PBF Energy Inc.
Form 424B3
December 15, 2016
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Filed Pursuant to Rule 424(b)(3)
Registration File No. 333-193210

CALCULATION OF REGISTRATION FEE

Title of each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Share	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Class A common stock, par value $0.001	11,500,000	$27.53	$316,595,000	$36,694(1)

(1) Calculated in accordance with Rule 457(r) under the Securities Act of 1933, as amended.

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Prospectus Supplement

(To Prospectus dated January 6, 2014)

10,000,000 Shares

PBF Energy Inc.

Class A Common Stock

We are offering 10,000,000 shares of our Class A common stock.

Our Class A common stock is listed on The New York Stock Exchange under the symbol PBF . The last reported sale price of our Class A common stock on The New York Stock Exchange on December 13, 2016 was $28.63 per share.

Investing in our Class A common stock involves risks. See Risk Factors beginning on page S-11. You should also consider the risk factors described in the documents incorporated by reference in this prospectus supplement and the accompanying prospectus.

The underwriter has agreed to purchase shares of our Class A common stock at a price of $27.53 per share, which will result in approximately $275.3 million of proceeds to us. The underwriter may offer our shares in transactions on The New York Stock Exchange, in the over-the-counter market or through negotiated transactions at market prices or at negotiated prices. See Underwriting.

We have granted the underwriter a 30-day option to purchase up to 1,500,000 additional shares of our Class A common stock on the same terms as set forth above.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities nor passed upon the accuracy or adequacy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

The underwriter expects to deliver the shares on or about December 19, 2016.

Wells Fargo Securities

December 13, 2016

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Prospectus Supplement

Prospectus

Neither we nor the underwriter (nor any of our or its respective affiliates) have authorized anyone to provide any information other than that contained in this prospectus supplement, the accompanying prospectus or in any free writing prospectus prepared by or on behalf of us or to which we have referred you. Neither we nor the underwriter (nor any of our or its respective affiliates) take any responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. Neither we nor the underwriter has authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We and the underwriter (or any of our or its respective affiliates) are not making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing or incorporated by reference in this prospectus supplement or the accompanying prospectus is only accurate as of the date on the front cover of this prospectus supplement. Our business, financial condition, results of operations and prospects may have changed since that date. This prospectus supplement is an offer to sell only the shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so.

For investors outside the United States: we have not and the underwriter has not done anything that would permit this offering or possession or distribution of this prospectus supplement and the accompanying prospectus in any jurisdiction where action for that purpose is required, other than in the United States. Persons outside the United States who come into possession of this prospectus supplement and the accompanying prospectus must inform themselves about, and observe any restrictions relating to, the offering of the shares of Class A common stock and the distribution of this prospectus supplement and the accompanying prospectus outside the United States.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document consists of two parts. The first part is this prospectus supplement, which describes the specific terms of this offering and also adds to and updates the information contained or incorporated by reference in the accompanying prospectus. The second part is the accompanying prospectus, which contains more general information, some of which may not apply to this offering. You should read both this prospectus supplement and the accompanying prospectus, together with any documents incorporated by reference herein and therein and the additional information described below under the heading Where You Can Find More Information; Incorporation of Certain Documents by Reference in their entirety before making an investment decision. To the extent there is a variation between information contained in this prospectus supplement, on the one hand, and the information contained in the accompanying prospectus, on the other hand, you should rely on the information in this prospectus supplement.

If the description of the offering varies between this prospectus supplement and the accompanying prospectus, you should rely on the description in this prospectus supplement. Any statement made in this prospectus supplement, or in a document incorporated or deemed to be incorporated by reference in this prospectus supplement, will be deemed to be modified or superseded for purposes of this prospectus supplement to the extent that a statement contained in this prospectus supplement, or in any other subsequently filed document that is also incorporated or deemed to be incorporated by reference in this prospectus supplement, modifies or supersedes that statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus supplement.

INDUSTRY AND MARKET DATA

This prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein include industry data and forecasts that we obtained from industry publications and surveys, public filings and internal company sources. Statements as to our ranking, market position and market estimates are based on independent industry publications, government publications, third party forecasts and management s good faith estimates and assumptions about our markets and our internal research. Although industry publications, surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, we have not independently verified such third party information. While we are not aware of any misstatements regarding our market, industry or similar data presented herein, such data involves risks and uncertainties and is subject to change based on various factors, including those discussed under the headings Risk Factors and Forward-Looking Statements in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein.

BASIS OF PRESENTATION

Unless otherwise indicated or the context otherwise requires, all financial data incorporated by reference in this prospectus supplement and the accompanying prospectus reflects the consolidated business and operations of PBF Energy Inc. and its consolidated subsidiaries, and has been prepared in accordance with generally accepted accounting principles in the United States of America, or GAAP.

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PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights selected information contained elsewhere in this prospectus supplement and the accompanying prospectus and in the documents incorporated by reference herein and therein. You should read this entire prospectus supplement, the accompanying prospectus and the other documents incorporated by reference herein and therein before making an investment decision. See the sections entitled Risk Factors and Where You Can Find More Information; Incorporation of Certain Documents by Reference.

Unless the context otherwise requires, references to the Company, we, our, us or PBF refer to PBF Energy Inc., or PBF Energy, and, in each case, unless the context otherwise requires, its consolidated subsidiaries, including PBF Energy Company LLC, or PBF LLC, PBF Holding Company LLC and its subsidiaries, or PBF Holding, and PBF Logistics LP and its subsidiaries, or PBF Logistics, the Partnership or PBFX.

Our Company

We are one of the largest independent petroleum refiners and suppliers of unbranded transportation fuels, heating oil, petrochemical feedstocks, lubricants and other petroleum products in the United States. We sell our products throughout the Northeast, Midwest, Gulf Coast and West Coast of the United States, as well as in other regions of the United States and Canada, and are able to ship products to other international destinations. We were formed in 2008 to pursue acquisitions of crude oil refineries and downstream assets in North America. We own and operate five domestic oil refineries and related assets, which we acquired in 2010, 2011, 2015 and 2016. Our refineries have a combined processing capacity, known as throughput, of approximately 900,000 barrels per day (bpd), and a weighted-average Nelson Complexity Index of 12.2. We operate in two reportable business segments: Refining and Logistics.

Refining

Our five refineries are located in Toledo, Ohio, Delaware City, Delaware, Paulsboro, New Jersey, New Orleans, Louisiana and Torrance, California. Our Mid-Continent refinery at Toledo processes light, sweet crude, and has a throughput capacity of 170,000 bpd and a Nelson Complexity Index of 9.2. The majority of Toledo s West Texas Intermediate (WTI) based crude is delivered via pipelines that originate in both Canada and the United States. Since our acquisition of Toledo in 2011, we have added additional truck and rail crude unloading capabilities that provide feedstock sourcing flexibility for the refinery and enables Toledo to run a more cost-advantaged crude slate. Our East Coast refineries at Delaware City and Paulsboro have a combined refining capacity of 370,000 bpd and Nelson Complexity Indices of 11.3 and 13.2, respectively. These high-conversion refineries process primarily medium and heavy, sour crudes and have the flexibility to receive crude and feedstock via both water and rail. We have expanded and upgraded existing on-site railroad infrastructure at our Delaware City refinery, including the expansion of the crude rail unloading facilities that was completed in February 2013. The Delaware City rail unloading facility, which was transferred to PBFX in 2014, allows our East Coast refineries the flexibility to source WTI-based crudes from Western Canada and the Mid-Continent, when doing so provides cost advantages versus traditional Brent-based international crudes. We believe this sourcing optionality can be a beneficial component to the profitability of our East Coast refining system in certain crude pricing environments. The Chalmette refinery, located outside of New Orleans, Louisiana, is a 189,000 bpd, dual-train coking refinery with a Nelson Complexity of 12.7 and is capable of processing both light and heavy crude oil. The facility is strategically positioned on the Gulf Coast with strong logistics connectivity that offers flexible raw material sourcing and product distribution opportunities, including the potential to export products. The Torrance refinery, located on 750 acres in Torrance, California, is a high-conversion 155,000 bpd, delayed-coking refinery with a Nelson Complexity Index of 14.9. The Torrance refinery provides the Company with a broader, more diversified asset base and increases the Company s combined crude oil throughput capacity to approximately 900,000 bpd. The Torrance refinery also provides the Company with a presence in the attractive PADD 5 market.

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Logistics

PBFX is a fee-based, growth-oriented, Delaware master limited partnership formed by PBF Energy to own or lease, operate, develop and acquire crude oil and refined petroleum products terminals, pipelines, storage facilities and similar logistics assets. PBFX engages in the receiving, handling and transferring of crude oil and the receipt, storage and delivery of crude oil, refined products and intermediates. PBFX s assets consist of: (i) a light crude oil rail unloading terminal at the Delaware City refinery that also services the Paulsboro refinery (which we refer to as the Delaware City Rail Terminal), (ii) a crude oil truck unloading terminal at the Toledo refinery (which we refer to as the Toledo Truck Terminal), (iii) the Delaware City heavy crude unloading rack, which is also capable of unloading light crude oil (the DCR West Rack), (iv) a propane storage and loading facility located at our Toledo refinery (the Toledo Storage Facility), (v) a products pipeline, truck rack and related facilities located at our Delaware City refinery (collectively the Delaware City Products Pipeline and Truck Rack), (vi) four refined product terminals located in the greater Philadelphia region (the East Coast Terminals) and (vii) 50% of the issued and outstanding limited liability company interests of Torrance Valley Pipeline Company LLC (TVPC), whose assets consist of the San Joaquin Valley Pipeline system, including the M55, M1 and M70 pipeline systems and pipeline stations with storage capacity and truck unloading capability. Apart from the East Coast Terminals, PBFX s revenue is derived from long-term, fee-based commercial agreements with subsidiaries of PBF Energy, which include minimum volume commitments, for receiving, handling, transferring and storing crude oil and refined products. These transactions are eliminated by PBF Energy in consolidation.

As of the date of this prospectus supplement, PBF LLC holds a 44.2% limited partner interest in PBF Logistics (consisting of 2,572,944 common units and 15,886,553 subordinated units), with the remaining 55.8% limited partner interest held by the public common unit holders. PBF LLC also owns all of the incentive distribution rights and indirectly owns a non-economic general partner interest in PBF Logistics through its wholly owned subsidiary, PBF Logistics GP LLC (PBF GP), the general partner of PBF Logistics.

Competitive Strengths

We believe that we have the following strengths:

Strategically located refineries with cost and supply advantages. We have exposure to the East Coast, Gulf Coast, Mid-Continent and West Coast markets.

Complex assets with a valuable product slate located in high-demand regions. Our refinery assets are located in regions where product demand exceeds refining capacity. Our refineries have a weighted-average Nelson Complexity Index of 12.2, which allows us the flexibility to process a variety of crudes.

Significant scale and diversification. Our refineries offer us the opportunity to optimize our complex refineries capable of running light and heavy crudes from domestic and international suppliers.

Experienced management team with a demonstrated track record of acquiring, integrating and operating refining assets. Our executive management team, including our Chief Executive Officer, Thomas J. Nimbley, has a proven track record of successfully operating refining assets, and has significant experience working together, including while at Tosco Corporation and Premcor Inc. In addition, our management team has invested significant amounts in PBF LLC to date.

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Our Business Strategy

Our primary goal is to create stockholder value by improving our market position as one of the largest independent refiners and suppliers of petroleum products in the United States. We intend to execute the following strategies to achieve our goal:

- Operate safely, reliably and in an environmentally responsible manner.
- Maintain capital discipline and conservative balance sheets.
- Invest in and grow through organic optimization and revenue improvement projects.
- Continue to grow and geographically diversify through acquisitions.
- Return cash to investors.

Recent Developments

Recent decisions by OPEC and other market factors have led to increased volatility in the price of crude oil in the fourth quarter of 2016. Changes in the price of crude oil will likely affect prices for refined products; however, there may be a time lag in the realization, if any, of the change in prices for refined products. The effect of changes in crude oil prices on our refining margins and financial performance is determined in part by whether and when fully refined product prices adjust to reflect these changes. Similarly, the Environmental Protection Agency issued revised Renewable Fuel Standards for 2017 on November 23, 2016 which has led to increased volatility in the price of renewable identification numbers (RINs) in the fourth quarter 2016. Our refining margins and financial performance could be affected in order for us to meet certain of these and future EPA requirements. Our fourth quarter of 2016 has not yet been completed, and therefore there can be no assurances regarding our financial performance, and additional developments and adjustments that may negatively affect our financial performance may arise between now and the time the quarter ends and our financial results for this period are finalized.

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We are a Delaware corporation incorporated on November 7, 2011 with our principal executive offices located at One Sylvan Way, Second Floor, Parsippany, NJ 07054 and our telephone number is (973) 455-7500. Our website address is *http://www.pbfenergy.com*. The information contained on our website or that is or becomes accessible through our website neither constitutes part of this prospectus supplement nor is incorporated by reference into this prospectus supplement (except for our SEC reports expressly incorporated by reference herein).

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The diagram below depicts our ownership and organizational structure as of the date of this prospectus supplement after giving effect to this offering:

(1) PBF LLC Series C units are held solely by PBF Energy and rank on parity with PBF LLC Series A Units as to distribution rights, voting rights and rights upon liquidation, dissolution and winding up.

See Certain Relationships and Related Transactions IPO Related Agreements in our 2016 Proxy Statement for further information.

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The Offering

The following summary describes the principal terms of this offering of our Class A common stock. Refer to the section of the accompanying prospectus entitled Description of Capital Stock for a more detailed description of the terms of our Class A common stock.

Class A common stock to be offered by us	10,000,000 shares.
Class A common stock outstanding immediately after this offering	108,974,047 shares of Class A common stock (or 113,114,949 shares if all outstanding PBF LLC Series A Units are exchanged for newly-issued shares of our Class A common stock on a one-for-one basis).
Option to purchase additional shares	We have granted the underwriter a 30-day option to purchase up to 1,500,000 additional shares of our Class A common stock.
Use of proceeds	We estimate that the net proceeds to us from this offering, after deducting underwriting discounts and commissions and our estimated expenses, will be approximately $274.3 million (or $315.6 million if the underwriter exercises in full its option to purchase additional shares of Class A common stock). We estimate that the expenses of the offering payable by us will be approximately $1.0 million.
	We intend to use the net proceeds from this offering to purchase newly issued PBF LLC Series C Units from PBF LLC. The number of PBF LLC Series C Units purchased will be equivalent to the number of shares of Class A common stock offered in this offering. We intend to cause PBF LLC to use these proceeds for general corporate purposes, including for repayment of indebtedness, working capital, capital expenditures and other general corporate purposes, including potential acquisitions. See Use of Proceeds.
Exchange rights	The members of PBF LLC other than PBF Energy have the right pursuant to an exchange agreement to cause PBF LLC to exchange their PBF LLC Series A Units for shares of our Class A common stock on a one-for-one basis, subject to equitable adjustment for stock splits, stock dividends and reclassifications.
Voting rights	Each share of our Class A common stock entitles its holder to one vote on all matters to be voted on by stockholders generally.

The holders of PBF LLC Series A Units hold all of the shares of Class B common stock. The shares of Class B common stock have no economic rights but entitle the holder, without regard to the number of shares of Class B common stock held, to a number of votes on matters presented to stockholders of PBF Energy that is equal to the aggregate number of PBF LLC Series A Units held by such holder. As the holders exchange their PBF LLC Series A Units

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	for shares of our Class A common stock pursuant to the exchange agreement, the voting power afforded to their shares of Class B common stock will be automatically and correspondingly reduced.
	Holders of our Class A common stock and Class B common stock vote together as a single class on all matters presented to our stockholders for their vote or approval, except as otherwise required by applicable law.
	Immediately following this offering, our public stockholders will have 96.3% of the voting power in PBF Energy, and the members of PBF LLC other than PBF Energy by virtue of their shares of Class B common stock will have the remaining voting power in PBF Energy. See Description of Capital Stock in the accompanying prospectus.
Dividend policy	We currently intend to continue to pay quarterly cash dividends of approximately $0.30 per share on our Class A common stock. The declaration, timing and amount of any such dividends will be at the sole discretion of our board of directors and will depend on a variety of factors, including general economic conditions, our financial condition and operating results, our available cash and current and anticipated cash needs, capital requirements, plans for expansion, tax, legal, regulatory and contractual restrictions and implications, including under our tax receivable agreement and our subsidiaries outstanding debt documents, and such other factors as our board of directors may deem relevant.
	Because we are a holding company, our cash flow and ability to pay dividends depends upon the financial results and cash flows of our operating subsidiaries and the distribution or other payment of cash to us in the form of dividends or otherwise from PBF LLC. See Price Range of Common Stock and Dividend Policy.
NYSE symbol	PBF
Risk Factors	Investing in our Class A common stock involves certain risks. You should consider the information under Risk Factors and the other information included or incorporated by reference into this prospectus supplement and the accompanying prospectus before investing in our Class A common stock.

Unless we specifically state otherwise, all information in this prospectus supplement:

reflects (a) 97,825,148 shares of our Class A common stock and (b) 4,971,116 PBF LLC Series A Units outstanding as of September 30, 2016;

assumes no exercise by the underwriter of its option to purchase 1,500,000 additional shares of our Class A common stock;

does not reflect an additional 4,140,902 shares of Class A common stock issuable upon exchange of all PBF LLC Series A Units outstanding immediately following this offering; and

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excludes (a) 645,666 PBF LLC Series A Units issuable upon exercise of outstanding options and warrants, at a weighted average exercise price of $10.59 per unit, all of which are currently vested and exercisable, (b) 6,008,125 shares of Class A common stock issuable upon exercise of outstanding options under our amended and restated 2012 equity incentive plan, at a weighted average exercise price of $27.38 per share, 2,150,750 of which are currently vested or exercisable, and (c) an additional 1,268,180 shares of Class A common stock currently authorized and reserved for issuance for future awards under our amended and restated 2012 equity incentive plan.

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Summary Historical Financial and Other Data

The following table sets forth our summary historical consolidated financial data at the dates and for the periods indicated. The summary historical consolidated financial data as of December 31, 2014 and 2015 and for each of the three years in the period ended December 31, 2015 have been derived from our audited financial statements included in our 2015 Form 10-K, which are incorporated by reference herein. The information as of September 30, 2016 and for the nine months ended September 30, 2016 and 2015 was derived from the unaudited condensed consolidated financial statements included in our September 30, 2016 Form 10-Q, which is incorporated by reference herein, and includes all adjustments, consisting of normal recurring adjustments, which management considers necessary for a fair presentation of the financial position and the results of operations for such periods. Results for the interim periods are not necessarily indicative of the results for the full year.

You should read this information in conjunction with our consolidated financial statements and the related notes thereto (in Item 8. Financial Statements and Supplementary Data), Item 7. Management s Discussion and Analysis of Financial Condition and Results of Operations and Item 6. Selected Financial Data included in our 2015 Form 10-K and our unaudited condensed consolidated financial statements and the related notes thereto (in Item 1. Financial Statements (Unaudited)) and Item 2. Management s Discussion and Analysis of Financial Condition and Results of Operations in our September 30, 2016 Form 10-Q, which are incorporated by reference herein.

	Year Ended December 31, (in thousands)			Nine Months Ended September 30, (unaudited)	
	2015	**2014**	**2013**	**2016**	**2015**
Revenues	$ 13,123,929	$ 19,828,155	$ 19,151,455	$ 11,171,856	$ 9,763,440
Cost and expenses:					
Cost of sales, excluding depreciation	11,481,614	18,471,203	17,803,314	9,524,119	8,319,404
Operating expense, excluding depreciation	904,525	883,140	812,652	989,296	635,948
General and administrative expenses[(1)]	181,266	146,661	95,794	124,975	126,347
(Gain) loss on sale of asset	(1,004)	(895)	(183)	11,381	(1,133)
Depreciation and amortization expense	197,417	180,382	111,479	163,029	144,401
	12,763,818	19,680,491	18,823,056	10,812,800	9,224,967
Income from operations	360,111	147,664	328,399	359,056	538,473
Other income (expense)					
Change in tax receivable agreement liability	18,150	2,990	(8,540)	(3,143)	(2,215)
Change in fair value of catalyst lease	10,184	3,969	4,691	(4,556)	8,982
Interest expense, net	(106,187)	(98,764)	(93,784)	(111,994)	(77,094)
Income before income taxes	282,258	55,859	230,766	239,363	468,146
Income tax expense (benefit)	86,725	(22,412)	16,681	85,607	151,072

Net Income	195,533	78,271	214,085	153,756	317,074
Less: net income attributable to noncontrolling interests	49,132	116,508	174,545	37,503	51,144
Net income (loss) attributable to PBF Energy Inc.	$ 146,401	$ (38,237)	$ 39,540	$ 116,253	$ 265,930
Adjusted fully-converted net income (loss) (excluding special items)	$ 402,094	$ 433,518	$ 149,025	$ (69,136)	$ 330,453
Balance sheet data (at end of period):					
Total assets	$ 6,105,124	$ 5,164,008	$ 4,387,267	7,465,714	$ 5,107,176
Total long-term debt[2]	1,881,637	1,260,349	747,576	2,403,736	1,381,122
Total equity	2,095,857	1,693,316	1,715,256	2,279,360	1,890,970
Selected financial data:					
EBITDA (excluding special items)	$ 994,938	$ 1,022,125	$ 444,569	196,696	$ 773,003
Capital expenditures[3]	981,080	631,332	415,702	1,434,260	335,909

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(1) Includes acquisition related expenses consisting primarily of consulting and legal expenses related to the Chalmette Acquisition and Torrance Acquisition of $5.8 million in 2015. For the nine months ended September 30, 2016 and 2015, includes acquisition related expenses consisting primarily of consulting and legal expenses related to the Chalmette Acquisition, Torrance Acquisition and the PBFX Plains Asset Purchase of $17.5 million and $2.2 million, respectively.

(2) Total long-term debt, excluding debt issuance costs, includes current maturities and our Delaware Economic Development Authority Loan.

(3) Includes expenditures for construction in progress, property, plant and equipment (including railcar purchases), deferred turnaround costs, capital expenditures related to the acquisition of the Chalmette refinery that was finalized in the first quarter of 2016 and for the acquisition of the Torrance refinery in the third quarter of 2016. Also includes other assets, excluding the proceeds from sales of assets.

Adjusted fully-converted net income (excluding special items) is a non-GAAP financial measure that presents our net income on a basis that assumes the exchange of all PBF LLC Series A units into shares of our Class A common stock on a one-for-one basis, resulting in the elimination of the noncontrolling interest and a corresponding adjustment to our income tax expense. We believe that adjusted fully-converted net income (excluding special items), when presented in conjunction with comparable GAAP measures, is useful to investors in understanding our operating and financial performance across different periods and to facilitate an understanding of our operating results. The following table reconciles net income attributable to PBF Energy to adjusted fully-converted net income (excluding special items):

	Year Ended December 31,			Nine Months Ended September 30, (unaudited)	
			(in thousands)		
	2015	2014	2013	2016	2015
Net income (loss) attributable to PBF Energy Inc.	$ 146,401	$ (38,237)	$ 39,540	$ 116,253	$ 265,930
Add: Net income attributable to noncontrolling interest(1)	14,257	101,768	174,545	10,755	24,536
Less: Income tax expense(2)	(5,646)	(40,911)	(70,167)	(4,259)	(9,863)
Adjusted fully-converted net income	$ 155,012	$ 22,620	$ 143,918	$ 122,749	$ 280,603
Special items: (3)					
Add: Net non-cash LCM inventory adjustment	427,226	690,110		(320,833)	81,147
Add: Change in tax receivable agreement liability	(18,150)	(2,990)	8,540	3,143	2,215
Add: Recomputed income taxes on special items	(161,994)	(276,222)	(3,433)	125,805	(33,512)
Adjusted fully-converted net income (loss) excluding special items	$ 402,094	$ 433,518	$ 149,025	$ (69,136)	$ 330,453

(1) Represents the elimination of the noncontrolling interest associated with the ownership by the members of PBF LLC other than PBF Energy as if such members had fully exchanged their PBF LLC Series A Units for shares of PBF Energy's Class A common stock.
(2) Represents an adjustment to apply PBF Energy's statutory tax rate of approximately 39.6%, 40.2% and 40.2% for the years ended December 31, 2015, 2014 and 2013, respectively, and 39.6% and 40.2% for the nine months ended September 31, 2016 and 2015, respectively, to the noncontrolling interest. The adjustment assumes the full exchange of existing PBF LLC Series A Units as described in (1) above.
(3) The special items for the periods presented relate to a lower of cost or market adjustment (LCM) and changes in the tax receivable agreement liability (TRA). LCM is a GAAP guideline related to inventory valuation that requires inventory to be stated at the lower of cost or market. Our inventories are stated at the lower of cost or market. Cost is determined using last-in, first-out (LIF