



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): **June 12, 2003**

**VALERO L.P.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction  
of incorporation)

**1-16417**  
(Commission File Number)

74-2956831  
(IRS Employer  
Identification No.)

**One Valero Place**  
**San Antonio, Texas**  
(Address of principal executive offices)

**78212**  
(Zip Code)

Registrant's telephone number, including area code: **(210) 370-2000**

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### **Item 7. Financial Statements and Exhibits.**

(c) Exhibits.

99.1 Slide presentation given by a representative of Valero L.P. on June 12, 2003.

### **Item 9. Regulation FD Disclosure.**

On June 12, 2003, a representative of Valero L.P. (the "Partnership") will present the information about the Partnership described in the slides attached to this report as Exhibit 99.1 to certain investors at the Lehman Brothers Fixed Income Conference in Houston, Texas. Exhibit 99.1 and the slides thereof are incorporated by reference herein. The information in Item 9 of this report is being furnished, not filed, pursuant to Regulation FD. Accordingly, the information in Item 9 of this report will not be incorporated by reference into any registration statement filed by the Partnership under the Securities Act of 1933, as amended, unless specifically identified therein as being incorporated therein by reference. The furnishing of the information in this report is not intended to, and does not, constitute a determination or admission by the Partnership, that the information in this report is material or complete, or that investors should consider this information before making an investment decision with respect to any security of the Partnership or any of its affiliates.

#### Forward Looking Statements

The attached exhibit includes forward-looking statements within the meaning of the Securities Litigation Reform Act of 1995 regarding future events and the future financial performance of Valero L.P. All forward-looking statements are based on the Partnership's beliefs as well as assumptions made by and information currently available to the Partnership. These statements reflect the Partnership's current views with respect to future events and are subject to various risks, uncertainties and assumptions. These risks, uncertainties and assumptions are discussed in Valero L.P.'s 2002 annual report on Form 10-K and subsequent filings with the Securities and Exchange Commission.

**Signatures**

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

Valero L.P.

By: Riverwalk Logistics, L.P.  
its general partner

By: Valero GP, LLC  
its general partner

Dated: June 12, 2003

By:           /s/ Bradley C. Barron          

Name: Bradley C. Barron  
Title: Corporate Secretary

**EXHIBIT INDEX**

<b>Number</b>	<b>Exhibit</b>
99.1	Slide presentation given by a representative of Valero L.P. on June 12, 2003.

# Valero LP



*Lehman Brothers Fixed Income Conference  
June 12, 2003*

# Forward Looking Statements

## ***Cautionary Statement Regarding Forward-Looking Statements***

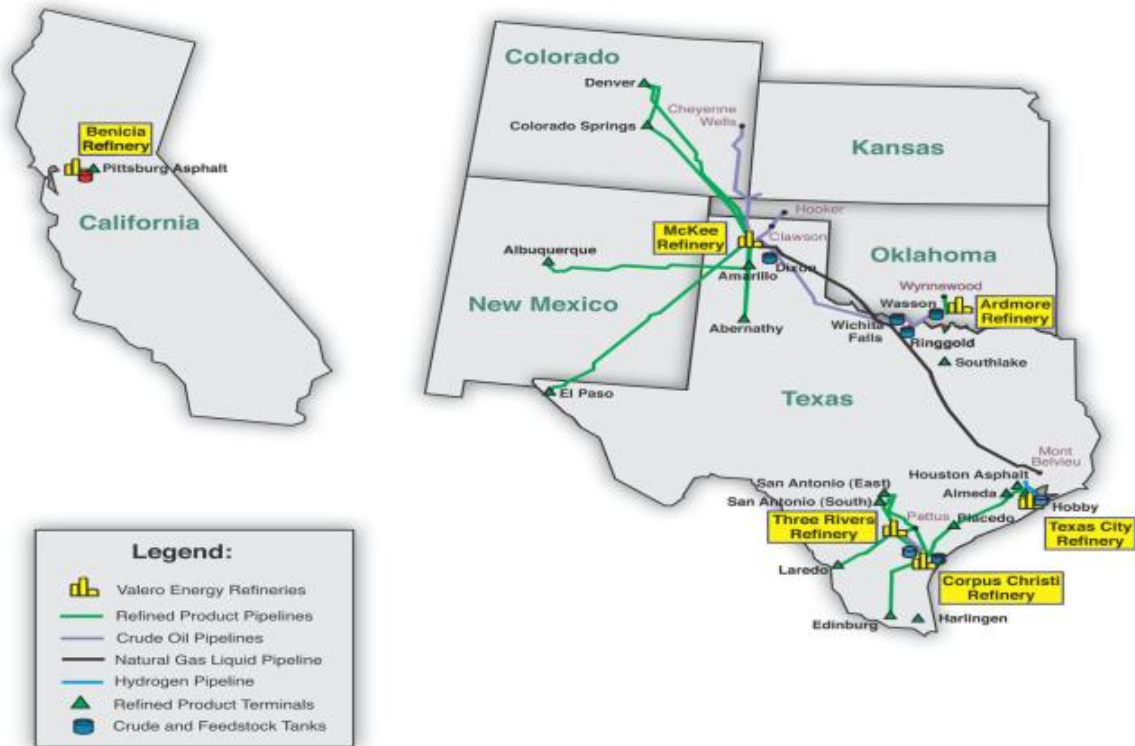
***This presentation includes forward-looking statements within the meaning of the Securities Litigation Reform Act of 1995 regarding future events and the future financial performance of Valero L.P. All forward-looking statements are based on the partnership's beliefs as well as assumptions made by and information currently available to the partnership. These statements reflect the partnership's current views with respect to future events and are subject to various risks, uncertainties and assumptions. These risks, uncertainties and assumptions are discussed in the prospectus and prospectus supplement, Valero L.P.'s 2002 annual report on Form 10-K and subsequent filings with the Securities and Exchange Commission.***



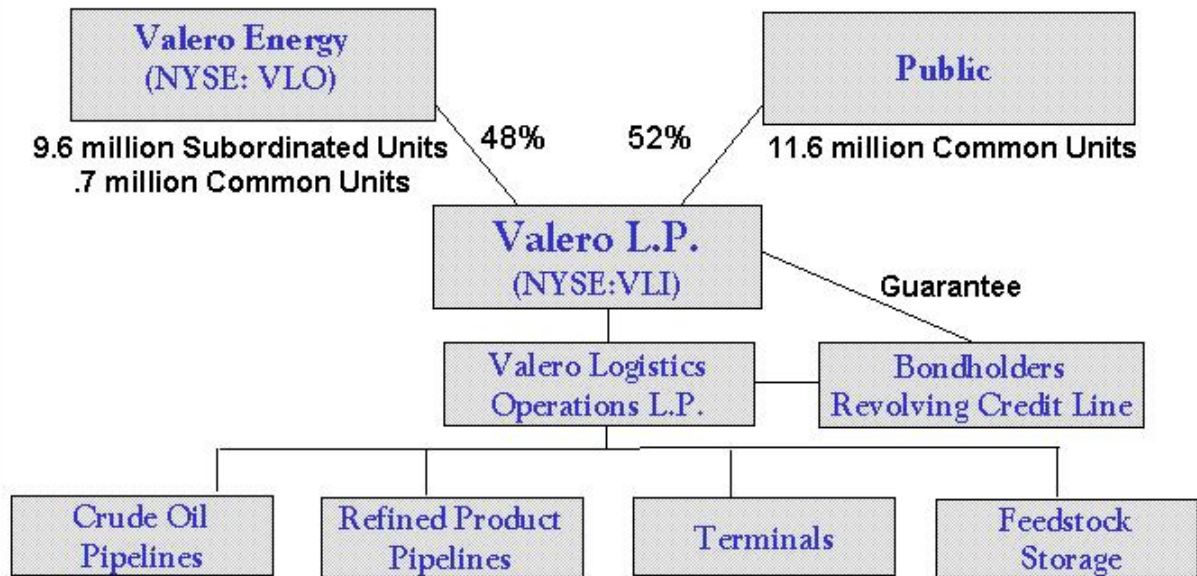
# Valero LP History

- ◆ **Originally created by UDS as Shamrock Logistics, L.P. to support growth of logistics business**
  - **IPO April 16, 2001 at \$24.50 per unit; currently over \$42 per unit**
  - **Market cap at IPO of \$470 million; currently over \$920 million**
- ◆ **Valero Energy acquired UDS December 31, 2001**
  - **Shamrock Logistics, L.P. renamed Valero L.P. (NYSE:VLI)**
- ◆ **Portfolio of logistics assets, mainly serving six key Valero Energy refineries in Southwestern U.S. and California**
  - **783 miles crude oil pipelines**
  - **3,314 miles refined product pipelines**
  - **18 refined products terminals**
  - **14.3 million barrels of feedstock storage capacity**

# Valero L.P. System Overview

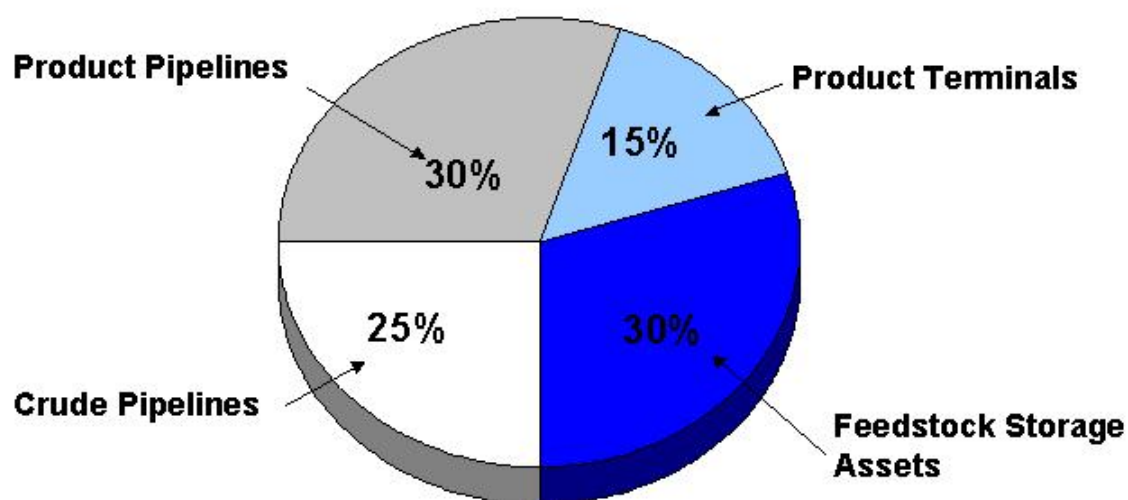


# Ownership Structure



- Valero Logistics Operations L.P. debt is non-recourse to VLO
- Credit ratings: S&P - BBB, negative outlook  
Moody's - Baa3, stable outlook

# Balanced Portfolio of Assets

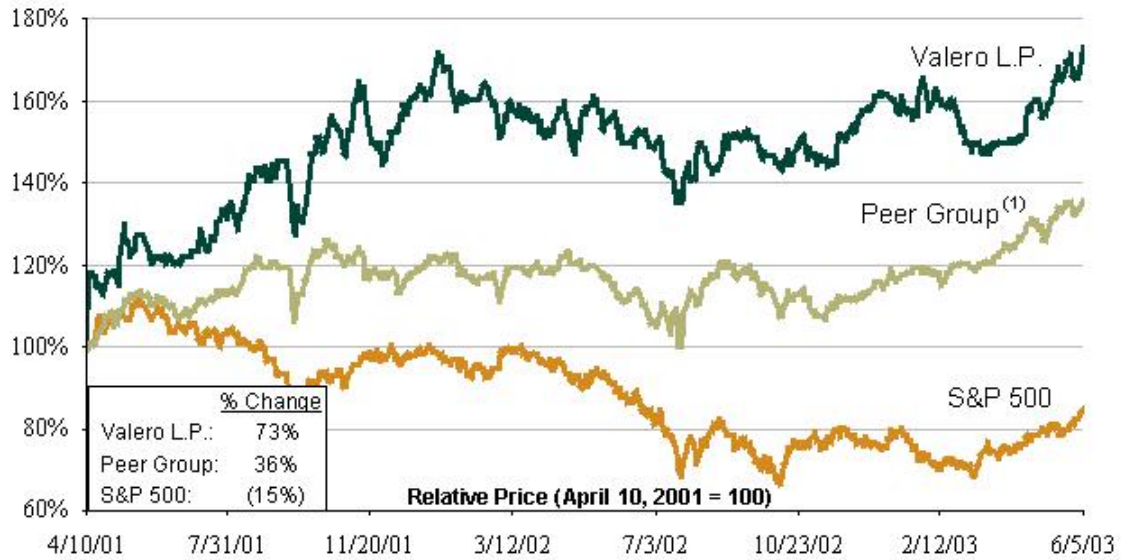


■ Based on 2003 estimated throughput volume of 1.4 million BPD

# Valero L.P. Has Outperformed Peers Since IPO

- ◆ **90% total shareholder return since IPO**

- 73% unit price appreciation; 17% cumulative increase in distribution



(1) Buckeye Partners, Enbridge Energy Partners, Enterprise Products Partners, GulfTerra Partners, Kinder Pipeline Partners, Kinder Morgan Energy Partners, Northern Border Partners, Pacific Energy Partners, Plains All American Pipeline, Sunoco Logistics Partners, TC Pipeline Partners, TEPPCO Partners, Williams Energy Partners



## *Strong Relationship with Valero Energy*

- ◆ **Support 6 Valero Energy refineries in three regions - Gulf Coast, West Coast, Mid-Continent**
  - **Valero LP assets key to refinery operations**
  - **Long-term handling and throughput agreements in place**
    - **100% of feedstocks at 3 refineries**
    - **75% of feedstocks and production at 3 refineries**
- ◆ **Insurance coverage through Valero Energy's program**
- ◆ **Pre-existing environmental risk retained by Valero Energy**
- ◆ **Valero Energy retains all commodity risk**
- ◆ **Significant retained interest**
  - **48% ownership (43% subordinated to common)**
  - **GP incentive distribution at around 5%**



## Summary of Recent Transactions

- ◆ Issued 6.3 million common units and \$250 million of 10-year bonds (total proceeds = \$480 million)
  - Redeemed 3.8 million common units from Valero Energy
  - Acquired Valero Energy's South Texas Pipeline System and all feedstock tanks at the Corpus Christi (West Plant), Texas City and Benicia, CA refineries for \$350 million
    - Assets acquired projected to contribute over \$40 million annually in EBITDA
- ◆ Allowed for de-consolidation from Valero Energy
  - Credit ratings continue to be based off of Valero Energy's
- ◆ Significantly increased scale and asset diversification
  - Enhanced stability of earnings
  - Win/Win transaction for both entities

# Capital Structure

	<u>March 31, 2003</u>
<b>Revolving credit facility</b>	<b>\$25.0</b>
<b>Long term debt, including current</b>	<b>9.7</b>
<b>6 7/8 % notes due 2012</b>	<b>99.6</b>
<b>6.05 % notes due 2013</b>	<b><u>249.6</u></b>
<b>Total Debt</b>	<b><u>383.9</u></b>
<b>Common units</b>	<b>238.9</b>
<b>Subordinated units</b>	<b>116.0</b>
<b>General partner's equity</b>	<b><u>7.7</u></b>
<b>Total Partners' Equity</b>	<b><u>362.6</u></b>
<b>Total Capitalization</b>	<b><u>746.5</u></b>
<b>Debt-to-Book Capitalization</b>	<b>51.4%</b>



## Financial Impact of Drop-Down Transaction

(In millions, except as noted)

	<u>2002 Actual</u>	<u>Contributions</u>	<u>Financings</u>	<u>Total</u>
<b>EBITDA</b>	<b>\$77.2</b>	<b>\$43.3</b>	<b>-</b>	<b>\$120.5</b>
<b>Interest Expense</b>	<b>\$4.9</b>	<b>-</b>	<b>\$19.2</b>	<b>\$24.0</b>
<b>Maintenance Capital</b>	<b>\$3.9</b>	<b>\$5.7</b>	<b>-</b>	<b>\$9.6</b>
<b>Distributable Cash Flow</b>	<b>\$68.4</b>	<b>\$37.6</b>	<b>\$(19.2)</b>	<b>\$86.9</b>
<b>Income before Income Tax Expense</b>	<b>\$55.5</b>			<b>N/A</b>
<b>L.P. Units Outstanding</b>	<b>19.2</b>	<b>(3.8)</b>	<b>5.8</b>	<b>21.2</b>
<b>Distributable Cash Flow per L.P. Unit</b>	<b>\$3.27</b>			<b>\$3.65</b>

\* For reconciliation of EBITDA and distributable cash flow to net income, see Appendix. For management's discussion of the usefulness of EBITDA and distributable cash flow to investors, see Valero L.P.'s Annual Report for 2002 on Form 10-K. Excludes 581,000 units issued April 2003 upon exercise of Greenshoe option by underwriters.

# Opportunities for Further Growth

- ◆ **Organic opportunities**
  - Increase utilization rates
  - Expand capacity on highly utilized pipelines
  - New projects
    - Dos Laredos Project - Propane pipeline from Corpus Christi to new Valero L.P. terminal in Nuevo Laredo, Mexico
- ◆ **Third-party asset acquisitions**
- ◆ **Competitive cost of capital**
- ◆ **Supportive equity capital markets**
- ◆ **Strong financial position**
  - \$175 million credit facility

# Key Investment Highlights

- ◆ **Track record of growth and value creation through accretive acquisitions**
  - **Doubled in size since IPO in April 2001**
  - **Completed nearly \$500 million of accretive acquisitions to date**
- ◆ **Balanced portfolio of fee-based assets**
  - **No exposure to commodity price volatility**
- ◆ **Strong sponsor support**
  - **48% owned by Valero Energy**
- ◆ **Solid financial position**
  - **Modest leverage and conservative capital structure**
  - **Strong and consistent cash flow generation**
- ◆ **Committed to investment grade credit rating**

# *Appendix*

# Key Assumptions

## Tank Contribution

- ◆ Revenues estimated with 2003E volumes (2002A + 7%)
- ◆ Fees established by contract
- ◆ Operating expenses
  - \$4.2 million per contract
  - \$5.7 million estimated
- ◆ Maintenance capital estimated at \$ 0.60 million
- ◆ No historical financials

## South Texas Pipeline Contribution

- ◆ Revenues estimated with 2003E volumes (2002A + 4%)
- ◆ Tariffs established by contract
- ◆ Operating expenses
  - \$14.2 million estimated (vs. \$15.7 million 2002A)
  - No incremental G & A
- ◆ Maintenance capital estimated at \$5.2 million

## Other

- ◆ Adjustment to terminalling fees of \$1.4 million
- ◆ Equity market capitalization of \$800 million based on \$37 per unit
- ◆ Redemption of 3.8 million of Valero Energy common units
- ◆ 5.75 million units issued

# Reconciliation

	<u>2002 Actual</u>
<b>Income before income tax expense</b>	<b>\$55.5</b>
<b>Plus interest expense, net</b>	<b>4.9</b>
<b>Plus depreciation and amortization</b>	<b><u>16.4</u></b>
<b>EBITDA</b>	<b>76.8</b>
<b>Less equity income for Skelly-Belvieu</b>	<b>(3.2)</b>
<b>Less interest expense, net</b>	<b>(4.9)</b>
<b>Less maintenance capital expenditures</b>	<b>(3.9)</b>
<b>Plus distributions from Skelly - Belvieu</b>	<b><u>3.6</u></b>
<b>Distributable cash flow</b>	<b><u>\$68.4</u></b>

Reconciliation for contributions not available due to insufficient historical information.