

Table 1 - Reconciliation of Segment Information to Consolidated Financial Information

Millions of Dollars	2017					2018		
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Total
Sales and other operating revenues:								
Olefins & Polyolefins - Americas	\$ 2,604	\$ 2,547	\$ 2,449	\$ 2,800	\$ 10,400	\$ 2,758	\$ 2,667	\$ 5,425
Olefins & Polyolefins - EAI	3,024	3,008	3,152	3,079	12,263	3,562	3,481	7,043
Intermediates & Derivatives	2,150	2,014	2,077	2,231	8,472	2,343	2,584	4,927
Refining	1,353	1,713	1,670	2,112	6,848	2,257	2,569	4,826
Technology	120	107	98	125	450	115	182	297
Other/Eliminations	(821)	(986)	(930)	(1,212)	(3,949)	(1,268)	(1,277)	(2,545)
Continuing Operations	<u>\$ 8,430</u>	<u>\$ 8,403</u>	<u>\$ 8,516</u>	<u>\$ 9,135</u>	<u>\$ 34,484</u>	<u>\$ 9,767</u>	<u>\$ 10,206</u>	<u>\$ 19,973</u>
Operating income (loss):								
Olefins & Polyolefins - Americas	\$ 559	\$ 738	\$ 497	\$ 667	\$ 2,461	\$ 651	\$ 571	\$ 1,222
Olefins & Polyolefins - EAI	401	549	460	224	1,634	373	329	702
Intermediates & Derivatives	269	270	329	334	1,202	408	569	977
Refining	(70)	(21)	10	59	(22)	15	58	73
Technology	50	39	36	58	183	46	100	146
Other	1	2	—	(1)	2	1	(1)	—
Continuing Operations	<u>\$ 1,210</u>	<u>\$ 1,577</u>	<u>\$ 1,332</u>	<u>\$ 1,341</u>	<u>\$ 5,460</u>	<u>\$ 1,494</u>	<u>\$ 1,626</u>	<u>\$ 3,120</u>
Depreciation and amortization:								
Olefins & Polyolefins - Americas	\$ 118	\$ 107	\$ 105	\$ 109	\$ 439	\$ 107	\$ 110	\$ 217
Olefins & Polyolefins - EAI	59	58	60	62	239	63	60	123
Intermediates & Derivatives	69	68	69	73	279	73	72	145
Refining	40	44	49	44	177	46	46	92
Technology	10	9	11	10	40	10	12	22
Continuing Operations	<u>\$ 296</u>	<u>\$ 286</u>	<u>\$ 294</u>	<u>\$ 298</u>	<u>\$ 1,174</u>	<u>\$ 299</u>	<u>\$ 300</u>	<u>\$ 599</u>
EBITDA: ^(a)								
Olefins & Polyolefins - Americas	\$ 723	\$ 859	\$ 616	\$ 784	\$ 2,982	\$ 780	\$ 700	\$ 1,480
Olefins & Polyolefins - EAI	529	699	698	356	2,282	518	447	965
Intermediates & Derivatives	339	339	402	410	1,490	486	642	1,128
Refining	(30)	25	58	104	157	63	104	167
Technology	60	48	47	68	223	56	113	169
Other	(4)	—	—	4	—	10	4	14
Continuing Operations	<u>\$ 1,617</u>	<u>\$ 1,970</u>	<u>\$ 1,821</u>	<u>\$ 1,726</u>	<u>\$ 7,134</u>	<u>\$ 1,913</u>	<u>\$ 2,010</u>	<u>\$ 3,923</u>
Capital, turnarounds and IT deferred spending:								
Olefins & Polyolefins - Americas	\$ 202	\$ 179	\$ 165	\$ 207	\$ 753	\$ 246	\$ 312	\$ 558
Olefins & Polyolefins - EAI	47	32	44	83	206	69	49	118
Intermediates & Derivatives	77	107	79	69	332	68	80	148
Refining	84	79	21	29	213	36	45	81
Technology	7	6	8	11	32	8	9	17
Other	4	4	1	2	11	2	1	3
Continuing Operations	<u>\$ 421</u>	<u>\$ 407</u>	<u>\$ 318</u>	<u>\$ 401</u>	<u>\$ 1,547</u>	<u>\$ 429</u>	<u>\$ 496</u>	<u>\$ 925</u>

(a) See Table 8 for the reconciliation of EBITDA to net income.

Table 2 - Selected Segment Operating Information

	2017					2018		
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Total
Olefins and Polyolefins - Americas								
<i>Volumes (million pounds)</i>								
Ethylene produced	2,486	2,606	2,088	2,442	9,622	2,470	2,481	4,951
Propylene produced	597	821	671	724	2,813	617	601	1,218
Polyethylene sold	1,533	1,404	1,454	1,468	5,859	1,463	1,443	2,906
Polypropylene sold	644	634	624	591	2,493	612	638	1,250
<i>Benchmark Market Prices</i>								
West Texas Intermediate crude oil (USD per barrel)	51.78	48.15	48.20	55.30	50.85	62.94	67.99	65.47
Light Louisiana Sweet ("LLS") crude oil (USD per barrel)	53.39	50.17	51.67	60.94	54.02	65.84	73.14	69.58
Houston Ship Channel natural gas (USD per million BTUs)	2.96	3.14	2.92	2.87	2.97	3.12	2.88	3.00
U.S. weighted average cost of ethylene production (cents/pound)	11.8	12.5	16.1	16.2	14.2	14.8	15.5	15.1
U.S. ethylene (cents/pounds)	33.1	31.9	31.9	33.5	32.6	30.3	26.4	28.4
U.S. polyethylene [high density] (cents/pound)	57.3	59.0	60.7	67.5	61.1	62.7	63.0	62.8
U.S. propylene (cents/pound)	47.2	41.0	41.7	49.0	44.7	53.0	52.0	52.5
U.S. polypropylene [homopolymer] (cents/pound)	66.2	59.0	60.2	68.7	63.5	73.0	74.3	73.7
Olefins and Polyolefins - Europe, Asia, International								
<i>Volumes (million pounds)</i>								
Ethylene produced	1,022	1,069	1,046	927	4,064	1,016	1,031	2,047
Propylene produced	598	632	620	557	2,407	608	632	1,240
Polyethylene sold	1,421	1,370	1,525	1,359	5,675	1,445	1,452	2,897
Polypropylene sold	1,714	1,530	1,738	1,520	6,502	1,802	1,729	3,531
<i>Benchmark Market Prices (€0.01 per pound)</i>								
Western Europe weighted average cost of ethylene production	22.7	17.6	18.9	25.3	21.1	22.4	28.9	25.6
Western Europe ethylene	46.2	47.1	44.2	47.0	46.1	48.3	50.0	49.1
Western Europe polyethylene [high density]	58.2	59.5	56.6	57.4	57.9	56.2	55.2	55.7
Western Europe propylene	37.0	39.3	36.4	39.5	38.1	41.9	44.0	42.9
Western Europe polypropylene [homopolymer]	56.3	60.1	57.4	59.1	58.2	59.3	58.8	59.1
Intermediates and Derivatives								
<i>Volumes (million pounds unless otherwise indicated)</i>								
Propylene oxide and derivatives	786	748	793	830	3,157	798	850	1,648
Intermediate Chemicals:								
Ethylene oxide and derivatives	292	297	275	296	1,160	279	306	585
Styrene monomer	1,002	955	919	867	3,743	917	991	1,908
Acetyls	825	672	715	744	2,956	537	821	1,358
Oxyfuels and Related Products:								
TBA intermediates	383	332	359	378	1,452	412	403	815
MTBE/ETBE (million gallons)	239	263	289	293	1,084	253	293	546
<i>Benchmark Market Margins (cents per gallon)</i>								
MTBE - Northwest Europe	49.5	67.3	59.8	35.9	52.9	58.0	63.3	60.5
Refining								
<i>Volumes (thousands of barrels per day)</i>								
Heavy crude oil processing rate	193	265	240	245	236	252	259	255
<i>Benchmark Market Margins</i>								
Light crude oil - 2-1-1	11.86	13.26	16.71	12.30	13.54	12.62	15.03	13.83
Light crude oil - Maya differential	8.78	6.28	5.10	7.96	7.02	8.10	10.91	9.58

Source: LYB and third party consultants

Note: Benchmark market prices for U.S. and Western Europe polyethylene and polypropylene reflect discounted prices. Volumes presented represent third party sales of selected key products.

Table 3 - Unaudited Income Statement Information

<u>Millions of dollars</u>	2017					2018		
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Total
Sales and other operating revenues	\$ 8,430	\$ 8,403	\$ 8,516	\$ 9,135	\$ 34,484	\$ 9,767	\$ 10,206	\$ 19,973
Cost of sales	6,991	6,601	6,939	7,528	28,059	8,012	8,290	16,302
Selling, general and administrative expenses	204	200	218	237	859	233	261	494
Research and development expenses	25	25	27	29	106	28	29	57
Operating income	1,210	1,577	1,332	1,341	5,460	1,494	1,626	3,120
Income from equity investments	81	78	81	81	321	96	68	164
Interest expense, net ^(a)	(201)	(91)	(89)	(86)	(467)	(80)	(76)	(156)
Other income, net ^(b)	30	29	114	6	179	24	16	40
Income from continuing operations before income taxes ^{(a)(b)}	1,120	1,593	1,438	1,342	5,493	1,534	1,634	3,168
Provision for (benefit from) income taxes ^(c)	315	459	380	(556)	598	303	(21)	282
Income from continuing operations ^(d)	805	1,134	1,058	1,898	4,895	1,231	1,655	2,886
Loss from discontinued operations, net of tax	(8)	(4)	(2)	(4)	(18)	—	(1)	(1)
Net income ^(d)	797	1,130	1,056	1,894	4,877	1,231	1,654	2,885
Net loss attributable to non-controlling interests	—	1	1	—	2	—	—	—
Net income attributable to Company shareholders ^(d)	\$ 797	\$ 1,131	\$ 1,057	\$ 1,894	\$ 4,879	\$ 1,231	\$ 1,654	\$ 2,885

(a) Includes pre-tax charges totaling \$113 million in the first quarter of 2017 related to the redemption of \$1,000 million aggregate principal amount of outstanding 5% Senior Notes due 2019.

(b) Includes a pre-tax gain of \$31 million in the first quarter of 2017 on the sale of our Lake Charles, Louisiana site, which was used as a logistics terminal, and a pre-tax gain of \$108 million in the third quarter of 2017 on the sale of our interest in Geosel.

(c) The fourth quarter of 2017 includes an \$819 million non-cash tax benefit related to the lower federal income tax rate resulting from the U.S. Tax Cuts and Jobs Act enacted in December 2017. The second quarter of 2018 includes a \$346 million benefit related to \$288 million of previously unrecognized tax benefits and the release of \$58 million of associated accrued interest.

(d) The first quarter of 2017 includes after-tax charges totaling \$106 million related to the redemption of \$1,000 million aggregate principal amount of our then outstanding 5% Senior Notes due 2019. The third quarter of 2017 includes a \$103 million after-tax gain on the sale of our interest in Geosel. The fourth quarter of 2017 includes an \$819 million non-cash tax benefit discussed above.

Table 4 - Charges (Benefits) Included in Net Income

<u>Millions of Dollars (except share data)</u>	2017					2018		
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Total
Pretax charges (benefits):								
Tax benefit due to change in tax law from the U.S. Tax Cuts and Jobs Act	\$ —	\$ —	\$ —	\$ (819)	\$ (819)	\$ —	\$ —	\$ —
Tax benefit from release of previously unrecognized tax benefits and associated accrued interest	—	—	—	—	—	—	(346)	(346)
Charges and premiums related to redemption of debt	113	—	—	—	113	—	—	—
Gain on sale of interest in Geosel	—	—	(108)	—	(108)	—	—	—
Total pretax charges (benefits)	113	—	(108)	(819)	(814)	—	(346)	(346)
Provision for (benefit from) income taxes related to these items	(7)	—	5	—	(2)	—	—	—
After-tax effect of net charges (benefits)	<u>\$ 106</u>	<u>\$ —</u>	<u>\$ (103)</u>	<u>\$ (819)</u>	<u>\$ (816)</u>	<u>\$ —</u>	<u>\$ (346)</u>	<u>\$ (346)</u>
Effect on diluted earnings per share	<u>\$ (0.26)</u>	<u>\$ —</u>	<u>\$ 0.26</u>	<u>\$ 2.07</u>	<u>\$ 2.05</u>	<u>\$ —</u>	<u>\$ 0.88</u>	<u>\$ 0.88</u>

Table 5 - Unaudited Cash Flow Information

<u>Millions of dollars</u>	2017					2018		
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Total
Net cash provided by operating activities ^(a)	\$ 678	\$ 1,560	\$ 1,486	\$ 1,482	\$ 5,206	\$ 1,006	\$ 1,727	\$ 2,733
Net cash used in investing activities ^(b)	(541)	(513)	(200)	(502)	(1,756)	(189)	(400)	(589)
Net cash used in financing activities ^(a)	(537)	(822)	(832)	(668)	(2,859)	(520)	(745)	(1,265)

(a) In the second quarter of 2017, the early adoption of ASU 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments* resulted in the reclassification of cash flows related to debt extinguishment costs incurred in the first quarter of 2017 from operating to financing activities cash flows.

(b) Also in the second quarter of 2017, the early retrospective adoption of ASU 2016-18, *Statement of Cash Flows: Restricted Cash* requires the inclusion of restricted cash and restricted cash equivalents in the cash and cash equivalents balances in our Statement of Cash Flows.

Table 6 - Unaudited Balance Sheet Information

<u>Millions of dollars</u>	<u>March 31, 2017</u>	<u>June 30, 2017</u>	<u>September 30, 2017</u>	<u>December 31, 2017</u>	<u>March 31, 2018</u>	<u>June 30, 2018</u>
Cash and cash equivalents	\$ 485	\$ 734	\$ 1,204	\$ 1,523	\$ 1,840	\$ 2,384
Restricted cash	1	6	7	5	—	2
Short-term investments	1,176	1,278	1,295	1,307	1,042	933
Accounts receivable, net	3,292	3,086	3,275	3,539	3,859	3,889
Inventories	3,875	4,007	4,177	4,217	4,257	4,096
Prepaid expenses and other current assets	852	964	1,104	1,147	1,070	1,045
Total current assets	<u>9,681</u>	<u>10,075</u>	<u>11,062</u>	<u>11,738</u>	<u>12,068</u>	<u>12,349</u>
Property, plant and equipment, net	10,361	10,551	10,737	10,997	11,249	11,310
Investments and long-term receivables:						
Investment in PO joint ventures	409	423	428	420	424	429
Equity investments	1,672	1,595	1,644	1,635	1,767	1,599
Other investments and long-term receivables	20	18	19	17	22	22
Goodwill	531	559	570	570	578	562
Intangible assets, net	517	499	480	568	567	528
Other assets	577	398	303	261	221	224
Total assets	<u>\$ 23,768</u>	<u>\$ 24,118</u>	<u>\$ 25,243</u>	<u>\$ 26,206</u>	<u>\$ 26,896</u>	<u>\$ 27,023</u>
Current maturities of long-term debt	\$ 2	\$ 2	\$ 3	\$ 2	\$ 5	\$ 974
Short-term debt	611	561	381	68	77	76
Accounts payable	2,627	2,317	2,735	2,895	3,010	3,095
Accrued liabilities	1,139	1,251	1,493	1,812	1,506	1,306
Total current liabilities	<u>4,379</u>	<u>4,131</u>	<u>4,612</u>	<u>4,777</u>	<u>4,598</u>	<u>5,451</u>
Long-term debt	8,419	8,496	8,531	8,549	8,531	7,490
Other liabilities	2,130	2,253	2,326	2,275	2,350	1,805
Deferred income taxes ^(a)	2,353	2,370	2,447	1,655	1,688	1,674
Stockholders' equity	6,462	6,866	7,326	8,949	9,728	10,602
Non-controlling interests	25	2	1	1	1	1
Total liabilities and stockholders' equity	<u>\$ 23,768</u>	<u>\$ 24,118</u>	<u>\$ 25,243</u>	<u>\$ 26,206</u>	<u>\$ 26,896</u>	<u>\$ 27,023</u>

(a) Deferred income taxes at December 31, 2017 reflects an \$819 million favorable adjustment related to the lower federal income tax rate resulting from the U.S. Tax Cuts and Jobs Act.

Non-GAAP Reconciliations

Table 7 - Reconciliation of Segment EBITDA to EBITDA

<u>Millions of dollars</u>	<u>Three Months Ended</u>					<u>Three Months Ended</u>			<u>Six Months Ended</u>		<u>Last Twelve Months</u>
	<u>March 31, 2017</u>	<u>June 30, 2017</u>	<u>September 30, 2017</u>	<u>December 31, 2017</u>	<u>Year Ended 2017</u>	<u>March 31, 2018</u>	<u>June 30, 2018</u>	<u>Year Ended 2017</u>	<u>June 30, 2017</u>	<u>June 30, 2018</u>	<u>June 30, 2018</u>
EBITDA:											
Olefins & Polyolefins - Americas	\$ 723	\$ 859	\$ 616	\$ 784	\$ 2,982	\$ 780	\$ 700	\$ 2,982	\$ (1,582)	\$ 1,480	\$ 2,880
Olefins & Polyolefins - EAI	529	699	698	356	2,282	518	447	2,282	(1,228)	965	2,019
Intermediates & Derivatives	339	339	402	410	1,490	486	642	1,490	(678)	1,128	1,940
Refining	(30)	25	58	104	157	63	104	157	5	167	329
Technology	60	48	47	68	223	56	113	223	(108)	169	284
Other	(4)	—	—	4	—	10	4	—	4	14	18
Continuing	<u>\$ 1,617</u>	<u>\$ 1,970</u>	<u>\$ 1,821</u>	<u>\$ 1,726</u>	<u>\$ 7,134</u>	<u>\$ 1,913</u>	<u>\$ 2,010</u>	<u>\$ 7,134</u>	<u>\$ (3,587)</u>	<u>\$ 3,923</u>	<u>\$ 7,470</u>

Table 8 - Reconciliation of Net Income To EBITDA

	Three Months Ended				Year Ended	Three Months Ended		Year Ended	Six Months Ended		Last Twelve Months
	March 31, 2017	June 30, 2017	September 30, 2017	December 31, 2017	December 31, 2017	March 31, 2018	June 30, 2018	December 31, 2017	June 30, 2017	June 30, 2018	June 30, 2018
Millions of dollars											
Net income ^{(a)(b)}	\$ 797	\$ 1,130	\$ 1,056	\$ 1,894	\$ 4,877	\$ 1,231	\$ 1,654	\$ 4,877	\$ (1,927)	\$ 2,885	\$ 5,835
Loss from discontinued operations, net of tax	8	4	2	4	18	—	1	18	(12)	1	7
Income from continuing operations ^{(a)(b)}	805	1,134	1,058	1,898	4,895	1,231	1,655	4,895	(1,939)	2,886	5,842
Provision for (benefit from) income taxes ^(b)	315	459	380	(556)	598	303	(21)	598	(774)	282	106
Depreciation and amortization	296	286	294	298	1,174	299	300	1,174	(582)	599	1,191
Interest expense, net ^(c)	201	91	89	86	467	80	76	467	(292)	156	331
EBITDA ^(d)	\$ 1,617	\$ 1,970	\$ 1,821	\$ 1,726	\$ 7,134	\$ 1,913	\$ 2,010	\$ 7,134	\$ (3,587)	\$ 3,923	\$ 7,470

(a) The third quarter of 2017 includes an after-tax gain of \$103 million on the sale of our interest in Geosel.

(b) The fourth quarter of 2017 includes an \$819 million non-cash tax benefit related to the lower federal income tax rate resulting from the U.S. Tax Cuts and Jobs Act enacted in December 2017. The second quarter of 2018 includes a \$346 million non-cash benefit from the release of unrecognized tax benefits and associated accrued interest.

(c) Includes pre-tax charges totaling \$113 million in the first quarter of 2017 related to the redemption of \$1,000 million aggregate principal amount of our then outstanding 5% Senior Notes due 2019.

(d) Third quarter 2017 EBITDA includes a pre-tax gain of \$108 million on the sale of our interest in Geosel.

Table 9 - Components of Cash and Liquid Investments and Total Liquidity

<u>Millions of dollars</u>	<u>June 30, 2017</u>	<u>March 31, 2018</u>	<u>June 30, 2018</u>
Cash and cash equivalents and restricted cash	\$ 740	\$ 1,840	\$ 2,386
Short-term investments	1,278	1,042	933
Repurchase agreements	542	586	554
Cash and liquid investments	2,560	3,468	3,873
Availability under Senior Revolving Credit Facility	1,999	2,500	2,500
Availability under U.S. Receivables Facility	882	900	900
Total liquidity	\$ 5,441	\$ 6,868	\$ 7,273

Table 10 - Reconciliation of Free Cash Flow to Net Cash Provided by Operating Activities

<u>Millions of dollars</u>	<u>Years Ended December 31,</u>				<u>Year Ended</u>	<u>Six Months Ended</u>		<u>Last Twelve</u>
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>December 31,</u> <u>2017</u>	<u>June 30,</u> <u>2017</u>	<u>June 30,</u> <u>2018</u>	<u>Months</u> <u>June 30,</u> <u>2018</u>
Free cash flow	\$ 4,549	\$ 4,402	\$ 3,363	\$ 3,659	\$ 3,659	\$ (1,410)	\$ 1,808	\$ 4,057
Add:								
Capital expenditures	1,499	1,440	2,243	1,547	1,547	(828)	925	1,644
Net cash provided by operating activities	<u>\$ 6,048</u>	<u>\$ 5,842</u>	<u>\$ 5,606</u>	<u>\$ 5,206</u>	<u>\$ 5,206</u>	<u>\$ (2,238)</u>	<u>\$ 2,733</u>	<u>\$ 5,701</u>

Table 11 - Schedule of Spending for Dividends and Share Repurchases

<u>Millions of Dollars</u>	Three Months Ended				Year Ended	Three Months Ended		Six Months Ended
	March 31, 2017	June 30, 2017	September 30, 2017	December 31, 2017	December 31, 2017	March 31, 2018	June 30, 2018	June 30, 2018
Dividends	\$ 343	\$ 361	\$ 356	\$ 355	\$ 1,415	\$ 395	\$ 392	\$ 787
Repurchases of ordinary shares	160	410	296	—	866	119	351	470
Total	<u>\$ 503</u>	<u>\$ 771</u>	<u>\$ 652</u>	<u>\$ 355</u>	<u>\$ 2,281</u>	<u>\$ 514</u>	<u>\$ 743</u>	<u>\$ 1,257</u>

Table 12 - Reconciliation of Diluted EPS Excluding Certain Tax Adjustments to Diluted EPS

	Three Months Ended				
	June 30, 2017	September 30, 2017	December 31, 2017	March 31, 2018	June 30, 2018
Diluted earnings per share from continuing operations excluding adjustments	\$ 2.81	\$ 2.67	\$ 4.79	\$ 3.11	\$ 4.22
Less:					
Non-cash benefit due to change in tax law from the U.S. Tax Cuts and Jobs Act	—	—	2.07	—	—
Non-cash benefit from the settlement of prior-year tax positions	—	—	—	—	0.88
Diluted earnings per share from continuing operations	<u>\$ 2.81</u>	<u>\$ 2.67</u>	<u>\$ 2.72</u>	<u>\$ 3.11</u>	<u>\$ 3.34</u>

Table 13 - Reconciliation of Ratio of Total Debt to Last Twelve Months (LTM) EBITDA

<u>Millions of Dollars</u>	<u>Three Months Ended</u>				<u>Last Twelve Months</u>
	<u>September 30, 2017</u>	<u>December 31, 2017</u>	<u>March 31, 2018</u>	<u>June 30, 2018</u>	<u>June 30, 2018</u>
Current maturities of long-term debt					\$ 974
Short-term debt					76
Long-term debt					7,490
Total debt as of June 30, 2018					\$ 8,540
Divided by:					
EBITDA	\$ 1,821	\$ 1,726	\$ 1,913	\$ 2,010	\$ 7,470
Ratio of total debt to LTM EBITDA					<u>1.1</u>