

MAGELLAN MIDSTREAM PARTNERS LP

Form 424B3

July 22, 2009

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SIMPLIFICATION OF CAPITAL STRUCTURE PROPOSED YOUR VOTE IS VERY IMPORTANT

Magellan Midstream Partners, L.P. (**MMP**), Magellan Midstream Holdings, L.P. (**MGG**) and their respective general partners have entered into an Agreement Relating to Simplification of Capital Structure dated as of March 3, 2009 (the **simplification agreement**) to simplify their capital structure by transforming the incentive distribution rights in MMP and approximate 2% economic interest of MMP's general partner into MMP common units. Through a number of steps, MGG unitholders will receive 0.6325 MMP common units in exchange for each MGG common unit at closing.

Pursuant to the simplification agreement, MMP's existing partnership agreement will be amended and restated to provide for the transformation of the incentive distribution rights and the approximate 2% general partner interest in MMP owned, directly and indirectly, by MMP's general partner into MMP common units and a general partner interest in MMP that will not entitle MMP's general partner to receive any distributions or other economic benefits under MMP's amended and restated partnership agreement (referred to in this joint proxy statement/prospectus as a **non-economic general partner interest**) (collectively, the **transformation**). Once the transformation is complete, pursuant to the simplification agreement, MMP's general partner, which is currently a wholly owned subsidiary of MGG, will distribute the MMP common units it receives in the transformation to MGG (the **distributions**). Once the transformation and distributions are complete, pursuant to a Contribution and Assumption Agreement among MMP, MGG, their respective general partners and the sole member of MGG's general partner (the **contribution agreement**): (i) MGG will contribute 100% of the limited liability company interests in the sole member of its general partner to MMP's general partner; (ii) MGG will contribute 100% of the limited liability company interests in MMP's general partner to MMP; (iii) MGG will contribute to MMP all of its cash and other remaining assets other than the MMP common units it receives in the distributions; and (iv) MMP will assume all of the liabilities of MGG (collectively, the **contributions**). Once the transformation, distributions and contributions are complete, pursuant to the simplification agreement, MGG's partnership agreement and a Plan of Liquidation between MGG and its general partner (the **plan of liquidation**), MGG will dissolve and wind-up its affairs (the **liquidation**). As part of the liquidation, MGG will distribute the MMP common units it receives in the distributions to its unitholders (the **redistribution**). The steps described above and the other matters contemplated by the simplification agreement are referred to collectively in this joint proxy statement/prospectus as the **simplification**. Please read **Summary Ownership Structure** on page 14 of this joint proxy statement/prospectus for an illustration of MMP's and MGG's ownership structure prior to and after giving effect to the simplification.

The simplification agreement is attached as Annex A to this joint proxy statement/prospectus and is incorporated into this joint proxy statement/prospectus by reference. The form of MMP's amended and restated partnership agreement is attached as Annex B to this joint proxy statement/prospectus and is incorporated into this joint proxy statement/prospectus by reference. The form of the contribution agreement is attached as Annex C to this joint proxy statement/prospectus and is incorporated into this joint proxy statement/prospectus by reference. The form of the plan of liquidation is attached as Annex D to this joint proxy statement/prospectus and is incorporated into this joint proxy statement/prospectus by reference.

Pursuant to the simplification agreement, MGG will receive approximately 39.6 million MMP common units as a result of the transformation and distributions, and each unitholder of MGG will receive 0.6325 MMP common units per MGG common unit in the liquidation and redistribution. MMP common units received by MGG unitholders will be accompanied by associated unit purchase rights (**rights**) issued pursuant to MMP's unit purchase rights agreement, dated as of December 4, 2008, as amended, between MMP and Computershare Trust Company, N.A., as rights agent. MMP unitholders will continue to own their existing MMP common units. Immediately following the liquidation and redistribution, MMP will be owned approximately 62.8% by its current unitholders and approximately 37.2% by former MGG unitholders. MMP common units will continue to trade on the New York Stock Exchange under the symbol **MMP** following the simplification.

YOUR VOTE IS VERY IMPORTANT. We cannot complete the simplification unless: (a) MMP unitholders approve the simplification agreement and the matters contemplated thereby and approve MMP's amended and restated partnership agreement; and (b) MGG unitholders approve the simplification agreement and the matters contemplated thereby, approve a proposal to direct MGG, as the sole member of MMP's general partner, to approve MMP's amended and restated partnership agreement and all other matters under the

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simplification agreement that, pursuant to the limited liability company agreement of MMP's general partner, require the approval of MGG and to direct MMP's general partner to implement all such matters, approve the contributions and approve the liquidation.

The MMP special meeting will be held on September 25, 2009 at 9:00 a.m., local time, at the Williams Resource Center, One Williams Center, Tulsa, Oklahoma. The MGG special meeting will be held on September 25, 2009 at 10:30 a.m., local time, at the Williams Resource Center, One Williams Center, Tulsa, Oklahoma. Whether or not you plan to attend your special meeting, please complete and submit the enclosed proxy card as soon as possible or transmit your voting instructions by using the telephone or internet procedures described on your proxy card.

Recommendation of MMP Conflicts Committee

The conflicts committee of the board of directors of MMP's general partner (the MMP Conflicts Committee) has unanimously approved and declared the advisability of the simplification agreement and the matters contemplated thereby and has determined that the simplification agreement and the matters contemplated thereby are fair and reasonable to MMP, and in the best interests of, MMP and its unitholders (other than MMP's general partner, MGG's general partner or their respective affiliates). Accordingly, the MMP Conflicts Committee unanimously recommends that MMP unitholders vote FOR the proposal to approve the simplification agreement and the matters contemplated thereby. In addition, the MMP Conflicts Committee has unanimously approved and declared the advisability of MMP's amended and restated partnership agreement and has determined that the amended and restated partnership agreement is fair and reasonable to MMP, and in the best interests of, MMP and its unitholders (other than MMP's general partner, MGG's general partner or their respective affiliates). Accordingly, the MMP Conflicts Committee unanimously recommends that MMP unitholders vote FOR the proposal to approve the amended and restated partnership agreement. Further, the MMP Conflicts Committee unanimously recommends that MMP unitholders vote FOR any proposal to adjourn the MMP special meeting to a later date, if necessary, to solicit additional proxies in the event that there are insufficient votes in favor of either of the foregoing proposals.

Recommendation of MGG Conflicts Committee

The conflicts committee of the board of directors of MGG's general partner (the MGG Conflicts Committee) has unanimously approved and declared the advisability of the simplification agreement and the matters contemplated thereby and determined that the simplification agreement and the matters contemplated thereby are fair and reasonable to, and in the best interests of, MGG's unitholders (other than MMP's general partner, MGG's general partner or their respective affiliates). Accordingly, the MGG Conflicts Committee unanimously recommends that MGG unitholders vote FOR the proposal to approve the simplification agreement and the matters contemplated thereby. In addition, the MGG Conflicts Committee has unanimously approved and declared the advisability of the proposal to (i) direct MGG, as the sole member of MMP's general partner, to approve MMP's amended and restated partnership agreement and all other matters under the simplification agreement that, pursuant to the limited liability company agreement of MMP's general partner, require the approval of MGG; and (ii) direct MMP's general partner to implement the matters described in (i) above, and determined that such proposal is fair and reasonable to, and in the best interests of, MGG's unitholders (other than MMP's general partner, MGG's general partner or their respective affiliates). Accordingly, the MGG Conflicts Committee unanimously recommends that MGG unitholders vote FOR the proposal to (i) direct MGG, as the sole member of MMP's general partner, to approve MMP's amended and restated partnership agreement and all other matters under the simplification agreement that, pursuant to the limited liability company agreement of MMP's general partner, require the approval of MGG; and (ii) direct MMP's general partner to implement the matters described in (i) above. In addition, the MGG Conflicts Committee has unanimously approved the contributions and determined that the contributions are fair and reasonable to, and in the best interests of, MGG's unitholders (other than MMP's general partner, MGG's general partner or their respective affiliates). Accordingly, the MGG Conflicts Committee unanimously recommends that MGG unitholders vote FOR the proposal to approve the contributions. In addition, the MGG Conflicts Committee has unanimously approved and declared the advisability of the liquidation and determined that the liquidation is fair and reasonable to, and in the best interests of, MGG's unitholders (other than MMP's general

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partner, MGG's general partner or their respective affiliates). Accordingly, the MGG Conflicts Committee unanimously recommends that MGG unitholders vote FOR the proposal to approve the liquidation. Further, the MGG Conflicts Committee unanimously recommends that MGG unitholders vote FOR any proposal to adjourn the MGG special meeting to a later date, if necessary, to solicit additional proxies in the event that there are insufficient votes in favor of any of the foregoing proposals.

This joint proxy statement/prospectus gives you detailed information about the special meetings and the proposed simplification and related matters. MMP and MGG both urge you to read carefully this entire joint proxy statement/prospectus, including all of its annexes. **In particular, please read Risk Factors beginning on page 22 of this joint proxy statement/prospectus for a discussion of risks relevant to the simplification and related matters and to MMP following the simplification.**

MMP common units are traded on the New York Stock Exchange under the symbol MMP. The last reported sale price of MMP common units on the New York Stock Exchange on July 20, 2009 was \$36.55. MGG common units are traded on the New York Stock Exchange under the symbol MGG. The last reported sale price of MGG common units on the New York Stock Exchange on July 20, 2009 was \$21.57.

John D. Chandler

Don R. Wellendorf

Senior Vice President, Chief Financial Officer

President, Chief Executive Officer and

and Treasurer

Chairman of the Board

Magellan GP, LLC

Magellan Midstream Holdings GP, LLC

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities to be issued under this joint proxy statement/prospectus or has passed upon the adequacy or accuracy of the disclosure in this joint proxy statement/prospectus. Any representation to the contrary is a criminal offense.

This joint proxy statement/prospectus is dated July 21, 2009 and is first being mailed to MMP unitholders and MGG unitholders on or about August 3, 2009.

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NOTICE OF SPECIAL MEETING OF UNITHOLDERS OF

MAGELLAN MIDSTREAM PARTNERS, L.P.

TO BE HELD ON SEPTEMBER 25, 2009

To the Unitholders of Magellan Midstream Partners, L.P.:

This is a notice that a special meeting of the unitholders of Magellan Midstream Partners, L.P. (MMP) will be held on September 25, 2009 at 9:00 a.m., local time, at the Williams Resource Center, One Williams Center, Tulsa, Oklahoma. The purpose of the MMP special meeting is:

1. To consider and vote upon the approval of the Agreement Relating to Simplification of Capital Structure (the simplification agreement, a copy of which is attached as Annex A to this joint proxy statement/prospectus), dated as of March 3, 2009, by and among MMP, Magellan GP, LLC, MMP's general partner, Magellan Midstream Holdings, L.P. (MGG) and Magellan Midstream Holdings GP, LLC, MGG's general partner, as such agreement may be amended from time to time, pursuant to which (i) MMP's existing partnership agreement will be amended and restated to, among other things, provide for the transformation of MMP's incentive distribution rights and the approximate 2% general partner interest in MMP owned, directly or indirectly, by MMP's general partner into MMP common units and a general partner interest in MMP that will not entitle MMP's general partner to receive any distributions or other economic benefits under MMP's amended and restated partnership agreement (referred to in this joint proxy statement/prospectus as a non-economic general partner interest) (collectively, the transformation); (ii) MMP's general partner will distribute the MMP common units it receives in the transformation to MGG (the distributions); (iii) MGG, MMP, their respective general partners and the sole member of MGG's general partner will enter into a Contribution and Assumption Agreement (the contribution agreement) pursuant to which MGG will contribute 100% of the limited liability company interests in the sole member of its general partner to MMP's general partner, MGG will contribute 100% of the limited liability company interests in MMP's general partner to MMP, MGG will contribute to MMP all of its cash and other remaining assets other than the MMP common units it receives in the distributions, and MMP will assume all of the liabilities of MGG (collectively, the contributions); and (iv) MGG and its general partner will adopt a Plan of Liquidation (the plan of liquidation) pursuant to which MGG will dissolve and wind-up its affairs (the liquidation) and, in connection therewith, MGG will distribute the MMP common units it receives in the distributions to its unitholders (the redistribution), such that each unitholder of MGG will receive 0.6325 MMP common units per MGG common unit;

2. To consider and vote upon the approval of the Fifth Amended and Restated Agreement of Limited Partnership of Magellan Midstream Partners, L.P. (the amended and restated partnership agreement, a copy of which is attached as Annex B to this joint proxy statement/prospectus);

3. To consider and vote upon any proposal that may be presented to adjourn the MMP special meeting to a later date, if necessary, to solicit additional proxies in the event that there are insufficient votes in favor of any of the foregoing proposals; and

4. To consider and vote upon any proposal to transact such other business as may properly come before the MMP special meeting and any adjournment or postponement thereof.

The conflicts committee of the board of directors of MMP's general partner (the MMP Conflicts Committee) has unanimously approved and declared the advisability of the simplification agreement and the matters contemplated thereby and has determined that the simplification agreement and the matters contemplated thereby are fair and reasonable to MMP, and in the best interests of, MMP and its unitholders (other than MMP's general partner, MGG's general partner or their respective affiliates). Accordingly, the MMP Conflicts Committee unanimously recommends that MMP unitholders vote FOR the proposal to approve the simplification agreement and the matters contemplated thereby. In addition, the MMP Conflicts Committee has unanimously approved and declared the advisability of MMP's amended and restated partnership agreement and has determined that the amended and restated partnership agreement is fair and reasonable to MMP, and in the best interests of, MMP and its unitholders (other than MMP's general partner, MGG's general partner or their respective affiliates). Accordingly, the MMP Conflicts Committee unanimously recommends that MMP unitholders vote FOR the proposal to approve the amended and restated partnership agreement. Further, the

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MMP Conflicts Committee unanimously recommends that MMP unitholders vote **FOR** any proposal to adjourn the MMP special meeting to a later date, if necessary, to solicit additional proxies in the event that there are insufficient votes in favor of either of the foregoing proposals.

The proposals described in paragraphs 1 and 2 above require the affirmative vote of the holders of a majority of the outstanding MMP common units (excluding those owned by MMP's general partner and its affiliates) entitled to vote as of the record date. If a quorum is not present, the proposal to adjourn the MMP special meeting to a later date, if necessary, to solicit additional proxies in the event that there are insufficient votes in favor of any of the other proposals would require the affirmative vote of the holders of a majority of MMP's common units entitled to vote as of the record date present in person or represented by proxy at the MMP special meeting. The approval of the items listed under paragraphs 1 and 2 is a condition to completion of the simplification and related matters. Only MMP common unitholders of record at the close of business on July 27, 2009 are entitled to receive this notice and to vote at the MMP special meeting or any adjournment or postponement of that meeting.

YOUR VOTE IS VERY IMPORTANT. Whether or not you plan to attend the MMP special meeting, please submit your proxy with voting instructions as soon as possible. If you hold MMP common units in your name as MMP unitholder of record, please complete, sign, date and return the accompanying proxy card in the enclosed self-addressed stamped envelope, use the toll-free telephone number shown on the proxy card or use the internet website shown on the proxy card. If you hold your MMP common units through a bank or broker, please use the voting instructions you have received from your bank or broker. Submitting your proxy will not prevent you from attending the MMP special meeting and voting in person. Please note, however, that if you hold your MMP common units through a bank or broker, and you wish to vote in person at the MMP special meeting, you must obtain from your bank or broker a proxy issued in your name. You may revoke your proxy by attending the MMP special meeting and voting your MMP common units in person at the MMP special meeting. You may also revoke your proxy at any time before it is voted by giving written notice of revocation to Morrow & Co., LLC at the address provided with the proxy card at or before the MMP special meeting or by submitting a proxy with a later date.

The accompanying document describes the proposed simplification and related matters in more detail. We urge you to read carefully the entire document before voting your MMP common units at the MMP special meeting or submitting your voting instructions by proxy.

By Order of the Conflicts Committee of the Board of Directors of Magellan GP, LLC, the general partner of Magellan Midstream Partners, L.P.

Suzanne H. Costin

Secretary

Tulsa, Oklahoma

July 21, 2009

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NOTICE OF SPECIAL MEETING OF UNITHOLDERS OF

MAGELLAN MIDSTREAM HOLDINGS, L.P.

TO BE HELD ON SEPTEMBER 25, 2009

To the Unitholders of Magellan Midstream Holdings, L.P.:

This is a notice that a special meeting of the unitholders of Magellan Midstream Holdings, L.P. (MGG) will be held on September 25, 2009 at 10:30 a.m., local time, at the Williams Resource Center, One Williams Center, Tulsa, Oklahoma. The purpose of the MGG special meeting is:

1. To consider and vote upon the approval of the Agreement Relating to Simplification of Capital Structure (the simplification agreement, a copy of which is attached as Annex A to this joint proxy statement/prospectus), dated as of March 3, 2009, by and among Magellan Midstream Partners, L.P. (MMP), Magellan GP, LLC, MMP's general partner, MGG, and Magellan Midstream Holdings GP, LLC, MGG's general partner, as such agreement may be amended from time to time, pursuant to which (i) MMP's existing partnership agreement will be amended and restated to, among other things, provide for the transformation of MMP's incentive distribution rights and the approximate 2% general partner interest in MMP owned, directly or indirectly, by MMP's general partner into MMP common units and a general partner interest in MMP that will not entitle MMP's general partner to receive any distributions or other economic benefits under MMP's amended and restated partnership agreement (referred to in this joint proxy statement/prospectus as a non-economic general partner interest) (collectively, the transformation); (ii) MMP's general partner will distribute the MMP common units it receives in the transformation to MGG (the distributions); (iii) MGG, MMP, their respective general partners and the sole member of MGG's general partner will enter into a Contribution and Assumption Agreement (the contribution agreement) pursuant to which MGG will contribute 100% of the limited liability company interests in the sole member of its general partner to MMP's general partner, MGG will contribute 100% of the limited liability company interests in MMP's general partner to MMP, MGG will contribute to MMP all of its cash and other remaining assets other than the MMP common units it receives in the distributions, and MMP will assume all of the liabilities of MGG (collectively, the contributions); and (iv) MGG and its general partner will adopt a Plan of Liquidation of MGG (the plan of liquidation) pursuant to which MGG will dissolve and wind-up its affairs (the liquidation) and, in connection therewith, MGG will distribute the MMP common units it receives in the distributions to its unitholders (the redistribution), such that each unitholder of MGG will receive 0.6325 MMP common units per MGG common unit;

2. To consider and vote upon the proposal to (a) direct MGG, as the sole member of MMP's general partner, to approve MMP's Fifth Amended and Restated Agreement of Limited Partnership (the amended and restated partnership agreement, a copy of which is attached as Annex B to this joint proxy statement/prospectus) and all other matters under the simplification agreement that, pursuant to the limited liability company agreement of MMP's general partner, require the approval of MGG; and (b) direct MMP's general partner to implement the matters described in (a) above;

3. To consider and vote upon the approval of the contributions (a copy of the contribution agreement is attached as Annex C to this joint proxy statement/prospectus);

4. To consider and vote upon the approval of the liquidation (a copy of the plan of liquidation is attached as Annex D to this joint proxy statement/prospectus);

5. To consider and vote upon any proposal that may be presented to adjourn the MGG special meeting to a later date, if necessary, to solicit additional proxies in the event that there are insufficient votes in favor of any of the foregoing proposals; and

6. To consider and vote upon any proposal to transact such other business as may properly come before the MGG special meeting and any adjournment or postponement thereof.

The conflicts committee of the board of directors of MGG's general partner (the MGG Conflicts Committee) has unanimously approved and declared the advisability of the simplification agreement and the matters contemplated thereby and determined that the simplification agreement and the matters contemplated thereby are fair and reasonable to, and in the best interests of, MGG's unitholders (other than MMP's general partner, MGG's general partner or their respective affiliates). Accordingly, the MGG Conflicts Committee

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unanimously recommends that MGG unitholders vote FOR the proposal to approve the simplification agreement and the matters contemplated thereby. In addition, the MGG Conflicts Committee has unanimously approved and declared the advisability of the proposal to (i) direct MGG, as the sole member of MMP's general partner, to approve MMP's amended and restated partnership agreement and all other matters under the simplification agreement that, pursuant to the limited liability company agreement of MMP's general partner, require the approval of MGG; and (ii) direct MMP's general partner to implement the matters described in (i) above, and determined that such proposal is fair and reasonable to, and in the best interests of, MGG's unitholders (other than MMP's general partner, MGG's general partner or their respective affiliates). Accordingly, the MGG Conflicts Committee unanimously recommends that MGG unitholders vote FOR the proposal to (i) direct MGG, as the sole member of MMP's general partner, to approve MMP's amended and restated partnership agreement and all other matters under the simplification agreement that, pursuant to the limited liability company agreement of MMP's general partner, require the approval of MGG; and (ii) direct MMP's general partner to implement the matters described in (i) above. In addition, the MGG Conflicts Committee has unanimously approved the contributions and determined that the contributions are fair and reasonable to, and in the best interests of, MGG's unitholders (other than MMP's general partner, MGG's general partner or their respective affiliates). Accordingly, the MGG Conflicts Committee unanimously recommends that MGG unitholders vote FOR the proposal to approve the contributions. In addition, the MGG Conflicts Committee has unanimously approved and declared the advisability of the liquidation and determined that the liquidation is fair and reasonable to, and in the best interests of, MGG's unitholders (other than MMP's general partner, MGG's general partner or their respective affiliates). Accordingly, the MGG Conflicts Committee unanimously recommends that MGG unitholders vote FOR the proposal to approve the liquidation. Further, the MGG Conflicts Committee unanimously recommends that MGG unitholders vote FOR any proposal to adjourn the MGG special meeting to a later date, if necessary, to solicit additional proxies in the event that there are insufficient votes in favor of any of the foregoing proposals.

The proposals described in paragraphs 1 through 5 above require the affirmative vote of the holders of a majority of the outstanding MGG common units entitled to vote as of the record date. If a quorum is not present, the proposal to adjourn the MGG special meeting to a later date, if necessary, to solicit additional proxies in the event that there are insufficient votes in favor of any of the other proposals would require the affirmative vote of the holders of a majority of MGG common units entitled to vote as of the record date present in person or represented by proxy at the MGG special meeting. The approval of the items listed under paragraphs 1, 2, 3 and 4 is a condition to completion of the simplification and related matters. Only MGG unitholders of record at the close of business on July 27, 2009 are entitled to receive this notice and to vote at the MGG special meeting or any adjournment or postponement of that meeting.

YOUR VOTE IS VERY IMPORTANT. Whether or not you plan to attend the MGG special meeting, please submit your proxy with voting instructions as soon as possible. If you hold MGG units in your name as MGG unitholder of record, please complete, sign, date and return the accompanying proxy card in the enclosed self-addressed stamped envelope, use the toll-free telephone number shown on the proxy card or use the internet website shown on the proxy card. If you hold your MGG common units through a bank or broker, please use the voting instructions you have received from your bank or broker. Submitting your proxy will not prevent you from attending the MGG special meeting and voting in person. Please note, however, that if you hold your MGG common units through a bank or broker, and you wish to vote in person at the MGG special meeting, you must obtain from your bank or broker a proxy issued in your name. You may revoke your proxy by attending the MGG special meeting and voting your MGG common units in person at the MGG special meeting. You may also revoke your proxy at any time before it is voted by giving written notice of revocation to Morrow & Co., LLC at the address provided with the proxy card at or before the MGG special meeting or by submitting a proxy with a later date.

The accompanying document describes the proposed simplification and related matters in more detail. We urge you to read carefully the entire document before voting your MGG common units at the MGG special meeting or submitting your voting instructions by proxy.

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By Order of the Conflicts Committee of the Board of Directors of Magellan Midstream Holdings GP, LLC, the general partner of Magellan Midstream Holdings, L.P.

Lonny E. Townsend

Secretary

Tulsa, Oklahoma

July 21, 2009

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IMPORTANT NOTE ABOUT THIS JOINT PROXY STATEMENT/PROSPECTUS

This joint proxy statement/prospectus, which forms part of a registration statement on Form S-4 filed with the Securities and Exchange Commission (the "SEC"), constitutes a proxy statement under Section 14(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), of (a) MMP with respect to the solicitation of proxies for the MMP special meeting to, among other things, approve the simplification agreement and the matters contemplated thereby and approve MMP's amended and restated partnership agreement; and (b) MGG with respect to the solicitation of proxies for the MGG special meeting to, among other things, approve the simplification agreement and the matters contemplated thereby, approve the proposal to direct MGG, as the sole member of MMP's general partner, to approve MMP's amended and restated partnership agreement and all other matters under the simplification agreement that, pursuant to the limited liability company agreement of MMP's general partner, require the approval of MGG and to direct MMP's general partner to implement all such matters, approve the contributions and approve the liquidation. This joint proxy statement/prospectus is also a prospectus of MMP under Section 5 of the Securities Act of 1933, as amended (the "Securities Act"), for MMP common units that MGG unitholders will receive in connection with the simplification.

As permitted under the rules of the SEC, this joint proxy statement/prospectus incorporates by reference important business and financial information about MMP and MGG from other documents filed with the SEC that are not included in or delivered with this joint proxy statement/prospectus. Please read "Where You Can Find More Information" beginning on page 152. This information is available to you without charge upon your request. You can obtain documents incorporated by reference in this joint proxy statement/prospectus by requesting them in writing or by telephone from MMP or MGG at the following addresses and telephone numbers:

Magellan Midstream Partners, L.P.

One Williams Center

Tulsa, Oklahoma 74172

(918) 574-7650

Attention: Investor Relations

Please note that copies of the documents provided to you will not include exhibits.

Magellan Midstream Holdings, L.P.

One Williams Center

Tulsa, Oklahoma 74172

(918) 574-7650

Attention: Investor Relations

You may obtain certain of these documents at MMP's website, www.magellanlp.com, by selecting "Investors" and then selecting "SEC Filings" or "Financials," and at MGG's website, www.mggplp.com, by selecting "Investors" and then selecting "SEC Filings" or "Financials." Information contained on MMP's and MGG's websites is expressly not incorporated by reference into this joint proxy statement/prospectus.

In order to receive timely delivery of the documents in advance of the MMP special meeting and the MGG special meeting, your request should be received no later than September 15, 2009.

MMP and MGG have not authorized anyone to give any information or make any representation about the simplification and related matters or about MMP or MGG that is different from, or in addition to, that contained in this joint proxy statement/prospectus or in any of the materials that have been incorporated into this joint proxy statement/prospectus. Therefore, if anyone distributes this type of information, you should not rely on it. If you are in a jurisdiction where offers to exchange or sell, or solicitations of offers to exchange or purchase, the securities offered by this joint proxy statement/prospectus or the solicitation of proxies is unlawful, or you are a person to whom it is unlawful to direct these types of activities, then the offer presented in this joint proxy statement/prospectus does not extend to you. The information contained in this joint proxy statement/prospectus speaks only as of the date of this joint proxy statement/prospectus unless the information specifically indicates that another date applies.

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QUESTIONS AND ANSWERS ABOUT THE SIMPLIFICATION

*In the following questions and answers below, we highlight selected information from this joint proxy statement/prospectus but have not included all of the information that may be important to you regarding the simplification. To better understand the simplification, and for a complete description of the legal terms of the agreements relating to the simplification, you should carefully read this joint proxy statement/prospectus in its entirety, including the annexes, as well as the documents we have incorporated by reference in this joint proxy statement/prospectus. Please read *Important Note About this Joint Proxy Statement/Prospectus* on page iv and *Where You Can Find More Information* beginning on page 152.*

Q: What is the proposed simplification?

A: MMP and MGG have agreed to simplify their capital structures by transforming MMP's incentive distribution rights and the approximate 2% general partner interest in MMP owned, directly and indirectly, by MMP's general partner into MMP common units and a non-economic general partner interest in MMP pursuant to the terms of a simplification agreement that is described in this joint proxy statement/prospectus and attached as Annex A to this joint proxy statement/prospectus. MGG currently is the sole member of MMP's general partner. As a result of the transformation and the other matters contemplated by the simplification agreement, MMP's general partner will be owned by MMP, MMP will assume all of the liabilities of MGG, and MGG will dissolve and wind-up its affairs, and its existence will be terminated. The simplification agreement provides that MMP common units received by MGG as a result of the transformation will be distributed to MGG unitholders in a liquidating distribution.

Q: Why am I receiving these materials?

A: The simplification cannot be completed without obtaining the appropriate approvals of the MMP unitholders and the MGG unitholders. MMP and MGG will hold separate special meetings of their respective unitholders to obtain these approvals.

Q: Why are MMP and MGG proposing the simplification?

A: MMP and MGG both believe that the simplification will provide substantial benefits to MMP unitholders and MGG unitholders by creating a single partnership that is better positioned to compete in the marketplace. The MMP Conflicts Committee and the MGG Conflicts Committee both believe that the simplification offers the following advantages, among others, to MMP:

the significant reduction in MMP's equity cost of capital because MMP will no longer have any issued and outstanding incentive distribution rights and the enhancement of MMP's ability to compete for new acquisitions following the simplification as a result of its reduced equity cost of capital;

the fact that the simplification is expected to be long-term accretive to MMP's distributable cash flow per common unit in MMP;

the fact that the simplification will likely result in a capital structure and governance structure of MMP that is more easily understood by the investing public;

the fact that the simplification will eliminate potential conflicts of interest that may arise as a result of a person being an officer of the general partner of MMP and of the general partner of MGG and as a result of a person being a member of the board of directors of the general partner of MMP and a member of the board of directors of the general partner of MGG;

the fact that having a greater number of outstanding common units in MMP is expected to increase the public float and trading liquidity of the market for MMP common units; and

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the elimination of certain control rights that MGG currently possesses with respect to MMP as the sole member of MMP's general partner.

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Q: What will MGG unitholders receive in connection with the simplification?

A: If the simplification is completed, MGG unitholders will receive 0.6325 MMP common units per MGG common unit. Based on the number of outstanding MGG common units on July 21, 2009, the total number of MMP common units to be received by MGG unitholders is approximately 39.6 million. Each such MMP common unit will include the associated unit purchase rights pursuant to MMP's unit purchase rights agreement, dated as of December 4, 2008, as amended. No MGG unitholder will receive a fractional MMP common unit; instead, any MGG unitholder who would otherwise be entitled to receive a fractional MMP common unit will receive cash in lieu thereof.

Q: How do I exchange my MGG common units for MMP common units?

A: Each holder of record of MGG common units at the close of business on the date of the dissolution of MGG will receive a letter of transmittal and other appropriate and customary transmittal materials which will contain instructions for the surrender of MGG common units for MMP common units.

Q: Do I have appraisal rights?

A: No. Under Delaware law, neither MGG unitholders nor MMP unitholders have or are entitled to exercise appraisal rights in connection with the simplification.

Q: Will MGG unitholders be able to trade MMP common units that they receive pursuant to the simplification?

A: Yes. MMP common units received pursuant to the simplification will be registered under the Securities Act and will be listed on the New York Stock Exchange under the symbol MMP. All MMP common units that each MGG unitholder receives in the simplification will be freely transferable unless such MGG unitholder is deemed an affiliate of MMP following the simplification for purposes of federal securities laws.

Q: What will MMP unitholders receive in connection with the simplification?

A: MMP unitholders will continue to own their existing MMP common units. They will not receive any additional MMP common units in the simplification.

Q: What happens to distributions of MMP?

A: Once the simplification is completed and MGG unitholders receive their MMP common units, when distributions are approved and declared by MMP's general partner and paid by MMP, the former MGG unitholders and the current MMP unitholders will receive distributions on their MMP common units.

Q: As an MGG unitholder, what happens to the payment of distributions for the quarter in which the simplification is effective?

A: If the simplification is completed before the record date for a quarterly distribution, MGG unitholders will receive no quarterly distribution from MGG; instead, an MGG unitholder will receive MMP distributions on all MMP common units such unitholder received in the liquidation and redistribution. If the simplification closes after the record date, MGG unitholders will receive distributions on MGG common units held as of the record date. However, MGG unitholders will not receive distributions from both MMP and MGG for the same quarter.

Q: What will happen to MGG after simplification?

A: MGG will cease to exist and MGG common units will no longer be publicly traded.

Q: What MGG unitholder and MMP unitholder approvals are required?

A: The following require the affirmative vote of the holders of at least a majority of the outstanding MMP common units (excluding those owned by MMP's general partner and its affiliates) entitled to vote as of the

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record date: (a) the approval of the simplification agreement; and (b) the approval of MMP's amended and restated partnership agreement. Accordingly, if an MMP unitholder fails to vote, or if an MMP unitholder abstains, that will have the same effect as a vote against (a) and (b) above.

The following require the affirmative vote of the holders of at least a majority of the outstanding MGG common units entitled to vote as of the record date: (a) the approval of the simplification agreement; (b) the approval of the proposal to direct MGG, as the sole member of MMP's general partner, to approve MMP's amended and restated partnership agreement and all other matters under the simplification agreement that, pursuant to the limited liability company agreement of MMP's general partner, require the approval of MGG and to direct MMP's general partner to implement all such matters; (c) the approval of the contributions; and (d) the approval of the liquidation. Accordingly, if an MGG unitholder fails to vote, or if an MGG unitholder abstains, that will have the same effect as a vote against: (a) through (d) above.

Q: When do you expect the simplification to be completed?

A: A number of conditions must be satisfied before MMP and MGG can complete the simplification, including the approvals by MMP unitholders and MGG unitholders and the effectiveness of the registration statement on Form S-4, of which this joint proxy statement/prospectus is a part, relating to MMP common units to be received by MGG unitholders. We expect to complete the simplification promptly following the MMP special meeting and the MGG special meeting, which we currently anticipate will occur in the third quarter of 2009.

Q: After completion of the simplification, will I be able to vote to elect directors of MMP's general partner?

A: Yes. Pursuant to MMP's amended and restated partnership agreement, MMP unitholders will continue to have the right to elect directors to MMP's general partner's board by a plurality of the votes cast at each annual meeting of MMP unitholders. The terms of the directors of MMP's general partner's board are staggered, and the directors are divided into three classes. At each annual meeting of MMP unitholders, only one class of directors is elected. The directors elected at any annual meeting of MMP unitholders will hold office until the third succeeding annual meeting of unitholders or until the directors' successors are duly elected and qualified, or until the directors' earlier death, resignation or removal.

Q: What are the expected tax consequences to MGG unitholders of the simplification?

A: Under current law, it is anticipated that no income or gain should be recognized by MGG and the holders of MGG common units solely as a result of the simplification, other than any gain resulting from the sale of MMP common units in lieu of distributing any fractional MMP common units. A holder of MGG common units who receives cash in lieu of the distribution of fractional common units will recognize gain or loss equal to the difference between the cash received and the unitholder's adjusted tax basis allocable to such fractional common unit. It is possible that MGG and the holders of MGG common units may recognize income or gain as a result of the assumption or payment of certain liabilities by MMP.

Please read "Risk Factors - Tax Risks Related to the Simplification" beginning on page 26, "Risk Factors - Tax Risks to the Holders of MGG Common Units" beginning on page 27 and "Material Federal Income Tax Consequences of the Simplification" beginning on page 116 for a more complete discussion of the federal income tax consequences of the simplification.

Q: Under what circumstances could the simplification result in an existing MMP unitholder recognizing taxable gain as a result of the recalculation of such unitholder's share of MMP's nonrecourse liabilities?

A: Upon the completion of the simplification, MGG unitholders who receive MMP common units will become partners in MMP and will be allocated their pro rata share of MMP's nonrecourse liabilities. This will result in a reduction in the allocable share of nonrecourse liabilities of an existing MMP unitholder, which is

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referred to as a reducing debt shift. If an existing MMP unitholder experiences a reducing debt shift as a result of the simplification, such unitholder will be deemed to have received a cash distribution in the amount of the reduction. An existing MMP unitholder will recognize gain to the extent such unitholder's share of the constructive cash distribution exceeds such unitholder's tax basis in such unitholder's MMP common units. Although MMP has not received an opinion with respect to the shift of nonrecourse liabilities, MMP does not expect that any constructive cash distribution will exceed an existing unitholder's tax basis in his MMP common units. Please read *Material Federal Income Tax Consequences of the Simplification Tax Consequences of the Transformation, Distributions and Contributions to Existing MMP Common Unitholders* beginning on page 118.

Q: What taxes will MGG unitholders who receive MMP common units be subject to?

A: Each MGG unitholder who will become an MMP unitholder as a result of the simplification will, as is the case for the existing MMP unitholders, be required to report on the MMP unitholder's federal income tax return such unitholder's distributive share of MMP's income, gain, loss, deduction, and credit. In addition to federal income taxes, an MMP unitholder will be subject to other taxes, including state and local income taxes, unincorporated business taxes, and estate, inheritance or intangibles taxes that may be imposed by the various jurisdictions in which MMP conducts business or owns property or in which an MMP unitholder is a resident. Please read *Federal Income Taxation of MMP and Its Unitholders* beginning on page 121.

Q: Who is entitled to vote at the special meetings?

A: *MMP special meeting*: All of MMP's unitholders of record at the close of business on July 27, 2009, the record date for the MMP special meeting, are entitled to receive notice of and to vote at the MMP special meeting, subject to certain limitations for persons or groups owning 20% or more of any class of units. The simplification agreement provides that any MMP common units owned by MMP's general partner and its affiliates will not be counted towards the vote at the MMP special meeting.

MGG special meeting: All MGG unitholders of record at the close of business on July 27, 2009, the record date for the MGG special meeting, are entitled to receive notice of and to vote at the MGG special meeting.

Q: What do I need to do now?

A: After you have carefully read this joint proxy statement/prospectus, please respond by completing, signing and dating your proxy card and returning it in the enclosed postage-paid envelope or by submitting your proxy or voting instruction by telephone or through the internet as soon as possible so that your MMP common units or MGG common units will be represented and voted at your special meeting.

If your MMP common units or MGG common units are held in street name, please refer to your proxy card or the information forwarded by your broker or other nominee to see which options are available to you. The internet and telephone proxy submission procedures are designed to authenticate MMP unitholders or MGG unitholders and to allow you to confirm that your instructions have been properly recorded.

The method you use to submit a proxy will not limit your right to vote in person at the MMP special meeting or the MGG special meeting if you later decide to attend your special meeting. If your MMP common units or MGG common units are held in the name of a broker or other nominee, you must obtain a proxy, executed in your favor from the holder of record, to be able to vote in person at the MMP special meeting or the MGG special meeting.

Q: If my MMP common units or MGG common units are held in street name by my broker or other nominee, will my broker or other nominee vote my shares or units for me?

A: No. Your broker will not be able to vote your MMP common units or MGG common units without instructions from you, except with respect to any proposal presented to adjourn your special meeting in order to solicit additional proxies. Please follow the procedure your broker provides to vote your units.

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In connection with either special meeting, abstentions and broker non-votes will be considered in determining the presence of a quorum. Further, an abstention will be the equivalent of a "NO" vote with respect to all of the matters to be voted upon. A broker non-vote will have the effect of a vote against all of the matters to be voted upon at the special meetings.

An abstention occurs when an MMP unitholder or MGG unitholder abstains from voting (either in person or by proxy) on one or more of the proposals. Broker non-votes may occur when a person holding units through a bank, broker or other nominee does not provide instructions as to how the shares or units should be voted, and the broker lacks discretionary authority to vote on a particular proposal.

Q: If I am an MGG unitholder, should I send in my unit certificates with my proxy card?

A: No. Please DO NOT send your MGG unit certificates with your proxy card. A letter of transmittal for your MGG common units and instructions will be delivered to you in a separate mailing. If your MGG common units are held in street name by your broker or other nominee, you should follow their instructions.

Q: If I am an MMP unitholder, should I send in my MMP unit certificates with my proxy card?

A: No. Please DO NOT send your MMP unit certificates with your proxy card. Since MMP units are not being exchanged, you should keep your MMP unit certificates.

Q: If I am planning on attending a special meeting in person, should I still submit a proxy?

A: Yes. Whether or not you plan to attend your special meeting, you should submit a proxy. Generally, MMP common units or MGG common units will not be voted if the holder of such MMP common units or MGG common units does not submit a proxy and if such holder does not vote in person at such holder's special meeting. Failure to submit a proxy would have the same effect as a vote against all the proposals at the MMP special meeting (except that if a quorum is not present, the failure to submit a proxy will have no effect on the outcome of a vote in favor of any proposal to adjourn the MMP special meeting) and will have the same effect as a vote against the proposals at the MGG special meeting (except that if a quorum is not present, the failure to submit a proxy will have no effect on the outcome of a vote in favor of any proposal to adjourn the MGG special meeting).

Q: What do I do if I want to change my vote after I have delivered my proxy card?

A: You may change your vote at any time before MMP common units or MGG common units are voted at your special meeting. You can do this in any of the three following ways:

by sending a written notice to Morrow & Co., LLC in time to be received before your special meeting stating that you revoke your proxy;

by completing, signing and dating another proxy card and returning it by mail in time to be received before your special meeting or by submitting a later dated proxy by telephone or the internet, in which case your later-submitted proxy will be recorded and your earlier proxy revoked; or

if you are a holder of record, or if you hold a proxy in your favor executed by a holder of record, by attending your special meeting and voting in person.

If your MMP common units or MGG common units are held in an account at a broker or other nominee, you should contact your broker or other nominee to change your vote.

Q: What should I do if I receive more than one set of voting materials for the MMP special meeting or the MGG special meeting?

A: You may receive more than one set of voting materials for the MMP special meeting or the MGG special meeting and the materials may include multiple proxy cards or voting instruction cards. For example, you will

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receive a separate voting instruction card for each brokerage account in which you hold units. If you are a holder of record registered in more than one name, you will receive more than one proxy card. Please complete, sign, date and return each proxy card and voting instruction card that you receive according to the instructions on it.

Q: Can I submit my proxy by telephone or the internet?

A: Yes. In addition to mailing your proxy, you may submit it telephonically or on the internet. Voting instructions for using the telephone or internet procedures are described on your proxy card.

Q: Who can I contact with questions about the special meetings or the simplification and related matters?

A: If you have any questions about the simplification and the other matters contemplated by this joint proxy statement/prospectus or how to submit your proxy or voting instruction card, or if you need additional copies of this joint proxy statement/prospectus or the enclosed proxy card or voting instruction card, you should contact:

Morrow & Co., LLC

470 West Avenue

Stamford, Connecticut 06902

Banks and brokers call (203) 658-9400

Unitholders call toll-free (800) 607-0088

Email: *magellaninfo@morrowco.com*

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SUMMARY

This brief summary highlights selected information from this joint proxy statement/prospectus. It does not contain all of the information that may be important to you. To understand the simplification fully and for a complete description of the terms of the simplification and related matters, you should read carefully this joint proxy statement/prospectus, the documents incorporated by reference and the full text of the annexes to this joint proxy statement/prospectus. Please read "Where You Can Find More Information" beginning on page 152.

The Proposed Simplification (page 86)

Pursuant to the simplification agreement, MMP's existing partnership agreement will be amended and restated to provide for the transformation of the incentive distribution rights and the approximate 2% general partner interest in MMP owned, directly and indirectly, by MMP's general partner into MMP common units and a non-economic general partner interest in MMP (the transformation). Once the transformation is complete, pursuant to the simplification agreement, MMP's general partner, which is currently a wholly owned subsidiary of MGG, will distribute MMP common units it receives in the transformation through a series of steps to MGG (the distributions). Once the transformation and distributions are complete, MGG, MMP, their respective general partners and the sole member of MGG's general partner will enter into a contribution and assumption agreement pursuant to which (i) MGG will contribute 100% of the limited liability company interests in the sole member of its general partner to MMP's general partner; (ii) MGG will contribute 100% of the limited liability company interests in MMP's general partner to MMP; (iii) MGG will contribute to MMP all of its cash and other remaining assets other than MMP common units it receives in the distributions; and (iv) MMP will assume all of the liabilities of MGG (collectively, the contributions).

On the day following the completion of the transformation, distributions and contributions, MMP will issue not less than 10,000 common units to certain of its non-executive key employees pursuant to MMP's long-term incentive plan.

Two days following the completion of the transformation, distributions and contributions, pursuant to its limited partnership agreement and a plan of liquidation, MGG will dissolve and wind-up its affairs (the liquidation). In connection with the liquidation, MGG will distribute MMP common units it receives in the distributions to its unitholders (the redistribution).

The steps discussed above and the other matters contemplated by the simplification agreement are referred to in this joint proxy statement/prospectus collectively as the simplification. Pursuant to the simplification agreement, MGG will receive approximately 39.6 million MMP common units as a result of the transformation and distributions, and each unitholder of MGG will receive 0.6325 MMP common units per MGG common unit in the liquidation and redistribution but will receive cash in lieu of any fractional MMP common units. MMP unitholders will continue to own their existing MMP common units. Immediately following the liquidation and redistribution, MMP will be owned approximately 62.8% by its current unitholders and approximately 37.2% by former MGG unitholders. MMP's general partner will continue to manage MMP as a wholly owned subsidiary of MMP following the simplification. MMP common units will continue to be traded on the New York Stock Exchange under the symbol MMP following the simplification.

The simplification agreement is attached as Annex A to this joint proxy statement/prospectus and is incorporated into this joint proxy statement/prospectus by reference. Please read the simplification agreement carefully and fully as it is the primary legal document that governs the simplification. For a summary of the simplification agreement, please read "The Simplification Agreement" beginning on page 90.

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Steps and Agreements Related to the Simplification (page 87)

Amended and Restated Partnership Agreement and the Transformation

Pursuant to the simplification agreement, MMP's existing partnership agreement will be amended and restated. Under MMP's amended and restated partnership agreement, (i) in the transformation, the incentive distribution rights and the approximate 2% general partner interest in MMP will be transformed into MMP common units and a non-economic general partner interest in MMP; (ii) MMP's general partner's right to acquire all limited partner interests of MMP if the general partner or its affiliates own 80% or more of MMP's limited partner interests will be eliminated; (iii) MMP's general partner will not have the contractual right to withdraw from MMP, and (iv) MMP's general partner may not be removed without the unanimous vote of all unitholders. For a summary of the amended and restated partnership agreement, please read "The Amended and Restated Partnership Agreement of MMP" beginning on page 105.

The foregoing description of MMP's amended and restated partnership agreement and the transformation contemplated thereby does not purport to be complete and is qualified in its entirety by reference to the full text of the amended and restated partnership agreement, which is attached as Annex B to this joint proxy statement/prospectus and is incorporated by reference into this joint proxy statement/prospectus.

The Distributions

Following the transformation, MMP will assume all of the liabilities of the subsidiary of MMP's general partner that currently owns all of the incentive distribution rights and will also assume all of the liabilities of the entity that owns all of the limited partner interests of such subsidiary. Following such assumption, MMP common units received in the transformation will be distributed by such subsidiaries to MMP's general partner. MMP's general partner will then distribute such MMP common units, together with MMP common units it receives in connection with the transformation of the approximate 2% general partner interest in MMP to MGG.

Contribution Agreement and the Contributions

Pursuant to the simplification agreement, MMP, MMP's general partner, MGG, MGG's general partner and the sole member of MGG's general partner will enter into a contribution and assumption agreement (the "contribution agreement") whereby, immediately following the transformation and the distributions, (i) MGG will contribute 100% of the limited liability company interests in the sole member of its general partner to MMP's general partner; (ii) MGG will contribute 100% of the limited liability company interests in MMP's general partner to MMP; (iii) MGG will contribute to MMP all of its cash and other remaining assets other than MMP common units it receives in the distributions; and (iv) MMP will assume all of the liabilities of MGG.

Also pursuant to the contribution agreement, the limited liability company agreements of the general partners of MMP and MGG and of the sole member of MGG's general partner and the agreement of limited partnership of MGG will be amended or amended and restated in order to facilitate and reflect the contributions. In addition, the control rights that MGG currently possesses with respect to MMP as the sole member of MMP's general partner will be eliminated from the amended and restated limited liability company agreement of MMP's general partner.

The foregoing description of the contribution agreement and the contributions contemplated thereby does not purport to be complete and is qualified in its entirety by reference to the full text of the form of the contribution agreement, which is attached as Annex C to this joint proxy statement/prospectus and is incorporated by reference into this joint proxy statement/prospectus.

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Plan of Liquidation and the Redistribution

Pursuant to the simplification agreement, MGG and its general partner, for itself and on behalf of all of the limited partners of MGG, will enter into a plan of liquidation whereby, effective two days following the transformation, distributions and contributions, MGG will dissolve and wind-up its affairs and the MMP common units it is entitled to receive in connection with the transformation and distributions will be distributed to its unitholders. Each MGG unitholder will receive 0.6325 MMP common units for each MGG common unit, together with the associated unit purchase rights under the rights agreement, in the liquidation and redistribution and cash for each fractional unit. MGG will then be terminated pursuant to the filing of a certificate of cancellation of its certificate of limited partnership with the Secretary of State of the State of Delaware.

The foregoing description of the plan of liquidation and the redistribution does not purport to be complete and is qualified in its entirety by reference to the full text of the form of the plan of liquidation, which is attached as Annex D to this joint proxy statement/prospectus and is incorporated by reference into this joint proxy statement/prospectus.

Directors and Executive Officers of MMP's General Partner Following the Simplification (page 140)

MMP's general partner will continue to manage MMP after the simplification as a wholly owned subsidiary of MMP. MMP's general partner's management team will continue in their current roles and will manage MMP's general partner following the simplification. Following the effective time, the board of directors of MMP's general partner will consist of eight members. The five current members of MMP's general partner's board, including Barry R. Pearl who was elected to the board of directors of MMP's general partner in May 2009, will continue as directors of MMP's general partner's board. Pursuant to the simplification agreement, the MGG Conflicts Committee has designated three independent members currently serving on MGG's general partner's board, Walter R. Arnheim, Robert G. Croyle and James C. Kempner, to serve as additional members of MMP's general partner's board as of the effective time.

Recommendation of the MMP Conflicts Committee and Its Reasons for the Simplification (page 48)

The board of directors of MMP's general partner delegated full authority to the MMP Conflicts Committee to negotiate the simplification on behalf of the board of directors of MMP's general partner. The MMP Conflicts Committee engaged independent legal and financial advisors to assist in the negotiations.

The MMP Conflicts Committee has unanimously approved and declared the advisability of the simplification agreement and the matters contemplated thereby and has determined that the simplification agreement and the matters contemplated thereby are fair and reasonable to MMP, and in the best interests of, MMP and its unitholders (other than MMP's general partner, MGG's general partner or their respective affiliates). Accordingly, the MMP Conflicts Committee unanimously recommends that MMP unitholders vote **FOR** the proposal to approve the simplification agreement and the matters contemplated thereby.

In addition, the MMP Conflicts Committee has unanimously approved and declared the advisability of MMP's amended and restated partnership agreement and has determined that the amended and restated partnership agreement is fair and reasonable to MMP, and in the best interests of, MMP and its unitholders (other than MMP's general partner, MGG's general partner or their respective affiliates). Accordingly, the MMP Conflicts Committee unanimously recommends that MMP unitholders vote **FOR** the proposal to approve the amended and restated partnership agreement.

Further, the MMP Conflicts Committee unanimously recommends that MMP unitholders vote **FOR** any proposal to adjourn the MMP special meeting to a later date, if necessary, to solicit additional proxies in the event that there are insufficient votes in favor of either of the foregoing proposals.

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To review the background and the MMP Conflicts Committee's reasons for the simplification in greater detail, please read "Special Factors - Background of the Simplification" beginning on page 28 and "Special Factors - Recommendation of the MMP Conflicts Committee and Its Reasons for the Simplification" beginning on page 48. To review certain risks related to the simplification, please read "Risk Factors" beginning on page 22.

Recommendation of the MGG Conflicts Committee and Its Reasons for the Simplification (page 51)

The board of directors of MGG's general partner delegated full authority to the MGG Conflicts Committee to negotiate the simplification on behalf of the board of directors of MGG's general partner. The MGG Conflicts Committee engaged independent legal and financial advisors to assist in the negotiations.

The MGG Conflicts Committee has unanimously approved and declared the advisability of the simplification agreement and the matters contemplated thereby and determined that the simplification agreement and the matters contemplated thereby are fair and reasonable to, and in the best interests of, MGG's unitholders (other than MMP's general partner, MGG's general partner or their respective affiliates). Accordingly, the MGG Conflicts Committee unanimously recommends that MGG unitholders vote "FOR" the proposal to approve the simplification agreement and the matters contemplated thereby.

In addition, the MGG Conflicts Committee has unanimously approved and declared the advisability of the proposal to (i) direct MGG, as the sole member of MMP's general partner, to approve MMP's amended and restated partnership agreement and all other matters under the simplification agreement that, pursuant to the limited liability company agreement of MMP's general partner, require the approval of MGG; and (ii) direct MMP's general partner to implement the matters described in (i) above, and determined that such proposal is fair and reasonable to, and in the best interests of, MGG's unitholders (other than MMP's general partner, MGG's general partner or their respective affiliates). Accordingly, the MGG Conflicts Committee unanimously recommends that MGG unitholders vote "FOR" the proposal to (i) direct MGG, as the sole member of MMP's general partner, to approve MMP's amended and restated partnership agreement and all other matters under the simplification agreement that, pursuant to the limited liability company agreement of MMP's general partner, require the approval of MGG; and (ii) direct MMP's general partner to implement the matters described in (i) above.

In addition, the MGG Conflicts Committee has unanimously approved the contributions and determined that the contributions are fair and reasonable to, and in the best interests of, MGG's unitholders (other than MMP's general partner, MGG's general partner or their respective affiliates). Accordingly, the MGG Conflicts Committee unanimously recommends that MGG unitholders vote "FOR" the proposal to approve the contributions.

In addition, the MGG Conflicts Committee has unanimously approved and declared the advisability of the liquidation and determined that the liquidation is fair and reasonable to, and in the best interests of, MGG's unitholders (other than MMP's general partner, MGG's general partner or their respective affiliates). Accordingly, the MGG Conflicts Committee unanimously recommends that MGG unitholders vote "FOR" the proposal to approve the liquidation.

Further, the MGG Conflicts Committee unanimously recommends that MGG unitholders vote "FOR" any proposal to adjourn the MGG special meeting to a later date, if necessary, to solicit additional proxies in the event that there are insufficient votes in favor of any of the foregoing proposals.

To review the background and the MGG Conflicts Committee's reasons for the simplification in greater detail, please read "Special Factors - Background of the Simplification" beginning on page 28 and "Special Factors - Recommendation of the MGG Conflicts Committee and Its Reasons for the Simplification" beginning on page 51. To review certain risks related to the simplification, please read "Risk Factors" beginning on page 22.

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Conditions to the Effectiveness of the Matters Contemplated by the Simplification Agreement (page 99)

Before MMP and MGG can complete the simplification, a number of conditions must be satisfied, or where permissible, waived by MMP or MGG, as appropriate. For the complete list of conditions to the completion of the simplification, please see The Simplification Agreement Conditions to the Effectiveness of the Matters Contemplated by the Simplification Agreement.

The Parties to the Simplification Agreement (page 77)

Magellan Midstream Partners, L.P.

MMP is a publicly traded Delaware limited partnership principally engaged in the transportation, storage and distribution of refined petroleum products.

As of July 21, 2009, MMP's assets consisted of:

an 8,700-mile petroleum products pipeline system, including 49 petroleum products terminals serving the mid-continent region of the United States;

seven petroleum products terminal facilities located along the United States Gulf and East Coasts, referred to as marine terminal facilities, and 27 petroleum products terminals located principally in the southeastern United States; and

an 1,100-mile ammonia pipeline system serving the mid-continent region of the United States.

The executive offices of MMP are located at One Williams Center, Tulsa, Oklahoma 74172. The telephone number is (918) 574-7000.

Magellan Midstream Holdings, L.P.

MGG is a publicly traded Delaware limited partnership that owns the general partner of MMP and possesses certain control rights with respect to MMP as the sole member of the general partner of MMP. MGG's only cash-generating asset is its ownership interest in the general partner of MMP, which owns the following:

the general partner interest in MMP, which entitles MGG to receive approximately 2% of the cash distributed by MMP; and

through subsidiaries, 100% of the incentive distribution rights in MMP, which entitle the holders thereof to receive increasing percentages, up to a maximum of 48%, of any incremental cash distributed by MMP per limited partner unit as certain target distribution levels are reached in excess of \$0.28875 per MMP unit in any quarter.

The executive offices of MGG are located at One Williams Center, Tulsa, Oklahoma 74172. The telephone number is (918) 574-7000.

Relationship of the Parties

MGG and MMP are already closely related. MGG currently owns all of the limited liability company interests of MMP's general partner and possesses certain control rights with respect to MMP as the sole member of MMP's general partner. MMP's general partner currently owns an approximate 2% general partner interest in MMP and, through subsidiaries, all of MMP's incentive distribution rights.

Distributions by MMP have increased from \$0.28125 per common unit for the quarter ended June 30, 2001 (its first full quarter of operations after its initial public offering) to \$0.71 per common unit for the quarter ended

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March 31, 2009; and as a result, distributions from MMP to MGG with respect to the approximate 2% general partner interest in MMP have increased from approximately \$0.1 million for the quarter ended June 30, 2001 to approximately \$1.4 million for the quarter ended March 31, 2009; and with respect to the incentive distribution rights, distributions have increased from zero for the quarter ended June 30, 2001 to approximately \$22.1 million for the quarter ended March 31, 2009. In total, the total distributions from MGG's investment in MMP have increased from approximately \$0.1 million for the quarter ended June 30, 2001 to approximately \$23.5 million for the quarter ended March 31, 2009.

Moreover, certain directors and executive officers of MGG's general partner are also directors and executive officers of MMP's general partner. Messrs. Don R. Wellendorf and Patrick C. Eilers serve as members of both MGG's general partner's board and MMP's general partner's board. The executive officers of MGG's general partner are also executive officers of MMP's general partner, and the employees of MGG's general partner operate MMP.

Information About the Special Meetings and Voting (page 79)

MMP Special Meeting

Where and when: The MMP special meeting will take place at the Williams Resource Center, One Williams Center, Tulsa, Oklahoma, on September 25, 2009 at 9:00 a.m., local time.

What MMP unitholders are being asked to vote on: At the MMP special meeting, MMP unitholders will be asked to consider and vote on the following matters:

a proposal to approve the simplification agreement and the matters contemplated thereby;

a proposal to approve MMP's amended and restated partnership agreement;

any proposal that may be presented to adjourn the MMP special meeting to a later date, if necessary, to solicit additional proxies in the event that there are insufficient votes in favor of any of the foregoing proposals; and

any proposal to transact such other business as may properly come before the MMP special meeting and any adjournment or postponement thereof.

Who may vote: You may vote at the MMP special meeting if you owned MMP common units at the close of business on the record date, July 27, 2009. You may cast one vote for each MMP common unit that you owned on the record date.

How to vote: Please complete and submit the enclosed proxy card as soon as possible or transmit your voting instructions by using the telephone or internet procedures described on your proxy card.

What vote is needed: The affirmative vote of the holders of at least a majority of the outstanding MMP common units (excluding units owned by MMP's general partner and its affiliates) is required to: (1) approve the simplification agreement and the matters contemplated thereby; (2) approve MMP's amended and restated partnership agreement; and (3) approve any proposal to adjourn the MMP special meeting, if necessary to solicit additional proxies for any of the foregoing proposals, unless a quorum is not present, in which case, the affirmative vote of the holders of at least a majority of MMP's common units entitled to vote as of the record date present in person or represented by proxy at the MMP special meeting would be required to adjourn the MMP special meeting.

Recommendations of the MMP Conflicts Committee: The MMP Conflicts Committee unanimously recommends that you vote **FOR** the proposal to approve the simplification agreement and the matters contemplated thereby. In addition, the MMP Conflicts Committee unanimously recommends that you vote

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FOR the proposal to approve MMP's amended and restated partnership agreement. Further, the MMP Conflicts Committee unanimously recommends that you vote FOR any proposal to adjourn the MMP special meeting to a later date, if necessary, to solicit additional proxies in the event that there are insufficient votes in favor of any of the foregoing proposals.

The approval of each of the simplification agreement and the amended and restated partnership agreement by MMP's unitholders are conditions to completion of the simplification.

MGG Special Meeting

Where and when: The MGG special meeting will take place at the Williams Resource Center, One Williams Center, Tulsa, Oklahoma, on September 25, 2009 at 10:30 a.m., local time.

What MGG unitholders are being asked to vote on: At the MGG special meeting, MGG unitholders will be asked to consider and vote on the following matters:

a proposal to approve the simplification agreement and the matters contemplated thereby;

a proposal to direct MGG, as the sole member of MMP's general partner, to approve MMP's amended and restated partnership agreement and all other matters under the simplification agreement that, pursuant to the limited liability company agreement of MMP's general partner, require the approval of MGG and to direct MMP's general partner to implement all such matters;

a proposal to approve the contributions;

a proposal to approve the liquidation;

any proposal that may be presented to adjourn the MGG special meeting to a later date, if necessary, to solicit additional proxies in the event that there are insufficient votes in favor of any of the foregoing proposals; and

any proposal to transact such other business as may properly come before the MGG special meeting and any adjournment or postponement thereof.

Who may vote: You may vote at the MGG special meeting if you owned common units of MGG at the close of business on the record date, July 27, 2009. You may cast one vote for each common unit of MGG that you owned on the record date.

How to vote: Please complete and submit the enclosed proxy card as soon as possible or transmit your voting instructions by using the telephone or internet procedures described on your proxy card.

What vote is needed: The affirmative vote of the holders of at least a majority of MGG's outstanding common units entitled to vote as of the record date is required to: (1) approve the simplification agreement and the matters contemplated thereby; (2) direct MGG, as the sole member of MMP's general partner, to approve MMP's amended and restated partnership agreement and all other matters under the simplification agreement that, pursuant to the limited liability company agreement of MMP's general partner, require the approval of MGG and to direct MMP's general partner to implement all such matters; (3) approve the contributions; (4) approve the liquidation; and (5) approve any proposal to adjourn the MGG special meeting, if necessary to solicit additional proxies for any of the foregoing proposals, unless a quorum is not present, in which case, the affirmative vote of the holders of at least a majority of MGG's common units entitled to vote as of the record date present in person or represented by proxy at the MGG special meeting would be required to adjourn the MGG special meeting.

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Recommendations of the MGG Conflicts Committee: The MGG Conflicts Committee unanimously recommends that you vote FOR (i) the proposal to approve the simplification agreement and the matters contemplated thereby, (ii) the proposal to direct MGG, as the sole member of MMP's general partner, to approve MMP's amended and restated partnership agreement and all other matters under the simplification agreement that, pursuant to the limited liability company agreement of MMP's general partner, require the approval of MGG and to direct MMP's general partner to implement all such matters, (iii) the proposal to approve the contributions, (iv) the proposal to approve the liquidation and (v) any proposal to adjourn the MGG special meeting to a later date, if necessary, to solicit additional proxies in the event that there are insufficient votes in favor of any of the foregoing proposals.

The approval of each of the simplification agreement, the proposal to direct MGG, as the sole member of MMP's general partner, to approve MMP's amended and restated partnership agreement and all other matters under the simplification agreement that, pursuant to the limited liability company agreement of MMP's general partner, require the approval of MGG and to direct MMP's general partner to implement all such matters, the contributions and the liquidation are conditions to the completion of the simplification.

Risk Factors (page 22)

You should consider carefully all of the risk factors together with all of the other information included in this joint proxy statement/prospectus before deciding how to vote. Certain risks related to the simplification are described under the caption Risk Factors beginning on page 22 of this joint proxy statement/prospectus. Some of these risks include, but are not limited to, those described below:

the directors and executive officers of MMP's general partner and of MGG's general partner may have interests that differ from your interests;

at the effective time of the simplification, the market value of MMP common units to be received in the simplification could decrease and MGG unitholders cannot be sure of the market value of such MMP common units; and

no ruling has been obtained with respect to the tax consequences of the simplification.

Appraisal Rights (page 89)

Neither MGG unitholders nor MMP unitholders are entitled to exercise appraisal rights in connection with the simplification.

No Solicitation of Other Offers by MGG (page 101)

Pursuant to the simplification agreement, MGG agreed not to (a) initiate, solicit or knowingly encourage the submission of any acquisition proposal; or (b) participate in any discussions or negotiations regarding, or furnish to any person, any non-public information with respect to any acquisition proposal. Notwithstanding these restrictions, at any time prior to the approval of the simplification agreement by MGG unitholders, MGG is permitted to enter into or participate in any discussions or negotiations with any party who has made an unsolicited written acquisition proposal the MGG Conflicts Committee determines, after consultation with, and taking into account the advice of, its outside legal advisors and financial consultants, could possibly lead to a change in its recommendation. See The Simplification Agreement No Solicitation of Other Offers by MGG.

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Termination of Simplification Agreement (page 102)

The simplification agreement may be terminated and the simplification may be abandoned at any time (notwithstanding the receipt of MMP unitholder and MGG unitholder approvals) prior to the consummation of the simplification under the following circumstances (among others):

by mutual written consent of MGG and MMP;

by either MGG or MMP upon written notice to the other:

if the simplification is not completed on or before September 30, 2009, unless the failure of the closing to occur by this date is due to the failure of the party seeking to terminate the simplification agreement to fulfill any material obligation under the simplification agreement or a material breach of the simplification agreement by such party;

if any regulatory authority has issued a final and nonappealable statute, rule, order, decree or regulation or taken any other action that restrains, or prohibits the consummation of the simplification; *provided*, that the terminating party is not in breach of its obligation to use reasonable best efforts to complete the simplification;

if MGG fails to obtain the necessary approval of its unitholders at the MGG special meeting;

if MMP fails to obtain the necessary approval of its unitholders at the MMP special meeting;

in the event that, prior to obtaining the necessary approval of MGG unitholders at the MGG special meeting, the MGG Conflicts Committee has made a change in recommendation; or

in the event that, prior to obtaining the necessary approval of MMP unitholders at the MMP special meeting, the MMP Conflicts Committee has made a change in recommendation; *provided*, that pursuant to the terms of the simplification agreement, MMP was not entitled to exercise its right to terminate the simplification agreement pursuant to this provision for a period of 60 days following the date of the simplification agreement;

by MMP, upon written notice to MGG if:

there has been a breach of or there is any inaccuracy in any of the representations or warranties of MGG or its general partner set forth in the simplification agreement under certain circumstances;

there has been a material breach of any of the covenants or agreements of MGG or its general partner set forth in the simplification agreement under certain circumstances; or

MGG has materially breached its no-solicitation obligations under the simplification agreement; or

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by MGG, upon written notice to MMP if:

there has been a breach of or there is any inaccuracy in any of the representations or warranties of MMP or its general partner set forth in the simplification agreement under certain circumstances; or

there has been a material breach of any of the covenants or agreements of MMP or its general partner set forth in the simplification agreement under certain circumstances.

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Expenses (page 104)

Under the simplification agreement, as a general matter, MMP will bear all of its own costs and expenses and will reimburse MGG for all of its reasonable expenses related to the matters contemplated by the simplification agreement, except upon the termination of the simplification agreement in the following circumstances:

MGG will be obligated to pay all of its own expenses and the reasonable expenses of MMP if the simplification agreement is terminated by:

MMP or MGG following a change in recommendation by the MGG Conflicts Committee;

MMP upon a material breach of or inaccuracy in any of the representations and warranties of MGG or its general partner as described above;

MMP upon a material breach of any of the covenants or agreements of MGG or its general partner as described above; or

MMP because MGG materially breached the non-solicitation provisions of the simplification agreement; and

MGG will be obligated to pay all of its own expenses and to reimburse MMP for any expenses of MGG previously paid by MMP if the simplification agreement is terminated upon the mutual consent of MMP and MGG in a written instrument or by MMP or MGG:

upon written notice to the other party if the effective time has not occurred on or before September 30, 2009 as described above;

if any regulatory authority has issued a final and nonappealable statute, rule, order, decree or regulation or taken any other action that restrains or prohibits the consummation of the simplification as described above;

if MGG fails to obtain the necessary approval of its unitholders at the MGG special meeting; or

if MMP fails to obtain the necessary approval of its unitholders at the MMP special meeting.

Opinion of the MMP Conflicts Committee's Financial Advisor (page 57)

The MMP Conflicts Committee retained Tudor, Pickering, Holt & Co. Securities, Inc., or TudorPickering, to act as its financial advisor in connection with the simplification. At a meeting of the MMP Conflicts Committee held on March 3, 2009, TudorPickering rendered its opinion to the MMP Conflicts Committee that, as of March 3, 2009, and based upon and subject to the factors and assumptions set forth in the opinion, the transformation to be effected pursuant to the simplification agreement was fair from a financial point of view to the holders of the MMP common units, other than affiliates of MMP who are holders of the MGG common units.

The full text of the TudorPickering opinion, dated as of March 3, 2009, which sets forth, among other things, the assumptions made, procedures followed, matters considered, and qualifications and limitations of the review undertaken by TudorPickering in rendering its opinion, is attached as Annex E to this joint proxy statement/prospectus and is incorporated herein by reference. The summary of the TudorPickering opinion set forth in this joint proxy statement/prospectus is qualified in its entirety by reference to the full text of the written opinion. The holders of MMP

common units are urged to read the TudorPickering opinion carefully and in its entirety. TudorPickering provided financial advisory services and its opinion for the information and assistance of the MMP Conflicts Committee in connection with its consideration of the simplification. **The TudorPickering opinion does not constitute a recommendation to any holder of the MMP common units as to how such holder should vote with respect to the simplification or any other matter. Pursuant to two engagement letters between the MMP Conflicts Committee and TudorPickering, MMP has agreed to pay TudorPickering's fees for its services, a principal portion of which is contingent upon consummation of the simplification.**

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Opinion of the MGG Conflicts Committee's Financial Advisor (page 67)

In connection with the simplification, the MGG Conflicts Committee retained Lazard Frères & Co. LLC, or Lazard, as its financial advisor. On March 3, 2009, Lazard rendered its opinion to the MGG Conflicts Committee, that, as of such date, and based upon and subject to the assumptions made, procedures followed, matters considered, and qualifications and limitations set forth therein, the Consideration (as defined in such opinion) to be paid to the holders of MGG common units (other than MMP, MMP's general partner, MGG's general partner or their respective affiliates) in the simplification was fair, from a financial point of view, to such holders. Consideration, for the purposes of the Lazard opinion, means the 0.6325 MMP common units for each MGG common unit that holders of MGG common units will receive as a result of the simplification.

The full text of Lazard's written opinion, dated March 3, 2009, which sets forth the assumptions made, procedures followed, factors considered, and qualifications and limitations on the review undertaken by Lazard in connection with its opinion is attached to this joint proxy statement/prospectus and is incorporated into this joint proxy statement/prospectus by reference. We encourage you to read Lazard's opinion, which is attached as Annex F to this joint proxy statement/prospectus, carefully and in its entirety. Lazard's opinion was directed to the MGG Conflicts Committee for the information and assistance of the MGG Conflicts Committee in connection with its evaluation of the simplification and only addressed the fairness, from a financial point of view, to the holders of MGG common units of the number of MMP common units to be paid to certain holders of MGG common units in the simplification as of the date of Lazard's opinion. **Lazard's opinion did not address any other aspect of the simplification and was not intended to and does not constitute a recommendation to any holder of MGG common units as to how such holder should vote or act with respect to the simplification or any matter relating thereto. Pursuant to the engagement letter between the MGG Conflicts Committee and Lazard, MGG has agreed to pay Lazard's fees for its services, a principal portion of which is contingent upon consummation of the simplification.**

Comparison of MMP Unitholder Rights and MGG Unitholder Rights (page 143)

As a result of the simplification, MGG unitholders will become holders of MMP common units. The rights of MMP's common unitholders will be governed by MMP's amended and restated partnership agreement and applicable Delaware law. There are certain differences between the rights of MGG unitholders and MMP unitholders pursuant to the existing partnership agreement of MGG and the amended and restated partnership agreement of MMP. These differences are described under Comparison of MMP Unitholder Rights and MGG Unitholder Rights.

Interests of Certain Persons in the Simplification (page 137)

In considering the recommendations of the MMP Conflicts Committee and the MGG Conflicts Committee, MMP unitholders and MGG unitholders should be aware that some of the executive officers and directors of MMP's general partner and MGG's general partner have interests in the simplification that may differ from, or may be in addition to, the interests of MMP unitholders or of MGG unitholders generally. These interests include:

Projections Made by Executive Officers. Some members of senior management currently own MGG common units and will be receiving MMP common units as a result of the simplification. Senior management of the general partners of MMP and MGG prepared projections with respect to MMP's future financial and operating performance on a stand-alone basis and on a combined basis. These projections were provided to TudorPickering and Lazard in connection with their independent financial analyses and in the preparation of their fairness opinions. The projections were also provided to the MMP Conflicts Committee and the MGG Conflicts Committee.

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MGG Common Units. MGG common units held by the directors and executive officers of MGG's general partner will be transformed into MMP common units at a ratio of 0.6325 MMP common units per MGG common unit. This is the same ratio as that applicable to all other holders of MGG common units.

Deferred Phantom Units. Each outstanding MGG deferred phantom unit, which is held by certain directors of MGG's general partner will be transformed into an MMP deferred phantom unit at a ratio of 0.6325 MMP deferred phantom units per MGG deferred phantom unit.

Indemnification and Insurance. The simplification agreement provides for indemnification by MMP of each person who was, as of the date of the simplification agreement, or is at any time from the date of the simplification agreement through the effective date an Indemnitee under the existing MGG partnership agreement as if MMP were the original obligor thereunder and for the maintenance of directors' and officers' liability insurance covering directors and executive officers of MGG's general partner for a period of six years following the dissolution of MGG.

Director and Executive Officer Interlock. Certain of MGG's general partner's directors and all of MGG's general partner's executive officers are currently directors and executive officers of MMP's general partner, respectively, and will remain directors and executive officers of MMP's general partner following the simplification.

Accounting Treatment of the Simplification (page 89)

The transformation, distributions and contributions will be accounted for in accordance with Statement of Financial Accounting Standards, which is referred to as SFAS, No. 160, *Non-Controlling Interests in Consolidated Financial Statements (as amended)*. MGG is considered as the surviving consolidated entity for accounting purposes rather than MMP, which is the surviving consolidated entity for legal and reporting purposes. Therefore, the changes in MGG's ownership interest will be accounted for as an equity transaction and no gain or loss will be recognized as a result of the simplification.

Material Federal Income Tax Consequences of the Simplification (page 116)

Tax matters associated with the simplification are complicated. The tax consequences to an MGG unitholder of the simplification and related matters will depend on such unitholder's own personal tax situation. MGG unitholders are urged to consult their tax advisors for a full understanding of the personal, federal, state, local and foreign tax consequences of the simplification that will be applicable to them.

MMP expects to receive an opinion from Vinson & Elkins L.L.P. to the effect that no gain or loss should be recognized by MMP unitholders as a result of the simplification (other than gain resulting from any difference in MMP liabilities pursuant to Section 752 of the Internal Revenue Code). MGG expects to receive an opinion from Akin Gump Strauss Hauer & Feld LLP to the effect that no gain or loss should be recognized by the holders of MGG common units to the extent MMP common units are received by such holders as a result of the simplification except for (i) any gain resulting from the sale of MMP common units in lieu of distributing fractional MMP common units, or (ii) income and gain, if any, resulting from the assumption or payment of liabilities of MGG or its subsidiaries by MMP. Opinions of counsel, however, are not binding on the IRS, and no assurance can be given that the IRS would not successfully assert a contrary position regarding the transformation and the opinions of counsel.

The federal income tax consequences described above may not apply to some holders of MMP common units and MGG common units. Please read *Risk Factors Tax Risks Related to the Simplification* beginning on page 26, *Risk Factors Tax Risks to the Holders of MGG Common Units* and *Risk Factors Tax Risks to Existing MMP Unitholders* beginning on page 27 and *Material Federal Income Tax Consequences of the Simplification* beginning on page 116 for a more complete discussion of the federal income tax consequences of the simplification.

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Recent Developments

Acquisition Proposal

After the date of the simplification agreement, the MGG Conflicts Committee received a written acquisition proposal from a publicly traded master limited partnership offering to purchase all the outstanding common units of both MGG and MMP. After discussion with its financial and legal advisors, the MMP Conflicts Committee determined that it was not interested in pursuing such acquisition proposal on behalf of MMP. After discussion with its financial and legal advisors and the financial advisor to such publicly traded master limited partnership, the MGG Conflicts Committee determined that the proposed acquisition could not go forward without the participation of the MMP Conflicts Committee on behalf of MMP. Please read *Special Factors* *Background of the Simplification* beginning on page 28 for a more complete discussion of recent developments.

Updated 2009 Guidance

On May 6, 2009, MMP announced its earnings for the first quarter of 2009. As part of the earnings announcement, MMP's senior management provided an update as to MMP's projected 2009 distributable cash flow. The projections originally provided by MMP's and MGG's senior management to the MMP Conflicts Committee and the MGG Conflicts Committee included a projected 2009 distributable cash flow amount of \$306.4 million, as discussed under *Special Factors* *Financial Projections Provided to Financial Advisors*. As of May 6, 2009, MMP's management projected MMP's 2009 distributable cash flow to be approximately \$330.0 million. The projected increase primarily relates to higher projected petroleum prices for the year, which are expected to benefit MMP's commodity-related activities. Please see *Special Factors* *Financial Projections Provided to Financial Advisors*. On June 17, 2009, MMP's senior management affirmed such guidance regarding its projected 2009 distributable cash flow.

MGG Loan Agreement

On May 18, 2009, MGG entered into a \$3.5 million one-year revolving loan facility with Bank of Oklahoma, National Association. This MGG loan facility will be used to finance MGG's general working capital needs and is guaranteed by certain of MGG's subsidiaries, including MMP's general partner. The MGG loan facility has a maturity date of May 17, 2010; however, the loan facility will terminate and all balances, if any, outstanding thereunder will become due and payable upon completion of the simplification. As of July 21, 2009, there are no amounts outstanding under the loan facility.

Longhorn Pipeline Acquisition

On June 19, 2009, MMP announced that it has been selected by the United States Bankruptcy Court in Delaware as the *stalking horse* bidder for the majority of the assets of Longhorn Partners Pipeline, L.P., which include a 700-mile common carrier pipeline system that transports refined petroleum products from Houston to El Paso, Texas and a terminal in El Paso comprised of a 5-bay truck loading rack and over 900,000 barrels of storage. This terminal serves local petroleum products demand and distributes product to connecting third-party pipelines for ultimate delivery to markets in Arizona, New Mexico and, in the future, Northern Mexico. MMP currently serves as the operator of the pipeline system. The seller of the pipeline system is currently in bankruptcy. Completion of the acquisition is subject to an auction process by the bankruptcy court and, if MMP remains the highest bidder following the auction process, customary closing conditions, including bankruptcy court approval and regulatory approval. The purchase price for the pipeline system is \$250 million plus the fair market value of line fill, which is currently estimated at approximately \$90 million. MMP expects to finance the acquisition with available capacity under its revolving credit facility. MMP expects the acquisition to be completed in the third quarter of 2009 if it remains the highest bidder, but there can be no assurance that such acquisition will be completed in that time frame or at all.

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MMP Notes Offering

On June 26, 2009, MMP completed the offering of \$300.0 million aggregate principal amount of its 6.55% senior notes due 2019. The net proceeds from this offering of approximately \$296.5 million, after payment of underwriting discounts and estimated offering expenses, were used by MMP to repay all of the borrowings outstanding under its revolving credit facility and for general partnership purposes, including capital expenditures.

MMP EPA Issue

In June 2009, MMP received notice from the Department of Justice (the DOJ) that the DOJ, at the request of the Environmental Protection Agency, is prepared to initiate a lawsuit alleging violations of Sections 301 and 311 of the Clean Water Act with respect to a discharge of gasoline that occurred on January 5, 2008 from MMP's petroleum products pipeline near Oologah, Rogers County, Oklahoma. The DOJ stated that the maximum statutory penalty for the alleged violations of the Clean Water Act, assuming only mere negligence, is approximately \$1.2 million. The DOJ stated in its notice to MMP that it does not expect MMP to pay the maximum statutory penalty in a settlement although it will explore whether injunctive relief is necessary to prevent future violations of the Clean Water Act. As of June 30, 2009, MMP has accrued an amount for this matter based on its best estimates that is less than the maximum statutory penalty.

Ownership Structure

The diagrams on the following page depict MMP's and MGG's ownership structure before and after giving effect to the simplification, with both MMP common units and MGG common units being presented on a fully diluted basis.

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Current Ownership Structure

Ownership Structure Following the Simplification

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Table of Contents**Summary Historical and Unaudited Pro Forma Financial Information of MGG**

MGG will be treated as the surviving consolidated entity of the simplification for accounting purposes, even though only MMP will be the surviving consolidated entity for legal and reporting purposes. The following table sets forth summary consolidated historical financial data and pro forma combined financial data for MGG. The summary historical financial data as of and for the years ended December 31, 2004 through 2008 is derived from MGG's historical audited consolidated financial statements and related notes. The summary historical financial data as of and for the three months ended March 31, 2009 is derived from MGG's historical unaudited consolidated financial statements and related notes. We have retrospectively applied the provisions of FASB Statement No. 160, *Noncontrolling Interests in Consolidated Financial Statements*, to the applicable amounts for all periods presented in the following table. The summary financial data should be read in conjunction with MGG's consolidated financial statements, including the notes thereto. MGG's consolidated balance sheets as of December 31, 2007 and 2008 and as of March 31, 2009 and the related consolidated statements of income, owners' equity and cash flows for each of the three years in the period ended December 31, 2008 and for the three months ended March 31, 2009 are incorporated by reference into this joint proxy statement/prospectus.

Currently, MMP, a publicly traded limited partnership, is a consolidated subsidiary of MGG, also a publicly traded limited partnership. If the simplification as described in this joint proxy statement/prospectus is approved by the unitholders of both MGG and MMP and all other conditions set forth in the simplification agreement are met, the general partners of MMP and of MGG will legally become wholly owned subsidiaries of MMP, and MGG will dissolve, wind-up its affairs and be terminated. For accounting purposes, MGG is considered the accounting acquirer of MMP's non-controlling interest.

The unaudited pro forma consolidated financial data provided below gives pro forma effect to the simplification, resulting in MMP's distribution of 0.6325 MMP common units for each outstanding common unit of MGG following the transformation of the incentive distribution rights and approximate 2% general partner interest in MMP into MMP common units. The unaudited pro forma balance sheet data assumes the simplification occurred as of March 31, 2009. The unaudited pro forma income statement data for the year ended December 31, 2008 and for the three months ended March 31, 2009 assumes the simplification occurred as of January 1, 2008 and January 1, 2009, respectively.

	MGG Consolidated Historical Year Ended December 31,					Three Months Ended	Pro Forma Year Ended	Three Months Ended
	2004	2005	2006	2007	2008	March 31, 2009	December 31, 2008 (unaudited)	March 31, 2009
(in thousands, except per unit amounts)								
Income Statement Data:								
Transportation and terminals revenues	\$ 419,772	\$ 501,324	\$ 559,321	\$ 608,781	\$ 638,810	\$ 155,020	\$ 638,810	\$ 155,020
Product sales revenues	275,769	636,209	664,569	709,564	574,095	57,716	574,095	57,716
Affiliate management fee revenues	488	667	690	712	733	190	733	190
Total revenues	696,029	1,138,200	1,224,580	1,319,057	1,213,638	212,926	1,213,638	212,926
Operating expenses	180,422	229,720	243,860	250,935	264,871	60,467	264,871	60,467
Product purchases	255,599	582,631	605,341	633,909	436,567	52,630	436,567	52,630
Gain on assignment of supply agreement					(26,492)		(26,492)	
Equity earnings	(1,602)	(3,104)	(3,324)	(4,027)	(4,067)	(519)	(4,067)	(519)
Operating margin	261,610	328,953	378,703	438,240	542,759	100,348	542,759	100,348
Depreciation and amortization expense	57,196	71,655	76,200	79,140	86,501	23,152	86,501	23,152
General and administrative expense	54,240	61,506	69,503	74,859	73,302	21,136	72,302	20,886
Operating profit	150,174	195,792	233,000	284,241	382,956	56,060	383,956	56,310
Interest expense, net	36,734	52,273	47,624	47,653	50,479	14,395	51,379	14,620
Write-off of unamortized debt placement fees	9,820	6,413						
Debt placement fee amortization	2,568	2,247	1,925	1,554	767	220	767	220
Debt prepayment premium	12,666			1,984				
Other (income) expense, net	(949)	(1,312)	653	728	(380)	(82)	(380)	(82)
Income before provision for income taxes	89,335	136,171	182,798	232,322	332,090	41,527	332,190	41,552

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Provision for income taxes (a)				1,568	1,987	357	1,987	357
Net income	\$ 89,335	\$ 136,171	\$ 182,798	\$ 230,754	\$ 330,103	\$ 41,170	\$ 330,203	\$ 41,195
Basic and diluted net income per limited partner unit	n/a	n/a	\$ 0.53	\$ 0.98	\$ 1.40	\$ 0.19	\$ 3.10	\$ 0.39

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	MGG Consolidated Historical Year Ended December 31,					Three Months Ended	Pro Forma Year Ended		Three Months Ended
	2004	2005	2006	2007	2008	March 31, 2009	December 31, 2008	March 31, 2009	
(in thousands, except per unit amounts)									
Balance Sheet Data:									
Working capital (deficit) (b)	\$ 73,140	\$ 13,783	\$ (310,087)	\$ (15,609)	\$ (29,644)	\$ (39,921)		\$ (39,921)	
Total assets	2,282,704	2,264,995	2,316,508	2,416,931	2,600,708	2,611,601		2,611,601	
Long-term debt (b)	1,062,470	787,194	518,609	914,536	1,083,485	1,125,089		1,131,751	
Owners equity	\$ 953,037	\$ 1,180,352	\$ 1,165,775	\$ 1,184,566	\$ 1,254,132	\$ 1,220,998		\$ 1,214,336	
Cash Distribution Data:									
Cash distribution declared per unit (c)	\$	\$	\$ 0.91	\$ 1.13	\$ 1.37	\$ 0.36	\$ 2.55	\$ 0.66	
Cash distribution paid per unit (c)	\$	\$	\$ 0.66	\$ 1.07	\$ 1.32	\$ 0.36	\$ 2.48	\$ 0.66	
Other Data:									
Operating margin (loss):									
Petroleum product pipeline system	\$ 195,092	\$ 250,623	\$ 285,743	\$ 352,715	\$ 426,495	\$ 74,507	\$ 426,495	\$ 74,507	
Petroleum products terminals	56,179	67,237	86,823	85,488	104,121	24,764	104,121	24,764	
Ammonia pipeline system	7,310	7,687	2,554	(2,995)	8,660	116	8,660	116	
Allocated partnership depreciation costs (d)	3,029	3,406	3,583	3,032	3,483	961	3,483	961	
Operating margin (e)	\$ 261,610	\$ 328,953	\$ 378,703	\$ 438,240	\$ 542,759	\$ 100,348	\$ 542,759	\$ 100,348	
Adjusted EBITDA:									
Net income	\$ 89,335	\$ 136,171	\$ 182,798	\$ 230,754	\$ 330,103	\$ 41,170	\$ 330,203	\$ 41,195	
Provision for income taxes				1,568	1,987	357	1,987	357	
Debt prepayment premium	12,666			1,984					
Write-off of unamortized debt placement fees	9,820	6,413							
Debt placement fee amortization	2,568	2,247	1,925	1,554	767	220	767	220	
Interest expense, net	36,734	52,273	47,624	47,653	50,479	14,395	51,379	14,620	
Depreciation and amortization expense	57,196	71,655	76,200	79,140	86,501	23,152	86,501	23,152	
Adjusted EBITDA (f)	\$ 208,319	\$ 268,759	\$ 308,547	\$ 362,653	\$ 469,837	\$ 79,294	\$ 470,837	\$ 79,544	

- (a) Beginning in 2007, the State of Texas implemented a partnership-level tax based on a percentage of MMP's net revenues apportioned to the State of Texas. MGG reported MMP's estimate of this tax as provision for income taxes on its consolidated statements of income.
- (b) The maturity date of certain of MMP's notes was October 7, 2007. As a result, the \$270.8 million carrying value of these notes was classified as a current liability on MGG's December 31, 2006 consolidated balance sheet. This debt was refinanced before its maturity.
- (c) Cash distributions declared represent distributions declared associated with each calendar year. Distributions were declared and paid within 45 days following the close of each quarter. Cash distributions paid represent cash payments for distributions during each of the periods presented. Cash distributions declared/paid reflect the distribution decisions made by the boards of directors of the general partners of MMP and MGG at their respective quarterly board meetings. As such, these pro forma calculations are not necessarily indicative of the distribution decision that MMP's board of directors would have made had the simplification been completed at January 1, 2008 or January 1, 2009. For comparison to MGG per unit data, the pro forma calculations should be multiplied by the 0.6325 transformation ratio.
- (d) Certain assets contributed to MMP were recorded as property, plant and equipment at the partnership level. The associated depreciation expense was allocated to MMP's various business segments, which in turn recognized these allocated costs as operating expense, reducing segment operating margins by these amounts.
- (e)

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The non-GAAP measure of operating margin (in the aggregate and by segment) is presented. MMP and MGG compute the components of operating margin by using amounts that are determined in accordance with GAAP. A reconciliation of operating margin to operating profit, which is its nearest comparable GAAP financial measure, is included above. See Note 15 Segment Disclosures in the audited consolidated financial statements of MGG for the year ended December 31, 2008 and Note 4 Segment Disclosures in the unaudited consolidated financial statements of MGG for the three months ended March 31, 2009 incorporated by reference herein for a reconciliation of segment operating margin to segment operating profit. MMP and MGG believe that investors benefit from having access to the same financial measures being utilized by management. Operating margin is an important measure of the economic performance of MMP's core operations. This measure forms the basis of MMP's and MGG's internal financial reporting and is used by MMP's management in deciding how to allocate MMP's capital resources between segments. Operating profit, alternatively, includes expense items such as depreciation and amortization and general and administrative expense, that management does not consider when evaluating the core profitability of an operation.

- (f) MMP and MGG define Adjusted EBITDA, which is not a GAAP measure, in the schedules in this filing as net income plus provision for income taxes, debt prepayment premium, write-off of unamortized debt placement fees, debt placement fee amortization, interest expense (net of interest income and interest capitalized) and depreciation and amortization. Adjusted EBITDA should not be considered an alternative to net income, operating profit, cash flow from operations or any other measure of financial performance presented in accordance with GAAP. Because Adjusted EBITDA excludes some items that affect net income and these items may vary among other companies, the Adjusted EBITDA data presented may not be comparable to similarly titled measures of other companies. MMP's management uses Adjusted EBITDA as a performance measure to assess the viability of projects and to determine overall rates of return on alternative investment opportunities. A reconciliation of Adjusted EBITDA to net income, the nearest comparable GAAP measure, is included above.

Table of Contents**Summary Historical Financial Information of MMP**

The following table sets forth summary consolidated historical financial information for MMP. The summary historical financial data as of and for the years ended December 31, 2004 through 2008 is derived from MMP's historical audited consolidated financial statements and related notes. The summary historical financial data as of and for the three months ended March 31, 2009 is derived from MMP's historical unaudited consolidated financial statements and related notes. We have retrospectively applied the provisions of EITF No. 07-4, *Application of the Two-Class Method under FASB Statement No. 128 to Master Limited Partnerships*, to the basic and diluted net income per limited partner unit amounts for all periods presented in the table below. This summary financial data should be read in conjunction with MMP's consolidated historical financial statements, including the notes thereto. MMP's consolidated balance sheets as of December 31, 2007 and 2008 and as of March 31, 2009 and the related consolidated statements of income, partners' capital and cash flows for each of the three years in the period ended December 31, 2008 and the three months ended March 31, 2009 are incorporated by reference into this joint proxy statement/prospectus.

	MMP Consolidated Historical Year Ended December 31,					Three Months Ended March 31, 2009 (unaudited)
	2004	2005	2006	2007	2008	
(in thousands, except per unit amounts)						
Income Statement Data:						
Transportation and terminals revenues	\$ 419,117	\$ 500,196	\$ 558,301	\$ 607,845	\$ 637,958	\$ 154,888
Product sales revenues	275,769	636,209	664,569	709,564	574,095	57,716
Affiliate management fee revenues	488	667	690	712	733	190
Total revenues	695,374	1,137,072	1,223,560	1,318,121	1,212,786	212,794
Operating expenses	179,657	229,795	244,526	251,601	265,728	60,727
Product purchases	255,599	582,631	605,341	633,909	436,567	52,630
Gain on assignment of supply agreement					(26,492)	
Equity earnings	(1,602)	(3,104)	(3,324)	(4,027)	(4,067)	(519)
Operating margin	261,720	327,750	377,017	436,638	541,050	99,956
Depreciation and amortization expense	41,845	56,307	60,852	63,792	71,153	19,315
Affiliate general and administrative expense	54,466	61,131	67,112	72,587	70,435	20,525
Operating profit	165,409	210,312	249,053	300,259	399,462	60,116
Interest expense, net	35,435	48,258	53,010	51,045	50,470	14,390
Debt prepayment premium	12,666			1,984		
Write-off of unamortized debt placement fees	5,002					
Debt placement fee amortization	3,056	2,871	2,681	2,144	767	220
Other (income) expense, net	(953)	(300)	634	728	(375)	(82)
Income before provision for income taxes	110,203	159,483	192,728	244,358	348,600	45,588
Provision for income taxes (a)				1,568	1,987	357
Net income	\$ 110,203	\$ 159,483	\$ 192,728	\$ 242,790	\$ 346,613	\$ 45,231
Basic net income per limited partner unit	\$ 1.70	\$ 2.01	\$ 2.21	\$ 2.69	\$ 3.77	\$ 0.34
Diluted net income per limited partner unit	\$ 1.70	\$ 2.01	\$ 2.20	\$ 2.69	\$ 3.76	\$ 0.34
Balance Sheet Data:						
Working capital (deficit) (b)	\$ 71,737	\$ (206)	\$ (341,371)	\$ (15,563)	\$ (29,675)	\$ (37,562)
Total assets	1,817,832	1,876,518	1,952,649	2,101,194	2,296,115	2,317,244
Long-term debt (b)	789,568	782,639	518,609	914,536	1,083,485	1,125,089
Partners' capital	789,109	807,990	806,482	871,164	955,442	928,630
Cash Distribution Data:						
Cash distribution declared per unit (c)	\$ 1.76	\$ 2.06	\$ 2.34	\$ 2.55	\$ 2.77	\$ 0.71
Cash distribution paid per unit (c)	\$ 1.72	\$ 1.97	\$ 2.29	\$ 2.49	\$ 2.72	\$ 0.71

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Other Data:

Operating margin (loss):						
Petroleum products pipeline system	\$ 195,024	\$ 249,435	\$ 284,190	\$ 351,246	\$ 424,957	\$ 74,167
Petroleum products terminals	56,339	67,224	86,703	85,368	103,967	24,717
Ammonia pipeline system	7,328	7,685	2,541	(3,008)	8,643	111
Allocated partnership depreciation costs (d)	3,029	3,406	3,583	3,032	3,483	961
Operating margin (e)	\$ 261,720	\$ 327,750	\$ 377,017	\$ 436,638	\$ 541,050	\$ 99,956

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	MMP Consolidated Historical Year Ended December 31,					Three Months Ended March 31, 2009 (unaudited)
	2004	2005	2006	2007	2008	
	(in thousands, except per unit amounts)					
Adjusted EBITDA:						
Net income	\$ 110,203	\$ 159,483	\$ 192,728	\$ 242,790	\$ 346,613	\$ 45,231
Provision for income taxes (a)				1,568	1,987	357
Debt prepayment premium	12,666			1,984		
Write-off of unamortized debt placement fees	5,002					
Debt placement fee amortization	3,056	2,871	2,681	2,144	767	220
Interest expense, net	35,435	48,258	53,010	51,045	50,470	14,390
Depreciation and amortization expense	41,845	56,307	60,852	63,792	71,153	19,315
Adjusted EBITDA (f)	\$ 208,207	\$ 266,919	\$ 309,271	\$ 363,323	\$ 470,990	\$ 79,513

- (a) Beginning in 2007, the State of Texas implemented a partnership-level tax based on a percentage of MMP's net revenues apportioned to the State of Texas. MMP reported its estimate of this tax as provision for income taxes on its consolidated statements of income.
- (b) The maturity date of certain of MMP's notes was October 7, 2007. As a result, the \$270.8 million carrying value of these notes was classified as a current liability on MMP's December 31, 2006 consolidated balance sheet. This debt was refinanced before its maturity.
- (c) Cash distributions declared represent distributions declared associated with each calendar year. Distributions were declared and paid within 45 days following the close of each quarter. Cash distributions paid represent cash payments for distributions during each of the periods presented.
- (d) Certain assets contributed to MMP were recorded as property, plant and equipment at the partnership level. The associated depreciation expense was allocated to its various business segments, which in turn recognized these allocated costs as operating expense, reducing segment operating margins by these amounts.
- (e) The non-GAAP measure of operating margin (in the aggregate and by segment) is presented. MMP computes the components of operating margin by using amounts that are determined in accordance with GAAP. A reconciliation of operating margin to operating profit, which is its nearest comparable GAAP financial measure, is included above. See Note 14 Segment Disclosures in the audited consolidated financial statements of MMP for the year ended December 31, 2008 and Note 4 Segment Disclosures in the unaudited consolidated financial statements of MMP for the three months ended March 31, 2009 incorporated by reference herein for a reconciliation of segment operating margin to segment operating profit. MMP believes that investors benefit from having access to the same financial measures being utilized by management. Operating margin is an important measure of the economic performance of MMP's core operations. This measure forms the basis of MMP's internal financial reporting and is used by MMP's management in deciding how to allocate MMP's capital resources between segments. Operating profit, alternatively, includes expense items such as depreciation and amortization and general and administrative expense, that management does not consider when evaluating the core profitability of an operation.
- (f) MMP defines Adjusted EBITDA, which is not a GAAP measure, in the schedules in this filing as net income plus provision for income taxes, debt prepayment premium, write-off of unamortized debt placement fees, debt placement fee amortization, interest expense (net of interest income and interest capitalized) and depreciation and amortization. Adjusted EBITDA should not be considered an alternative to net income, operating profit, cash flow from operations or any other measure of financial performance presented in accordance with GAAP. Because Adjusted EBITDA excludes some items that affect net income and these items may vary among other companies, the Adjusted EBITDA data presented may not be comparable to similarly titled measures of other companies. MMP's management uses Adjusted EBITDA as a performance measure to assess the viability of projects and to determine overall rates of return on alternative investment opportunities. A reconciliation of Adjusted EBITDA to net income, the nearest comparable GAAP measure, is included above.

Table of Contents**UNAUDITED COMPARATIVE PER UNIT INFORMATION**

The following table sets forth certain historical per unit information of MMP and MGG and the unaudited pro forma combined per unit information after giving pro forma effect to the simplification, resulting in MMP's distribution of 0.6325 MMP common units for each outstanding common unit of MGG following the transformation of the incentive distribution rights and approximate 2% general partner interest in MMP into MMP common units.

You should read this information in conjunction with the summary historical financial information included elsewhere in this joint proxy statement/prospectus and the historical consolidated financial statements of MGG and MMP and related notes that are incorporated by reference in this joint proxy statement/prospectus and in conjunction with the Unaudited Pro Forma Consolidated Financial Statements and related notes included elsewhere in this joint proxy statement/prospectus. The unaudited pro forma combined per unit information does not purport to represent what the actual results of operations of MGG and MMP would have been had the partnerships been combined or to project MGG's and MMP's results of operations that may be achieved after the simplification is completed.

Per Unit Data	Historical				Pro forma			
	Year Ended		Three Months		Year Ended		Three Months	
	December 31, 2008		March 31, 2009		December 31, 2008		March 31, 2009	
	MMP	MGG	MMP	MGG	MMP (e)	MGG (f)	MMP (e)	MGG (f)
Net Income:								
Basic (a)	\$ 3.77	\$ 1.40	\$ 0.34	\$ 0.19	\$ 3.10	\$ 1.96	\$ 0.39	\$ 0.25
Diluted (b)	\$ 3.76	\$ 1.40	\$ 0.34	\$ 0.19	\$ 3.10	\$ 1.96	\$ 0.39	\$ 0.25
Cash Distributions:								
Declared Per Unit (c)	\$ 2.77	\$ 1.37	\$ 0.71	\$ 0.36	\$ 2.55	\$ 1.61	\$ 0.66	\$ 0.42
Paid Per Unit (c)	\$ 2.72	\$ 1.32	\$ 0.71	\$ 0.36	\$ 2.48	\$ 1.57	\$ 0.66	\$ 0.42
Book Value (d)	\$ 14.32	\$ 20.02	\$ 13.87	\$ 19.49			\$ 11.39	\$ 7.20

- (a) For MMP and MGG, the amounts are based on the weighted-average number of common units outstanding for the period. The pro forma amounts are based on information provided in Unaudited Pro Forma Consolidated Financial Statements included elsewhere in this joint proxy statement/prospectus.
- (b) For MMP, the amount is based on the weighted-average number of limited partner units outstanding plus the potential dilution that would occur associated with certain awards granted under MMP's long-term incentive plan. MGG had no dilutive units at December 31, 2008 or March 31, 2009. The pro forma combined amount is based on information provided in Unaudited Pro Forma Consolidated Financial Statements included elsewhere in this joint proxy statement/prospectus.
- (c) The pro forma cash distribution declared/paid amounts are based on the weighted-average cash distributions declared/paid for MMP and MGG for each quarterly period and give effect to the additional MMP units outstanding as a result of the simplification. Cash distributions declared/paid reflect the distribution decisions made by the boards of directors of the general partners of MMP and MGG at their respective quarterly board meetings. As such, these pro forma calculations are not necessarily indicative of the distribution decisions that MMP's board of directors would have made had the simplification been completed at January 1, 2008 for the period ended December 31, 2008 or January 1, 2009 for the three months ended March 31, 2009.
- (d) For MMP and MGG, these amounts are computed by dividing partners' capital for each entity by their respective limited partner units outstanding as of December 31, 2008 and as of March 31, 2009, as applicable. The pro forma combined amounts are computed by dividing the pro forma partners' capital as of December 31, 2008 and March 31, 2009, as applicable by the number of limited partner units outstanding at December 31, 2008 and March 31, 2009, as applicable, adjusted to include the estimated number of MMP limited partner units to be outstanding as a result of the simplification. Pro forma data is not presented for December 31, 2008 because a pro forma balance sheet for that date is not included in this filing.

- (e) The amounts represent the pro forma combined results of the simplification. For MMP comparisons, no adjustments are necessary to these calculations.
- (f) For a comparison to MGG per unit data, pro forma amounts have been adjusted to reflect that MGG unitholders will receive 0.6325 MMP common units for each MGG common unit as a result of the simplification.

Table of Contents**MARKET PRICES AND DISTRIBUTION INFORMATION**

MMP common units are traded on the New York Stock Exchange under the symbol MMP, and MGG's common units are traded on the New York Stock Exchange under the symbol MGG. The following table sets forth, for the periods indicated, the range of high and low sales prices per unit for MMP common units and MGG common units, as well as information concerning quarterly cash distributions for MMP common units and MGG common units. The sales prices are as reported in published financial sources.

	MMP Common Units			MGG Common Units		
	High	Low	Distributions (1)	High	Low	Distributions (1)
2007						
First Quarter	\$ 47.94	\$ 37.80	\$ 0.61625	\$ 27.00	\$ 22.37	\$ 0.2615
Second Quarter	53.39	43.21	0.63000	30.57	26.26	0.2760
Third Quarter	48.00	38.50	0.64375	31.00	25.61	0.2900
Fourth Quarter	43.99	39.51	0.65750	27.01	24.38	0.3070
2008						
First Quarter	\$ 45.00	\$ 38.34	\$ 0.67250	\$ 26.96	\$ 21.11	\$ 0.3225
Second Quarter	43.61	35.47	0.68750	25.74	22.01	0.3375
Third Quarter	38.06	29.51	0.70250	23.14	16.00	0.3540
Fourth Quarter	37.32	18.85	0.71000	20.20	11.28	0.3590
2009						
First Quarter	\$ 36.00	\$ 25.36	\$ 0.71000	\$ 19.19	\$ 14.00	\$ 0.3590
Second Quarter	36.75	28.93	n/a(2)	22.25	17.11	n/a(2)
Third Quarter (through July 20, 2009)	36.80	33.75	n/a(2)	21.67	20.48	n/a(2)

(1) Represent cash distributions per MMP common unit or MGG common unit declared with respect to the quarter and paid in the following quarter.

(2) Cash distributions for MMP common units or MGG common units for the second and third quarters of 2009 have not been declared or paid.

As of July 21, 2009, MMP had 66,953,879 outstanding common units. As of July 15, 2009, MMP common units were beneficially held by approximately 65,000 holders. MMP's partnership agreement requires MMP to distribute all of its available cash, as defined in MMP's partnership agreement, within 45 days after the end of each quarter. The payment of quarterly cash distributions by MMP following the simplification, therefore, will depend on the amount of available cash on hand at the end of each quarter.

As of July 21, 2009, MGG had 62,646,551 outstanding common units. As of July 15, 2009, MGG common units were beneficially held by approximately 19,400 holders. MGG's partnership agreement requires MGG to distribute all of its available cash, as defined in MGG's partnership agreement, within 50 days after the end of each quarter.

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RISK FACTORS

In addition to the other information contained in or incorporated by reference into this joint proxy statement/prospectus, including, without limitation, the risk factors and other information contained in MMP's Annual Report on Form 10-K for the year ended December 31, 2008, and the risk factors and other information contained in MGG's Annual Report on Form 10-K for the year ended December 31, 2008, you should carefully consider the following risk factors in deciding whether to vote to approve the simplification agreement and the matters contemplated thereby, MMP's amended and restated partnership agreement, the proposal to direct MGG, as the sole member of MMP's general partner, to approve MMP's amended and restated partnership agreement and all other matters under the simplification agreement that, pursuant to the limited liability company agreement of MMP's general partner, require the approval of MGG and to direct MMP's general partner to implement all such matters, the contributions and the liquidation, as applicable. This joint proxy statement/prospectus also contains forward-looking statements that involve risks and uncertainties. Please read "Forward-Looking Statements" on page 76.

Risks Related to the Simplification and Related Matters

The market value of the consideration to MGG unitholders will be determined by the price of MMP common units, the value of which will decrease if the market value of MMP common units decreases, and MGG unitholders cannot be sure of the market value of MMP common units that will be issued.

Pursuant to the simplification agreement, MGG will receive approximately 39.6 million MMP common units as a result of the transformation, contributions and distributions. The aggregate market value of MMP common units that MGG unitholders will receive in the liquidation and redistribution will fluctuate with any changes in the trading price of MMP common units. This means there is no price protection mechanism contained in the simplification agreement that would adjust the number of MMP common units that MGG unitholders will receive based on any decreases in the trading price of MMP common units. If MMP common unit price decreases, the market value of the consideration received by MGG unitholders will also decrease. Consider the following example:

Example: Pursuant to the simplification agreement, MGG unitholders will receive 0.6325 MMP common units per MGG common unit, subject to receipt of cash in lieu of any fractional MMP common units. Based on the closing sales price of MMP common units on March 3, 2009 of \$28.37 per unit, the market value of the total MMP common units in the aggregate to be received by MGG unitholders would be approximately \$1.1 billion. If the trading price for MMP common units decreased 10% from \$28.37 to \$25.53, then the market value of the total MMP common units in the aggregate to be received by MGG unitholders would be approximately \$1.0 billion.

Accordingly, there is a risk that the 25% premium estimated by the MGG Conflicts Committee to exist at the date the simplification agreement was executed will not be realized by MGG unitholders at the time the simplification is completed. MMP common unit price changes may result from a variety of factors, including general market and economic conditions, changes in its business, operations and prospects, and regulatory considerations. Many of these factors are beyond MMP's control. For historical prices of MGG common units and MMP common units, please read "Market Prices and Distribution Information."

The directors and executive officers of MGG's general partner and MMP's general partner may have interests that differ from your interests.

Certain directors and executive officers of MGG's general partner are also directors and executive officers of MMP's general partner. Messrs. Wellendorf and Eilers serve as members of both the board of MGG's general partner and the board of MMP's general partner. Mr. Wellendorf is the President and Chief Executive Officer of both MGG's general partner and MMP's general partner. Lonny E. Townsend is the Senior Vice President, General Counsel, Secretary and Compliance and Ethics Officer of MGG's general partner. Mr. Townsend is also

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the Senior Vice President, General Counsel, Assistant Secretary and Compliance and Ethics Officer of MMP's general partner. John D. Chandler is the Senior Vice President and Chief Financial Officer and Treasurer of both MGG's general partner and MMP's general partner.

In considering the recommendation of the MMP Conflicts Committee or the MGG Conflicts Committee, as applicable, to approve the simplification agreement and the matters contemplated thereby, you should consider that the executive officers and directors of MGG's general partner and MMP's general partner have interests that differ from, or are in addition to, their interests as MGG unitholders or MMP unitholders generally. These interests include:

Some members of senior management currently own MGG common units and will be receiving MMP common units as a result of the simplification. Senior management of the general partners of MMP and MGG prepared projections with respect to MMP's future financial and operating performance on a stand-alone basis and on a combined basis. These projections were provided to TudorPickering and Lazard in connection with their independent financial analyses and in the preparation of their fairness opinions.

Certain members of MGG's general partner's board being members of MMP's general partner's board and certain officers of MGG's general partner being officers of MMP's general partner;

All of the MGG deferred phantom common units held by certain members of MGG's general partner's board will be transformed into MMP deferred phantom common units;

The simplification agreement provides for indemnification by MMP of each person who was, as of the date of the simplification agreement, or is at any time from the date of the simplification agreement through the effective date an Indemnitee under the existing MGG partnership agreement as if MMP were the original obligor thereunder and for the maintenance of directors' and officers' liability insurance covering directors and executive officers of MGG's general partner for a period of six years following the dissolution of MGG; and

Certain of MGG's general partner's directors and all of MGG's general partner's executive officers are currently directors and executive officers of MMP's general partner, respectively, and will remain directors and executive officers of MMP's general partner following the simplification.

The right of a MGG unitholder to distributions will be changed following the simplification.

Under MMP's current partnership agreement, MGG is entitled to receive approximately 2% of all distributions made by MMP and increasing percentages, up to a maximum of 48%, of any incremental cash distributed by MMP for limited partner units as certain target distribution levels are reached in excess of \$0.28875 per MMP unit in any quarter. After the simplification, the former MGG unitholders as a group will be entitled to receive approximately 37.2% of all distributions made by MMP. As a result of this change, the distributions received by the former unitholders of MGG could be significantly different. If distributions from MMP were to increase significantly, the distributions to the former MGG unitholders would be significantly less than they would be if the current structure was not changed. On the other hand, if distributions from MMP were to decrease significantly, the distributions to the former MGG unitholders would be significantly more than they would be if the current structure was not changed.

The matters contemplated by the simplification agreement may not be completed even if the requisite MGG unitholder and MMP unitholder approvals are obtained, in which case the partnership agreement of MMP will not be amended and restated as proposed.

The simplification agreement contains conditions that, if not satisfied or waived, would result in the simplification not occurring, even though MGG unitholders and MMP unitholders may have voted in favor of the simplification agreement and related matters. In addition, MGG and MMP can agree not to complete the

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simplification even if all unitholder approvals have been received. The closing conditions to the simplification may not be satisfied, and MGG or MMP may choose not to waive any unsatisfied condition, which may cause the simplification not to occur. If the simplification does not occur, the MMP partnership agreement will not be amended and restated as proposed in this joint proxy statement/prospectus.

While the simplification agreement is in effect, MGG's opportunities to enter into different business combination transactions with other parties on more favorable terms may be limited, and both MGG and MMP may be limited in their ability to pursue other attractive business opportunities.

While the simplification agreement is in effect, MGG is prohibited from initiating, soliciting or knowingly encouraging the submission of any acquisition proposal or from participating in any discussions or negotiations regarding any acquisition proposal, subject to certain exceptions. As a result of these provisions in the simplification agreement, MGG's opportunities to enter into more favorable transactions may be limited. Likewise, if MGG were to sell directly to a third party, it might have received more value with respect to the general partner interest in MMP and the incentive distribution rights in MMP based on the value of the business at such time.

Both MGG and MMP have also agreed to refrain from taking certain actions with respect to their businesses and financial affairs pending completion of the simplification or termination of the simplification agreement. These restrictions could be in effect for an extended period of time if completion of the simplification is delayed. These limitations do not preclude MMP from conducting its business in the ordinary or usual course or from acquiring assets or businesses so long as such activity does not materially affect MMP's or MGG's ability to complete the matters contemplated by the simplification agreement. For a detailed discussion of these restrictions, please read "The Simplification Agreement - Actions Pending Completion of the Simplification" beginning on page 92.

In addition to the economic costs associated with pursuing the simplification, MGG's general partner's management and MMP's general partner's management will continue to devote substantial time and other human resources to the proposed simplification, which could limit MGG's and MMP's ability to pursue other attractive business opportunities, including potential joint ventures, stand-alone projects and other transactions. If either MGG or MMP is unable to pursue such other attractive business opportunities, then its growth prospects and the long-term strategic position of its business and MMP's business following the simplification could be adversely affected.

Existing MMP unitholders will be diluted by the simplification and will have reduced voting power.

The simplification will dilute the ownership position of the existing MMP unitholders. After the simplification, the existing MMP unitholders will have reduced voting power. Pursuant to the simplification agreement, MGG unitholders will receive approximately 39.6 million MMP common units as a result of the simplification. Immediately following the liquidation and redistribution, MMP will be owned approximately 62.8% by its current unitholders and approximately 37.2% by former MGG unitholders.

The number of outstanding MMP common units will increase as a result of the simplification, which could make it more difficult to pay the current level of quarterly distributions.

As of July 21, 2009, there were approximately 67.0 million MMP common units outstanding. MMP will issue approximately 39.6 million MMP common units in connection with the simplification. Accordingly, the dollar amount required to pay the current per unit quarterly distributions will increase, which will increase the likelihood that MMP will not have sufficient funds to pay the current level of quarterly distributions to all MMP common unitholders. Using the amount of \$0.71 per MMP common unit paid with respect to the first quarter of 2009, the cash distribution paid to MMP unitholders totaled \$47.5 million, resulting in a distribution of \$23.5 million to the general partner for its general partner interest and incentive distribution rights. Therefore, MMP's combined total distribution paid with respect to the first quarter of 2009 was \$71.0 million. Pursuant to the simplification agreement, MGG unitholders will receive approximately 39.6 million MMP common units as a

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result of the simplification. The combined pro forma MMP distribution with respect to the first quarter of 2009, had the simplification been completed prior to such distribution, would result in \$0.71 per unit being distributed on approximately 106.6 million MMP common units, or a total of \$75.7 million, with the general partner no longer receiving any distributions. As a result, MMP will be required to distribute an additional \$4.7 million per quarter in order to maintain the distribution level of \$0.71 per MMP common unit paid with respect to the first quarter of 2009.

Although the elimination of the incentive distribution rights may increase the cash available for distribution to MMP common units in the future, this source of funds may not be sufficient to meet the overall increase in cash required to maintain the current level of quarterly distributions to holders of MMP common units.

Failure to complete the simplification or delays in completing the simplification could negatively impact MMP common unit prices and MGG common unit prices and future business and operations.

If the simplification is not completed for any reason, MMP and MGG may be subject to a number of material risks, including the following:

MMP will not realize the benefits expected from the simplification, including a potentially enhanced financial and competitive position;

the price of MMP common units or MGG common units may decline to the extent that the current market price of these securities reflects a market assumption that the simplification will be completed; and

some costs relating to the simplification, such as certain investment banking fees and legal and accounting fees, must be paid even if the simplification is not completed.

The costs of the simplification could adversely affect MMP's operations and cash flows available for distribution to its unitholders.

MMP and MGG estimate the total costs of the simplification to be approximately \$13.4 million, primarily consisting of investment banking and legal advisors' fees, accounting fees, financial printing and other related costs. These costs could adversely affect MMP's operations and cash flows available for distributions to its unitholders. In addition, the foregoing estimate is preliminary and is subject to change.

If the simplification agreement were terminated, MGG may be obligated to re-pay MMP for costs incurred related to the simplification and related steps. These costs could require MGG to seek loans or use MGG's available cash that would have otherwise been available for distributions.

Upon termination of the simplification agreement, and depending upon the circumstances leading to that termination, MGG could be responsible for reimbursing MMP for simplification related expenses that MMP has paid on MGG's behalf. Under certain circumstances, MGG may also be required to reimburse MMP for its reasonable expenses. For a detailed discussion of the various circumstances leading to a reimbursement of expenses, please read "The Simplification Agreement Expenses" beginning on page 104.

MGG's only source of cash is its distributions received from MMP. If the simplification agreement is terminated, the expense reimbursements required by MGG under the simplification agreement may require MGG to seek loans, borrow amounts under its revolving credit facility or use cash received from its distributions from MMP to repay these expenses. In either case, reimbursement of these costs could reduce the cash MGG has available to make its quarterly distribution.

MMP's amended and restated partnership agreement that will be in effect following the simplification limits the ability of MMP's general partner to withdraw as general partner of MMP and limits the ability of MMP's unitholders to remove MMP's general partner.

Under MMP's amended and restated partnership agreement, to the fullest extent permitted by law, MMP's general partner may not withdraw as general partner of MMP at any time for any reason except in the event that

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the general partner has transferred all of its general partner interest in MMP in accordance with MMP's amended and restated partnership agreement. In addition, MMP's general partner may not be removed unless the removal is approved by the vote of the holders of 100% of the outstanding units, including units held by MMP's general partner and its affiliates, and MMP receives an opinion of counsel regarding limited liability and tax matters. Any removal of MMP's general partner is also subject to the approval of a successor general partner by the vote of the holders of 100% of MMP's outstanding units.

Tax Risks Related to the Simplification

In addition to reading the following risk factors, you should read "Material Federal Income Tax Consequences of the Simplification" beginning on page 116 and "Federal Income Taxation of MMP and Its Unitholders" beginning on page 121 for a more complete discussion of the expected material federal income tax consequences of the transformation and of owning and disposing of MMP common units received in the simplification.

No ruling has been obtained with respect to the tax consequences of the simplification.

No ruling has been or will be requested from the Internal Revenue Service, or IRS, with respect to the tax consequences of the simplification. Instead, MMP and MGG are relying on the opinions of their respective counsel as to the tax consequences of the simplification, and counsel's conclusions may not be sustained if challenged by the IRS. Please Read "Material Federal Income Tax Consequences of the Simplification."

The intended tax consequences of the simplification are dependent upon each of MMP and MGG being treated as a partnership for tax purposes.

The treatment of the simplification as nontaxable to MMP unitholders and MGG unitholders is dependent upon each of MMP and MGG being treated as a partnership for federal income tax purposes. If either MMP or MGG were treated as a corporation for federal income tax purposes, the consequences of the simplification would be materially different and would be taxable to an MGG unitholder.

The tax treatment of the simplification could be subject to potential legislative, judicial or administrative changes and differing interpretations, possibly on a retroactive basis.

The federal income tax consequences of the simplification depend in some instances on determinations of fact and interpretations of complex provisions of federal income tax law. The federal income tax rules are constantly under review by persons involved in the legislative process, the IRS and the U.S. Treasury Department, frequently resulting in revised interpretations of established concepts, statutory changes, revisions to Treasury regulations and other modifications and interpretations. The IRS pays close attention to the proper application of tax laws to partnerships. The present federal income tax consequences of the simplification to MMP unitholders and MGG unitholders may be modified by administrative, legislative or judicial interpretation at any time. Any modification to the federal income tax laws and interpretations thereof may or may not be applied retroactively and could change the tax treatment of the simplification as nontaxable to MMP unitholders and MGG unitholders. For example, in response to recent public offerings of interests in the management operations of private equity funds and hedge funds, members of Congress have considered substantive changes to the definition of qualifying income under Section 7704 of the Internal Revenue Code which could change the characterization of certain types of income received from partnerships. In particular, one proposal re-characterizes certain income and gain received with respect to investment service partnership interests as ordinary income for the performance of services, which may not be treated as qualifying income for publicly traded partnerships. As such proposal is currently interpreted, a significant portion of MGG's interest in MMP may be viewed as an investment service partnership interest. Moreover, the same proposal could result in the simplification being treated as a taxable exchange to a holder of MGG common units or change the tax treatment of future sales of MGG common units in the event that the simplification is not completed. We are unable to predict whether this proposed legislation or any other proposals will ultimately be enacted, and if so, whether any such proposed legislation would be applied retroactively.

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Tax Risks to the Holders of MGG Common Units

An MGG unitholder may recognize taxable income as a result of receiving cash in lieu of fractional shares or as a result of the assumption or payment of liabilities of MGG.

Although it is anticipated that no gain or loss should be recognized by an MGG unitholder as a result of the simplification, (i) any gain resulting from the sale of MMP common units in lieu of distributing any fractional MMP common units and (ii) income and gain, if any, resulting from the assumption or payment of liabilities of MGG or its subsidiaries by MMP, may result in an MGG unitholder recognizing taxable income. Please read [Material Federal Income Tax Consequences of the Simplification](#).

Tax Risks to Existing MMP Unitholders

An existing MMP unitholder may be required to recognize gain as a result of the decrease in his allocable share of MMP nonrecourse liabilities as a result of the simplification.

As a result of the simplification, the allocable shares of nonrecourse liabilities allocated to the existing MMP unitholders will be recalculated to take into account MMP common units issued by MMP in the transformation. If an existing MMP unitholder experiences a reduction in MMP unitholder's share of nonrecourse liabilities as a result of the transformation, a reducing debt shift, such MMP unitholders will be deemed to have received a cash distribution equal to the amount of the reduction. A reduction in an MMP unitholder's share of liabilities will result in a corresponding basis reduction in an MMP unitholder's common units. A reducing debt shift and the resulting deemed cash distribution may, under certain circumstances, result in the recognition of taxable gain by an MMP unitholder. If the reduction in an MMP unitholder's share of nonrecourse liabilities and the resulting deemed cash distribution exceeds such MMP unitholder's common unit basis, such MMP unitholder would recognize gain in an amount equal to such excess. Although MMP has not received an opinion with respect to the shift of nonrecourse liabilities, MMP does not expect that any constructive cash distribution will exceed an existing unitholder's tax basis in his MMP common units. Please read [Material Federal Income Tax Consequences of the Simplification](#) [Tax Consequences of the Transformation, Distributions and Contributions to Existing MMP Common Unitholders](#).

*MMP estimates that the transformation will result in an increase in the amount of net income (or decrease in the amount of net loss) allocable to all of the existing MMP unitholders for the period from January 1, 2009 through December 31, 2010 (the **Projection Period**).*

MMP estimates that the effectiveness of the simplification will result in an increase in the amount of net income (or decrease in the amount of net loss) allocable to all of the existing MMP unitholders for the Projection Period. In addition, the federal income tax liability of an existing MMP unitholder could be increased during the Projection Period if MMP makes a future offering of MMP common units and uses the proceeds of the offering in a manner that does not produce substantial additional deductions during the Projection Period, such as to repay indebtedness currently outstanding or to acquire property that is not eligible for depreciation or amortization for federal income tax purposes or that is depreciable or amortizable at a rate significantly slower than the rate currently applicable to MMP's assets. Please read [Material Federal Income Tax Consequences of the Simplification](#) [Tax Consequences of the Transformation, Distributions and Contributions to Existing MMP Common Unitholders](#).

Table of Contents**SPECIAL FACTORS****Background of the Simplification**

Since early 2008, the senior management of MMP and MGG (senior management), the board of directors of the general partner of MMP and the board of directors of the general partner of MGG have been independently considering and evaluating strategic alternatives to enhance long-term value to both MMP's unitholders and MGG's unitholders. The strategic alternatives included those focused on improving the competitive position of MMP by reducing its cost of equity capital and enhancing the long-term growth prospects for MMP, which could benefit both MMP's unitholders and MGG's unitholders. At such time, MMP believed that its cost of equity capital was high in comparison to its peer master limited partnerships. Because MMP was at the time (and currently is) in the highest tier of its IDR structure, if MMP were to increase its distribution to its existing limited partners, MMP's general partner would be entitled to approximately 50% of any incremental distributions made by MMP even though it owns only an approximate 2% interest in MMP. When MMP is competing for acquisitions with its competitors, in order to make the acquisition accretive to its limited partners, MMP must overcome the fact that its general partner, when compared to other master limited partnerships, is in many cases entitled to a more significant percentage of the distributable cash flow generated by the acquired asset. Accordingly, by eliminating the competitive disadvantages associated with the IDRs, MMP believed it would be more likely to make accretive acquisitions and improve its long-term distribution growth prospects as a consequence.

To further the consideration of such potential strategic alternatives and to manage the potential conflicts of interest of senior management and certain directors who are directors and/or officers of both MMP and MGG, the board of directors of the general partner of MMP, on April 1, 2008, authorized and directed the MMP Conflicts Committee composed of James R. Montague, George A. O'Brien, Jr. and John P. DesBarres, to, among other things, (i) determine whether a potential transaction involving the purchase by MMP of the equity of MGG was in the best interest of MMP, (ii) negotiate such an acquisition, and (iii) make a recommendation to the board of directors of the general partner of MMP with respect to such an acquisition.

In early April 2008, senior management was approached by an investment banker concerning the potential interest of an unrelated publicly traded master limited partnership (the Interested Party). The Interested Party informally expressed an interest in merging both MMP and MGG with the Interested Party.

On April 8, 2008, senior management provided a presentation to the MMP Conflicts Committee concerning a proposed acquisition of MGG. The acquisition would eliminate the IDRs and general partner interest. Those rights currently are owned by MGG and entitle MGG to approximately 50% of any incremental distribution increases or decreases that MMP makes to its current unitholders based upon MMP's distribution levels at such time. Senior management stated that an acquisition of MGG could be in the best interest of MMP because: (a) the liquidity in the marketplace for public general partner entities was currently limited, (b) the spread between the yield on MMP's equity and MGG's equity currently made such an acquisition feasible, (c) MMP had significant debt capacity, and (d) the elimination of MMP's IDRs would decrease MMP's incremental cost of any newly issued limited partner capital. As of April 8, 2008, senior management projected that the yields based upon the projected 2009 distributable cash flow per unit divided by the market price of those units (assuming MMP and MGG distributed all cash flow and did not hold any reserves) would be 7.8% for MMP common units and 8.2% for MGG common units. This meant that MMP's unit price relative to its projected 2009 distributable cash flow was stronger than MGG's unit price relative to its 2009 distributable cash flow, thereby making it feasible through an exchange of units to combine MMP with MGG and potentially offer a premium to MGG unitholders. Furthermore, at that time, senior management believed MMP could issue reasonably priced debt and offer a combined cash and equity exchange offer for MGG common units versus a 100% equity exchange offer.

On the downside, senior management noted that an acquisition of MGG (a) would increase MMP's leverage if debt was used in such acquisition, and (b) would result in MMP buying its general partner which before this transaction would receive a disproportionate share of any decrease in distributions because of the incentive

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distribution rights, thereby increasing the downside risks to MMP of any future negative impacts to MMP's business. Because MMP was in the highest tier of its IDR structure at that time, if MMP reduced its distribution to the existing MMP unitholders, the amount distributed to MMP's general partner would also be reduced by approximately 50% of the total distribution reduction made by MMP. By eliminating the IDRs, the full impact of a distribution reduction by MMP would be borne by MMP's limited partners. The MMP Conflicts Committee also considered other potential uses for MMP's cash.

At this meeting, the MMP Conflicts Committee was informed by senior management about the Interested Party's expression of preliminary interest in merging MMP and MGG with the Interested Party. Senior management explained that this expression of interest was brought to senior management's attention by an investment banker and that, as of that date, no information had been exchanged between senior management and the Interested Party. Senior management did not provide to the MMP Conflicts Committee any economic assessment of a potential combination but did briefly describe the key business activities of the Interested Party. Senior management explained that it would keep the MMP Conflicts Committee informed if the expression of interest developed into more substantive discussions. Following the presentation by senior management, the MMP Conflicts Committee met with Richards, Layton & Finger, P.A. (Richards Layton) to discuss the process required to complete an acquisition of MGG by MMP, the legal duties and obligations of the MMP Conflicts Committee members (in particular, the fiduciary duties of the MMP Conflicts Committee members under Delaware law, as modified by MMP's partnership agreement, and the obligation of the MMP Conflicts Committee members to evaluate any potential transaction from the perspective of MMP and the public unitholders of MMP) and possible implications of the Interested Party's expression of interest. The MMP Conflicts Committee also formally engaged Richards Layton to act as the MMP Conflicts Committee's legal counsel.

On April 9, 2008, the CEO met with the MGG Conflicts Committee, composed of Walter R. Arnheim, Robert G. Croyle and James C. Kempner, to inform it that senior management had met with the MMP Conflicts Committee the day before and had given them information to help analyze making a possible offer to buy MGG. The CEO also informed the MGG Conflicts Committee about the Interested Party's expression of preliminary interest in acquiring MMP and MGG.

Because of the potential conflicts related to the consideration of strategic alternatives referred to above, on April 10, 2008, the board of directors of the general partner of MGG delegated consideration of the potential MMP acquisition proposal to the MGG Conflicts Committee. The MGG Conflicts Committee was given the power to, among other things, (i) review, evaluate, investigate and negotiate the terms and conditions of an MMP proposal; (ii) solicit third parties with respect to alternative transactions; (iii) evaluate any offers received in response to such solicitations; (iv) consider and analyze whether any counteroffer would be appropriate; (v) review and comment on any confidentiality or standstill agreements prepared for an MMP proposal or any alternative transaction; (vi) determine whether an MMP proposal or any alternative transaction was advisable and in the best interests of MGG and its public unitholders; and (vii) if applicable and as appropriate, make a recommendation to the Board with respect to an MMP proposal or any alternative transaction. On April 17, 2008, the MGG Conflicts Committee interviewed law firms and retained Morris, Nichols, Arsht & Tunnell LLP (Morris Nichols) as legal counsel to the MGG Conflicts Committee.

On April 10, 2008, the MMP Conflicts Committee interviewed TudorPickering, resolved to engage TudorPickering to act as its financial advisor and authorized its chairman to finalize the fee arrangement and engagement letter with TudorPickering.

From April 21, 2008 and through May 2, 2008, TudorPickering met numerous times with certain members of senior management to learn about MMP's business, including senior management's projections for MMP's business.

On April 25, 2008, the MMP Conflicts Committee met to discuss the effect that a potential offer by the Interested Party to acquire MMP and its affiliates would have on the acquisition of MGG that the MMP Conflicts

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Committee was in the process of considering. The MMP Conflicts Committee and Richards Layton discussed the implications of the talks between senior management and the Interested Party on the proposed acquisition of MGG by MMP, although that discussion was limited because of the apparent preliminary nature of the Interested Party's expression of interest. The MMP Conflicts Committee concluded that it should treat any offer received from the Interested Party to acquire MMP and its affiliates as a potential alternative to the acquisition of MGG.

On May 2, 2008, the MMP Conflicts Committee met to analyze and discuss various aspects of the proposed acquisition of MGG. At this meeting, after hearing a presentation from TudorPickering, the MMP Conflicts Committee discussed various potential benefits of the proposed acquisition of MGG. The potential benefits discussed included the elimination of the incentive distribution rights, improved marginal economics to common unitholders, a better alignment of management and common unitholder incentives, a simplified ownership and governance structure, and improved investor and rating agency perceptions of MMP. The MMP Conflicts Committee also discussed senior management's financial projections and TudorPickering's preliminary financial analysis. This discussion focused on the amount of accretion and dilution to the common unitholders of MMP under the base case, upside case, and downside case financial projections. The MMP Conflicts Committee also discussed potential alternatives to the proposed acquisition of MGG. The two potential alternatives discussed at the May 2, 2008 meeting were (i) attempting to negotiate a cap on the amounts to be paid on the incentive distribution rights and (ii) attempting to negotiate an adjustment to the triggers for payment on the incentive distribution rights. The MMP Conflicts Committee considered these alternatives from the point of view of the public common unitholders of MMP. The MMP Conflicts Committee also discussed the risk that a third party may be led to believe that the board of directors of MMP's general partner had decided that MMP was for sale because of a potential offer by MMP to acquire MGG, but concluded that the harm that could be caused by such a misperception was likely low. The MMP Conflicts Committee also discussed whether any potential strategic rationale existed for the discussions between senior management and the Interested Party. The MMP Conflicts Committee did not reach any conclusion as to any potential transaction, but rather resolved to continue its analysis further over the coming weeks.

On May 7, 2008, the MMP Conflicts Committee met to consider the proposed acquisition of MGG. TudorPickering made a presentation to the MMP Conflicts Committee that contained similar preliminary financial analyses to those reviewed at the May 2, 2008 meeting, but that TudorPickering had updated to include additional information provided by the MMP Conflicts Committee at the May 2, 2008 meeting. TudorPickering also discussed other strategic parties that potentially might be interested in MGG, perhaps in combination with MMP, and the potential mix of cash and/or equity that the MMP Conflicts Committee might consider in an offer to acquire MGG. The MMP Conflicts Committee considered recommending to the board of directors of the general partner of MMP that it make an initial proposal to purchase MGG for \$27.00 per MGG common unit, to be paid 70% in equity of MMP and 30% in cash. The MMP Conflicts Committee again discussed process issues with Richards Layton, and determined that the chairman of the MMP Conflicts Committee should discuss with the chairman of the board of directors of the general partner of MMP, whether the board of directors of the general partner of MMP would delegate to the MMP Conflicts Committee all of the authority to acquire MGG on behalf of MMP.

On May 9, 2008, by unanimous written consent, the board of directors of the general partner of MMP authorized and directed the MMP Conflicts Committee to, among other things, (i) consider and analyze a potential transaction involving the purchase of MGG, (ii) make proposals to MGG with respect to such an acquisition, (iii) negotiate such an acquisition, and (iv) if applicable, exercise the full authority of the board of directors of the general partner of MMP with respect to the approval of such an acquisition.

On May 11, 2008, the MGG Conflicts Committee met to discuss retaining a financial advisor to advise the MGG Conflicts Committee in connection with a potential transaction with MMP. At the meeting, several financial advisors were discussed as available options for the MGG Conflicts Committee.

On May 12, 2008, the MMP Conflicts Committee met to discuss a possible proposal to purchase MGG. TudorPickering presented updated preliminary financial analyses of the potential acquisition. The MMP

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Conflicts Committee discussed, among other things, the appropriate price for an offer, the offer price's impact on accretion and dilution, the impact of leverage on MMP's business, the market's potential reaction and the MMP Conflicts Committee's optimal negotiation strategy. The MMP Conflicts Committee determined that it would offer to purchase MGG at a price of \$27.75 per MGG common unit, with 30% of the consideration to be paid in cash and 70% of the consideration to be paid in MMP common units. The MMP Conflicts Committee directed its chairman to contact the chairman of the MGG Conflicts Committee to convey the offer.

Later on May 12, 2008, the chairman of the MMP Conflicts Committee discussed the acquisition of MGG with the chairman of the MGG Conflicts Committee and proposed that MMP acquire the equity of MGG for \$27.75 per MGG common unit, with the consideration paid 30% in cash and 70% in MMP common units, subject to the negotiation of appropriate documentation. At the time, the proposal represented approximately a 12.2% premium above the closing price of MGG common units on May 9, 2008. The MGG Conflicts Committee chairman was informed that this proposal represented a full priced offer from the MMP Conflicts Committee's point of view.

The MGG Conflicts Committee met with senior management on May 14, 2008, to discuss MMP's offer and the potential retention of a financial advisor.

On May 14, 2008, the MMP Conflicts Committee determined that, in light of the full delegation of authority to negotiate the acquisition of MGG by the board of directors of the general partner of MMP, the MMP Conflicts Committee should consult with Vinson & Elkins L.L.P. (Vinson & Elkins), counsel to MMP, with respect to the numerous non-Delaware law issues relating to a potential acquisition of MGG. Later that day, the MMP Conflicts Committee met to discuss various transactional issues and potential deal protection measures that MMP could take in connection with the acquisition offer. Included in this discussion was the consideration of (i) whether MMP would need a unitholder vote to approve the acquisition, and (ii) whether deal protection measures (including termination fees, escrows, options to acquire MGG equity, voting trusts, equity appreciation rights, amendments to various control rights held by MGG and options to acquire the equity in the general partner of MGG) were appropriate for the proposed acquisition of MGG.

Also on May 14, 2008, the MGG Conflicts Committee contacted the MMP Conflicts Committee and requested that the MMP Conflicts Committee provide the MGG Conflicts Committee with a written proposal of the terms for the proposed acquisition. In response, the MMP Conflicts Committee set forth its proposal in a letter and sent the letter to the MGG Conflicts Committee on May 16, 2008.

On May 16, 2008, the MGG Conflicts Committee met with two financial advisors, each of whom made presentations with respect to representing the MGG Conflicts Committee. Representatives of each financial advisor described, among other things, their expertise involving similar acquisitions, the process that they would engage in as financial advisor, their initial impressions of the proposed acquisition and their proposed fee structure. Based on the presentations, the MGG Conflicts Committee directed Morris Nichols to confirm that the MMP Conflicts Committee understood that the MGG Conflicts Committee would need to test the market prior to entry into an agreement with MMP. On that same day, Morris Nichols contacted Richards Layton to discuss the MGG Conflicts Committee's ability to shop MMP offer. Morris Nichols expressed the view that, in connection with the acquisition, the MGG Conflicts Committee would need to effectively test the market for an alternative transaction. Richards Layton stated that the MMP Conflicts Committee understood the need of the MGG Conflicts Committee to test the market and believed that an effective market check could be conducted by the MGG Conflicts Committee on a post-signing basis.

On May 19, 2008, the MMP Conflicts Committee met to discuss the issues relating to providing access to confidential information of MMP. The MMP Conflicts Committee determined that because MMP was not for sale (i) it would only make an offer to acquire MGG that provided for an ability for MGG to check for other offers after it had signed an agreement with MMP, (ii) it would only allow third parties access to MMP's confidential information if the third party signed a confidentiality agreement and a standstill agreement, and

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(iii) it would only make an offer to acquire MGG where, during the market check period, MGG could not solicit other offers, but could passively respond to third party bids. The MMP Conflicts Committee noted that MGG, as an independent public company, had the right to sell itself, but that it was not in MMP's interests to have MGG engage in such an active, pre-signing solicitation process with the benefit of having an acquisition proposal from MMP in hand.

Following the MMP Conflicts Committee meeting of May 19, 2008, Richards Layton and Morris Nichols discussed the terms on which the MMP Conflicts Committee would agree to allow MGG to test the market for a superior offer. Morris Nichols expressed the view that the MGG Conflicts Committee could not commit not to engage in a pre-signing market check period to solicit alternative proposals. Richards Layton reiterated the determinations made by the MMP Conflicts Committee and the rationale for such determinations.

The MGG Conflicts Committee met on May 20, 2008 to discuss MMP's reluctance to leave its offer in place if MGG conducted a pre-signing market check. After the meeting, Madison Dearborn Partners, LLC (Madison Dearborn), a 7% beneficial owner of MGG and a beneficial owner of MGG's general partner, made an information request of MGG as a potential acquirer of MGG. Madison Dearborn also had representatives on the board of directors of MMP's general partner and MGG's general partner. Such representatives recused themselves from all discussions related to the economics of any strategic alternatives that occurred at all meetings of the boards of directors of MMP's general partner and MGG's general partner.

On May 21, 2008, the MGG Conflicts Committee met with senior management to discuss MMP's offer and its stance on a pre-signing market check with respect to the offer. The MGG Conflicts Committee discussed retaining one of the two financial advisors it had interviewed to help evaluate the options available for MGG, but agreed to wait until after hearing from the MMP Conflicts Committee about process issues before deciding whether to hire a financial advisor.

On May 23, 2008, Morris Nichols contacted Richards Layton to discuss MMP's solicitation restrictions in its offer to purchase MGG. The MMP Conflicts Committee did not change its position with regard to the pre-signing market check, and Richards Layton informed Morris Nichols that MMP would withdraw its offer if the MGG Conflicts Committee insisted on its need to conduct a pre-signing market check. The MGG Conflicts Committee met again that day to discuss its concern with the conditions established by the MMP Conflicts Committee.

On May 27, 2008, the MGG Conflicts Committee met again to discuss MMP's offer. The MGG Conflicts Committee reiterated its decision not to hire a financial advisor until it determined that it would have the flexibility to conduct a pre-signing market check. After further discussion, the MGG Conflicts Committee decided that, before hiring a financial advisor, it must clarify its ability to test the market before signing an agreement with MMP.

On May 22, 2008 and May 28, 2008, the MMP Conflicts Committee met to discuss how to advance negotiations for the acquisition of MGG in light of MGG's desire for a pre-signing market check while MMP maintained, without withdrawing, its acquisition proposal. The MMP Conflicts Committee resolved that its chairman should speak with the chairman of the MGG Conflicts Committee to propose that a form of acquisition agreement be sent to the MGG Conflicts Committee in an attempt to advance the negotiations. Shortly after the May 28, 2008 meeting, the chairman of the MMP Conflicts Committee discussed the process issues with the chairman of the MGG Conflicts Committee and, as a result of such discussion, Vinson & Elkins and Richards Layton prepared and presented a draft acquisition agreement to the MGG Conflicts Committee on June 3, 2008.

On June 3, 2008, Vinson & Elkins and Richards Layton discussed the draft acquisition agreement with Morris Nichols. The draft acquisition agreement allowed MGG to actively shop for competing bids for MGG for a 45 day period beginning on the date the acquisition agreement was signed. The draft acquisition agreement also contemplated that, under certain circumstances, MGG would be able to enter into a transaction with a third party

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and terminate the acquisition agreement; however, in doing so it would have to pay a termination fee to MMP. In addition, for MGG to accept a competing proposal under certain circumstances, MGG, as the sole member of the general partner of MMP, would be required to amend the limited liability company agreement of MMP's general partner to eliminate the right of the general partner of MMP to veto certain acquisitions of assets by MMP or certain mergers involving MMP. Morris Nichols contacted Richards Layton and Vinson & Elkins on June 4, 2008, to discuss the MGG Conflicts Committee's concerns regarding the acquisition agreement's deal-protection provisions. Richards Layton and Vinson & Elkins informed Morris Nichols that the MMP Conflicts Committee would not allow a pre-signing market check while its proposal remained outstanding. Morris Nichols also contacted the CEO who said that, if a solution to the impasse between the two committees could not be reached, he wanted senior management to have a meeting with both committees and their respective counsel to see if the parties could work through the issue.

The MGG Conflicts Committee met on June 9, 2008, to discuss the acquisition agreement. It discussed whether to hire a financial advisor prior to rejecting MMP's proposal to forgo any pre-signing market check of MMP's offer. It also decided that a meeting of both committees and senior management would not be fruitful until the MMP Conflicts Committee agreed that such a pre-signing market check was on the table for discussion.

On June 10, 2008, the MMP Conflicts Committee met to discuss the status of negotiations to acquire MGG. As the parties could not agree on the manner and timing of how a market check would be conducted for MGG, the MMP Conflicts Committee resolved that its chairman should propose a face-to-face meeting with the MGG Conflicts Committee to attempt to resolve the issues related to MGG's request for a pre-signing market check. The MMP Conflicts Committee further resolved that if the MGG Conflicts Committee was not interested in having such a face-to-face meeting, then the MMP Conflicts Committee should withdraw the proposal previously made to acquire MGG.

In a telephone conversation later that day, the chairman for the MGG Conflicts Committee informed the chairman of the MMP Conflicts Committee that it had reviewed the acquisition agreement carefully and decided that it needed to preserve the ability to engage in a pre-signing market check with full access to all MMP data, subject to a reasonable confidentiality agreement. The MMP Conflicts Committee was further informed that a post-signing market check was insufficient from the MGG Conflicts Committee's point of view. The MGG Conflicts Committee also told the MMP Conflicts Committee that the two sides were so far apart on the issue of a pre-signing market check that a face-to-face meeting would not be beneficial. Morris Nichols contacted Richards Layton and Vinson & Elkins to see if the MMP Conflicts Committee was willing to compromise on the pre-signing market check while maintaining MMP's proposal to acquire MGG outstanding. Although Richards Layton and Vinson & Elkins suggested some concessions, these concessions did not address the MGG Conflicts Committee's main concerns.

Later on June 10, 2008, in a letter addressed to the MGG Conflicts Committee, the MMP Conflicts Committee withdrew its proposal to acquire MGG.

Thereafter, given that there was no longer any active consideration of a strategic transaction with MGG, the MMP Conflicts Committee terminated its engagement of TudorPickering pursuant to the terms of the engagement letter.

On June 11, 2008, the CEO informed the boards of directors of the general partner of MMP and the general partner of MGG that on June 10, 2008, certain members of senior management, including the CEO, met with the CEO and CFO of the Interested Party. The Interested Party had asked for the meeting so it could present its thoughts on a possible transaction involving both MMP and MGG.

Also on June 11, 2008, the MGG Conflicts Committee met to discuss the withdrawal of MMP's offer to purchase MGG. The MGG Conflicts Committee agreed that it had no further role to play unless another conflict arose during consideration of strategic alternatives or the board of directors of the general partner of MGG decided to delegate to the MGG Conflicts Committee the power to assess strategic alternatives.

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On June 13, 2008, Madison Dearborn renewed its MGG information request that it previously had made on May 20, 2008. From mid-June 2008 through the end of October 2008, senior management responded to a series of due diligence requests and informational meetings with Madison Dearborn and/or consultants engaged by Madison Dearborn.

On June 19, 2008, the board of directors of the general partner of MMP met to discuss the expression of interest by the Interested Party regarding a potential transaction with MMP and MGG. Senior management reported that the expression of interest and discussions relating thereto were in the very preliminary stages and that no confidential information had been exchanged among the parties. In order for the board of directors of the general partner of MMP to more fully understand the merits of considering a possible transaction with the Interested Party, senior management made a presentation and led a discussion regarding (i) the state of MMP's business, (ii) potential organic growth projects and opportunities for MMP, (iii) potential asset acquisitions by MMP, (iv) potential business combinations in the master limited partnership space and the drivers relating thereto, (v) MMP as a potential acquirer in possible business combinations, (vi) MMP as a potential target in possible business combinations, (vii) the valuation of MMP and MGG under the management forecast as well as under upside scenarios and downside scenarios, (viii) factors relating to a possible business combination with the Interested Party, including distributable cash flow yield, synergies and cost savings, incentive distribution rights, future cash flow growth rates and the relative size of the companies involved, (ix) an overview of the Interested Party, (x) potential benefits of a business combination with the Interested Party, and (xi) an analysis and discussion of the rationale, structure, financial impact and valuation aspects of a potential business combination among MMP, MGG and the Interested Party. The board of directors of the general partner of MMP determined based on the analysis provided by senior management, including the board's view of relative distributable cash flow yields, cash flow stability and asset diversification, that there was some potential that a transaction of interest to MMP and the Interested Party could be developed. Accordingly, the board decided that it was appropriate to facilitate an exchange of information so that the Interested Party and the board could develop a more definitive position concerning their interest in a possible combination. Following this discussion, the board of directors of the general partner of MMP authorized senior management to enter into a confidentiality agreement with the Interested Party for the purpose of exchanging confidential information with the Interested Party and evaluating a potential business combination between MMP and the Interested Party.

Also on June 19, 2008, senior management made a similar presentation to the board of directors of the general partner of MGG regarding the expression of interest by the Interested Party, and that board had a discussion similar to the discussion had by the board of directors of the general partner of MMP. Following this discussion, the board of directors of the general partner of MGG authorized senior management to enter into a confidentiality agreement with the Interested Party for the purpose of exchanging confidential information with the Interested Party and evaluating a potential business combination between MGG and the Interested Party.

On June 25, 2008, senior management, acting on behalf of MMP and MGG, executed a confidentiality agreement with the Interested Party with respect to the sharing of confidential information in considering a possible negotiated transaction. During the period from approximately June 25, 2008 through July 28, 2008, senior management responded to and made a series of due diligence requests related to the financial projections, operations and commercial prospects for MMP and the Interested Party, respectively.

On July 16, 2008, the boards of directors of the general partner of MMP and the general partner of MGG met to engage in a strategic planning and review session with senior management and to discuss and consider the updated 2008 business plan and the long-range plan for MMP. At this strategic planning and review meeting, senior management made a presentation regarding the long-range plan for MMP, including a discussion of the key assumptions, an overview of operating margins, financial projections, summary of cash flow and various distribution scenarios. Following the strategic planning and review meeting, a joint meeting of the board of directors of the general partner of MMP and the board of directors of the general partner of MGG was held in order for senior management to update the two boards on the discussions had to date with the Interested Party and to make a presentation analyzing a potential business combination among MMP, MGG and the Interested

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Party. The presentation and analysis included a review of (i) the financial projections for MMP, MGG and the Interested Party under various assumptions, (ii) a review of the trading history of the units of MMP, MGG and the Interested Party, respectively, (iii) a financial overview of the Interested Party, (iv) an overview of a potential structure of a business combination among MMP, MGG and the Interested Party, (v) an analysis of potential accretion and dilution to MMP unitholders and MGG unitholders under various transaction scenarios, (vi) an analysis of returns to MMP unitholders and MGG unitholders under various scenarios, and (vii) a discussion of next steps with respect to the Interested Party. Based on the presentation of senior management and discussions relating thereto, the independent directors of the board of directors of the general partner of MMP expressed their preliminary view that a business combination with the Interested Party might be attractive to MMP unitholders at a price higher than \$50 per MMP common unit.

On July 22, 2008, the CEO informed the boards of directors of the general partner of MMP and the general partner of MGG that certain members of senior management, including the CEO and the CFO, had met with certain members of the senior management of the Interested Party on July 21, 2008. The primary purpose of the meeting was to discuss certain due diligence matters related to the business of both MMP and the Interested Party.

On July 29, 2008, senior management received a written indication of interest from the Interested Party proposing a simultaneous merger of MMP and MGG with the Interested Party. In the proposed merger, MMP's unitholders would receive common units of the Interested Party for common units they held in an amount representing a 15.1% premium at current market prices. MGG's unitholders would receive cash and common units of the Interested Party, with MGG's unitholders having some flexibility to choose the mix of cash and common units subject to a proration to achieve a 75% cash and 25% common units mix, in an amount representing a premium of 15.3% at current market prices.

On August 1, 2008, the board of directors of the general partner of MMP met to consider the written indication of interest received from the Interested Party. The board determined that the incremental per unit distributable cash flow provided to MMP under the terms of the indication of interest was inadequate, particularly in relation to the cash flow that the Interested Party would receive in the proposed transaction. At that meeting, the board of directors of the general partner of MMP agreed that (i) senior management would tell the Interested Party that the offer was not sufficient to recommend to the board of directors of the general partner of MMP, (ii) senior management would not suggest to the Interested Party an offer that it would recommend to the board of directors of the general partner of MMP, (iii) senior management would not indicate that MMP was for sale, and (iv) if another offer was received that senior management believed was compelling, it would discuss that offer with the board of directors of the general partner of MMP before having further discussions with the Interested Party. Also on August 1, 2008, the board of directors of the general partner of MGG met in a separate meeting to consider the written indication of interest received from the Interested Party. The board determined that the incremental per unit distributable cash flow provided to MGG under the terms of the indication of interest was inadequate, particularly in relation to the cash flow that the Interested Party would receive in the proposed transaction. At that meeting, the board of directors of the general partner of MGG agreed that senior management should tell the Interested Party that the offer was not sufficient to recommend to the board of directors of the general partner of MGG, but that the board of directors of the general partner of MGG would be willing to consider an improved offer if the offer was deemed reasonable by senior management.

On August 14, 2008, the MGG Conflicts Committee reconvened to discuss the Interested Party's interest in purchasing both MMP and MGG. The board of directors of the general partner of MGG wanted the MGG Conflicts Committee to express its view on responding to the potential transaction with the Interested Party as well as address a possible proposal from MMP to purchase MGG. The MGG Conflicts Committee sought the authority to, among other matters, hire a financial advisor, conduct a valuation, and shop MGG if it believed that such a course was in the best interests of the unitholders. The resolutions charging the MGG Conflicts Committee were revised to give it those powers.

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Also on August 14, 2008, the CEO called the CEO of the Interested Party to inform him that MMP had determined that the Interested Party's proposal was not sufficient to warrant a response and that a higher value would be required before MMP and MGG would consider a proposal from the Interested Party.

On August 20, 2008, the CEO informed the MMP Conflicts Committee that the Interested Party was not willing to negotiate unless it received a counteroffer from MMP and MGG. The CEO suggested that the board of directors of the general partner of MMP meet to discuss a possible response to the Interested Party.

On August 25, 2008, the board of directors of the general partner of MGG met to consider the proposed resolution authorizing the MGG Conflicts Committee to retain an independent financial advisor, the merits of a potential business combination with the Interested Party, possible responses to the Interested Party's expression of interest and the process for possible negotiations with the Interested Party. The chairman of the board of directors of the general partner of MGG explained that the proposed resolution had been revised to give the MGG Conflicts Committee authority to satisfy its due diligence requirements if an offer to acquire only MGG and not MMP was received. He noted that the proposed resolution would be redistributed for review and approval. In addition, at this meeting senior management provided an update to its long range plan assumptions, the impact of those changes to the implied value of MGG common units and the pro forma impact of a combination with the Interested Party. With respect to possible responses to the Interested Party's expression of interest, senior management suggested a non-binding counteroffer be submitted in order to continue the negotiations with the Interested Party. The board of directors of the general partner of MGG asked for guidance from the MGG Conflicts Committee with respect to possible responses to the Interested Party's expression of interest.

The MGG Conflicts Committee met on August 27, 2008, to discuss hiring a financial advisor to aid it in its strategic process, including addressing the possible negotiation with the Interested Party. The MGG Conflicts Committee agreed to hire Lazard, subject to negotiation of an engagement letter.

On August 30, 2008, the MGG Conflicts Committee met with senior management to discuss the strategic process it would undertake.

On September 2, 2008, the resolutions delegating authority to the MGG Conflicts Committee were revised to give it the authority to, among other matters, hire a financial advisor, conduct a valuation and investigate and possibly solicit third party offers for MGG if it believed that such a course was in the best interests of the MGG unitholders. The resolutions provided that if an offer to acquire MGG was received that was contingent on an acquisition of MMP, the MGG Conflicts Committee was to recommend a course of action to the full board of directors of the general partner of MGG.

On September 2, 2008, the MMP Conflicts Committee met to consider discussions between senior management and the Interested Party about a proposed business combination among MMP, MGG and the Interested Party. It was noted that the CEO had previously informed the board of directors of the general partner of MMP that the Interested Party had proposed a price for acquiring MMP, that the board had concluded that the price proposed by the Interested Party was not compelling enough for MMP to consider initiating a process for a possible sale of MMP and that the CEO believed that it was in MMP's interest to have senior management continue negotiations with the Interested Party and to make a counter-proposal putting forward a price at which MMP would be interested in a business combination. The MMP Conflicts Committee discussed considerations regarding, among other things, the attractiveness of a sale transaction at that time to MMP's unitholders, the process by which maximum value could be obtained in a sale of MMP, the merits of a sale transaction in which the Interested Party would be the acquiror, potential conflict of interests that may be present in a transaction in which an acquiror were to acquire both MMP and MGG, and the role of the MMP Conflicts Committee in a sale process. At the end of this discussion, the MMP Conflicts Committee determined that it should inform the CEO, in advance of a meeting of the board of directors of the general partner of MMP scheduled for September 8, 2008, that (i) senior management should present information and analyses substantiating the merits of pursuing a

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sale transaction with the Interested Party at such meeting and (ii) the members of the MMP Conflicts Committee currently were of the view that for various reasons, including the current state of uncertainty in the financial markets, no counter-proposal to the Interested Party should be made by MMP at that time.

The MGG Conflicts Committee met on September 4, 2008, to discuss its retention of Lazard as financial advisor to the MGG Conflicts Committee. At that time, senior management was also looking for guidance from the MGG Conflicts Committee as to how to respond to the Interested Party's offer. However, the MGG Conflicts Committee agreed that it could not establish a protocol on how to respond until it first discussed the Interested Party's offer with Lazard.

On September 8, 2008, the board of directors of the general partner of MMP met to consider the merits of a potential business combination with the Interested Party, possible responses to the Interested Party's expression of interest, the process for possible negotiations with the Interested Party, a proposed board resolution to expand the authority of the MMP Conflicts Committee with respect to dealings with the Interested Party and other potential proposals for the acquisition of both MMP and MGG, and the potential acquisition of MGG by MMP. At this meeting, senior management provided an analysis that included a discussion of the long range plan for MMP, the estimated value of MMP under various assumptions, a discussion of certain financial data related to the Interested Party (including share price, Adjusted EBITDA, income and projected cash flow), a discussion of possible terms for an acquisition of MMP and MGG by the Interested Party, a projection of potential changes to distributable cash flow per unit to the unitholders of a new entity composed of MMP, MGG and the Interested Party under various assumptions, and a projection of the overall valuation of a new entity composed of MMP, MGG and the Interested Party under various assumptions. With respect to possible responses to the Interested Party's expression of interest senior management suggested countering with a price of around \$50 per MMP common unit in order to encourage further discussions. The board asked for guidance from the MMP Conflicts Committee with respect to possible responses to the Interested Party's expression of interest.

On September 9, 2008, the MMP Conflicts Committee met to consider possible responses to the Interested Party's expression of interest and related process issues. After extensive discussion and consideration, the MMP Conflicts Committee determined that the process to be employed should include, among other things, the following elements: (i) senior management could have discussions with the Interested Party, but no binding commitments as to MMP could be made given that any deal would require approval of the MMP Conflicts Committee and/or the board of directors of the general partner of MMP; and (ii) if the Interested Party were to react positively to a proposed price around \$50 per MMP common unit or higher, then the MMP Conflicts Committee would engage a financial advisor and thoroughly analyze the merits of such a potential transaction and a sale process generally.

Also on September 9, 2008, the MGG Conflicts Committee formally retained Lazard as financial advisor. Senior management requested the MGG Conflicts Committee to authorize a response to the Interested Party's offer. Senior management suggested countering with around \$27 per MGG unit price, which represented a premium of around 41% above the closing price of MGG common units on September 10, 2008. In conversations throughout the day, the MGG Conflicts Committee discussed senior management's plan to make a nonbinding counteroffer, and the MGG Conflicts Committee concluded that it should not make a counteroffer until after it discussed the Interested Party's offer and other alternatives with Lazard.

On September 11, 2008, the MGG Conflicts Committee met to discuss senior management's proposal to make a counteroffer to the Interested Party. Lazard advised against making a counteroffer because Lazard had yet to conduct its analysis of the transaction. The MGG Conflicts Committee agreed that MGG should not proceed with a counteroffer at that time.

On September 24, 2008, the CEO informed the chairman of the MMP Conflicts Committee in an email that he had dinner on September 18, 2008 with the CEO of the Interested Party. The CEO reported that the Interested Party was still interested in pursuing a potential acquisition of MMP and MGG. The CEO also suggested to the chairman of the MMP Conflicts Committee that at MMP's then current price, a counteroffer to the Interested

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Party that resulted in a \$44.46 unit price for MMP would provide a 35% premium, as compared to the 33.4% premium represented by the \$50 unit price for MMP at the time that price was recommended by senior management.

On September 25, 2008, the MGG Conflicts Committee met to hear an interim presentation from Lazard on the strategic alternatives available to MGG.

On September 26, 2008, the MMP Conflicts Committee met to consider further the analysis provided by senior management at the September 8, 2008 meeting of the board of directors of the general partner of MMP regarding certain alternative strategic options. After discussing and considering the pros and cons of the various strategic options, the MMP Conflicts Committee concluded that the uncertainty in the financial markets was not conducive to pursuing a potential business combination with the Interested Party at the time.

On October 2, 2008, the MMP Conflicts Committee met to consider further issues relating to strategic alternatives and senior management's views with respect to such strategic alternatives. After initial discussion, the CEO was invited to the meeting. The MMP Conflicts Committee informed the CEO that it did not believe that pursuing a business combination with the Interested Party was an attractive option for MMP at that time but that pursuing a possible acquisition of all the equity interests in MGG was an attractive option for MMP. The CEO stated his belief that both the potential transaction with the Interested Party and the potential acquisition by MMP of MGG should be explored and considered simultaneously. After further discussion and consideration, the Committee expressed its general agreement for senior management to talk with the Interested Party regarding a proposed transaction provided that no commitments were made on behalf of MMP, the MMP Conflicts Committee or the board of directors of the general partner of the Partner with respect to any such transaction.

On October 6, 2008, the MGG Conflicts Committee met to hear Lazard's formal presentation of the strategic options available to MGG and its valuation analysis. Lazard guided the MGG Conflicts Committee through its valuation analysis and explained the advantages and disadvantages of the various strategic options the MGG Conflicts Committee could pursue. At the conclusion of the meeting, the MGG Conflicts Committee decided that it would not recommend making a counteroffer to the Interested Party's offer until it looked more closely at alternative transactions, such as a transaction with MMP.

On October 8, 2008, the board of directors of the general partner of MMP authorized and directed the MMP Conflicts Committee to, among other things, (i) consider and analyze a potential transaction involving the purchase of equity of MGG, (ii) make proposals to MGG with respect to such an acquisition, (iii) negotiate such an acquisition, (iv) if applicable, exercise the full authority of the Board with respect to the approval of such an acquisition, and (v) review, evaluate, investigate, and if applicable, make a recommendation to the board of directors of the general partner of MMP with respect to an offer from a third party to simultaneously purchase the equity of MMP and MGG.

On October 9, 2008, the MMP Conflicts Committee met to consider the steps to take in light of the October 8, 2008 delegation by the board of directors of the general partner of MMP to the MMP Conflicts Committee. The MMP Conflicts Committee resolved to re-engage TudorPickering as its financial advisor.

Following the meeting of October 9, 2008, the chairman of the MMP Conflicts Committee learned that Madison Dearborn had also informally reiterated its possible interest in purchasing MGG. The chairman of the MMP Conflicts Committee reported on this at a MMP Conflicts Committee meeting held on October 13, 2008.

On October 13, 2008, senior management met with Lazard to review Lazard's analysis of the Interested Party's potential acquisition of MMP and MGG, including potential values that could be included in a response to the Interested Party. At the conclusion of this meeting, the MGG Conflicts Committee joined the meeting briefly for a summary of the meeting. The MGG Conflicts Committee asked senior management to refrain from responding to the Interested Party until the MGG Conflicts Committee had a chance for further discussions with Lazard.

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From October 9, 2008 and through October 20, 2008, TudorPickering met with certain members of senior management to gather updated information regarding MMP and MGG.

On October 17, 2008, the MGG Conflicts Committee met to again discuss Lazard's analysis of MGG's strategic alternatives. The discussion at the meeting focused on the Interested Party's offer and a potential offer from MMP. The MGG Conflicts Committee determined that it would benefit the process if senior management refrained from responding to the Interested Party until Monday, October 20, 2008, and that Lazard should be involved in negotiations with the Interested Party if they occurred. After the meeting, Lazard discussed its analysis with senior management and gave senior management a copy of its presentation.

On October 20, 2008, TudorPickering made a presentation to the MMP Conflicts Committee containing updated preliminary financial analyses of a potential acquisition of MGG. The MMP Conflicts Committee directed TudorPickering to expand its financial analyses to include financial analyses reflecting an all equity acquisition at various hypothetical premiums.

Later on October 20, 2008, the MMP Conflicts Committee met to continue discussing a potential acquisition of MGG. TudorPickering presented an expanded preliminary financial analysis reflecting an all equity acquisition at various hypothetical premiums. The MMP Conflicts Committee resolved that an all equity offer with a low premium would be the most attractive approach from MMP's perspective because economic conditions created an increasing risk to the future financial performance of MMP. The MMP Conflicts Committee then discussed process issues related to the acquisition, including the possibility that the MGG Conflicts Committee would insist on a pre-signing market check.

On October 22, 2008, the MMP Conflicts Committee met to discuss making an offer to acquire MGG. TudorPickering presented updated preliminary financial analyses of a potential acquisition of MGG. Also, the MMP Conflicts Committee discussed process issues related to the offer, including the logistics of making an offer to the MGG Conflicts Committee.

Later on October 22, 2008, the MMP Conflicts Committee and the MGG Conflicts Committee met at dinner to discuss the possible acquisition of MGG by MMP. The committees reviewed the proposed acquisition and determined that the committees' respective financial advisors should meet to discuss an appropriate valuation for the acquisition.

On October 23, 2008, the MMP Conflicts Committee met to discuss the terms of the proposed acquisition of MGG. The MMP Conflicts Committee instructed TudorPickering to discuss its preliminary financial analyses of a potential acquisition of MGG with Lazard. The MMP Conflicts Committee instructed TudorPickering that TudorPickering was not authorized to make a formal offer or to accept an offer. However, the MMP Conflicts Committee directed TudorPickering to indicate to Lazard that the MMP Conflicts Committee preliminarily was considering an exchange ratio of 0.59 MMP common units for each MGG common unit.

On October 24, 2008, senior management sent a letter to the Interested Party enclosing a non-binding term sheet regarding potential simultaneous acquisitions by the Interested Party of both MMP and MGG in exchange for common units of the Interested Party.

During the week of October 27, 2008, TudorPickering and Lazard met several times to discuss the financial forecasts prepared by senior management and their respective preliminary financial analyses of a potential acquisition of MGG by MMP.

On October 30, 2008 and October 31, 2008, the MMP Conflicts Committee met three times to discuss the status of negotiations between senior management and the Interested Party with respect to a business combination involving MMP, MGG and the Interested Party. The MMP Conflicts Committee reviewed the non-binding term sheet that senior management had sent to the Interested Party on October 24, 2008. The MMP

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Conflicts Committee also discussed the effect this offer might have on its negotiation with MGG, including the timing of such an offer, and its need to be kept informed of all discussions with the Interested Party in light of the negotiations between MMP and MGG. During the following month, the MMP Conflicts Committee communicated with senior management about its need to be included in any discussions with the Interested Party.

On November 3, 2008, the MMP Conflicts Committee met to discuss the specific terms of an offer to acquire MGG. The MMP Conflicts Committee reviewed preliminary financial analyses that TudorPickering had prepared to share with Lazard in connection with an offer that the MMP Conflicts Committee determined to make to acquire MGG. The MMP Conflicts Committee determined that (i) its initial offer should be 0.59 MMP common units for each MGG common unit, (ii) some or all of the MGG Conflicts Committee members should become members of the board of directors of MMP, and (iii) MGG should be provided a post-signing market check period.

On November 6, 2008, TudorPickering and Lazard met to discuss the parameters of an offer by MMP to acquire MGG. At the direction of the MMP Conflicts Committee, TudorPickering presented to Lazard an exchange ratio of 0.59 MMP common units for each MGG common unit, which represented a 5.7% premium to MGG's then current market price. Lazard responded that it approached the valuation of MGG differently and did not believe the exchange ratio was going to be appropriate for MGG unitholders. The offer proposed included all the current independent directors of MGG serving on the board of the resulting combined company. MMP offer also included a post-signing go-shop period. TudorPickering and Lazard continued to discuss their respective preliminary financial analyses of a potential acquisition of MGG by MMP throughout the following weeks.

Also on November 6, 2008, the MMP Conflicts Committee met to discuss TudorPickering's meeting with Lazard. The MMP Conflicts Committee also discussed its need to continue to be kept fully informed as to any negotiations or discussions between senior management and the Interested Party in light of the ongoing talks between MMP and MGG and conveyed this need to senior management.

On November 11, 2008, the MMP Conflicts Committee contacted the MGG Conflicts Committee to discuss the possibility of scheduling a meeting prior to the meeting scheduled for November 25, 2008. The MMP Conflicts Committee wanted to discuss MMP's most recent offer. However, the MGG Conflicts Committee believed it was best to wait until the scheduled November 25, 2008 meeting to discuss MMP's offer.

On November 12, 2008, at the request of the Interested Party, members of senior management had a dinner meeting with members of management of the Interested Party. There was no discussion of consideration, nor did the Interested Party's management give their reaction to the term sheet sent to them by senior management on October 24, 2008.

In the ten days following the November 3, 2008 meeting of the MMP Conflicts Committee, MMP Conflicts Committee members learned that Riverstone Holdings LLC (Riverstone) and Madison Dearborn, were planning to distribute all of the MGG common units that were being held by MGG Midstream Holdings, L.P., an entity owned by Riverstone, Madison Dearborn and members of senior management, to the respective owners. The number of MGG common units to be distributed constituted approximately 14% of the MGG common units. On November 13, 2008, the MMP Conflicts Committee met to discuss whether MMP should offer to purchase such MGG common units for cash from Riverstone and Madison Dearborn at a 10% discount to market price. The MMP Conflicts Committee discussed the economics of the proposed acquisition and possible unintended consequences of the proposed acquisition and determined that it would not make an offer to purchase those units.

On November 23, 2008, the MGG Conflicts Committee met to discuss MMP's offer and its upcoming meeting with the MMP Conflicts Committee. The MGG Conflicts Committee discussed the best approach toward deal protection in light of MMP's proposal and market conditions at such time.

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On November 25, 2008, the MMP Conflicts Committee and the MGG Conflicts Committee met to discuss the potential acquisition of MGG by MMP. The respective committees and their respective advisors had a long discussion regarding partnership governance issues, valuation issues, process issues, and related issues concerning a potential transaction involving MMP and MGG.

Also on November 25, 2008, the MMP Conflicts Committee discussed various structuring issues, including that the optimal structure might not involve an acquisition of MGG by MMP, but rather a transformation of the incentive distribution rights in MMP, held indirectly by MGG, and the general partner interest in MMP, held indirectly by MGG, into MMP common units, and then undertaking a series of steps that would result in the distribution of all such MMP common units to the MGG unitholders. The end result of the simplification would be that MGG would cease to exist and the current owners of MGG common units would own MMP common units.

On December 1, 2008, MGG entered into a contribution agreement with its general partner and the sole member of its general partner, MGG Midstream Holdings, L.P., pursuant to which, among other things, MGG's general partner became (i) an indirect wholly owned subsidiary of MGG in exchange for approximately \$115,000 in cash to MGG Midstream Holdings, L.P. and (ii) the general partner interest in MGG was transformed to a non-economic general partner interest, without consideration and without any further action. The 8.8 million MGG common units held by MGG Midstream Holdings, L.P., which represented approximately 14% of MGG's outstanding common units, were distributed to the owners of MGG Midstream Holdings, L.P., including Madison Dearborn, Riverstone and members of senior management. No new common units were issued as a result of the contribution agreement. MGG's partnership agreement and the limited liability company agreement of MGG's general partner were each amended to allow its unitholders to nominate and vote in the election of the directors to the board of directors of MGG's general partner.

On December 3, 2008, the board of directors of the general partner of MGG adopted a rights plan by which MGG could prevent a hostile takeover for a short duration in order to negotiate on behalf of MGG's limited partners.

On December 4, 2008, the board of directors of the general partner of MMP adopted a rights plan similar to the one adopted by the board of directors of the general partner of MGG the previous day, which plan had previously been reviewed and discussed with the MMP Conflicts Committee.

On December 11, 2008, senior management was informed by the Interested Party, and senior management in turn informed the MMP Conflicts Committee that the Interested Party did not plan to reply to senior management's October 24, 2008 non-binding term sheet regarding potential simultaneous acquisitions of MMP and MGG by the Interested Party in the near future. The Interested Party indicated that it retained an interest in discussing a possible combination and may decide to explore such a transaction when the economic crisis settled down.

On December 17, 2008, the MGG Conflicts Committee met to discuss MMP's and MGG's most recent financial results and their impact on the potential transaction with MMP. Neither committee had received all of the updated financial figures for MMP and MGG because MMP was in the middle of its annual operating plan development process. The MGG Conflicts Committee decided that it would make a counteroffer after Lazard had time to review the latest financials. The MGG Conflicts Committee also discussed deal protection and determined to negotiate for the ability of MGG to terminate the transaction if it received a proposal that it determined is better for its unitholders and to negotiate for no termination fee payable except in connection with a change in recommendation in absence of a superior proposal.

On December 22, 2008, the MGG Conflicts Committee met to discuss the most recent financial projections from senior management. Senior management had provided the information Lazard needed and Lazard was able to advise the MGG Conflicts Committee on a counteroffer to MMP's offer. The MGG Conflicts Committee

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discussed an appropriate exchange ratio in the counteroffer. Having decided that a go-shop provision in a transaction such as this was not necessary, the MGG Conflicts Committee determined to negotiate instead for a window-shop provision with minimal barriers. After the meeting, the MGG Conflicts Committee contacted the MMP Conflicts Committee and presented a non-binding counteroffer with a 0.65 exchange ratio that was subject to change based on new financial information being provided by senior management.

On December 24, 2008, the MMP Conflicts Committee met to discuss the MGG Conflicts Committee's proposal that the exchange ratio be 0.65 MMP common units for each MGG common unit. TudorPickering presented updated preliminary financial analyses of a potential simplification. TudorPickering's presentation included and utilized senior management's most recent revised projections for MMP. The MMP Conflicts Committee also reviewed the factors and reasons regarding why the simplification continued to be in the best interests for MMP's unitholders and MGG's unitholders.

On December 29, 2008, the MGG Conflicts Committee met to discuss a possible meeting with the MMP Conflicts Committee to discuss the potential transaction. After the meeting, the chairman of the MGG Conflicts Committee contacted the chairman of the MMP Conflicts Committee to see if the two sides could come to an understanding on the exchange ratio.

Also on December 29, 2008, John P. DesBarres, a member of the MMP Conflicts Committee, passed away.

On December 31, 2008, the MMP Conflicts Committee, consisting of Messrs. Montague and O'Brien (and having a vacancy as a result of the death of Mr. DesBarres), determined that TudorPickering should attempt to reach general agreement with Lazard on an exchange ratio that would be acceptable to the MMP Conflicts Committee and the MGG Conflicts Committee.

During the final week of December 2008 and the first week of January 2009, Lazard and TudorPickering met to discuss and consider their respective financial analyses of a potential transaction.

On January 6, 2009, the MGG Conflicts Committee met to discuss the latest developments in the negotiations surrounding the exchange ratio.

On January 7, 2009, the MMP Conflicts Committee met to discuss financial and structuring issues relating to the proposed simplification. The MMP Conflicts Committee determined that the structure of the simplification should not involve an acquisition of the MGG common units, but rather a transformation of the incentive distribution rights in MMP, held indirectly by MGG, and the general partner interest in MMP, held indirectly by MGG, into MMP common units, followed by a series of steps that would result in the distribution of all such MMP common units to the MGG unitholders.

Later on January 7, 2009, the MMP Conflicts Committee and the MGG Conflicts Committee met and discussed accretion/dilution ratios, MMP's cash flow requirements, the operational rationale of the transaction, timing issues for the transaction, deal protection issues, and various other issues. The respective committees also discussed extensively what the appropriate transformation ratio should be in the simplification. The MGG Conflicts Committee stated its position that the transformation ratio should be 0.65. The MMP Conflicts Committee stated that it would not be willing to accept a ratio of more than 0.62 MMP common units for each MGG common unit. At the completion of this meeting, the MMP Conflicts Committee and the MGG Conflicts Committee agreed that their respective financial advisors should meet to explore potential alternative structures that might assist the committees in reaching agreement on an acceptable transformation ratio.

On January 8, 2009, Lazard met with TudorPickering to discuss the previous day's meeting between the two committees. TudorPickering reiterated the statement of the MMP Conflicts Committee that a 0.62 transformation ratio was its best offer. That same day, Lazard met with senior management. Senior management stated that determining the increase in growth assumed to result from any lower cost of equity capital is subjective and cannot be calculated by senior management. Senior management also stated that an important benefit of the

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simplification would be the simplification of the organizational structure of the two partnerships which could potentially expand MMP's investor base and facilitate potential future strategic initiatives. The CEO noted that, in his view, an important consideration of the MGG Conflicts Committee should be the attractiveness of the MMP common units to investors after the simplification since the consideration being received by MGG would be 100% MMP common units. He also stated that while the simplification would potentially limit the upside for MGG unitholders, it also would provide downside protection which perhaps has a heightened value in the current economic environment. Senior management stated that it was in favor of the committees continuing to work on reaching agreement and consummating the simplification as soon as possible.

On January 9, 2009, the MGG Conflicts Committee met to discuss Lazard's meetings with TudorPickering and senior management. Lazard reviewed for the MGG Conflicts Committee what had occurred at its meetings, and the MGG Conflicts Committee proceeded to discuss the latest developments in the negotiations. The MGG Conflicts Committee concluded that it would support a 0.62 transformation ratio if it could get concessions on deal protection. The MGG Conflicts Committee agreed it would meet with the MMP Conflicts Committee to see if the two parties could agree to a 0.62 transformation ratio with minimal deal protection. The MGG Conflicts Committee also decided to hire additional counsel if an agreement as to an exchange ratio could be reached.

Also on January 9, 2009, the chairman of the MGG Conflicts Committee contacted the chairman of the MMP Conflicts Committee and indicated that the MGG Conflicts Committee would support a transformation ratio of 0.62 MMP common units for each MGG common unit, subject to certain deal protection terms.

Later on January 9, 2009, Lazard sent a term sheet to TudorPickering that proposed (i) a 100% equity transformation of MGG common units into MMP common units with a transformation ratio of 0.62, (ii) that the board of directors of the general partner of MMP would become comprised of three members of the board of directors of the general partner of MGG, three members of the board of directors of the general partner of MMP, one representative of senior management and one representative of Madison Dearborn, and (iii) certain deal protection terms.

On January 12, 2009, the MMP Conflicts Committee and the MGG Conflicts Committee met with certain members of senior management to discuss MMP's latest financial projections. The two committees preliminarily agreed to a 0.62 transformation ratio. Also on January 12, 2009, Lazard received the latest financial projections from senior management. The new projections, which resulted from the completion of the annual planning process, indicated improved cash flow relative to earlier projections.

On January 14, 2009, the MGG Conflicts Committee met to discuss senior management's updated projections and the impact the new projections would have on the transformation ratio in the transaction. The MGG Conflicts Committee concluded that it should seek a meeting with the MMP Conflicts Committee to negotiate a change in the transformation ratio and agreed to propose a transformation ratio of 0.635. After the meeting, Lazard prepared information for the MGG Conflicts Committee, which explained why the exchange ratio should be changed.

On January 15, 2009, TudorPickering and Lazard discussed the updated financial projections received from senior management, which included a decrease in operating expenses resulting from the elimination of certain budgeted but unfilled operating positions, lower compensation expenses in the form of merit increases and benefits load factors, a reduction in maintenance capital expenditures and the elimination of certain operations. Lazard expressed to TudorPickering that the MGG Conflicts Committee would likely conclude that a transformation ratio of 0.62 was not appropriate in light of the increases in distributable cash flow reflected in the latest projections.

On January 15, 2009, the MMP Conflicts Committee met to discuss senior management's latest financial projections and how to proceed with the proposed simplification. The MMP Conflicts Committee determined that in light of the new projections, it would have to increase the transformation ratio from 0.62 in order to reach agreement with the MGG Conflicts Committee.

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Also on January 15, 2009, on behalf of the MGG Conflicts Committee, Morris Nichols contacted Akin Gump Strauss Hauer & Feld LLP (Akin Gump) about representing the MGG Conflicts Committee.

On January 16, 2009, the MMP Conflicts Committee and the MGG Conflicts Committee discussed senior management's latest financial projections for MMP, accretion and dilution and the merits of the simplification. The MGG Conflicts Committee proposed that each common unit of MGG be transformed into 0.635 MMP common units. Upon further negotiation, the MMP Conflicts Committee and the MGG Conflicts Committee agreed that the transaction should be implemented at a transformation ratio of 0.6325 MMP common units for each MGG common unit. On that same day, Akin Gump was retained as counsel for the MGG Conflicts Committee.

From January 21, 2009 and through March 3, 2009, Vinson & Elkins distributed drafts of the simplification agreement and the other documents related to the simplification, and Vinson & Elkins, Akin Gump, Richards Layton and Morris Nichols continued to negotiate, revise and finalize those drafts.

On January 21, 2009, Morris Nichols, Akin Gump, Vinson & Elkins and Richards Layton had a meeting to preliminarily discuss the simplification agreement and the simplification.

The MGG Conflicts Committee met on January 28, 2009 to discuss the simplification and the simplification agreement. After the meeting, Akin Gump distributed a markup of the simplification agreement to the MGG Conflicts Committee for its review.

On February 3, 2009, the MMP Conflicts Committee met to discuss the transformation ratio in light of further negative adjustments to senior management's forecasts and an updated view from senior management as to the expected savings from a combined entity as a result of the simplification. The MMP Conflicts Committee discussed the advantages and disadvantages of an adjustment in the transformation ratio and determined not to seek an adjustment at that time.

On February 3, 2009, senior management held its fourth quarter 2008 earnings teleconference in which it received questions, including regarding a possible combination of MMP and MGG. Senior management stated that a combination was something that they had considered and would continue to consider. Vinson & Elkins sent a revised simplification agreement back to the MGG Conflicts Committee's advisors.

On February 4, 2009, the MGG Conflicts Committee met to discuss the diligence session Akin Gump and Lazard were going to hold with senior management later that day. During the diligence session, senior management answered questions about the general financial and operational condition of MMP and the simplification and its impact on MMP. The MGG Conflicts Committee reconvened later in the day to review the diligence session.

From February 6, 2009 through February 24, 2009, the MMP Conflicts Committee met six times to discuss the terms of the documents related to the simplification and the ongoing negotiation of the deal protection terms for the simplification. The MMP Conflicts Committee discussed appropriate deal protection terms, termination rights, the standards necessary in a confidentiality agreement and the length of the appropriate standstill period.

From February 6, 2009 through February 24, 2009, the MGG Conflicts Committee met six times to discuss the terms of the documents related to the simplification and the ongoing negotiation of the deal protection terms for the simplification. The MGG Conflicts Committee discussed appropriate deal protection terms, third party negotiations, termination rights, confidentiality agreement terms and the appropriate standstill terms.

From February 6, 2009 and through February 24, 2009, the chairman of the MMP Conflicts Committee discussed deal protection terms with the chairman of the MGG Conflicts Committee. Throughout this period, the chairmen of the respective committees discussed the relative merits and consequences of the proposed deal

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protection terms. Also during this period, Vinson & Elkins and Richards Layton on behalf of MMP and Akin Gump and Morris Nichols on behalf of MGG had discussions regarding the deal protection terms, third party negotiations, termination rights, and confidentiality and standstill protections.

During such period, the MMP Conflicts Committee and the MGG Conflicts Committee and their respective advisors continued the exchange of draft agreements. After much discussion, the two sides agreed that many of the areas of disagreement between the two committees could be addressed through drafting. Vinson & Elkins and Richards Layton stated that there was no intent to preclude MGG from negotiating with a third party and terminating in order to accept an offer from a third party and they were open to a solution that would address the MGG Conflicts Committee's concerns, if the solution worked within the substantive parameters of the current draft simplification agreement. The MGG Conflicts Committee agreed that Akin Gump and Morris Nichols should make drafting changes to the simplification agreement that best addressed its concerns regarding third party negotiations, access to MMP's information for purposes of third-party due diligence, and the ability of the MGG Conflicts Committee to terminate the simplification agreement and sign an alternative agreement.

On February 23, 2009, senior management informed both committees that the Interested Party requested a dinner meeting with senior management. The MMP Conflicts Committee and the MGG Conflicts Committee expressed their respective views that further contact with the Interested Party would not be in the best interests of MMP or MGG. Senior management declined the dinner request based on this feedback.

On February 24, 2009, the MMP Conflicts Committee met twice to discuss the transformation ratio that the MMP Conflicts Committee and the MGG Conflicts Committee tentatively had agreed to on January 16, 2009. TudorPickering presented updated preliminary financial analyses of a potential simplification. After extensive discussion, the MMP Conflicts Committee determined to continue to move forward with the 0.6325 transformation ratio.

Later in the day, Vinson & Elkins and Richards Layton distributed a mark-up of the simplification agreement as a response to the comments sent the day before by Akin Gump and Morris Nichols. The chairman of the MMP Conflicts Committee contacted the MGG Conflicts Committee chairman to tell him that this latest draft simplification agreement represented his committee's final stance on the substance of the proposal and that the MGG Conflicts Committee should tell the MMP Conflicts Committee, by the end of the day on February 25, 2009, if it accepted the simplification agreement. Akin Gump also distributed mark-ups of the other agreements and documentation necessary to effect the simplification.

On February 25, 2009, the MGG Conflicts Committee met with its advisors to discuss the most recent draft of the simplification agreement that Vinson & Elkins and Richards Layton distributed and which contained changes that were, in part, responsive to the MGG Conflicts Committee's concerns. Akin Gump and Morris Nichols went over the simplification agreement with the MGG Conflicts Committee, focusing on the most recent changes. The MGG Conflicts Committee also discussed the Interested Party's inquiry about scheduling a meeting with certain members of senior management. Lazard advised that, because the negotiations regarding the simplification were in their last stages and because the Interested Party was not likely to make a serious proposal before the simplification was announced, the meeting with the Interested Party should be postponed. Since the announcement of the simplification, no substantive discussion or meeting with the Interested Party has taken place. After the MGG Conflicts Committee meeting adjourned, Akin Gump contacted Vinson & Elkins to discuss the open issues in the simplification agreement.

Later on February 25, 2009, the MMP Conflicts Committee met with its advisors to discuss the few proposed changes to the simplification agreement conveyed by Akin Gump to Vinson & Elkins. After discussion, these proposed changes were approved by the MMP Conflicts Committee. The MMP Conflicts Committee next discussed timing and next steps with respect to the simplification.

The MGG Conflicts Committee reconvened its meeting later on February 25, 2009, to discuss the most recent negotiations between Vinson & Elkins and Akin Gump. The MGG Conflicts Committee concluded that

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the simplification agreement, as it was currently drafted, likely would be acceptable, assuming a reasonable resolution of other material terms contained in any related documents. The chairman of the MGG Conflicts Committee then contacted the chairman of the MMP Conflicts Committee to inform him that the MGG Conflicts Committee was comfortable with the most recent changes to the simplification agreement.

On March 2, 2009, the MGG Conflicts Committee and the MMP Conflicts Committee had a meeting with the CEO. He stated that, because of his role as CEO for both the general partner of MMP and the general partner of MGG and because of the ongoing desire to avoid the appearance of a conflict of interest, he did not think it was appropriate for him to vote on the simplification agreement and simplification at either board. The MGG Conflicts Committee met later in the day to discuss this development and other recent developments in the process leading to the approval of the simplification. The MGG Conflicts Committee also discussed the approval process for the simplification and determined that it would support the board of the general partner of MGG delegating all approvals necessary for the simplification to the MGG Conflicts Committee.

On March 2, 2009, the board of directors of the general partner of MMP clarified and expanded the authority of the MMP Conflicts Committee by authorizing and directing the MMP Conflicts Committee to, among other things, (i) consider and analyze the simplification, (ii) make proposals to MGG with respect to the simplification, (iii) negotiate the simplification, (iv) if applicable, exercise the full authority of the board of directors of the general partner of MMP (without any further approval of the Board) with respect to the approval of and declaring the advisability of the simplification, and (v) take any further steps or actions that the MMP Conflicts Committee deemed necessary or appropriate in connection with the simplification.

On March 2, 2009, the MMP Conflicts Committee met to review the proposed simplification. During the meeting, Richards Layton and Vinson & Elkins advised the MMP Conflicts Committee with respect to certain legal matters and reviewed the agreements documenting the simplification. TudorPickering then presented updated preliminary financial analyses of the potential simplification.

On March 3, 2009, the board of directors of the general partner of MGG, by unanimous written consent, authorized and directed the MGG Conflicts Committee to, among other things, (i) exercise the full authority of the board of directors of the general partner of MGG (without any further approval of the Board) with respect to the approval of and declaring the advisability of the simplification and (ii) take any further steps or actions that the MGG Conflicts Committee deemed necessary or appropriate in connection with the simplification.

On March 3, 2009, Vinson & Elkins, Richards Layton, Akin Gump and Morris Nichols met again to discuss any issues that had to be addressed before both Committees met to vote on the simplification. Both committees and their advisors met with senior management for a bring-down due diligence session.

Also on March 3, 2009, the MGG Conflicts Committee met to vote on the simplification. Akin Gump and Morris Nichols updated the MGG Conflicts Committee with respect to recent developments regarding the simplification agreement. Akin Gump presented an executive summary of the simplification. Lazard presented its analysis of the simplification and its written fairness opinion. Lazard opined that, as of March 3, 2009, the consideration to be paid to MGG's unitholders (other than MMP, the general partner of MMP, the general partner of MGG or their respective affiliates) pursuant to the simplification was fair, from a financial point of view, to the holders of MGG Common Units (other than MMP, the general partner of MMP, the general partner of MGG or their respective affiliates). The MGG Conflicts Committee unanimously adopted resolutions approving and authorizing the simplification, declaring the advisability of the simplification, and recommending that the common unitholders of MGG approve and adopt the documents evidencing the simplification.

Also on March 3, 2009, the MMP Conflicts Committee met to review the proposed simplification. During the meeting, Richards Layton and Vinson & Elkins updated the MMP Conflicts Committee with respect to changes to the simplification agreement and related documents made since the March 2, 2009 meeting. TudorPickering then presented its financial analyses of the proposed simplification and delivered its oral opinion

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(subsequently confirmed in writing) to the MMP Conflicts Committee that, as of March 3, 2009, and based upon and subject to the factors and assumptions set forth in its opinion, the transformation to be effected pursuant to the simplification agreement was fair from a financial point of view to the holders of the common units of MMP (other than affiliates of MMP who are holders of common units of MGG). Finally, the MMP Conflicts Committee unanimously adopted resolutions, among other things, (i) approving and declaring the advisability of the documents evidencing the simplification and the steps and actions contemplated by those documents, and (ii) recommending that the common unitholders of MMP approve and adopt the documents evidencing the simplification.

Later on March 3, 2009, MMP and MGG issued a joint press release announcing a definitive agreement to simplify the capital structure of MMP by transforming the incentive distribution rights and general partner interest in MMP into MMP common units to be followed by the other steps of the simplification.

On March 16, 2009, the MGG Conflicts Committee received a written acquisition proposal from a publicly traded master limited partnership (the Second Interested Party) offering to purchase all the outstanding common units of both MGG and MMP. The proposal included, among other things, the following items:

a proposal to pay MGG's unitholders a total value of \$20.50 per each MGG's common unit, consisting of common units of the Second Interested Party and/or cash;

subject to the closing of the acquisition of MGG, a proposal to pay MMP unitholders a fixed exchange ratio of common units of the Second Interested Party for each outstanding common unit of MMP that represented a 10% premium to the 10-day average ratio of the prices of the common units of MMP and the Second Interested Party for the period prior to the offer; and

an expiration date of 5:00 p.m. Central time on March 23, 2009, except that if MGG confirmed that the proposal was of interest and could possibly lead to a MGG Change in Recommendation (as defined in the simplification agreement), then the proposal would extend to and expire at 5:00 p.m. Central time on April 17, 2009.

On the same day, the MGG Conflicts Committee provided a copy of the Second Interested Party's proposal to the MMP Conflicts Committee and its legal advisors.

On March 17, 2009, the MMP Conflicts Committee met to discuss the acquisition proposal from the Second Interested Party. During the meeting, TudorPickering presented an overview of the proposal from the Second Interested Party with respect to a potential acquisition of MMP and MGG and a preliminary overview of the business, operations and financial data of the Second Interested Party. Following discussion and consultation with TudorPickering, Vinson & Elkins and Richards Layton, the MMP Conflicts Committee determined that it should meet again the following day to consider further the potential merits of the proposal.

On March 18, 2009, the MMP Conflicts Committee met to discuss further the acquisition proposal from the Second Interested Party. During the meeting, TudorPickering presented its preliminary financial analyses with respect to the proposal from the Second Interested Party concerning a potential acquisition of MMP and MGG. TudorPickering's presentation included an expanded overview of the business, operations and financial data of the Second Interested Party. TudorPickering's presentation also included a preliminary analysis of the pro forma impact of a potential acquisition of MMP and MGG by the Second Interested Party on the estimated distributable cash flow to the holders of MMP common units, MGG common units and the common units of the Second Interested Party on a per common unit basis for the years 2009 and 2010. TudorPickering based its analysis on the Forecasts (as described under Opinion of Tudor, Pickering, Holt & Co. Financial Advisor to the MMP Conflicts Committee), adjusted to reflect NYMEX crude oil strip prices as of February 27, 2009, with respect to MMP and MGG, and on Wall Street equity research consensus estimates with respect to the Second Interested Party.

The MMP Conflicts Committee discussed at length with TudorPickering, Vinson & Elkins and Richards Layton the potential merits of the proposal from the Second Interested Party from the point of view of MMP and its limited

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partners, the potential merits of the simplification, the fact that MMP is not for sale, and whether the proposal from the Second Interested Party provided any compelling basis to put MMP up for sale in the current economic environment. After extensive discussion, the MMP Conflicts Committee determined that it was not interested on behalf of MMP in pursuing the proposal from the Second Interested Party because the proposal from the Second Interested Party did not provide any compelling reason for MMP to commence a sale process. The MMP Conflicts Committee further determined that the chairman of the MMP Conflicts Committee should send a letter to the MGG Conflicts Committee stating that the MMP Conflicts Committee remains of the view that this is not an opportune time to consider the sale of MMP and that, if this view were to change, the MMP Conflicts Committee would not deem itself to be bound by the transformation ratio in the simplification agreement in terms of determining any relative valuation of MMP and MGG, respectively, in connection with any potential sale process involving both MMP and MGG.

On March 18, 2009, the MGG Conflicts Committee met to discuss the acquisition proposal from the Second Interested Party. After consultation with, and taking into account the advice of, Lazard, Akin Gump and Morris Nichols, the MGG Conflicts Committee determined that the acquisition proposal could possibly lead to it changing its recommendation on the simplification. On that same day, the MGG Conflicts Committee received the letter from the chairman of the MMP Conflicts Committee regarding the proposal from the Second Interested Party. Following receipt of this letter, Lazard contacted TudorPickering to discuss the acquisition proposal.

On March 19, 2009, Lazard met with senior management to discuss the Second Interested Party's acquisition proposal. Senior management stated that the Second Interested Party's business would complement MMP's operating business but did note that there could be some antitrust issues created by the combination. The MGG Conflicts Committee met later that day to discuss the acquisition proposal and the MMP Conflicts Committee's response to it. Prior to the meeting, Lazard distributed discussion materials that provided an analysis of the acquisition proposal. Lazard informed the MGG Conflicts Committee that the Second Interested Party's acquisition proposal was likely based on projections that were not accurate and that the proposed transaction would, therefore, be difficult to consummate. After further consultation with Lazard, Akin Gump and Morris Nichols, the MGG Conflicts Committee decided to inform the Second Interested Party that, because its acquisition proposal is contingent on acquiring both MGG and MMP and because the MMP Conflicts Committee had determined that MMP is not for sale, the proposed acquisition could not move forward. The MGG Conflicts Committee also agreed that the Second Interested Party's acquisition proposal should be pursued further if the Second Interested Party expressed an interest in restructuring its proposed acquisition as an acquisition of MGG alone.

After the MGG Conflicts Committee meeting on March 20, 2009, Lazard contacted the financial advisors to the Second Interested Party to inform them that, because the acquisition proposal was for both MGG and MMP, and the fact that MMP's Conflict Committee had sent the MGG Conflicts Committee a letter informing the MGG Conflicts Committee that it was not for sale, the proposed acquisition could not go forward. The financial advisors to the Second Interested Party also confirmed that the transaction proposed was for both entities and indicated that it would need to check with the Second Interested Party to determine whether the Second Interested Party would be interested in purchasing MGG alone. On Monday, March 23, 2009, the financial advisors to the Second Interested Party called Lazard to inform them that the Second Interested Party was not interested in changing its previous proposal for both entities at that time.

Recommendation of the MMP Conflicts Committee and Its Reasons for the Simplification

At a meeting of the MMP Conflicts Committee held on March 3, 2009, the MMP Conflicts Committee, comprised of directors who are deemed to be independent, received a presentation from its financial advisor concerning the financial analyses of the proposed simplification, and reviewed with its legal counsel the terms of the simplification agreement and the other related agreements. At the meeting, the MMP Conflicts Committee considered the benefits of the simplification as well as the associated risks and has unanimously determined that the simplification agreement and the matters contemplated thereby, including MMP's amended and restated partnership agreement, are fair and reasonable to MMP, and in the best interests of, MMP and its unitholders (other than MMP's general partner, MGG's general partner or their respective affiliates) and has approved and

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declared the advisability of the simplification agreement and the matters contemplated thereby, including MMP's amended and restated partnership agreement. Accordingly, the MMP Conflicts Committee unanimously recommends that MMP unitholders vote to approve the simplification agreement and the matters contemplated thereby and MMP's amended and restated partnership agreement.

In reaching its decision on the simplification, the MMP Conflicts Committee consulted with its legal and financial advisors and considered the following factors that supported the approval of the simplification:

the fact that MMP will no longer have any issued and outstanding incentive distribution rights as a result of the simplification;

the significant reduction in MMP's equity cost of capital because MMP will no longer have any issued and outstanding incentive distribution rights as a result of the simplification;

the enhancement of MMP's ability to compete for new acquisitions following the simplification as a result of its reduced equity cost of capital;

the fact that the simplification is expected to be long-term accretive to MMP's distributable cash flow per common unit in MMP;

the fact that the simplification is expected to result in a long-term increase in the growth rate of and accretion to MMP's distributable cash flow per common unit, thereby improving total return due to both valuation and distribution growth;

the potential to realize the anticipated benefits of the simplification prior to the dates assumed by the MMP Conflicts Committee;

the probability that MMP and MGG will be able to complete the simplification, including their ability to obtain any necessary unitholder approvals;

the fact that the simplification will likely result in a capital structure and governance structure of MMP that is more easily understood by the investing public;

the fact that the simplification will eliminate potential conflicts of interest that may arise as a result of a person being an officer of the general partner of MMP and of the general partner of MGG and as a result of a person being a member of the board of directors of the general partner of MMP and a member of the board of directors of the general partner of MGG;

the fact that having a greater number of outstanding common units in MMP is expected to increase the public float and trading liquidity of the market for MMP common units;

the terms of the simplification agreement permit the MMP Conflicts Committee to change or withdraw the recommendation of the simplification (and to terminate the simplification agreement upon a change in recommendation) if the MMP Conflicts Committee has concluded in good faith, after consultation with its outside legal advisors and financial consultants, that the failure to make such a change in recommendation would not be fair to or in the best interests of the holders of MMP common units;

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the written opinion of TudorPickering, dated as of March 3, 2009, that, as of that date and based upon and subject to the factors and assumptions set forth in the opinion, the transformation to be effected pursuant to the simplification agreement is fair from a financial point of view to the holders of MMP common units (other than affiliates of MMP who are holders of MGG common units);

the elimination of certain control rights that MGG possesses with respect to MMP as the sole member of the general partner of MMP; and

the terms of the simplification as set forth in the relevant agreements, including without limitation, MMP's amended and restated partnership agreement, the amended and restated limited liability company agreement of MMP's general partner, the simplification agreement and the contribution agreement.

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The MMP Conflicts Committee also considered the following factors that weighed against the approval of the simplification:

the potential delay in timing with respect to some anticipated benefits of the simplification;

the fact that the simplification is expected to be near-term dilutive to MMP's distributable cash flow per common unit in MMP;

the fact that the simplification might not be completed as a result of a failure to satisfy the conditions contained in the simplification agreement, including the failure to receive applicable unitholder approvals;

the possibility that the value of the common units in MMP resulting from the transformation and being transferred to the limited partners of MGG could be more than the value of the assets and other benefits that MMP will receive in connection with the simplification;

the risk that potential benefits sought in the simplification might not be fully realized;

there can be no assurance that the capital requirements necessary to fund the continued growth of MMP can be funded through the simplified capital structure;

the bases on which the MMP Conflicts Committee made its determination, including assumptions associated with consumption of products transported by MMP's pipelines, the price of commodities and cost of capital, are uncertain;

the terms under which the MGG Conflicts Committee may change its recommendation to holders of MGG common units to approve the simplification agreement and the matters contemplated thereby and terminate the simplification agreement;

that MMP likely would be responsible for the payment of both MMP's and MGG's out-of-pocket expenses in connection with the simplification;

that the simplification might not be completed in a timely manner;

the fact that MMP is assuming liabilities of MGG and of the subsidiary of MMP's general partner that currently owns the incentive distribution rights and of the entity that owns all of the limited partner interests of such subsidiary; and

certain members of management of MMP may have interests that are different from those of the holders of common units in MMP. In the view of the MMP Conflicts Committee, these factors did not outweigh the advantages of the simplification. The MMP Conflicts Committee also reviewed a number of procedural factors relating to the simplification, including, without limitation, the following factors:

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that because of the possible conflicts of interest associated with the negotiations between MMP and MGG leading to agreement with respect to the simplification, the MMP Conflicts Committee was delegated (i) the power and authority to consider, analyze and approve, on behalf of MMP and the board of directors of the general partner of MMP, a simplification of MMP's capital structure; and (ii) the power and authority to consider and analyze potential offers from third parties relating to the purchase of MMP and MGG, and, if applicable, make a recommendation to the board of directors of the general partner of MMP with respect to such third party offer;

that the delegation of power to the MMP Conflicts Committee included the authority to deny the approval, or recommend against the approval, as applicable, of the simplification;

that the MMP Conflicts Committee consists of directors who are not affiliated with MGG or its general partner;

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that the terms and conditions of the proposed simplification were determined through arm's-length negotiations between the MMP Conflicts Committee and the MGG Conflicts Committee and their respective representatives and advisors;

that the MMP Conflicts Committee was given authority to select and compensate its legal, financial and other advisors in the discretion of the MMP Conflicts Committee;

that the MMP Conflicts Committee retained and was advised by independent legal counsel experienced in advising on matters of this kind;

that the MMP Conflicts Committee retained and was advised by independent investment bankers experienced with publicly traded limited partnerships to assist in evaluating the fairness of the simplification; and

that the MMP Conflicts Committee received the fairness opinion of TudorPickering that, as of March 3, 2009, and based upon and subject to the factors and assumptions set forth in the opinion, the transformation to be effected pursuant to the simplification agreement was fair from a financial point of view to the holders of MMP common units (other than affiliates of MMP who are holders of MGG common units).

The foregoing discussion of the factors considered by the MMP Conflicts Committee is not intended to be exhaustive, but it does set forth the principal factors considered by the MMP Conflicts Committee.

The MMP Conflicts Committee reached its unanimous conclusion to recommend the simplification agreement and MMP's amended and restated partnership agreement in light of various factors described above and other factors that each member of the MMP Conflicts Committee believed were appropriate.

In view of the wide variety of factors considered by the MMP Conflicts Committee in connection with its evaluations of the complexity of these matters, the MMP Conflicts Committee did not consider it practical, and did not attempt to quantify, rank or otherwise assign relative weights to the specific factors it considered in reaching its decisions and did not undertake to make any specific determination as to whether any particular factor, or any aspect of any particular factor, was favorable or unfavorable to the ultimate determinations. Rather, the MMP Conflicts Committee made its recommendations based on the totality of the information presented to it and the investigations conducted by it. In considering the factors discussed above, individual directors may have given different weight to different factors. Each member of the MMP Conflicts Committee received the standard meeting fee of \$1,500 for each board of director and MMP Conflicts Committee meeting they attended related to the consideration of strategic alternatives and the simplification.

It should be noted that this explanation of the reasoning of the MMP Conflicts Committee and all other information presented in this section is forward-looking in nature and, therefore, should be read along with the factors discussed under the heading "Forward-Looking Statements."

For the reasons set forth above, the MMP Conflicts Committee has unanimously approved and declared the advisability of the simplification agreement and the matters contemplated thereby, including MMP's amended and restated partnership agreement, and unanimously recommends that MMP unitholders vote "FOR" the approval of the simplification agreement and the matters contemplated thereby and "FOR" the approval of MMP's amended and restated partnership agreement. In addition, the MMP Conflicts Committee unanimously recommends that MMP unitholders vote "FOR" any proposal to adjourn the MMP special meeting to a later date, if necessary, to solicit additional proxies in the event that there are insufficient votes in favor of either of the foregoing proposals.

Recommendation of the MGG Conflicts Committee and Its Reasons for the Simplification

At a meeting of the MGG Conflicts Committee held on March 3, 2009, the MGG Conflicts Committee, comprised of directors who are deemed to be independent, received presentations concerning, and reviewed with

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its legal counsel and independent financial advisor the terms of, the simplification agreement and the other related agreements. At the meeting, the MGG Conflicts Committee considered the benefits of the simplification as well as the associated risks and has unanimously determined that the simplification agreement and the matters contemplated thereby, including (i) the proposal to (a) direct MGG, as the sole member of MMP's general partner, to approve MMP's amended and restated partnership agreement and all other matters under the simplification agreement that, pursuant to the limited liability company agreement of MMP's general partner, require the approval of MGG; and (b) to direct MMP's general partner to implement all such matters; (ii) the contributions; and (iii) the liquidation, are fair and reasonable to, and in the best interests of, MGG's unitholders (other than MMP's general partner, MGG's general partner or their respective affiliates). The MGG Conflicts Committee has also approved and declared the advisability of the simplification agreement and the matters contemplated thereby, including the proposal to direct MGG to approve MMP's amended and restated partnership agreement and all other matters under the simplification agreement that require the approval of MGG and to direct MMP's general partner to implement all such matters, the contributions and the liquidation. Accordingly, the MGG Conflicts Committee unanimously recommends that MGG unitholders vote to approve the simplification agreement and the matters contemplated thereby, the proposal to direct MGG to approve MMP's amended and restated partnership agreement and all other matters under the simplification agreement that require the approval of MGG and to direct MMP's general partner to implement all such matters, the contributions and the liquidation.

In reaching its decision on the simplification, the MGG Conflicts Committee consulted with its legal and financial advisors and considered the following factors that supported the approval of the simplification:

the fact that MGG unitholders will maintain their public equity stake and participate in the expected benefits of the operations of MMP, including any future unit price appreciation and/or distribution increases;

the fact that, after the simplification, MMP will no longer have any issued and outstanding incentive distribution rights, and, as a result, MMP's equity cost of capital will be reduced, which will enhance MMP's ability to compete in future acquisitions involving equity financing;

the fact that having a common equity currency for the combined MMP and MGG partnership could facilitate future acquisitions and mergers;

the fact that the simplification is expected to initially be accretive to the distributable cash flow received by MGG unitholders;

the fact that the value of the consideration to be issued in the simplification represented a 25% premium to the closing price of MGG's common units on March 2, 2009;

the fact that the simplification will likely result in a capital structure and governance structure that is more easily understood by the investing public;

the probability that MMP and MGG will be able to consummate the simplification, including their ability to obtain any necessary unitholder approvals;

the fact that the simplification will eliminate potential conflicts of interest that may arise as a result of a person being an officer of the general partner of MMP and of the general partner of MGG and as a result of a person being a member of the board of directors of the general partner of MMP and a member of the board of directors of the general partner of MGG;

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the fact that the simplification will eliminate the duplication of services required to maintain two public limited partnerships;

the terms of the simplification agreement permit the MGG Conflicts Committee to change or withdraw the recommendation of the simplification (and to terminate the simplification agreement upon a change in recommendation) if the MGG Conflicts Committee has concluded in good faith, after consultation with its outside legal advisors and financial consultants, that the failure to make such a change in recommendation would not be fair to or in the best interests of the holders of MGG common units;

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the written opinion of Lazard, dated as of March 3, 2009, that, as of that date and based on and subject to the assumptions made, procedures followed, matters considered and limitations of review set forth in the opinion, the consideration to be paid to the holders of MGG common units (other than MMP, MMP's general partner, MGG's general partner or their respective affiliates) pursuant to the simplification was fair, from a financial point of view, to the holders of MGG common units (other than MMP, MMP's general partner, MGG's general partner or their respective affiliates);

information concerning the businesses, assets, liabilities, results of operations, financial conditions and competitive positions and prospects of MMP and MGG, in each case, before and after the simplification;

the fact that the simplification will mitigate the risk of underperformance associated with MMP's underlying businesses to MGG unitholders;

the current and prospective environment in which MGG operates;

the holders of MGG common units, generally, should not recognize any income or gain, for U.S. federal income tax purposes, solely as a result of the receipt of MMP common units pursuant to the simplification; and

the terms of the simplification as set forth in the relevant agreements, including without limitation, MMP's amended and restated partnership agreement, the simplification agreement, the contribution agreement and the plan of liquidation.

The MGG Conflicts Committee also considered the following factors that weighed against the approval of the simplification:

the increase in distributions on MMP's equity issuance will reduce near-term distribution coverage on the units to be received in the simplification;

there can be no assurance that the capital requirements necessary to fund the continued growth of MMP can be funded through the simplified capital structure;

the bases on which the MGG Conflicts Committee made its determination, including assumptions associated with consumption of products transported by MMP's pipelines, the price of commodities and cost of capital, are uncertain;

the possibility that the MMP common unit price could diminish prior to closing, reducing the premium available to MGG unitholders;

the risk that potential benefits sought in the simplification might not be fully realized;

the risk that no substantial synergy will be realized through the simplification;

the risk that the simplification might not be completed in a timely manner;

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the terms under which the MMP Conflicts Committee may change its recommendation to holders of MMP common units to approve the simplification agreement and terminate the simplification agreement;

the fact that the simplification might not be consummated as a result of a failure to satisfy the conditions contained in the simplification agreement, including the failure to receive applicable unitholder approvals;

the elimination of certain control rights that MGG possesses with respect to MMP as the sole member of the general partner of MMP;

the limitations on MGG's ability to solicit other offers;

the fact that the simplification will eliminate certain benefits associated with the incentive distribution rights in the event of out-performance of MMP's underlying business;

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the possibility, under certain circumstances, that MGG could be required to reimburse MMP for MGG's expenses associated with the simplification or pay the expenses incurred by MMP in connection with the simplification; and

certain members of management of MGG may have interests that are different from those of the holders of common units in MGG. In the view of the MGG Conflicts Committee, these factors did not outweigh the advantages of the simplification. The MGG Conflicts Committee also reviewed a number of procedural factors relating to the simplification, including, without limitation, the following factors:

that because of the possible conflicts of interest associated with the negotiations between MMP and MGG leading to agreement with respect to the simplification, the MGG Conflicts Committee was delegated (i) the power and authority to consider, analyze and approve, on behalf of MGG and the board of directors of the general partner of MGG, the simplification and (ii) the power and authority to consider and analyze potential offers from third parties relating to the purchase of MGG, and, if applicable, make a recommendation to the board of directors of the general partner of MGG with respect to such third party offers;

that the delegation of power to the MGG Conflicts Committee included the authority to deny the approval, or recommend against the approval, as applicable, of the simplification;

that the MGG Conflicts Committee consists of directors who are not affiliated with MMP or its general partner and who are not executive officers of the general partner of MGG;

that the terms and conditions of the proposed simplification were determined through arm's-length negotiations between the MMP Conflicts Committee and the MGG Conflicts Committee and their respective representatives and advisors;

that the MGG Conflicts Committee was given authority to select and compensate its legal and financial advisors in the discretion of the MGG Conflicts Committee;

that the MGG Conflicts Committee retained and was advised by independent legal counsel experienced in advising on matters of this kind;

that the MGG Conflicts Committee retained and was advised by independent financial advisors experienced with publicly traded limited partnerships to assist in evaluating the fairness of the simplification; and

that the MGG Conflicts Committee received the written opinion of Lazard, dated as of March 3, 2009, with respect to the simplification.

The foregoing discussion of the factors considered by the MGG Conflicts Committee is not intended to be exhaustive, but it does set forth the principal factors considered by the MGG Conflicts Committee.

The MGG Conflicts Committee reached its unanimous conclusion to recommend the simplification agreement, the proposal to direct MGG to approve MMP's amended and restated partnership agreement and all other matters under the simplification agreement that require the approval of MGG and to direct MMP's general partner to implement all such matters, the contributions and the liquidation in light of various factors described above and other factors that each member of the MGG Conflicts Committee believed were appropriate.

In view of the wide variety of factors considered by the MGG Conflicts Committee in connection with its evaluations of the complexity of these matters, the MGG Conflicts Committee did not consider it practical, and did not attempt to quantify, rank or otherwise assign relative weights to the specific factors they considered in reaching its decisions and did not undertake to make any specific determination as to whether any

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particular factor, or any aspect of any particular factor, was favorable or unfavorable to the ultimate determinations. Rather, the MGG Conflicts Committee made its recommendations based on the totality of the information presented to it and the investigations conducted by it. In considering the factors discussed above, individual directors may have

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given different weight to different factors. Each member of the MGG Conflicts Committee received the standard meeting fee of \$1,500 for each board of director and MGG Conflicts Committee meeting they attended related to the consideration of strategic alternatives and the simplification.

It should be noted that this explanation of the reasoning of the MGG Conflicts Committee and all other information presented in this section is forward-looking in nature and, therefore, should be read along with the factors discussed under the heading Forward-Looking Statements.

For the reasons set forth above, the MGG Conflicts Committee has unanimously approved and declared the advisability of the simplification agreement and the matters contemplated thereby, including the proposal to direct MGG to approve MMP's amended and restated partnership agreement and all other matters under the simplification agreement that require the approval of MGG and to direct MMP's general partner to implement all such matters, the contributions and the liquidation, and unanimously recommends that MGG unitholders vote FOR the approval of the simplification agreement and the matters contemplated thereby, FOR the approval of the proposal to direct MGG, as the sole member of MMP's general partner, to approve MMP's amended and restated partnership agreement and all other matters under the simplification agreement that, pursuant to the limited liability company agreement of MMP's general partner, require the approval of MGG and to direct MMP's general partner to implement all such matters, FOR the approval of the contributions and FOR the approval of the liquidation. In addition, the MGG Conflicts Committee unanimously recommends that MGG unitholders vote FOR any proposal to adjourn the special meeting to a later date, if necessary, to solicit additional proxies in the event that there are insufficient votes in favor of either of the foregoing proposals.

Financial Projections Provided to Financial Advisors

In connection with the proposed simplification, management of MMP's general partner and MGG's general partner prepared projections that included future financial and operating performance. The projections were prepared for MMP on a stand-alone basis and on a combined basis giving effect to the proposed simplification. The projections were provided to TudorPickering and Lazard in connection with their independent financial analyses and in the preparation of their fairness opinions. The projections were also presented to the MMP Conflicts Committee and the MGG Conflicts Committee. The projections were reviewed and approved by the MMP Conflicts Committee to reflect certain assumptions by the MMP Conflicts Committee. The MGG Conflicts Committee reviewed the financial projections prepared by management of the general partners of MMP and MGG with Lazard and discussed the appropriate use of such projections by Lazard in its analysis of the transformation. The following projected information is included in this joint proxy statement/prospectus only because this information was provided to the financial advisors, the MMP Conflicts Committee and/or the MGG Conflicts Committee, as applicable, in connection with the simplification.

The following projections are a summary of the projections provided to the financial advisors, the MMP Conflicts Committee and the MGG Conflicts Committee, and include only summary projections through 2013. The summary projections set forth below summarize the most recent projections provided to the financial advisors and/or the MMP Conflicts Committee and the MGG Conflicts Committee, as applicable, prior to execution of the simplification agreement. The inclusion of the following summary projections in this joint proxy statement/prospectus should not be regarded as an indication that either MMP or MGG or their respective representatives considered or consider the projections to be a reliable or accurate prediction of future performance or events, and the summary projections set forth below should not be relied upon as such.

The summary projections set forth below were not prepared with a view to compliance with the published guidelines of the SEC or the guidelines established by the American Institute of Certified Public Accountants regarding projections or forecasts. In addition, the summary projections are not presented in accordance with generally accepted accounting principles (GAAP). The projections, including the summary projections in this joint proxy statement/prospectus, have been prepared by, and are the responsibility of, management of MGG and MMP. Neither Ernst & Young LLP, nor any other independent registered public accounting firm, have compiled,

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examined or performed any procedures with respect to the prospective financial information contained in the projections and, accordingly, Ernst & Young LLP does not express an opinion or any other form of assurance with respect thereto. The Ernst & Young LLP reports incorporated by reference in this joint proxy statement/prospectus relate to historical financial information of MMP and MGG. Such reports do not extend to the projections and should not be read to do so.

The internal financial forecasts (upon which the projected information is based) of MMP and MGG are, in general, prepared solely for internal use to assist in various management decisions, including with respect to capital budgeting. Such internal financial forecasts are inherently subjective in nature, susceptible to interpretation and accordingly such forecasts may not be achieved. The internal financial forecasts also reflect numerous assumptions made by management, including the categories of material assumptions that may not be realized and are subject to significant uncertainties and contingencies, all of which are difficult to predict and many of which are beyond the control of the preparing party. Accordingly, there can be no assurance that the assumptions made in preparing the internal financial forecasts upon which the foregoing projected financial information was based will prove accurate. There will be differences between actual and forecasted results, and the differences may be material. The risk that these uncertainties and contingencies could cause the assumptions to fail to be reflective of actual results is further increased due to the length of time in the future over which these assumptions apply. The assumptions in early periods have a compounding effect on the projections shown for the later periods. Thus, any failure of an assumption to be reflective of actual results in an early period would have a greater effect on the projected results failing to be reflective of actual events in later periods. You should consider the risks identified in MMP's and MGG's most recent Annual Reports on Form 10-K, which are incorporated by reference into this joint proxy statement/prospectus, and the matters discussed elsewhere in this joint proxy statement/prospectus under Forward-Looking Statements.

In developing the projections, senior management of the general partner of MMP and of the general partner of MGG made numerous material assumptions with respect to MMP and MGG, including:

organic growth opportunities and the amounts and timing of related costs and potential economic returns;

the availability and cost of capital;

the cash flow from existing assets and business ac