

Reconciliation of EBITDA Excluding LCM Adjustments to EBITDA

In Millions of Dollars	Three Months Ended				2016	Three Months Ended		Three Months Ended		Last Twelve Months
	March 31, 2016	June 30, 2016	September 30, 2016	December 31, 2016		March 31, 2017	2016	March 31, 2016	March 31, 2017	March 31, 2017
EBITDA Excluding LCM Adjustments:										
Olefins & Polyolefins - Americas	\$ 878	\$ 754	\$ 682	\$ 592	\$ 2,906	\$ 723	\$ 2,906	\$ (878)	\$ 723	\$ 2,751
Olefins & Polyolefins - EAI	549	536	584	398	2,067	529	2,067	(549)	529	2,047
Intermediates & Derivatives	354	369	304	306	1,333	339	1,333	(354)	339	1,318
Refining	14	(13)	(10)	81	72	(30)	72	(14)	(30)	28
Technology	83	73	45	61	262	60	262	(83)	60	239
Other	(3)	(4)	1	(3)	(9)	(4)	(9)	3	(4)	(10)
Total	1,875	1,715	1,606	1,435	6,631	1,617	6,631	(1,875)	1,617	6,373
Less:										
LCM Adjustments:										
Olefins & Polyolefins - Americas	-	-	-	29	29	-	29	-	-	29
Olefins & Polyolefins - EAI	40	(40)	-	-	-	-	-	(40)	-	(40)
Intermediates & Derivatives	28	(28)	-	-	-	-	-	(28)	-	(28)
Refining	-	-	-	-	-	-	-	-	-	-
Technology	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total	68	(68)	-	29	29	-	29	(68)	-	(39)
EBITDA:										
Olefins & Polyolefins - Americas	878	754	682	563	2,877	723	2,877	(878)	723	2,722
Olefins & Polyolefins - EAI	509	576	584	398	2,067	529	2,067	(509)	529	2,087
Intermediates & Derivatives	326	397	304	306	1,333	339	1,333	(326)	339	1,346
Refining	14	(13)	(10)	81	72	(30)	72	(14)	(30)	28
Technology	83	73	45	61	262	60	262	(83)	60	239
Other	(3)	(4)	1	(3)	(9)	(4)	(9)	3	(4)	(10)
Total	1,807	1,783	1,606	1,406	6,602	1,617	6,602	(1,807)	1,617	6,412

Reconciliation of Net Income To EBITDA

In Millions of Dollars	Three Months Ended				2016	Three Months Ended		Three Months Ended		Last Twelve Months
	March 31, 2016	June 30, 2016	September 30, 2016	December 31, 2016		March 31, 2017	2016	March 31, 2016	March 31, 2017	March 31, 2017
Net Income	\$ 1,030	\$ 1,091	\$ 953	\$ 763	\$ 3,837	\$ 797	\$ 3,837	\$ (1,030)	\$ 797	\$ 3,604
Loss from Discontinued Operations	-	1	2	7	10	8	10	-	8	18
LCM Adjustments, After Tax	47	(47)	-	18	18	-	18	(47)	-	(29)
Income from Continuing Operations Excluding LCM Adjustments	1,077	1,045	955	788	3,865	805	3,865	(1,077)	805	3,593
Less:										
LCM Adjustments, After Tax	(47)	47	-	(18)	(18)	-	(18)	47	-	29
Income from Continuing Operations	1,030	1,092	955	770	3,847	805	3,847	(1,030)	805	3,622
Provision for Income Taxes	432	346	326	282	1,386	315	1,386	(432)	315	1,269
Depreciation and Amortization	268	266	257	273	1,064	296	1,064	(268)	296	1,092
Interest expense, net	77	79	68	81	305	201	305	(77)	201	429
LCM Adjustments, Pre Tax	68	(68)	-	29	29	-	29	(68)	-	(39)
EBITDA Excluding LCM Adjustments	1,875	1,715	1,606	1,435	6,631	1,617	6,631	(1,875)	1,617	6,373
LCM Adjustments, Pre Tax	(68)	68	-	(29)	(29)	-	(29)	68	-	39
EBITDA	\$ 1,807	\$ 1,783	\$ 1,606	\$ 1,406	\$ 6,602	\$ 1,617	\$ 6,602	\$ (1,807)	\$ 1,617	\$ 6,412

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

	Three Months Ended				2016	Three Months Ended
	March 31, 2016	June 30, 2016	September 30, 2016	December 31, 2016		March 31, 2017
Diluted Earnings Per Share from Continuing Operations						
Excluding LCM Adjustments	\$ 2.48	\$ 2.45	\$ 2.31	\$ 1.94	\$ 9.20	\$ 2.00
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>

Components of Cash and Liquid Investments

<u>In Millions of Dollars</u>	March 31, 2016	December 31, 2016	March 31, 2017
Cash and Cash Equivalents	\$ 1,318	\$ 875	\$ 485
Short-Term Investments	1,332	1,147	1,176
Repurchase Agreements	302	369	497
Cash and Liquid Investments	<u>\$ 2,952</u>	<u>\$ 2,391</u>	<u>\$ 2,158</u>

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

<u>In Millions of Dollars</u>				Months	Three Months Ended		Last Twelve	
	2014	2015	2016	Ended			Months	
				March 31,	2016	March 31,	March 31,	March 31, 2017
				2017		2016	2017	
Free Cash Flow	\$ 4,549	\$ 4,402	\$ 3,363	\$ 192	\$ 3,363	\$ (773)	\$ 192	\$ 2,782
Add:								
Capital Expenditures	1,499	1,440	2,243	421	2,243	(527)	421	2,137
Net Cash Provided by Operating Activities	<u>\$ 6,048</u>	<u>\$ 5,842</u>	<u>\$ 5,606</u>	<u>\$ 613</u>	<u>\$ 5,606</u>	<u>\$ (1,300)</u>	<u>\$ 613</u>	<u>\$ 4,919</u>

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

	Three Months Ended				Last Twelve Months
	June 30, 2016	September 30, 2016	December 31, 2016	March 31, 2017	March 31, 2017
<u>In Millions of Dollars</u>					
Current Maturities of Long-Term Debt					\$ 2
Short-Term Debt					611
Long-Term Debt					8,419
Total Debt as of March 31, 2017					<u>9,032</u>
Divided by:					
EBITDA	\$ 1,783	\$ 1,606	\$ 1,406	\$ 1,617	\$ 6,412
Ratio of Total Debt to LTM EBITDA					<u>1.4 x</u>
Lower of Cost or Market (LCM) Inventory Valuation Adjustment	<u>(68)</u>	<u>-</u>	<u>29</u>	<u>-</u>	\$ <u>(39)</u>
EBITDA excluding LCM	\$ 1,715	\$ 1,606	\$ 1,435	\$ 1,617	\$ 6,373
Ratio of Total Debt to LTM EBITDA excluding LCM					<u>1.4 x</u>

Schedule of Spending for Dividends and Share Repurchases

<u>In Millions of Dollars</u>	<u>For the Years Ended December 31,</u>			<u>For the Year</u>	<u>Three Months Ended</u>		<u>Last Twelve</u>
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>Ended</u>	<u>March 31,</u>	<u>March 31,</u>	<u>Months</u>
				<u>December 31,</u>	<u>2016</u>	<u>2017</u>	<u>March 31,</u>
				<u>2016</u>			<u>2017</u>
Interim Dividends	\$ 1,403	\$ 1,410	\$ 1,395	\$ 1,395	\$ (336)	\$ 343	\$ 1,402
Repurchases of Ordinary Shares	5,788	4,656	2,938	2,938	(986)	160	2,112
Total	<u>\$ 7,191</u>	<u>\$ 6,066</u>	<u>\$ 4,333</u>	<u>\$ 4,333</u>	<u>\$ (1,322)</u>	<u>\$ 503</u>	<u>\$ 3,514</u>
