
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15 (d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of report (Date of earliest event reported): July 6, 2017

THE WILLIAMS COMPANIES, INC.

(Exact name of Registrant as Specified in its Charter)

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)

1-4174
(Commission
File Number)

73-0569878
(I.R.S. Employer
Identification No.)

**One Williams Center,
Tulsa, Oklahoma**
(Address of Principal Executive Offices)

74172
(Zip Code)

Registrant's Telephone Number, Including Area Code: (918) 573-2000

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

WILLIAMS PARTNERS L.P.

(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

1-34831
(Commission
File Number)

20-2485124
(I.R.S. Employer
Identification No.)

**One Williams Center,
Tulsa, Oklahoma**
(Address of Principal Executive Offices)

74172
(Zip Code)

Registrant's Telephone Number, Including Area Code: (918) 573-2000

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act (17 CFR 230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR 240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.01. Completion of Acquisition or Disposition of Assets.

On July 6, 2017, pursuant to the Membership Interest Purchase Agreement (the “Purchase Agreement”) among Williams Partners L.P. (the “Partnership”), Williams Field Services Group, LLC, an indirect wholly owned subsidiary of the Partnership (“Williams FSG”), Williams Olefins, L.L.C., a wholly owned subsidiary of Williams FSG (the “Company”), NOVA Chemicals Inc. (“Nova”), and NOVA Chemicals Corporation, the Partnership completed the previously announced sale by Williams FSG of 100% of the issued and outstanding membership interests of the Company to Nova for \$2.1 billion, subject to a working capital adjustment (the “Transaction”).

A more detailed description of the material terms of the Purchase Agreement was included in the Partnership’s Current Report on Form 8-K filed on April 18, 2017.

Item 7.01. Regulation FD Disclosure.

On July 6, 2017, The Williams Companies, Inc. and the Partnership issued a press release announcing the completion of the Transaction and the Partnership’s anticipated use of the cash proceeds from the Transaction to pay off its \$850 million term loan and to fund a portion of the Partnership’s capital and investment expenditures. A copy of this press release is furnished and attached as Exhibit 99.1 hereto and is incorporated herein by reference.

The information furnished is not deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, is not subject to the liabilities of that section and is not deemed incorporated by reference in any filing under the Securities Act of 1933, as amended.

Item 9.01. Financial Statements and Exhibits.

(b) *Pro Forma Financial Information.*

The Unaudited Pro Forma Condensed Balance Sheet of the Partnership as of March 31, 2017 and the Unaudited Pro Forma Condensed Statements of Income for the three months ended March 31, 2017 and the year ended December 31, 2016 and Notes thereto are attached hereto as Exhibit 99.2 and incorporated herein by reference.

The Unaudited Pro Forma Condensed Balance Sheet of The Williams Companies, Inc. as of March 31, 2017 and the Unaudited Pro Forma Condensed Statements of Income for the three months ended March 31, 2017 and the year ended December 31, 2016 and Notes thereto are attached hereto as Exhibit 99.3 and incorporated herein by reference.

(d) *Exhibits.*

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release dated July 6, 2017.
99.2	Unaudited Pro Forma Condensed Balance Sheet of Williams Partners L.P. as of March 31, 2017 and the Unaudited Pro Forma Condensed Statements of Income for the three months ended March 31, 2017 and the year ended December 31, 2016 and Notes thereto.
99.3	Unaudited Pro Forma Condensed Balance Sheet of The Williams Companies, Inc. as of March 31, 2017 and the Unaudited Pro Forma Condensed Statements of Income for the three months ended March 31, 2017 and the year ended December 31, 2016 and Notes thereto.

SIGNATURE

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

THE WILLIAMS COMPANIES, INC.

By: /s/ Joshua H. De Rienzis

Joshua H. De Rienzis

Vice President and Corporate Secretary

WILLIAMS PARTNERS L.P.

By: WPZ GP LLC,
its General Partner

By: /s/ Joshua H. De Rienzis

Joshua H. De Rienzis

Vice President and Secretary

DATED: July 7, 2017

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release dated July 6, 2017.
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99.3	Unaudited Pro Forma Condensed Balance Sheet of The Williams Companies, Inc. as of March 31, 2017 and the Unaudited Pro Forma Condensed Statements of Income for the three months ended March 31, 2017 and the year ended December 31, 2016 and Notes thereto.

Williams (NYSE: WMB)
 One Williams Center
 Tulsa, OK 74172
 800-Williams
 www.williams.com



News Release

DATE: July 6, 2017

MEDIA CONTACT:

Keith Isbell
 (918) 573-7308

INVESTOR CONTACT:

Brett Krieg
 (918) 573-4614

Williams Partners Completes Sale of Interests in the Geismar Olefins Facility to NOVA Chemicals for \$2.1 Billion; Enters into Long-Term Feedstock Supply and Transportation Agreements with NOVA Chemicals

TULSA, Okla. – Williams Partners L.P. (NYSE: WPZ) announced today that it has completed the sale of all of its membership interest in Williams Olefins L.L.C., which owns an 88.46 percent undivided ownership interest in the Geismar, Louisiana, olefins plant and associated complex, to NOVA Chemicals for \$2.1 billion in cash, subject to a working capital adjustment.

Additionally, Williams Partners subsidiaries have entered into long-term supply and transportation agreements with NOVA Chemicals to provide feedstock to the Geismar olefins plant via Williams Partners' ethane pipeline system in the U.S. Gulf Coast. These agreements will secure a meaningful long-term fee-based revenue stream for the partnership.

“Completing this successful transaction represents another important step in our natural gas-focused business strategy to deliver predictable long-term growth as we reduce our commodity-margin exposure,” said Alan Armstrong, chief executive officer of Williams Partners' general partner. “Around 97 percent of our gross margins will now come from predictable fee-based sources, including the previously announced new long-term supply and transportation agreements with NOVA. We look forward to supporting NOVA's strategy in the Gulf Coast with our highly reliable ethane pipeline system as part of this win-win transaction and agreement for both companies.”

Williams Partners plans to use the cash proceeds from the Williams Olefins transaction to pay off its \$850 million term loan and to fund a portion of the capital and investment expenditures that are a part of the partnership's extensive growth portfolio. The Williams Companies, Inc. (NYSE: WMB) expects that for federal tax purposes, any taxable gain generated from the transaction will be sheltered by tax losses carried forward.

Morgan Stanley & Co. LLC acted as the lead financial adviser to Williams Partners on the transaction. Centerview Partners LLC acted as a co-adviser to Williams Partners on the transaction. Gibson, Dunn & Crutcher LLP and Kean Miller LLP served as legal advisers to Williams Partners on the transaction.

About Williams & Williams Partners

Williams (NYSE: WMB) is a premier provider of large-scale infrastructure connecting U.S. natural gas and natural gas products to growing demand for cleaner fuel and feedstocks. Headquartered in Tulsa, Okla., Williams owns approximately 74 percent of Williams Partners L.P. (NYSE: WPZ). Williams Partners is an industry-leading, large-cap master limited partnership with operations across the natural gas value chain

including gathering, processing and interstate transportation of natural gas and natural gas liquids. With major positions in top U.S. supply basins, Williams Partners owns and operates more than 33,000 miles of pipelines system wide – including the nation’s largest volume and fastest growing pipeline – providing natural gas for clean-power generation, heating and industrial use. Williams Partners’ operations touch approximately 30 percent of U.S. natural gas. www.williams.com

About NOVA Chemicals

NOVA Chemicals develops and manufactures chemicals and plastic resins that make everyday life safer, healthier and easier. Our employees work to ensure health, safety, security and environmental stewardship through our commitment to sustainability and Responsible Care®. NOVA Chemicals, headquartered in Calgary, Alberta, Canada, is wholly-owned ultimately by Mubadala Investment Company of the Emirate of Abu Dhabi, United Arab Emirates.

Portions of this document may constitute “forward-looking statements” as defined by federal law. Although the company believes any such statements are based on reasonable assumptions, there is no assurance that actual outcomes will not be materially different. Any such statements are made in reliance on the “safe harbor” protections provided under the Private Securities Reform Act of 1995. Additional information about issues that could lead to material changes in performance is contained in the company’s annual and quarterly reports filed with the Securities and Exchange Commission.

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Introduction to the Unaudited Pro Forma Condensed Financial Statements

On April 17, 2017, we announced that we agreed to sell Williams Olefins, L.L.C., a wholly owned subsidiary which owns an 88.46 percent undivided ownership interest in a Geismar, Louisiana, olefins plant and associated complex for \$2.1 billion in cash. On July 6, 2017, the sale was completed and we received cash proceeds totaling \$2.084 billion, reflecting adjustments for the estimated net working capital at closing and subject to final determination.

The following unaudited pro forma condensed financial statements have been developed by applying pro forma adjustments to the individual historical audited and unaudited financial statements of Williams Partners L.P. to reflect the disposition. The following unaudited pro forma condensed balance sheet as of March 31, 2017, has been prepared to give effect to the transaction as if the divestiture had occurred on March 31, 2017. The following unaudited pro forma condensed statements of income for the three months ended March 31, 2017, and year ended December 31, 2016, have been prepared to give effect to the transaction as if the divestiture had occurred at the beginning of 2016. Our historical condensed consolidated financial statements have been derived from and should be read together with the historical audited consolidated financial statements and related notes in Exhibit 99.1 of our Form 8-K dated May 25, 2017, and the historical unaudited consolidated financial statements and related notes in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2017.

The unaudited pro forma condensed financial statements are presented for illustrative purposes only to reflect the sale of Williams Olefins, L.L.C. and do not represent what our results of operations or financial position would actually have been had the sale occurred on the dates noted above, or project our results of operations or financial position for any future periods. The pro forma adjustments are based on available information and certain assumptions that management believes are factually supportable and are expected to have a continuing impact on our results of operations. All pro forma adjustments and their underlying assumptions are described more fully in the notes to the unaudited pro forma condensed financial information.

Williams Partners L.P.
Unaudited Pro Forma Condensed Balance Sheet
As of March 31, 2017
(\$ in millions)

	<u>Historical</u> <u>Williams</u> <u>Partners L.P.</u>	<u>Pro Forma</u> <u>Adjustments</u>	<u>Pro Forma</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 625	\$ 2,084	\$ 2,709
Trade accounts and other receivables – net	861	—	861
Inventories	148	—	148
Assets held for sale	1,023	(999)	24
Other current assets and deferred charges	157	—	157
Total current assets	<u>2,814</u>	<u>1,085</u>	<u>3,899</u>
Investments	6,738	—	6,738
Property, plant, and equipment, at cost	37,677	—	37,677
Accumulated depreciation and amortization	(10,313)	—	(10,313)
Property, plant, and equipment – net	27,364	—	27,364
Intangible assets – net of accumulated amortization	9,569	—	9,569
Regulatory assets, deferred charges, and other	453	—	453
Total assets	<u>\$ 46,938</u>	<u>\$ 1,085</u>	<u>\$ 48,023</u>
LIABILITIES AND EQUITY			
Current liabilities:			
Accounts payable	\$ 732	\$ —	\$ 732
Accrued interest	170	—	170
Asset retirement obligations	48	—	48
Liabilities held for sale	43	(43)	—
Other accrued liabilities	881	45	926
Total current liabilities	<u>1,874</u>	<u>2</u>	<u>1,876</u>
Long-term debt	17,065	—	17,065
Asset retirement obligations	830	—	830
Deferred income tax liabilities	19	—	19
Regulatory liabilities, deferred income, and other	1,951	—	1,951
Contingent liabilities			
Equity:			
Partners' equity	23,462	1,083	24,545
Noncontrolling interests in consolidated subsidiaries	1,737	—	1,737
Total equity	<u>25,199</u>	<u>1,083</u>	<u>26,282</u>
Total liabilities and equity	<u>\$ 46,938</u>	<u>\$ 1,085</u>	<u>\$ 48,023</u>

See accompanying notes.

Williams Partners L.P.
Unaudited Pro Forma Condensed Statement of Income
For the three months ended March 31, 2017
(\$ in millions, except per-unit amounts)

	<u>Historical</u> <u>Williams</u> <u>Partners L.P.</u>	<u>Pro Forma</u> <u>Adjustments</u>	<u>Pro Forma</u>
Revenues			
Service revenues	\$ 1,256	\$ (4)	\$ 1,252
Product sales	727	(115)	612
Total revenues	<u>1,983</u>	<u>(119)</u>	<u>1,864</u>
Costs and expenses:			
Product costs	579	(55)	524
Operating and maintenance expenses	361	(22)	339
Depreciation and amortization expenses	433	(13)	420
Selling, general, and administrative expenses	156	(5)	151
Other (income) expense – net	4	—	4
Total costs and expenses	<u>1,533</u>	<u>(95)</u>	<u>1,438</u>
Operating income (loss)	450	(24)	426
Equity earnings (losses)	107	—	107
Other investing income (loss) – net	271	—	271
Interest expense	(214)	1	(213)
Other income (expense) – net	49	—	49
Income (loss) before income taxes	663	(23)	640
Provision (benefit) for income taxes	3	—	3
Net income (loss)	660	(23)	637
Less: Income (loss) attributable to noncontrolling interests	26	—	26
Net income (loss) attributable to controlling interests	<u>\$ 634</u>	<u>\$ (23)</u>	<u>\$ 611</u>
Allocation of net income (loss) for calculation of earnings per common unit:			
Net income (loss) attributable to controlling interests	\$ 634		\$ 611
Allocation of net income (loss) to Class B units	11		11
Allocation of net income (loss) to common units	<u>\$ 623</u>		<u>\$ 600</u>
Basic earnings (loss) per common unit:			
Net income (loss) per common unit	<u>\$.68</u>		<u>\$.65</u>
Weighted-average number of common units outstanding (thousands)	<u>919,944</u>		<u>919,944</u>
Diluted earnings (loss) per common share:			
Net income (loss) per common unit	<u>\$.68</u>		<u>\$.65</u>
Weighted-average number of common units outstanding (thousands)	<u>920,250</u>		<u>920,250</u>

See accompanying notes.

Williams Partners L.P.
Unaudited Pro Forma Condensed Statement of Income
For the year ended December 31, 2016
(\$ in millions, except per-unit amounts)

	<u>Historical</u> <u>Williams</u> <u>Partners L.P.</u>	<u>Pro forma</u> <u>Adjustments</u>	<u>Pro Forma</u>
Revenues			
Service revenues	\$ 5,173	\$ (13)	\$ 5,160
Product sales	2,318	(427)	1,891
Total revenues	<u>7,491</u>	<u>(440)</u>	<u>7,051</u>
Costs and expenses:			
Product costs	1,728	(150)	1,578
Operating and maintenance expenses	1,548	(86)	1,462
Depreciation and amortization expenses	1,720	(52)	1,668
Selling, general, and administrative expenses	630	(19)	611
Impairment of certain assets	457	—	457
Other (income) expense – net	111	—	111
Total costs and expenses	<u>6,194</u>	<u>(307)</u>	<u>5,887</u>
Operating income (loss)	1,297	(133)	1,164
Equity earnings (losses)	397	—	397
Impairment of equity method investments	(430)	—	(430)
Other investing income (loss) – net	29	—	29
Interest expense	(916)	—	(916)
Other income (expense) – net	62	—	62
Income (loss) before income taxes	439	(133)	306
Provision (benefit) for income taxes	(80)	—	(80)
Net income (loss)	519	(133)	386
Less: Income (loss) attributable to noncontrolling interests	88	—	88
Net income (loss) attributable to controlling interests	<u>\$ 431</u>	<u>\$ (133)</u>	<u>\$ 298</u>
Allocation of net income (loss) for calculation of earnings per common unit:			
Net income (loss) attributable to controlling interests	431		298
Allocation of net income (loss) to general partner	517		517
Allocation of net income (loss) to Class B units	12		10
Allocation of net income (loss) to common units	<u>(98)</u>		<u>(229)</u>
Basic and diluted earnings (loss) per common unit:			
Net income (loss) per common unit	<u>\$ (.17)</u>		<u>\$ (.39)</u>
Weighted-average number of common units outstanding (thousands)	<u>592,519</u>		<u>592,519</u>

See accompanying notes.

Note 1. Pro Forma Adjustments*Unaudited Pro Forma Condensed Balance Sheet Adjustments*

The pro forma adjustments reflect \$2.084 billion of cash received upon the sale of Williams Olefins, L.L.C., the removal of the related historical net assets of the disposal group, an accrual for certain estimated transaction-related items associated with the sale, and the impact resulting from the expected gain on disposal.

Unaudited Pro Forma Condensed Statements of Income Adjustments

The pro forma adjustments reflect the removal of the historical results of the disposal group. The pro forma adjustments do not reflect the expected gain on disposal, currently estimated to be approximately \$1.083 billion.

Introduction to the Unaudited Pro Forma Condensed Financial Statements

On April 17, 2017, our consolidated master limited partnership, Williams Partners L.P., announced that it agreed to sell Williams Olefins, L.L.C., a wholly owned subsidiary which owns an 88.46 percent undivided ownership interest in a Geismar, Louisiana, olefins plant and associated complex for \$2.1 billion in cash. On July 6, 2017, the sale was completed and we received cash proceeds totaling \$2.084 billion, reflecting adjustments for the estimated net working capital at closing and subject to final determination.

The following unaudited pro forma financial statements have been developed by applying pro forma adjustments to the individual historical audited and unaudited financial statements of The Williams Companies, Inc. to reflect the disposition. The following unaudited pro forma condensed balance sheet as of March 31, 2017, has been prepared to give effect to the transaction as if the divestiture had occurred on March 31, 2017. The following unaudited pro forma condensed statements of income for the three months ended March 31, 2017, and year ended December 31, 2016, have been prepared to give effect to the transaction as if the divestiture had occurred at the beginning of 2016. Our historical condensed consolidated financial statements have been derived from and should be read together with the historical audited consolidated financial statements and related notes in Exhibit 99.1 of our Form 8-K dated May 25, 2017, and the historical unaudited consolidated financial statements and related notes in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2017.

The unaudited pro forma condensed financial statements are presented for illustrative purposes only to reflect the sale of Williams Olefins, L.L.C. and do not represent what our results of operations or financial position would actually have been had the sale occurred on the dates noted above, or project our results of operations or financial position for any future periods. The pro forma adjustments are based on available information and certain assumptions that management believes are factually supportable and are expected to have a continuing impact on our results of operations. All pro forma adjustments and their underlying assumptions are described more fully in the notes to the unaudited pro forma condensed financial information.

The Williams Companies, Inc.
Unaudited Pro Forma Condensed Balance Sheet
As of March 31, 2017
(\$ in millions)

	<u>Historical</u> <u>The Williams</u> <u>Companies, Inc.</u>	<u>Pro Forma</u> <u>Adjustments</u>	<u>Pro Forma</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 639	\$ 2,084	\$ 2,723
Trade accounts and other receivables – net	867	—	867
Inventories	148	—	148
Assets held for sale	1,023	(999)	24
Other current assets and deferred charges	168	—	168
Total current assets	<u>2,845</u>	<u>1,085</u>	<u>3,930</u>
Investments	6,738	—	6,738
Property, plant, and equipment, at cost	38,342	—	38,342
Accumulated depreciation and amortization	(10,580)	—	(10,580)
Property, plant, and equipment – net	27,762	—	27,762
Intangible assets – net of accumulated amortization	9,570	—	9,570
Regulatory assets, deferred charges, and other	597	—	597
Total assets	<u>\$ 47,512</u>	<u>\$ 1,085</u>	<u>\$ 48,597</u>
LIABILITIES AND EQUITY			
Current liabilities:			
Accounts payable	\$ 680	\$ —	\$ 680
Liabilities held for sale	43	(43)	—
Accrued liabilities	1,322	45	1,367
Total current liabilities	<u>2,045</u>	<u>2</u>	<u>2,047</u>
Long-term debt	21,825	—	21,825
Deferred income tax liabilities	5,133	301	5,434
Regulatory liabilities, deferred income, and other	3,100	—	3,100
Contingent liabilities			
Equity:			
Stockholders' equity	8,444	500	8,944
Noncontrolling interests in consolidated subsidiaries	6,965	282	7,247
Total equity	<u>15,409</u>	<u>782</u>	<u>16,191</u>
Total liabilities and equity	<u>\$ 47,512</u>	<u>\$ 1,085</u>	<u>\$ 48,597</u>

See accompanying notes.

The Williams Companies, Inc.
Unaudited Pro Forma Condensed Statement of Income
For the three months ended March 31, 2017
(\$ in millions, except per-share amounts)

	<u>Historical</u> <u>The Williams</u> <u>Companies, Inc.</u>	<u>Pro Forma</u> <u>Adjustments</u>	<u>Pro Forma</u>
Revenues:			
Service revenues	\$ 1,261	\$ (4)	\$ 1,257
Product sales	727	(115)	612
Total revenues	<u>1,988</u>	<u>(119)</u>	<u>1,869</u>
Costs and expenses:			
Product costs	579	(55)	524
Operating and maintenance expenses	368	(22)	346
Depreciation and amortization expenses	442	(13)	429
Selling, general, and administrative expenses	161	(5)	156
Other (income) expense – net	5	—	5
Total costs and expenses	<u>1,555</u>	<u>(95)</u>	<u>1,460</u>
Operating income (loss)	433	(24)	409
Equity earnings (losses)	107	—	107
Other investing income-net	272	—	272
Interest expense	(280)	1	(279)
Other income (expense) – net	74	—	74
Income (loss) before income taxes	606	(23)	583
Provision (benefit) for income taxes	37	(6)	31
Net income (loss)	569	(17)	552
Less: Net income (loss) attributable to noncontrolling interests	196	(6)	190
Net income (loss) attributable to The Williams Companies, Inc.	<u>\$ 373</u>	<u>\$ (11)</u>	<u>\$ 362</u>
Amount attributable to The Williams Companies, Inc.			
Basic earnings (loss) per common share:			
Net income (loss)	\$.45		\$.44
Weighted-average shares (thousands)	<u>824,548</u>		<u>824,548</u>
Diluted earnings (loss) per common share:			
Net income (loss)	\$.45		\$.44
Weighted-average shares (thousands)	<u>826,476</u>		<u>826,476</u>

See accompanying notes.

The Williams Companies, Inc.
Unaudited Pro Forma Condensed Statement of Income
For the year ended December 31, 2016
(\$ in millions, except per-share amounts)

	<u>Historical</u> <u>The Williams</u> <u>Companies, Inc.</u>	<u>Pro forma</u> <u>Adjustments</u>	<u>Pro Forma</u>
Revenues			
Service revenues	\$ 5,171	\$ (13)	\$ 5,158
Product sales	2,328	(427)	1,901
Total revenues	<u>7,499</u>	<u>(440)</u>	<u>7,059</u>
Costs and expenses:			
Product costs	1,725	(150)	1,575
Operating and maintenance expenses	1,580	(86)	1,494
Depreciation and amortization expenses	1,763	(52)	1,711
Selling, general, and administrative expenses	723	(19)	704
Impairment of certain assets	873	—	873
Other (income) expense – net	135	—	135
Total costs and expenses	<u>6,799</u>	<u>(307)</u>	<u>6,492</u>
Operating income (loss)	700	(133)	567
Equity earnings (losses)	397	—	397
Impairment of equity-method investments	(430)	—	(430)
Other investing income (loss) – net	63	—	63
Interest expense	(1,179)	—	(1,179)
Other income (expense) – net	74	—	74
Income (loss) from continuing operations before income taxes	(375)	(133)	(508)
Provision (benefit) for income taxes	(25)	(30)	(55)
Net income (loss)	(350)	(103)	(453)
Less: Net income (loss) attributable to noncontrolling interests	74	(53)	21
Net income (loss) attributable to the Williams Companies, Inc.	<u>\$ (424)</u>	<u>\$ (50)</u>	<u>\$ (474)</u>
Amounts attributable to The Williams Companies, Inc.:			
Basic earnings (loss) per common share:			
Net income (loss)	<u>\$ (.57)</u>		<u>\$ (.63)</u>
Weighted-average shares (thousands)	<u>750,673</u>		<u>750,673</u>
Diluted earnings (loss) per common share:			
Net income (loss)	<u>\$ (.57)</u>		<u>\$ (.63)</u>
Weighted-average shares (thousands)	<u>750,673</u>		<u>750,673</u>

See accompanying notes.

Note 1. Pro Forma Adjustments*Unaudited Pro Forma Condensed Balance Sheet Adjustments*

The pro forma adjustments reflect \$2.084 billion of cash received upon the sale of Williams Olefins, L.L.C., the removal of the related historical net assets of the disposal group, an accrual for certain estimated transaction-related items associated with the sale, and the impact resulting from the expected gain on disposal. The gain has been tax affected at an estimated effective rate of 37.6 percent.

Unaudited Pro Forma Condensed Statements of Income Adjustments

The pro forma adjustments reflect the removal of the historical results of the disposal group, further adjusted to reflect the income attributable to the noncontrolling interests in Williams Partners L.P. and the effect of income taxes at an estimated effective rate of 37.6 percent. The pro forma adjustments do not reflect the expected gain on disposal, currently estimated to be approximately \$1.083 billion, before income taxes.