



Financial Highlights and Operating Statistics

(UNAUDITED)

Final

March 31, 2017

Reconciliation of Income (Loss) Attributable to The Williams Companies, Inc. to Adjusted Income
(UNAUDITED)

	2016*					2017
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Year	1st Qtr
<i>(Dollars in millions, except per-share amounts)</i>						
Income (loss) attributable to The Williams Companies, Inc. available to common stockholders	\$ (65)	\$ (405)	\$ 61	\$ (15)	\$ (424)	\$ 373
Income (loss) - diluted earnings (loss) per common share	\$ (.09)	\$ (.54)	\$.08	\$ (.02)	\$ (.57)	\$.45
Adjustments:						
<i>Williams Partners</i>						
Estimated minimum volume commitments	\$ 60	\$ 64	\$ 70	(194)	\$ —	\$ 15
Impairment of certain assets	—	389	—	22	411	—
Organizational realignment-related costs	—	—	—	24	24	4
Loss related to Canada disposition	—	—	32	2	34	(3)
Severance and related costs	25	—	—	12	37	9
Constitution Pipeline project development costs	—	8	11	9	28	2
Potential rate refunds associated with rate case litigation	15	—	—	—	15	—
ACMP Merger and transition-related expenses	5	—	—	—	5	—
Share of impairment at equity-method investments	—	—	6	19	25	—
Gain on asset retirement	—	—	—	(11)	(11)	—
Geismar Incident adjustment for insurance and timing	—	—	—	(7)	(7)	(9)
Gains from contract settlements and terminations	—	—	—	—	—	(13)
Accrual for loss contingency	—	—	—	—	—	9
Gain on early retirement of debt	—	—	—	—	—	(30)
Expenses associated with strategic asset monetizations	—	—	—	2	2	1
<i>Total Williams Partners adjustments</i>	105	461	119	(122)	563	(15)
<i>Other</i>						
Impairment of certain assets	—	406	—	8	414	—
Loss related to Canada disposition	—	—	33	(1)	32	1
Canadian PDH facility project development costs	34	11	16	—	61	—
Gain on sale of certain assets	(10)	—	—	—	(10)	—
Expenses associated with strategic alternatives	6	13	21	7	47	1
Other ACMP Merger and transition-related expenses	2	—	—	—	2	—
Severance and related costs	1	—	—	4	5	—
Expenses associated with Financial Repositioning	—	—	—	—	—	8
<i>Total Other adjustments</i>	33	430	70	18	551	10
Adjustments included in Modified EBITDA	138	891	189	(104)	1,114	(5)
Adjustments below Modified EBITDA						
<i>Impairment of equity-method investments - Williams Partners</i>	112	—	—	318	430	—
<i>Gain on disposition of equity-method investment - Williams Partners</i>	—	—	(27)	—	(27)	(269)
<i>Interest expense related to potential rate refunds associated with rate case litigation - Williams Partners</i>	3	—	—	—	3	—
<i>Accelerated depreciation related to reduced salvage value of certain assets - Williams Partners</i>	—	—	—	4	4	—
<i>Change in depreciable life associated with organizational realignment - Williams Partners</i>	—	—	—	(16)	(16)	(7)
<i>Interest income on receivable from sale of Venezuela assets - Other</i>	(18)	(18)	—	—	(36)	—
<i>Allocation of adjustments to noncontrolling interests</i>	(83)	(154)	(41)	(76)	(354)	77
	14	(172)	(68)	230	4	(199)
Total adjustments	152	719	121	126	1,118	(204)
Less tax effect for above items	(61)	(202)	(39)	19	(283)	77
Adjustments for tax-related items (1)	—	34	5	—	39	(127)
Adjusted income available to common stockholders	\$ 26	\$ 146	\$ 148	\$ 130	\$ 450	\$ 119
Adjusted diluted earnings per common share	\$.03	\$.19	\$.20	\$.17	\$.60	\$.14
Weighted-average shares - diluted (thousands)	751,040	751,297	751,858	752,818	751,761	826,476

(1) The second and third quarters of 2016 include a favorable adjustment related to the reversal of a cumulative anticipatory foreign tax credit. The first quarter of 2017 includes an unfavorable adjustment related to the release of a valuation allowance.

Note: The sum of earnings per share for the quarters may not equal the total earnings per share for the year due to changes in the weighted-average number of common shares outstanding.

* Recast due to the elimination of the Williams NGL & Petchem Services segment in the first quarter of 2017.

Consolidated Statement of Operations
(UNAUDITED)

	2016					2017
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Year	1st Qtr
<i>(Dollars in millions, except per-share amounts)</i>						
Revenues:						
Service revenues	\$ 1,229	\$ 1,202	\$ 1,247	\$ 1,493	\$ 5,171	\$ 1,261
Product sales	431	534	658	705	2,328	727
Total revenues	1,660	1,736	1,905	2,198	7,499	1,988
Costs and expenses:						
Product costs	318	401	461	545	1,725	579
Operating and maintenance expenses	391	394	394	401	1,580	368
Depreciation and amortization expenses	445	446	435	437	1,763	442
Selling, general, and administrative expenses	221	158	177	167	723	161
Net insurance recoveries - Geismar Incident	—	—	—	(7)	(7)	(9)
Impairment of certain assets	8	802	1	62	873	—
Other (income) expense - net	15	23	92	12	142	14
Total costs and expenses	1,398	2,224	1,560	1,617	6,799	1,555
Operating income (loss)	262	(488)	345	581	700	433
Equity earnings (losses)	97	101	104	95	397	107
Impairment of equity-method investments	(112)	—	—	(318)	(430)	—
Other investing income (loss) - net	18	18	28	(1)	63	272
Interest incurred	(306)	(306)	(304)	(301)	(1,217)	(287)
Interest capitalized	15	8	7	8	38	7
Other income (expense) - net	15	17	20	22	74	74
Income (loss) before income taxes	(11)	(650)	200	86	(375)	606
Provision (benefit) for income taxes	2	(145)	69	49	(25)	37
Net income (loss)	(13)	(505)	131	37	(350)	569
Less: Net income (loss) attributable to noncontrolling interests	52	(100)	70	52	74	196
Net income (loss) attributable to The Williams Companies, Inc.	\$ (65)	\$ (405)	\$ 61	\$ (15)	\$ (424)	\$ 373
Diluted earnings (loss) per common share:						
Net income (loss)	\$ (.09)	\$ (.54)	\$.08	\$ (.02)	\$ (.57)	\$.45
Weighted-average number of shares (thousands)	750,322	750,649	751,858	750,954	750,673	826,476
Common shares outstanding at end of period (thousands)	750,484	750,599	750,757	750,934	750,934	826,239
Market price per common share (end of period)	\$ 16.07	\$ 21.63	\$ 30.73	\$ 31.14	\$ 31.14	\$ 29.59
Cash dividends declared per share	\$.64	\$.64	\$.20	\$.20	\$ 1.68	\$.30

Note: The sum of earnings (loss) per share for the quarters may not equal the total earnings (loss) per share for the year due to changes in the weighted-average number of common shares outstanding.

Reconciliation of Non-GAAP “Modified EBITDA” to Non-GAAP “Adjusted EBITDA”

(UNAUDITED)

(Dollars in millions)	2016*					2017
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Year	1st Qtr
Net income (loss)	\$ (13)	\$ (505)	\$ 131	\$ 37	\$ (350)	\$ 569
Provision (benefit) for income taxes	2	(145)	69	49	(25)	37
Interest expense	291	298	297	293	1,179	280
Equity (earnings) losses	(97)	(101)	(104)	(95)	(397)	(107)
Impairment of equity-method investments	112	—	—	318	430	—
Other investing (income) loss - net	(18)	(18)	(28)	1	(63)	(272)
Proportional Modified EBITDA of equity-method investments	189	191	194	180	754	194
Depreciation and amortization expenses	445	446	435	437	1,763	442
Accretion for asset retirement obligations associated with nonregulated operations	7	8	9	7	31	7
Modified EBITDA	\$ 918	\$ 174	\$ 1,003	\$ 1,227	\$ 3,322	\$ 1,150
Williams Partners	\$ 955	\$ 604	\$ 1,070	\$ 1,235	\$ 3,864	\$ 1,132
Other	(37)	(430)	(67)	(8)	(542)	18
Total Modified EBITDA	\$ 918	\$ 174	\$ 1,003	\$ 1,227	\$ 3,322	\$ 1,150
Adjustments included in Modified EBITDA (1):						
Williams Partners	\$ 105	\$ 461	\$ 119	\$ (122)	\$ 563	\$ (15)
Other	33	430	70	18	551	10
Total Adjustments included in Modified EBITDA	\$ 138	\$ 891	\$ 189	\$ (104)	\$ 1,114	\$ (5)
Adjusted EBITDA:						
Williams Partners	\$ 1,060	\$ 1,065	\$ 1,189	\$ 1,113	\$ 4,427	\$ 1,117
Other	(4)	—	3	10	9	28
Total Adjusted EBITDA	\$ 1,056	\$ 1,065	\$ 1,192	\$ 1,123	\$ 4,436	\$ 1,145

(1) Adjustments by segment are detailed in the "Reconciliation of Income (Loss) Attributable to The Williams Companies, Inc. to Adjusted Income," which is also included in these materials.

* Recast due to the elimination of the Williams NGL & Petchem Services segment in the first quarter of 2017.

Williams Partners
(UNAUDITED)

	2016					2017
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Year	1st Qtr
<i>(Dollars in millions)</i>						
Revenues:						
Service revenues	\$ 1,226	\$ 1,210	\$ 1,252	\$ 1,485	\$ 5,173	\$ 1,256
Product sales	428	530	655	705	2,318	727
Total revenues	1,654	1,740	1,907	2,190	7,491	1,983
Segment costs and expenses:						
Product costs	317	403	463	545	1,728	579
Operating and maintenance expenses	374	379	377	386	1,516	353
Selling, general, and administrative expenses	181	139	147	163	630	156
Net insurance recoveries - Geismar Incident	—	—	—	(7)	(7)	(9)
Impairment of certain assets	6	396	1	54	457	—
Other segment costs and expenses	10	10	43	(6)	57	(34)
Total segment costs and expenses	888	1,327	1,031	1,135	4,381	1,045
Proportional Modified EBITDA of equity-method investments	189	191	194	180	754	194
Modified EBITDA	955	604	1,070	1,235	3,864	1,132
Adjustments	105	461	119	(122)	563	(15)
Adjusted EBITDA	\$ 1,060	\$ 1,065	\$ 1,189	\$ 1,113	\$ 4,427	\$ 1,117

Statistics for Operated Assets

Interstate Transmission

Throughput (Tbtu)	1,132.8	983.9	1,040.0	1,073.1	4,229.8	1,158.1
Avg. daily transportation volumes (Tbtu)	12.5	10.8	11.3	11.7	11.6	12.8
Avg. daily firm reserved capacity (Tbtu)	15.0	14.5	14.6	14.7	14.7	15.8

Gathering and Processing

Gathering volumes (Bcf per day) - Consolidated ⁽¹⁾	8.24	8.13	8.39	8.21	8.25	7.86
Gathering volumes (Bcf per day) - Non-consolidated ⁽²⁾	3.74	3.69	3.67	3.80	3.73	4.10
Plant inlet natural gas volumes (Bcf per day) - Consolidated ⁽¹⁾	3.46	3.40	3.66	3.47	3.50	2.92
Plant inlet natural gas volumes (Bcf per day) - Non-consolidated ⁽²⁾	0.56	0.54	0.60	0.60	0.57	0.54

Consolidated ⁽¹⁾

Ethane margin (\$/gallon)	\$.08	\$.02	\$.06	\$ —	\$.04	\$.03
Non-ethane margin (\$/gallon)	\$.20	\$.36	\$.25	\$.39	\$.29	\$.45
NGL margin (\$/gallon)	\$.15	\$.20	\$.18	\$.27	\$.20	\$.33
Ethane equity sales (Mbbls/d)	22	26	23	15	22	11
Non-ethane equity sales (Mbbls/d)	35	29	40	34	34	29
NGL equity sales (Mbbls/d)	57	55	63	49	56	40
Ethane production (Mbbls/d)	49	61	56	48	54	40
Non-ethane production (Mbbls/d)	103	100	120	107	108	90
NGL production (Mbbls/d)	152	161	176	155	162	130

Non-consolidated ⁽²⁾

NGL equity sales (Mbbls/d)	5	5	5	5	5	5
NGL production (Mbbls/d)	17	19	21	21	20	21

Petrochemical Services

Geismar ethylene sales volumes (million lbs)	423	391	419	405	1,638	266
Geismar ethylene margin (\$/lb) ⁽³⁾	\$.13	\$.15	\$.21	\$.15	\$.16	\$.19
Canadian propylene sales volumes (million lbs)	33	8	46	—	87	—
Canadian alky feedstock sales volumes (million gallons)	7	2	6	—	15	—

Overland Pipeline Company ⁽²⁾

NGL transportation volumes (Mbbls)	16,814	18,410	18,535	18,078	71,837	18,338
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(1) Excludes volumes associated with equity-method investments that are not consolidated for financial reporting purposes.

(2) Includes 100% of the volumes associated with operated equity-method investments.

(3) Ethylene margin and ethylene margin per pound are calculated using financial results determined in accordance with GAAP, which include realized ethylene sales prices and ethylene COGS. Realized sales and COGS per unit metrics may vary from publicly quoted market indices or spot prices due to various factors, including, but not limited to, basis differentials, transportation costs, contract provisions, and inventory accounting methods.

Capital Expenditures and Investments
(UNAUDITED)

(Dollars in millions)	2016 **					2017
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Year	1st Qtr
Capital expenditures:						
Williams Partners	\$ 463	\$ 518	\$ 491	\$ 472	\$ 1,944	\$ 509
Other	50	38	17	2	107	2
Total*	\$ 513	\$ 556	\$ 508	\$ 474	\$ 2,051	\$ 511
Purchases of investments:						
Williams Partners	\$ 63	\$ 59	\$ 10	\$ 45	\$ 177	\$ 52
Other	—	—	—	—	—	—
Total	\$ 63	\$ 59	\$ 10	\$ 45	\$ 177	\$ 52
Summary:						
Williams Partners	\$ 526	\$ 577	\$ 501	\$ 517	\$ 2,121	\$ 561
Other	50	38	17	2	107	2
Total	\$ 576	\$ 615	\$ 518	\$ 519	\$ 2,228	\$ 563
Capital expenditures incurred and purchases of investments:						
Increases to property, plant, and equipment	\$ 525	\$ 495	\$ 448	\$ 444	\$ 1,912	\$ 569
Purchases of investments	63	59	10	45	177	52
Total	\$ 588	\$ 554	\$ 458	\$ 489	\$ 2,089	\$ 621
*Increases to property, plant, and equipment	\$ 525	\$ 495	\$ 448	\$ 444	\$ 1,912	\$ 569
Changes in related accounts payable and accrued liabilities	(12)	61	60	30	139	(58)
Capital expenditures	\$ 513	\$ 556	\$ 508	\$ 474	\$ 2,051	\$ 511

** Recast due to the elimination of the Williams NGL & Petchem Services segment in the first quarter of 2017.

Depreciation and Amortization and Other Selected Financial Data
(UNAUDITED)

<i>(Dollars in millions)</i>	2016*					2017
	<i>1st Qtr</i>	<i>2nd Qtr</i>	<i>3rd Qtr</i>	<i>4th Qtr</i>	<i>Year</i>	<i>1st Qtr</i>
Depreciation and amortization:						
Williams Partners	\$ 435	\$ 432	\$ 426	\$ 427	\$ 1,720	\$ 433
Other	10	14	9	10	43	9
Total	\$ 445	\$ 446	\$ 435	\$ 437	\$ 1,763	\$ 442
Other selected financial data:						
Cash and cash equivalents	\$ 164	\$ 135	\$ 77	\$ 170		\$ 639
Total assets	\$ 48,807	\$ 48,124	\$ 47,288	\$ 46,835		\$ 47,512
Capital structure:						
Debt						
Commercial paper	\$ 135	\$ 196	\$ 2	\$ 93		\$ —
Current	\$ 976	\$ 786	\$ 785	\$ 785		\$ —
Noncurrent	\$ 23,701	\$ 24,394	\$ 23,932	\$ 22,624		\$ 21,825
Stockholders' equity	\$ 5,691	\$ 4,830	\$ 4,860	\$ 4,643		\$ 8,444
Debt to debt-plus-stockholders' equity ratio	81.3 %	84.0 %	83.6 %	83.5 %		72.1 %
Cash distributions received from interests in:						
Williams Partners L.P.						
General partner	\$ 15	\$ 216	\$ 224	\$ 78	\$ 533	\$ —
Limited partner	289	288	289	295	1,161	597
	\$ 304	\$ 504	\$ 513	\$ 373	\$ 1,694	\$ 597
*Recast due to the elimination of the Williams NGL & Petchem Services segment in the first quarter of 2017						

Dividend Coverage Ratio

(UNAUDITED)

	2016					2017
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Year	1st Qtr
<i>(Dollars in millions, except per share amounts)</i>						
Distributions from WPZ (accrued / "as declared" basis) ⁽¹⁾	\$ 513	\$ 513	\$ 522	\$ 597	\$ 2,145	\$ 421
Other Segment Adjusted EBITDA ⁽²⁾	(14)	(12)	(13)	(4)	(43)	28
Corporate interest	(66)	(67)	(68)	(67)	(268)	(66)
Subtotal	433	434	441	526	1,834	383
WMB cash tax rate	0%	-1%	0%	1%	0%	0%
WMB cash taxes (excludes cash taxes paid by WPZ)	2	3	—	(7)	(2)	—
Other Segment Maintenance Capital	(6)	(4)	—	(1)	(11)	(3)
WMB cash available for dividends and other uses ⁽³⁾	\$ 429	\$ 433	\$ 441	\$ 518	\$ 1,821	\$ 380
WMB dividends paid	(480)	(481)	(150)	(150)	(1,261)	(248)
Excess cash available after dividends	\$ (51)	\$ (48)	\$ 291	\$ 368	\$ 560	\$ 132
Dividend per share	\$ 0.6400	\$ 0.6400	\$ 0.2000	\$ 0.2000	\$ 1.6800	\$ 0.3000
Coverage ratio ⁽¹⁾⁽⁴⁾	0.89	0.90	2.94	3.45	1.44	1.53

Notes:

- (1) Cash distributions for the first quarter of 2016 was increased by \$10 million in order to exclude the impact of the IDR waiver associated with the WPZ merger termination fee from the determination of coverage ratios. Cash distributions for the third quarter of 2016 was increased by \$150 million in order to exclude the impact of the IDR waiver associated with the sale of the Canadian operations.
- (2) For periods prior to 2017, includes only former Williams NGL & Petchem Services segment.
- (3) As previously announced, effective with the third quarter of 2016, Williams reduced its regular dividend from \$0.64 per share to \$0.20 per share to support Williams' plan to reinvest a portion of the cash available for dividends and other uses into Williams Partners. Effective with the first quarter of 2017, Williams increased its regular dividend from \$0.20 per share to \$0.30 per share as part of the Financial Repositioning announced in the first quarter of 2017.
- (4) WMB cash available for dividends and other uses / WMB dividends paid.