

Suburban Propane Partners, L.P. Announces Third Quarter Results

Whippany, New Jersey, August 4, 2011 -- Suburban Propane Partners, L.P. (NYSE:SPH), a nationwide distributor of propane, fuel oil and related products and services, as well as a marketer of natural gas and electricity, today announced earnings for its third quarter ended June 25, 2011.

Consistent with the seasonal nature of the propane and fuel oil businesses, the Partnership typically experiences a net loss in the third quarter. Net loss for the three months ended June 25, 2011 was \$6.8 million, or \$0.19 per Common Unit, compared to \$6.6 million, or \$0.19 per Common Unit, in the prior year third quarter. Earnings before interest, taxes, depreciation and amortization ("EBITDA") for the third quarter of fiscal 2011 amounted to \$10.0 million, compared to \$9.4 million in the prior year third quarter. Excluding the effects of the unrealized (non-cash) mark-to-market adjustments on derivative instruments used in risk management activities in both quarters, Adjusted EBITDA amounted to \$10.3 million for the fiscal 2011 third quarter, compared to Adjusted EBITDA of \$9.1 million in the prior year third quarter.

In announcing these results, President and Chief Executive Officer Michael J. Dunn, Jr., said, "In light of the continuing challenges brought on by the economy and the high commodity price environment, we are pleased to report a more than 13% increase in Adjusted EBITDA. Our people continue to do an excellent job in navigating through the difficult business environment, focusing on delivering outstanding service to our customer base and on operational excellence. We are beginning to see some of the anticipated operational efficiencies and savings from the field realignment that we announced in the fiscal 2011 second quarter. As a reminder, our objective of the realignment was to leverage our technology and our people to effectively deal with the challenges facing our industry while, at the same time, driving customer base growth."

Mr. Dunn added, "Our balance sheet remains strong. We continued to fund all working capital needs from operating cash flow, and we ended the quarter with more than \$161 million of cash on hand."

Retail propane gallons sold in the third quarter of fiscal 2011 amounted to 54.6 million gallons, compared to 56.0 million gallons in the prior year third quarter, a decrease of 1.4 million gallons, or 2.5%. Sales of fuel oil and other refined fuels amounted to 5.6 million gallons, compared to 6.6 million gallons during the third quarter of fiscal 2010. In the propane segment, sales volumes to the Partnership's residential customer base were essentially flat compared to the prior year third quarter and, within the refined fuels segment, fuel oil volumes were flat compared to the prior year third quarter. Therefore, the majority of the volume shortfall compared to the prior year third quarter was experienced in the non-residential propane customer base and in the low-margin gasoline and diesel business. Sales volumes benefitted from a colder start to the fiscal 2011 third quarter compared to the prior year third quarter as average temperatures across the Partnership's service territories in the month of April 2011 were approximately 5% colder than normal, compared to 22% warmer than normal in April 2010.

Revenues of \$216.6 million increased \$18.5 million, or 9.3%, compared to the prior year third quarter, primarily due to higher average selling prices attributable to higher base commodity prices. Average posted prices for propane and fuel oil were 38.1% and 44.6% higher, respectively, compared to the prior year third quarter as commodity prices continued to rise, reaching their highest levels in nearly three years, dating back to the then unprecedented levels reached in the latter half of fiscal 2008. Cost of products sold for the third quarter of fiscal 2011 of \$125.2 million increased \$18.6 million, or 17.4%, compared to \$106.6 million in the prior year third quarter. Cost of products sold in the third quarter of fiscal 2011 included a \$0.3 million unrealized (non-cash) loss attributable to the mark-to-market adjustment for derivative instruments used in risk management activities, compared to a \$0.3 million unrealized (non-cash) gain in the prior year third quarter; these unrealized gains and losses are excluded from Adjusted EBITDA for both periods in the table below.

Combined operating and general and administrative expenses of \$81.4 million for the third quarter of fiscal 2011 were \$0.6 million, or 0.7%, lower than the prior year third quarter, primarily due to lower payroll and benefit related expenses, offset to an extent by higher fuel costs to operate our fleet and higher bad debt expense.

On July 21, 2011, the Partnership announced that its Board of Supervisors had declared a quarterly distribution of \$0.8525 per Common Unit for the three months ended June 25, 2011. On an annualized basis, this distribution rate equates to \$3.41 per Common Unit, or 0.9% higher than the distribution rate at the end of the third quarter of fiscal 2010. The \$0.8525 per Common Unit distribution will be paid on August 9, 2011 to Common Unitholders of record as of August 2, 2011.

Suburban Propane Partners, L.P. is a publicly-traded master limited partnership listed on the New York Stock Exchange. Headquartered in Whippany, New Jersey, Suburban has been in the customer service business since 1928. The Partnership serves the energy needs of approximately 800,000 residential, commercial, industrial and agricultural customers through more than 300 locations in 30 states.

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This press release contains certain forward-looking statements relating to future business expectations and financial condition and results of operations of the Partnership, based on management's current good faith expectations and beliefs concerning future developments. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those discussed or implied in such forward-looking statements, including the following:

- *The impact of weather conditions on the demand for propane, fuel oil and other refined fuels, natural gas and electricity;*
- *Volatility in the unit cost of propane, fuel oil and other refined fuels and natural gas, the impact of the Partnership's hedging and risk management activities, and the adverse impact of price increases on volumes as a result of customer conservation;*
- *The ability of the Partnership to compete with other suppliers of propane, fuel oil and other energy sources;*
- *The impact on the price and supply of propane, fuel oil and other refined fuels from the political, military or economic instability of the oil producing nations, global terrorism and other general economic conditions;*
- *The ability of the Partnership to acquire and maintain reliable transportation for its propane, fuel oil and other refined fuels;*
- *The ability of the Partnership to retain customers or acquire new customers;*
- *The impact of customer conservation, energy efficiency and technology advances on the demand for propane, fuel oil and other refined fuels, natural gas and electricity;*
- *The ability of management to continue to control expenses;*
- *The impact of changes in applicable statutes and government regulations, or their interpretations, including those relating to the environment and global warming, derivative instruments and other regulatory developments on the Partnership's business;*
- *The impact of changes in tax regulations that could adversely affect the tax treatment of the Partnership for federal income tax purposes;*
- *The impact of legal proceedings on the Partnership's business;*

- *The impact of operating hazards that could adversely affect the Partnership's operating results to the extent not covered by insurance;*
- *The Partnership's ability to make strategic acquisitions and successfully integrate them;*
- *The impact of current conditions in the global capital and credit markets, and general economic pressures; and*
- *Other risks referenced from time to time in filings with the Securities and Exchange Commission ("SEC") and those factors listed or incorporated by reference into the Partnership's Annual Report under "Risk Factors."*

Some of these risks and uncertainties are discussed in more detail in the Partnership's Annual Report on Form 10-K for its fiscal year ended September 25, 2010 and other periodic reports filed with the SEC. Readers are cautioned not to place undue reliance on forward-looking statements, which reflect management's view only as of the date made. The Partnership undertakes no obligation to update any forward-looking statement, except as otherwise required by law.

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