

Reconciliation of EBITDA Excluding LCM Adjustments to EBITDA

In Millions of Dollars	Three Months Ended					Three Months Ended		Six Months Ended			Six Months Ended		Last Twelve Months
	March 31, 2016	June 30, 2016	September 30, 2016	December 31, 2016	2016	March 31, 2017	June 30, 2017	June 30, 2017	June 30, 2016	2016	June 30, 2016	June 30, 2017	June 30, 2017
EBITDA Excluding LCM Adjustments:													
Olefins & Polyolefins - Americas	\$ 878	\$ 754	\$ 682	\$ 592	\$ 2,906	\$ 723	\$ 859	\$ 1,582	\$ 1,632	\$ 2,906	\$ (1,632)	\$ 1,582	\$ 2,856
Olefins & Polyolefins - EAI	549	536	584	398	2,067	529	699	1,228	1,085	2,067	(1,085)	1,228	2,210
Intermediates & Derivatives	354	369	304	306	1,333	339	339	678	723	1,333	(723)	678	1,288
Refining	14	(13)	(10)	81	72	(30)	25	(5)	1	72	(1)	(5)	66
Technology	83	73	45	61	262	60	48	108	156	262	(156)	108	214
Other	(3)	(4)	1	(3)	(9)	(4)	-	(4)	(7)	(9)	7	(4)	(6)
Total	1,875	1,715	1,606	1,435	6,631	1,617	1,970	3,587	3,590	6,631	(3,590)	3,587	6,628
Less:													
LCM Adjustments:													
Olefins & Polyolefins - Americas	-	-	-	29	29	-	-	-	-	29	-	-	29
Olefins & Polyolefins - EAI	40	(40)	-	-	-	-	-	-	-	-	-	-	-
Intermediates & Derivatives	28	(28)	-	-	-	-	-	-	-	-	-	-	-
Refining	-	-	-	-	-	-	-	-	-	-	-	-	-
Technology	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	68	(68)	-	29	29	-	-	-	-	29	-	-	29
EBITDA:													
Olefins & Polyolefins - Americas	878	754	682	563	2,877	723	859	1,582	1,632	2,877	(1,632)	1,582	2,827
Olefins & Polyolefins - EAI	509	576	584	398	2,067	529	699	1,228	1,085	2,067	(1,085)	1,228	2,210
Intermediates & Derivatives	326	397	304	306	1,333	339	339	678	723	1,333	(723)	678	1,288
Refining	14	(13)	(10)	81	72	(30)	25	(5)	1	72	(1)	(5)	66
Technology	83	73	45	61	262	60	48	108	156	262	(156)	108	214
Other	(3)	(4)	1	(3)	(9)	(4)	-	(4)	(7)	(9)	7	(4)	(6)
Total	1,807	1,783	1,606	1,406	6,602	1,617	1,970	3,587	3,590	6,602	(3,590)	3,587	6,599

Reconciliation of Net Income To EBITDA

In Millions of Dollars	Three Months Ended				2016	Three Months Ended		Six Months Ended		2016	Six Months Ended		Last Twelve Months
	March 31, 2016	June 30, 2016	September 30, 2016	December 31, 2016		March 31, 2017	June 30, 2017	June 30, 2017	June 30, 2016		June 30, 2017	June 30, 2017	June 30, 2017
Net Income	\$ 1,030	\$ 1,091	\$ 953	\$ 763	\$ 3,837	\$ 797	\$ 1,130	\$ 1,927	\$ 2,121	\$ 3,837	\$ (2,121)	\$ 1,927	\$ 3,643
Loss from Discontinued Operations	-	1	2	7	10	8	4	12	1	10	(1)	12	21
LCM Adjustments, After Tax	47	(47)	-	18	18	-	-	-	-	18	-	-	18
Income from Continuing Operations Excluding LCM Adjustments	1,077	1,045	955	788	3,865	805	1,134	1,939	2,122	3,865	(2,122)	1,939	3,682
Less:													
LCM Adjustments, After Tax	(47)	47	-	(18)	(18)	-	-	-	-	(18)	-	-	(18)
Income from Continuing Operations	1,030	1,092	955	770	3,847	805	1,134	1,939	2,122	3,847	(2,122)	1,939	3,664
Provision for Income Taxes	432	346	326	282	1,386	315	459	774	778	1,386	(778)	774	1,382
Depreciation and Amortization	268	266	257	273	1,064	296	286	582	534	1,064	(534)	582	1,112
Interest expense, net	77	79	68	81	305	201	91	292	156	305	(156)	292	441
LCM Adjustments, Pre Tax	68	(68)	-	29	29	-	-	-	-	29	-	-	29
EBITDA Excluding LCM Adjustments	1,875	1,715	1,606	1,435	6,631	1,617	1,970	3,587	3,590	6,631	(3,590)	3,587	6,628
LCM Adjustments, Pre Tax	(68)	68	-	(29)	(29)	-	-	-	-	(29)	-	-	(29)
EBITDA	<u>\$ 1,807</u>	<u>\$ 1,783</u>	<u>\$ 1,606</u>	<u>\$ 1,406</u>	<u>\$ 6,602</u>	<u>\$ 1,617</u>	<u>\$ 1,970</u>	<u>\$ 3,587</u>	<u>\$ 3,590</u>	<u>\$ 6,602</u>	<u>\$ (3,590)</u>	<u>\$ 3,587</u>	<u>\$ 6,599</u>

Reconciliation of Diluted EPS from Continuing Operations Excluding LCM Adjustments to Diluted EPS

	Three Months Ended				2016	Three Months Ended		Six Months Ended	
	March 31, 2016	June 30, 2016	September 30, 2016	December 31, 2016		March 31, 2017	June 30, 2017	June 30, 2017	June 30, 2016
Diluted Earnings Per Share from Continuing Operations									
Excluding LCM Adjustments	\$ 2.48	\$ 2.45	\$ 2.31	\$ 1.94	\$ 9.20	\$ 2.00	\$ 2.82	\$ 4.81	\$ 4.93
Less:									
LCM Adjustments	0.11	(0.11)	-	0.05	0.05	-	-	-	-
Diluted Earnings Per Share	<u>\$ 2.37</u>	<u>\$ 2.56</u>	<u>\$ 2.31</u>	<u>\$ 1.89</u>	<u>\$ 9.15</u>	<u>\$ 2.00</u>	<u>\$ 2.82</u>	<u>\$ 4.81</u>	<u>\$ 4.93</u>

Reconciliation of Operating Income Excluding LCM Adjustments to Operating Income

<u>In Millions of Dollars</u>	Three Months Ended					Three Months Ended		Six Months Ended			Six Months Ended		Last Twelve Months
	March 31, 2016	June 30, 2016	September 30, 2016	December 31, 2016	2016	March 31, 2017	June 30, 2017	June 30, 2017	June 30, 2016	June 30, 2016	2016	June 30, 2016	June 30, 2017
Operating Income Excluding LCM	\$ 1,428	\$ 1,335	\$ 1,249	\$ 1,077	\$ 5,089	\$ 1,210	\$ 1,577	\$ 2,787	\$ 2,763	\$ 5,089	\$ (2,763)	\$ 2,787	\$ 5,113
Less:													
LCM Adjustments	68	(68)	-	29	29	-	-	-	-	29	-	-	29
Operating Income	<u>\$ 1,360</u>	<u>\$ 1,403</u>	<u>\$ 1,249</u>	<u>\$ 1,048</u>	<u>\$ 5,060</u>	<u>\$ 1,210</u>	<u>\$ 1,577</u>	<u>\$ 2,787</u>	<u>\$ 2,763</u>	<u>\$ 5,060</u>	<u>\$ (2,763)</u>	<u>\$ 2,787</u>	<u>\$ 5,084</u>

Components of Cash and Liquid Investments

<u>In Millions of Dollars</u>	<u>June 30, 2016</u>	<u>March 31, 2017</u>	<u>June 30, 2017</u>
Cash and Cash Equivalents and Restricted Cash	\$ 1,064	\$ 486	\$ 740
Short-Term Investments	1,023	1,176	1,278
Repurchase Agreements	462	497	542
Cash and Liquid Investments	<u>\$ 2,549</u>	<u>\$ 2,159</u>	<u>\$ 2,560</u>

Reconciliation of Free Cash Flow to Net Cash Provided by Operating Activities

In Millions of Dollars	For the Years Ended December 31,			Three Months Ended		Three Months Ended		For the Year	Six Months Ended		Last Twelve
	2014	2015	2016	March 31,	June 30,	March 31,	June 30,	Ended	June 30,	June 30,	Months
				2017	2017	2016	2016	December 31,	2016	2017	June 30,
Free Cash Flow	\$ 4,549	\$ 4,402	\$ 3,363	\$ 257	\$ 1,153	\$ 773	\$ 698	\$ 3,363	\$ (1,471)	\$ 1,410	\$ 3,302
Add:											
Capital Expenditures	1,499	1,440	2,243	421	407	527	563	2,243	(1,090)	828	1,981
Net Cash Provided by Operating Activities	<u>\$ 6,048</u>	<u>\$ 5,842</u>	<u>\$ 5,606</u>	<u>\$ 678</u>	<u>\$ 1,560</u>	<u>\$ 1,300</u>	<u>\$ 1,261</u>	<u>\$ 5,606</u>	<u>\$ (2,561)</u>	<u>\$ 2,238</u>	<u>\$ 5,283</u>

Reconciliation of Ratio of Total Debt to Last Twelve Months (LTM) EBITDA Excluding LCM

	Three Months Ended				Last Twelve Months
	September 30, 2016	December 31, 2016	March 31, 2017	June 30, 2017	June 30, 2017
<u>In Millions of Dollars</u>					
Current Maturities of Long-Term Debt					\$ 2
Short-Term Debt					561
Long-Term Debt					8,496
Total Debt as of June 30, 2017					9,059
Divided by:					
EBITDA	\$ 1,606	\$ 1,406	\$ 1,617	\$ 1,970	\$ 6,599
Ratio of Total Debt to LTM EBITDA					1.4 x
LCM Adjustments	-	29	-	-	\$ 29
EBITDA excluding LCM	\$ 1,606	\$ 1,435	\$ 1,617	\$ 1,970	\$ 6,628
Ratio of Total Debt to LTM EBITDA excluding LCM					1.4 x

Schedule of Spending for Dividends and Share Repurchases

<u>In Millions of Dollars</u>	Three Months Ended			
	<u>September 30, 2016</u>	<u>December 31, 2016</u>	<u>March 31, 2017</u>	<u>June 30, 2017</u>
Quarterly Dividends	\$ 351	\$ 346	\$ 343	\$ 361
Repurchases of Ordinary Shares	819	437	160	410
Total	<u>\$ 1,170</u>	<u>\$ 783</u>	<u>\$ 503</u>	<u>\$ 771</u>
