and margins, higher trunk and gathering pipeline volumes and revenues, and equity income from the interest in West Texas Gulf Pipe Line acquired in 2002. These amounts were partially offset by higher pipeline integrity management expenses. Total revenues and cost of products sold and operating expenses increased for the first nine months of 2003 compared with the first nine months of 2002 due primarily to an increase in the price of crude oil and an increase in lease acquisition and bulk volumes. The average price of West Texas Intermediate crude oil at Cushing, Oklahoma, increased to an average price of \$30.96 per barrel for the first nine months of 2003 from \$25.42 per barrel for the first nine months of 2002. Other income increased to \$2.8 million for the first nine months of 2003 due mainly to the interest in West Texas Gulf Pipe Line which was acquired in 2002. Selling, general and administrative expenses increased \$3.0 million to \$12.5 million for the first nine months of 2003 due to higher allocated administrative and insurance expenses.

Net Financing Activities

Net interest expense increased \$0.4 million to \$5.3 million for the third quarter 2003 compared with the prior year's period due primarily to interest on the \$64.5 million outstanding on the Credit Facility in the current year's quarter. The Credit Facility was drawn on November 15, 2002 to fund two acquisitions. Net interest expense increased \$2.4 million for the nine months ended September 30, 2003 as compared with the prior year's period due primarily to interest on this Credit Facility and interest on the \$250 million 7.25% senior notes issued concurrently with the IPO on February 8, 2002 being at a higher rate than the debt due Sunoco, Inc. prior to the IPO. Total debt outstanding at September 30, 2003 was \$317.3 million, including \$248.6 million of the Senior Notes and \$64.5 million on the Credit Facility.

Sunoco Logistics Partners L.P.
Financial Highlights
(in thousands, except units and per unit amounts)
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2003	2002	2003	2002
Sales and other operating revenue	\$ 653,160	\$ 498,336	\$ 2,026,120	\$ 1,293,187
Other income	4,780	1,448	11,619	4,964
Total Revenues	657,940	499,784	2,037,739	1,298,151
Cost of products sold and operating expenses	617,221	464,868	1,919,893	1,196,933
Depreciation and amortization	6,918	6,327	20,512	19,039
Selling, general and administrative expenses	11,665	10,289	35,939	29,700
Total costs and expenses	635,804	481,484	1,976,344	1,245,672
Operating income	22,136	18,300	61,395	52,479
Net interest expense	5,268	4,826	14,822	12,404
Income before income tax expense	16,868	13,474	46,573	40,075
Income tax expense	—	—	—	1,555
Net Income	\$ 16,868	\$ 13,474	\$ 46,573	\$ 38,520
Allocation of 2002 Net Income:				
Portion applicable to January 1 through February 7, 2002 (period prior to initial public offering)				\$ 3,421
Portion applicable to February 8 through September 30, 2002				35,099
Net Income				\$ 38,520
Calculation of Limited Partners' interest:				
Net Income	\$ 16,868	\$ 13,474	\$ 46,573	\$ 35,099
Less: General Partner's interest	399	269	993	702
Limited Partners' interest in Net Income	\$ 16,469	\$ 13,205	\$ 45,580	\$ 34,397
Net Income per Limited Partner unit (nine months ended September 30, 2002 is for the period from February 8 through September 30, 2002):				
Basic	\$ 0.72	\$ 0.58	\$ 2.00	\$ 1.51
Diluted	\$ 0.72	\$ 0.58	\$ 1.99	\$ 1.51
Weighted average Limited Partners' units outstanding:				
Basic	22,771,793	22,767,278	22,771,793	22,767,278
Diluted	22,908,454	22,783,383	22,880,382	22,773,583

Sunoco Logistics Partners L.P.
Earnings Contribution by Business Segment
(in thousands, unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2003	2002	2003	2002
Eastern Pipeline System:				
Sales and other operating revenue	\$ 24,133	\$ 23,660	\$ 70,298	\$ 70,260
Other income	3,523	1,585	8,810	5,096
Total Revenues	27,656	25,245	79,108	75,356
Operating expenses	10,411	11,161	29,299	33,211
Depreciation and amortization	2,703	2,423	7,972	7,352
Selling, general and administrative expenses	4,462	3,756	13,752	11,762
Operating Income	\$ 10,080	\$ 7,905	\$ 28,085	\$ 23,031
Terminal Facilities:				
Total Revenues	\$ 24,608	\$ 22,754	\$ 69,371	\$ 65,310
Operating expenses	10,724	9,158	29,154	25,226
Depreciation and amortization	2,865	2,646	8,442	7,728
Selling, general and administrative expenses	3,110	3,206	9,671	8,459
Operating Income	\$ 7,909	\$ 7,744	\$ 22,104	\$ 23,897
Western Pipeline System:				
Sales and other operating revenue	\$ 604,419	\$ 451,922	\$ 1,886,466	\$ 1,157,619
Other income	1,257	(137)	2,794	(134)
Total Revenues	605,676	451,785	1,889,260	1,157,485
Cost of products sold and operating expenses	596,086	444,549	1,861,440	1,138,496
Depreciation and amortization	1,350	1,258	4,098	3,959
Selling, general and administrative expenses	4,093	3,327	12,516	9,479
Operating Income	\$ 4,147	\$ 2,651	\$ 11,206	\$ 5,551

Sunoco Logistics Partners L.P.
Operating Highlights
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2003	2002	2003	2002
Eastern Pipeline System (1):				
Total shipments (barrel miles per day) (2)	57,459,042	57,271,321	54,898,010	56,522,115
Revenue per barrel mile (cents)	0.457	0.449	0.469	0.455
Terminal Facilities:				
Terminal throughput (bpd):				
Nederland terminal	454,359	400,039	420,194	421,649
Other terminals (3)	761,909	728,415	769,104	735,065
Western Pipeline System (1):				
Crude oil pipeline throughput (bpd)	302,502	291,750	305,970	285,875
Crude oil purchases at wellhead (bpd)	190,227	188,879	195,605	189,234
Gross margin per barrel of pipeline throughput (cents) (4)	25.1	22.8	25.1	19.4

- (1) Excludes amounts attributable to equity ownership interests in the corporate joint ventures.
- (2) Represents total average daily pipeline throughput multiplied by the number of miles of pipeline through which each barrel has been shipped.
- (3) Consists of the refined product terminals, the Fort Mifflin Terminal Complex and the Marcus Hook Tank Farm.
- (4) Represents total segment sales and other operating revenue minus cost of products sold and operating expenses and depreciation and amortization divided by crude oil pipeline throughput.

An investor call with management regarding our third-quarter results is scheduled for Thursday morning, October 23 at 10:00 am EDT. Those wishing to listen can access the call by dialing (USA toll free) 1-877-297-3442; International (USA toll) 1-706-643-1335 and requesting "Sunoco Logistics Partners Earnings Call," password "Sunoco Logistics", leader "Colin Oerton". This event may also be accessed by a webcast, which will be available at www.sunocologistics.com. A number of presentation slides will accompany the audio portion of the call and will be available to be viewed and printed shortly before the call begins. Individuals wishing to listen to the call on the company's web site will need Windows Media Player, which can be downloaded free of charge from Microsoft or from Sunoco Logistics Partners' conference call page. Please allow at least fifteen minutes to complete the download.

Audio replays of the conference call will be available for two weeks after the conference call beginning approximately two hours following the completion of the call. To access the replay, dial 1-800-642-1687. International callers should dial 1-706-645-9291. Please enter Conference ID #3181144.

Sunoco Logistics Partners L.P. (NYSE: SXL), headquartered in Philadelphia, was formed to acquire, own and operate substantially all of Sunoco, Inc.'s refined product and crude oil pipelines and terminal facilities. The Eastern Pipeline System consists of approximately 1,900 miles of primarily refined product pipelines and interests in four refined products pipelines, consisting of a 9.4 percent interest in Explorer

Pipeline Company, a 31.5 percent interest in Wolverine Pipe Line Company, a 12.3 percent interest in West Shore Pipe Line Company and a 14.0 percent interest in the Yellowstone Pipe Line Company. The Terminal Facilities consist of 7.8 million barrels of refined product terminal capacity and 16.0 million barrels of crude oil terminal capacity (including 12.5 million barrels of capacity at the Texas Gulf Coast Nederland Terminal). The Western Pipeline System consists of approximately 2,700 miles of crude oil pipelines, located principally in Oklahoma and Texas and a 43.8 percent interest in the West Texas Gulf Pipe Line Company. For additional information visit Sunoco Logistics' web site at www.sunocologistics.com.

NOTE: Those statements made in this release that are not historical facts are forward-looking statements. Although Sunoco Logistics Partners L.P. believes that the assumptions underlying these statements are reasonable, investors are cautioned that such forward-looking statements are inherently uncertain and necessarily involve risks that may affect our business prospects and performance causing actual results to differ from those discussed in the foregoing release. Such risks and uncertainties include, among other things, our ability to successfully consummate announced acquisitions and integrate them into existing business operations; the ability of announced acquisitions to be cash-flow accretive; increased competition; changes in the demand both for crude oil that we buy and sell, as well as for crude oil and refined products that we store and distribute; the loss of a major customer; changes in our tariff rates; changes in throughput of third-party pipelines that connect to our pipelines and terminals; changes in operating conditions and costs; changes in the level of environmental remediation spending; potential equipment malfunction; potential labor relations problems; the legislative or regulatory environment; plant construction/repair delays; and political and economic conditions, including the impact of potential terrorist acts and international hostilities. These and other applicable risks and uncertainties are described more fully in our June 30, 2003 Quarterly Report on Form 10-Q (filed with the Securities and Exchange Commission on August 7, 2003). The Partnership undertakes no obligation to update any forward-looking statements in this release, whether as a result of new information or future events.

- END -

Sunoco Logistics Partners L.P.

[GRAPHIC APPEARS HERE]

Third Quarter 2003 Earnings Conference Call

October 23, 2003

You should review this slide presentation in conjunction with the third quarter 2003 earnings conference call for Sunoco Logistics Partners L.P., held on October 23, 2003 at 10:00 a.m. [EDT]. You may listen to the audio portion of the conference call on this website. Audio replays of the conference call will be available for two weeks after the conference call beginning approximately two hours following the completion of the call. To access the replay, dial 1-800-642-1687. International callers should dial 1-706-645-9291. Please enter Conference ID #3181144.

During the call, those statements we make that are not historical facts are forward-looking statements. Although we believe the assumptions underlying these statements are reasonable, investors are cautioned that such forward-looking statements involve risks that may affect our business prospects and performance, causing actual results to differ from those discussed during the conference call. Such risks and uncertainties include, among other things: our ability to successfully consummate announced acquisitions and integrate them into existing business operations; the ability of announced acquisitions to be cash-flow accretive; increased competition; changes in the demand both for crude oil that we buy and sell, as well as for crude oil and refined products that we store and distribute; the loss of a major customer; changes in our tariff rates; changes in throughput of third-party pipelines that connect to our pipelines and terminals; changes in operating conditions and costs; changes in the level of environmental remediation spending; potential equipment malfunction; potential labor relations problems; the legislative or regulatory environment; plant construction/repair delays; and political and economic conditions, including the impact of potential terrorist acts and international hostilities.

These and other applicable risks and uncertainties are described more fully in our June 30, 2003 Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on August 7, 2003. We undertake no obligation to update publicly any forward-looking statements whether as a result of new information or future events.

Q3 2003 Milestones

- Third quarter net income of \$16.9 million or \$0.72 per L.P. unit, as compared to \$13.5 million or \$0.58 per L.P. unit for prior year's quarter, a 25% increase
 - 2003 first nine months net income of \$46.6 million or \$1.99 per L.P. unit, as compared to \$38.5 million or \$1.51 per L.P. unit in the prior year, a 21% increase
 - 2.5% increase in the third quarter distribution of \$0.0125 per unit (\$0.05 annualized)
 - Increases annual distribution from \$2.00 to \$2.05 per unit
 - Cumulative increase in distribution since February 2002 IPO of 13.9 percent
 - Increased ownership position in West Shore Pipe Line from 9.2 percent to 12.3 percent for \$3.7 million
-

Q3 2003 Financial Highlights*(\$ in millions, unaudited)*

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2003	2002	2003	2002
Sales and other operating revenue	\$ 653.1	\$ 498.4	\$ 2,026.1	\$ 1,293.2
Other income	4.8	1.4	11.6	5.0
Total Revenues	657.9	499.8	2,037.7	1,298.2
Cost of products sold and operating expenses	617.2	464.9	1,919.9	1,197.0
Depreciation and amortization	6.9	6.3	20.5	19.0
Selling, general and administrative expenses	11.7	10.3	35.9	29.7
Total costs and expenses	635.8	481.5	1,976.3	1,245.7
Operating income	22.1	18.3	61.4	52.5
Net interest expense	5.2	4.8	14.8	12.4
Income before income tax expense	16.9	13.5	46.6	40.1
Income tax expense	—	—	—	1.6
Net Income	\$ 16.9	\$ 13.5	\$ 46.6	\$ 38.5

Q3 2003 Financial Highlights

(\$ in millions, except unit and per unit amounts, unaudited)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2003	2002	2003	2002
Net Income	\$ 16.9	\$ 13.5	\$ 46.6	\$ 38.5
Allocation of 2002 Net Income:				
Portion applicable to January 1 through February 7, 2002 (period prior to initial public offering)				3.4
Portion applicable to February 8 through September 30, 2002				35.1
Net Income				\$ 38.5
Calculation of Limited Partners' interest:				
Net Income	\$ 16.9	\$ 13.5	\$ 46.6	\$ 35.1
Less: General Partner's interest	0.4	0.3	1.0	0.7
Limited Partners' interest in Net Income	\$ 16.5	\$ 13.2	\$ 45.6	\$ 34.4
Net Income per Limited Partner unit (nine months ended September 30, 2002 is for the period from February 8 through September 30, 2002):				
Basic	\$ 0.72	\$ 0.58	\$ 2.00	\$ 1.51
Diluted	\$ 0.72	\$ 0.58	\$ 1.99	\$ 1.51
Weighted average Limited Partners' units outstanding:				
Basic	22,771,793	22,767,278	22,771,793	22,767,278
Diluted	22,908,454	22,783,383	22,880,382	22,773,583

Eastern Pipeline System
(\$ in millions, unless otherwise noted, unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2003	2002	2003	2002
Financial Highlights				
Sales and other operating revenue	\$ 24.2	\$ 23.7	\$ 70.3	\$ 70.3
Other income	3.5	1.6	8.8	5.1
Total Revenues	27.7	25.3	79.1	75.4
Operating expenses	10.4	11.2	29.3	33.2
Depreciation and amortization	2.7	2.4	8.0	7.4
Selling, general and administrative expenses	4.5	3.8	13.7	11.8
Operating income	\$ 10.1	\$ 7.9	\$ 28.1	\$ 23.0
Operating Highlights⁽¹⁾				
Total shipments (mm barrel miles per day) ⁽²⁾	57.5	57.3	54.9	56.5
Revenue per barrel mile (cents)	0.457	0.449	0.469	0.455

(1) Excludes amounts attributable to equity ownership in the corporate joint ventures.

(2) Represents total average daily pipeline throughput multiplied by the number of miles of pipeline through which each barrel has been shipped.

Terminal Facilities

(\$ in millions, unless otherwise noted, unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2003	2002	2003	2002
Financial Highlights				
Total Revenues	\$ 24.6	\$ 22.8	\$ 69.4	\$ 65.3
Operating expenses	10.7	9.2	29.2	25.2
Depreciation and amortization	2.9	2.6	8.4	7.7
Selling, general and administrative expenses	3.1	3.2	9.7	8.5
Operating income	\$ 7.9	\$ 7.7	\$ 22.1	\$ 23.9
Operating Highlights				
Terminal throughput (000's bpd)				
Nederland terminal	454.4	400.0	420.2	421.6
Other terminals ⁽¹⁾	761.9	728.4	769.1	735.1

(1) Consists of the refined products terminals, the Fort Mifflin Terminal Complex and the Marcus Hook Tank Farm.

(\$ in million, unless otherwise noted, unaudited)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2003	2002	2003	2002
Financial Highlights				
Sales and other operating revenue	\$ 604.4	\$ 451.9	\$ 1,886.5	\$ 1,157.6
Other income	1.3	(0.1)	2.8	(0.1)
Total Revenues	605.7	451.8	1,889.3	1,157.5
Cost of products sold and operating expenses	596.1	444.5	1,861.5	1,138.5
Depreciation and amortization	1.4	1.3	4.1	3.9
Selling, general and administrative expenses	4.1	3.3	12.5	9.5
Operating income	\$ 4.1	\$ 2.7	\$ 11.2	\$ 5.6
Operating Highlights⁽¹⁾				
Crude oil pipeline throughput (000's bpd)	302.5	291.8	306.0	285.9
Crude oil purchases at wellhead (000's bpd)	190.2	188.9	195.6	189.2
Gross margin per barrel of pipeline throughput (cents) ⁽²⁾	25.1	22.8	25.1	19.4

(1) Excludes amounts attributable to equity ownership interests in the corporate joint ventures.

(2) Represents total segment sales and other operating revenue minus cost of products sold and operating expenses and depreciation and amortization divided by crude oil pipeline throughput.