



lyondellbasell

## Fourth Quarter 2015 Earnings

---

February 2, 2016

THE RIGHT PIECES IN THE RIGHT PLACES

# Cautionary Statement



The statements in this presentation relating to matters that are not historical facts are forward-looking statements. These forward-looking statements are based upon assumptions of management which are believed to be reasonable at the time made and are subject to significant risks and uncertainties. Actual results could differ materially based on factors including, but not limited to, the business cyclicalities of the chemical, polymers and refining industries; the availability, cost and price volatility of raw materials and utilities, particularly the cost of oil, natural gas, and associated natural gas liquids; competitive product and pricing pressures; labor conditions; our ability to attract and retain key personnel; operating interruptions (including leaks, explosions, fires, weather-related incidents, mechanical failure, unscheduled downtime, supplier disruptions, labor shortages, strikes, work stoppages or other labor difficulties, transportation interruptions, spills and releases and other environmental risks); the supply/demand balances for our and our joint ventures' products, and the related effects of industry production capacities and operating rates; our ability to achieve expected cost savings and other synergies; our ability to successfully execute projects and growth strategies; legal and environmental proceedings; tax rulings, consequences or proceedings; technological developments, and our ability to develop new products and process technologies; potential governmental regulatory actions; political unrest and terrorist acts; risks and uncertainties posed by international operations, including foreign currency fluctuations; and our ability to comply with debt covenants and service our debt. Additional factors that could cause results to differ materially from those described in the forward-looking statements can be found in the "Risk Factors" section of our Form 10-K for the year ended December 31, 2014, which can be found at [www.lyondellbasell.com](http://www.lyondellbasell.com) on the Investor Relations page and on the Securities and Exchange Commission's website at [www.sec.gov](http://www.sec.gov).

The illustrative results or returns of growth projects are not in any way intended to be, nor should they be taken as, indicators or guarantees of performance. The assumptions on which they are based are not projections and do not necessarily represent the Company's expectations and future performance. You should not rely on illustrated results or returns or these assumptions as being indicative of our future results or returns.

This presentation contains time sensitive information that is accurate only as of the date hereof. Information contained in this presentation is unaudited and is subject to change. We undertake no obligation to update the information presented herein except as required by law.

# Information Related to Financial Measures



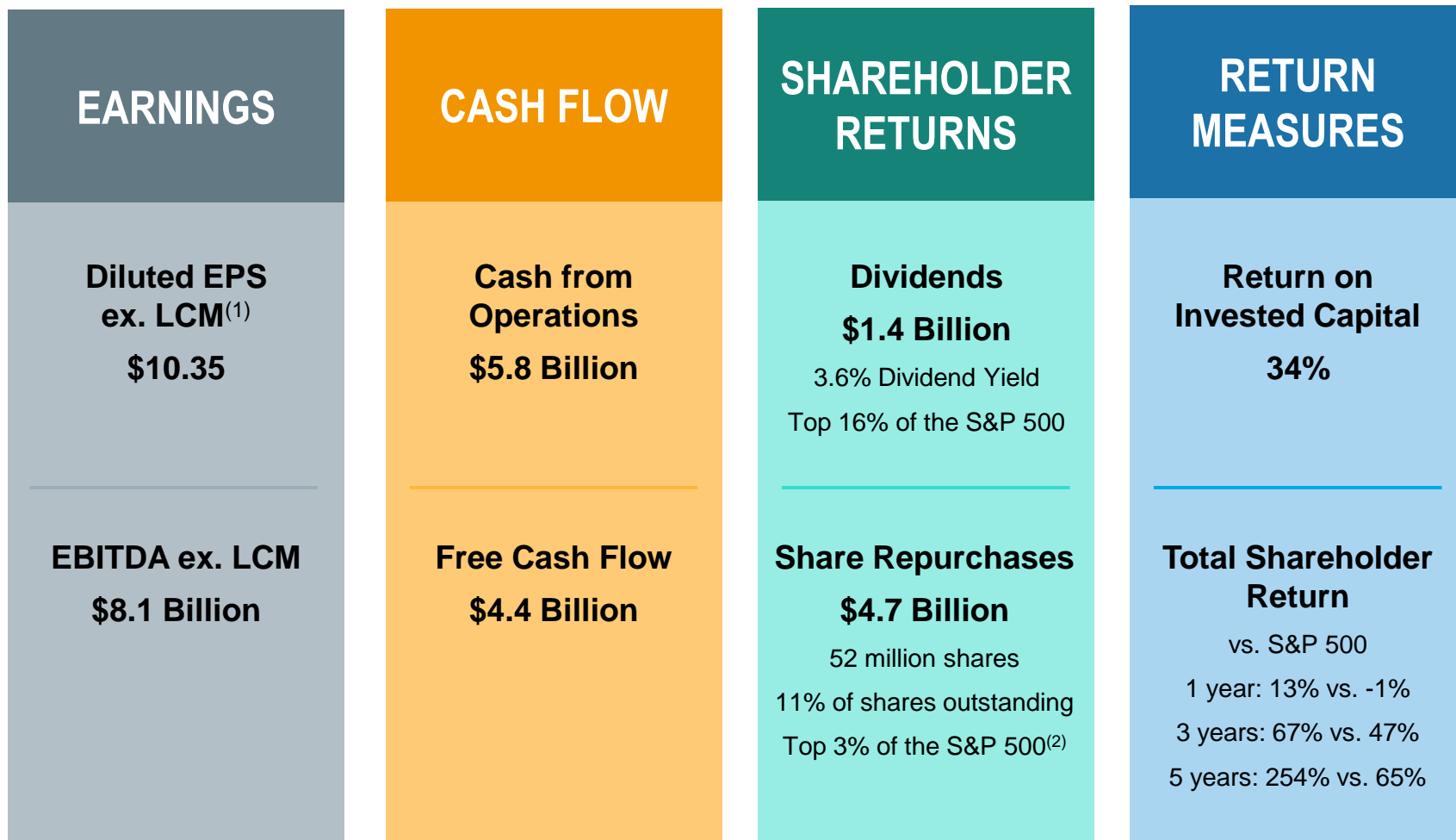
This presentation makes reference to certain “non-GAAP” financial measures as defined in Regulation G of the U.S. Securities Exchange Act of 1934, as amended. The non-GAAP measures we have presented include income from continuing operations excluding LCM, diluted earnings per share excluding LCM, EBITDA and EBITDA excluding LCM. LCM stands for “lower of cost or market,” which is an accounting rule consistent with GAAP related to the valuation of inventory. Our inventories are stated at the lower of cost or market. Cost is determined using the last-in, first-out (“LIFO”) inventory valuation methodology, which means that the most recently incurred costs are charged to cost of sales and inventories are valued at the earliest acquisition costs. Market is determined based on an assessment of the current estimated replacement cost and selling price of the inventory. In periods where the market price of our inventory declines substantially, cost values of inventory may be higher than the market value, which results in us writing down the value of inventory to market value in accordance with the LCM rule, consistent with GAAP. This adjustment is related to our use of LIFO accounting and the recent decline in pricing for many of our raw material and finished goods inventories. We report our financial results in accordance with U.S. generally accepted accounting principles, but believe that certain non-GAAP financial measures, such as EBITDA and earnings and EBITDA excluding LCM, provide useful supplemental information to investors regarding the underlying business trends and performance of the company's ongoing operations and are useful for period-over-period comparisons of such operations. Non-GAAP financial measures should be considered as a supplement to, and not as a substitute for, or superior to, the financial measures prepared in accordance with GAAP.

EBITDA, as presented herein, may not be comparable to a similarly titled measure reported by other companies due to differences in the way the measure is calculated. We calculate EBITDA as income from continuing operations plus interest expense (net), provision for (benefit from) income taxes, and depreciation & amortization. EBITDA should not be considered an alternative to profit or operating profit for any period as an indicator of our performance, or as an alternative to operating cash flows as a measure of our liquidity. We have also presented financial information herein exclusive of adjustments for LCM.

While we also believe that free cash flow (FCF) and book capital are measures commonly used by investors, free cash flow and book capital, as presented herein, may not be comparable to similarly titled measures reported by other companies due to differences in the way the measures are calculated. For purposes of this presentation, free cash flow means net cash provided by operating activities minus capital expenditures and book capital means total debt plus stockholders' equity plus minority interests.

Reconciliations for our non-GAAP measures can be found on our website at [www.lyb.com/investorrelations](http://www.lyb.com/investorrelations)

# LyondellBasell in 2015



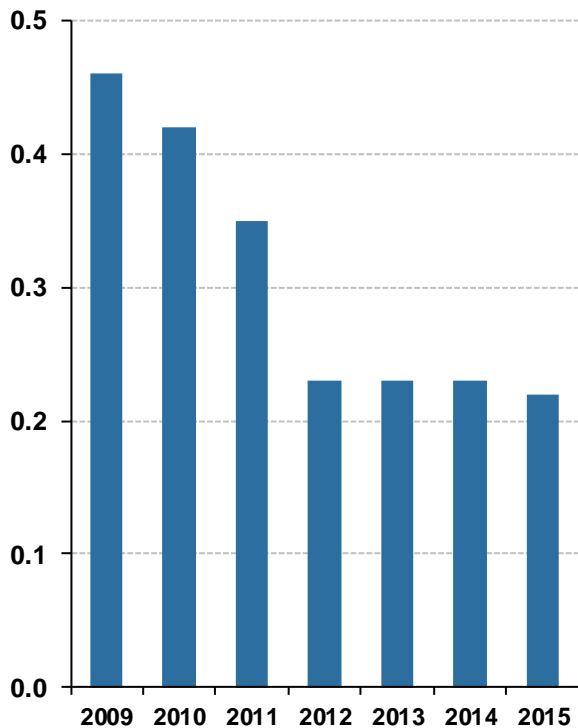
(1) LCM stands for "lower of cost or market." An explanation of LCM and why we have excluded it from our financial information in this presentation can be found on the third page of this presentation under "Information Related to Financial Measures."

(2) Share repurchases ranked as a percentage of LTM Average Enterprise Value.

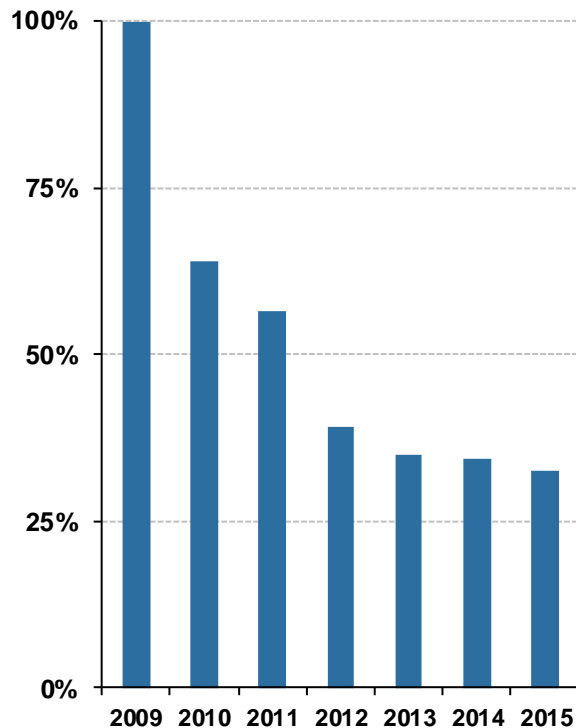
# LyondellBasell Safety Performance



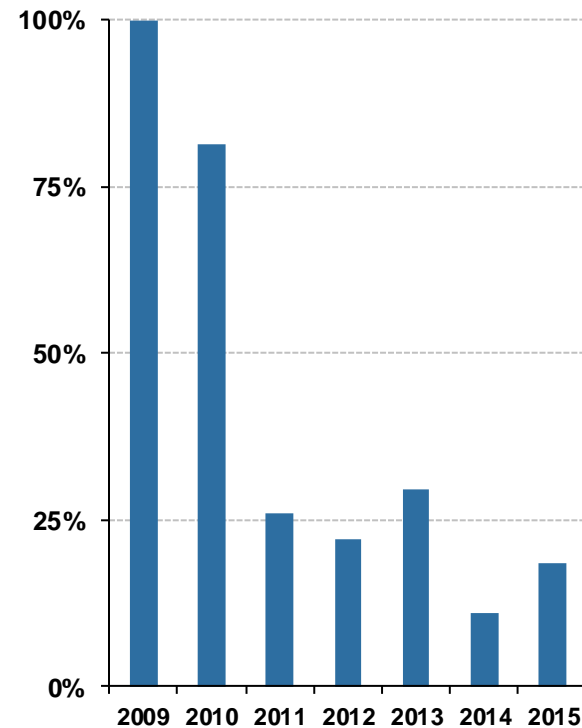
**Safety - Injuries per 200,000 Hours Worked<sup>(1)</sup>**



**Indexed Environmental Incidents**



**Indexed Process Incidents**



**Continued Top Decile Safety Performance**

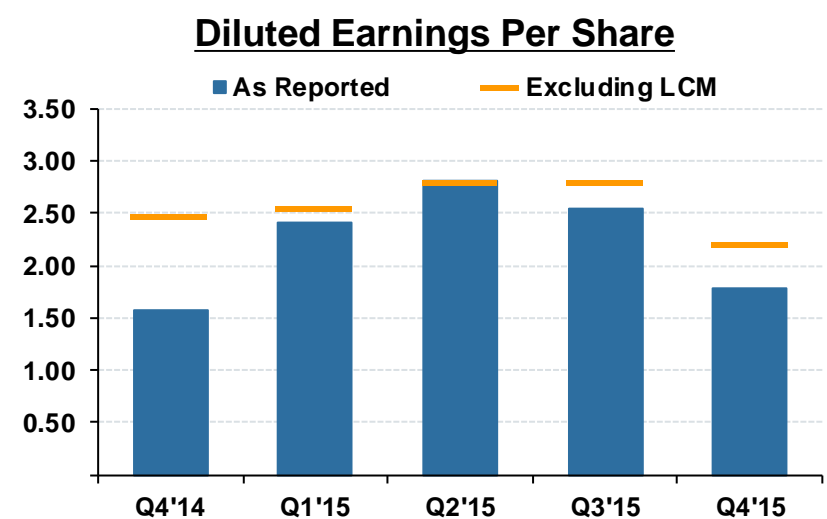
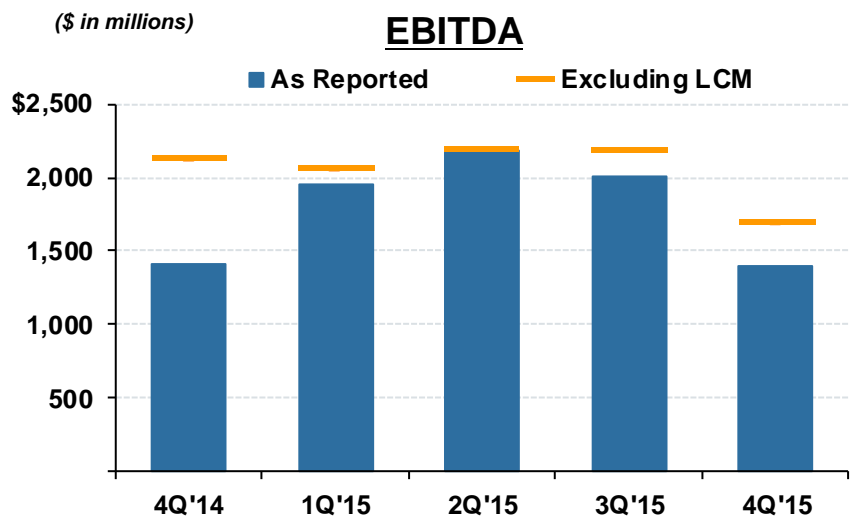
(1) Includes employees and contractors.

# Highlights



<i>(\$ in millions, except per share data)</i>	FY 2013	FY 2014 (As Reported)	FY 2015 (As Reported)	FY 2014 (ex. LCM) <sup>(1)</sup>	FY 2015 (ex. LCM)
EBITDA	\$6,311	\$7,050	\$7,533	\$7,810	\$8,081
Income from Continuing Operations	\$3,860	\$4,172	\$4,479	\$4,655	\$4,830
Diluted Earnings (\$ / share) from Continuing Operations	\$6.76	\$8.00	\$9.60	\$8.92	\$10.35

**Record Annual EBITDA<sup>(2)</sup>: \$8.1 Billion • 2015 Diluted EPS Growth >15% vs. 2014**



(1) LCM stands for "lower of cost or market." An explanation of LCM and why we have excluded it from our financial information in this presentation can be found on the third page of this presentation under "Information Related to Financial Measures."  
 (2) Calculated using EBITDA results excluding the impact of the LCM adjustments

# 2015 Accomplishments



## Financial Accomplishments

- Record earnings: EPS ex. LCM of \$10.35
- Generated \$5.8 billion cash from operations
- Repurchased 52 million shares (11%) for \$4.7 billion and paid \$1.4 billion in dividends
- Increased quarterly dividend by 11% to \$0.78 per share
- Issued \$1 billion of 40-year bonds at 4.625% coupon rate

## Operating Accomplishments

- Strong Operations:
  - U.S. ethylene operating rate: 95%
  - EU ethylene operating rate: 95%<sup>(1)</sup>
  - 2014 La Porte ethylene expansion operating 7% above design rates
  - 45% of our plants<sup>(2)</sup> set annual production records in 2015
- Advantaged Feedstocks:
  - 53% of EU ethylene produced from advantaged feeds
  - Canadian crude refining increased from 15% in 2014 to 30% in 2015
- Growth Projects
  - Completed 250 million pound per year ethylene expansion
  - Added over 120 million pounds of polypropylene compounds capacity
  - Increased methanol capacity by 40 million gallons
  - Advanced engineering work for new propylene oxide/oxyfuels, polyethylene and additional ethylene growth capacity

## Record EBITDA • Industry-leading shareholder returns • Record EPS ex. LCM of \$10.35

\$ in millions

Segment EBITDA	As Reported			
	2013	2014	2015	'14 - '15 Change
O&P Americas	3,573	3,911	3,661	(250)
O&P EAI	839	1,366	1,825	459
I&D	1,492	1,459	1,475	16
Refining	182	65	342	277
Technology	232	232	243	11
<b>Total EBITDA</b>	<b>6,311</b>	<b>7,050</b>	<b>7,533</b>	<b>483</b>

Excluding LCM

2015	'14 - '15 Change
3,821	(369)
1,855	445
1,656	104
519	110
243	11
<b>8,081</b>	<b>271</b>

(1) After adjustment for Münchmünster 2015 turnaround.

(2) Wholly-owned plant sites.

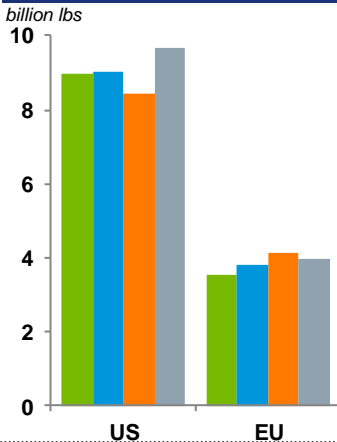


# Key Volumes and Margins: 2012 - 2015

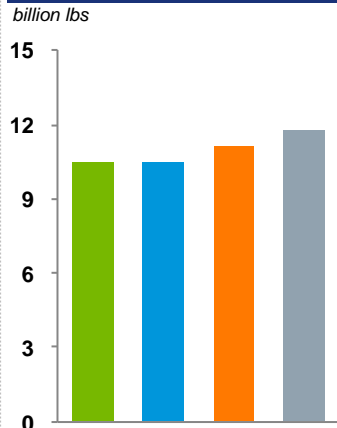


2012 2013 2014 2015

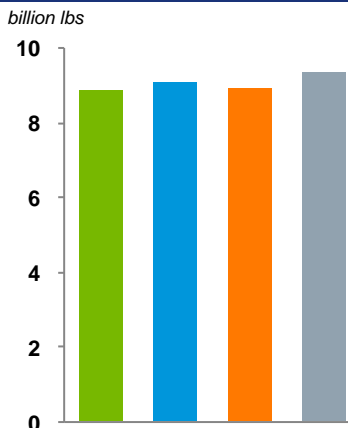
### Ethylene Volumes



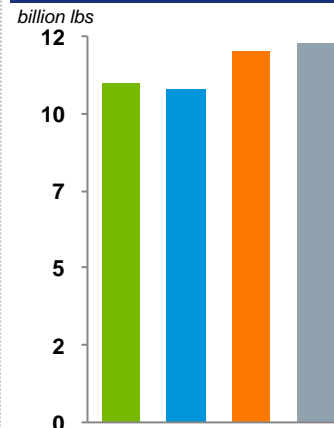
### Polyethylene Volumes



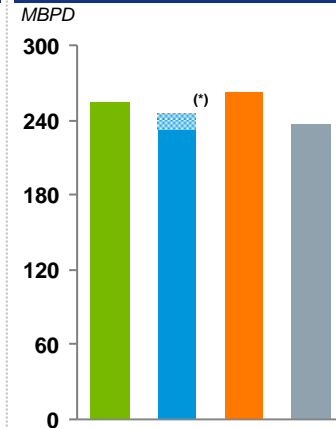
### Polypropylene Volumes



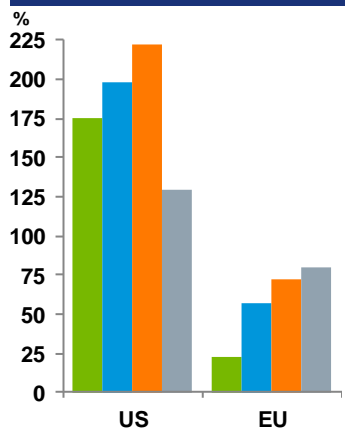
### I&D Chemical Volumes<sup>(1)</sup>



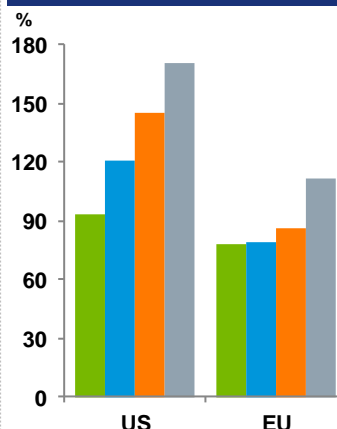
### HRO Crude Rates



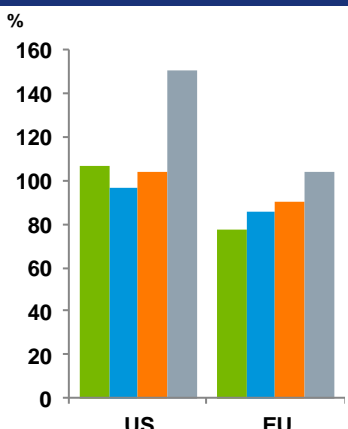
### Indexed Ethylene Cash Margins<sup>(2)</sup>



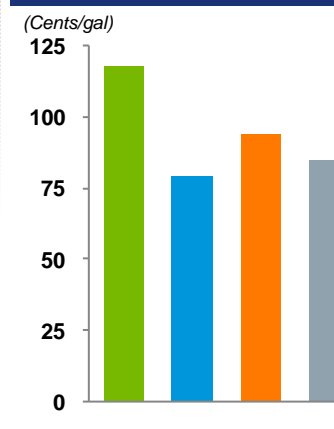
### Indexed Polyethylene Spreads<sup>(3)</sup>



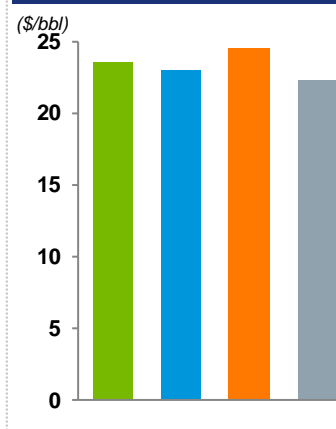
### Indexed Polypropylene Spreads<sup>(3)</sup>



### MTBE Raw Material Margin



### Maya 2-1-1 Spreads



1) I&D volumes exclude Oxyfuels; 2) EU ethylene cash margins normalized to 2010 US margins. 2010 indexed margin is equal to 100%; 3) Polyethylene and Polypropylene spreads indexed to 2010; 2010 indexed margins are equal to 100%; \* 2013 average crude processing rate excluding the impact from Q1'13 turnaround



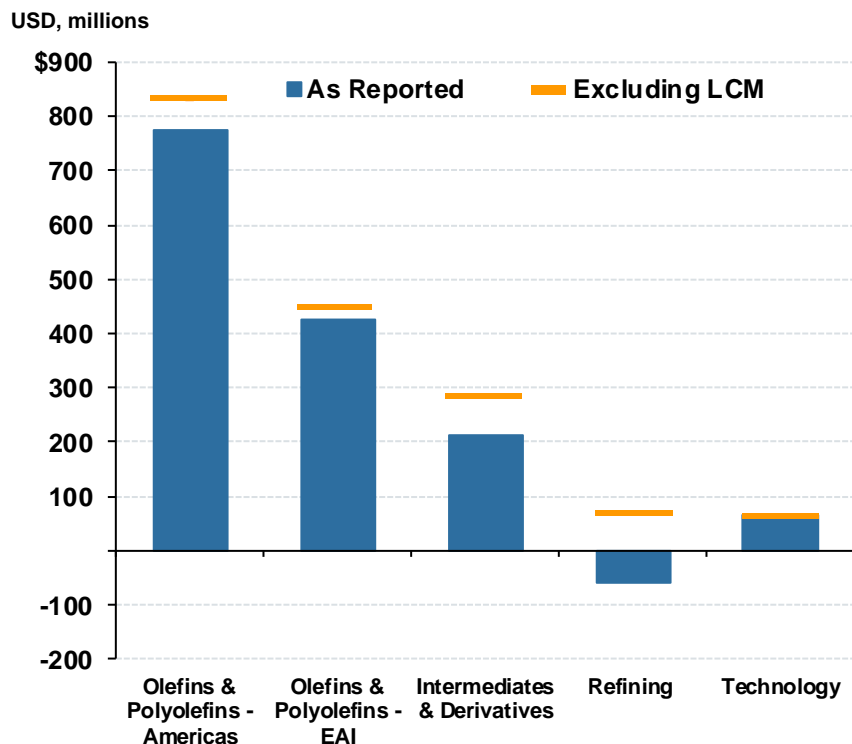


# Fourth Quarter 2015 and FY 2015 Segment EBITDA

## Fourth Quarter 2015

(\$, millions)	EBITDA	Op. Income
As Reported	\$1,394	\$1,052
As Adjusted for LCM	\$1,678	\$1,336

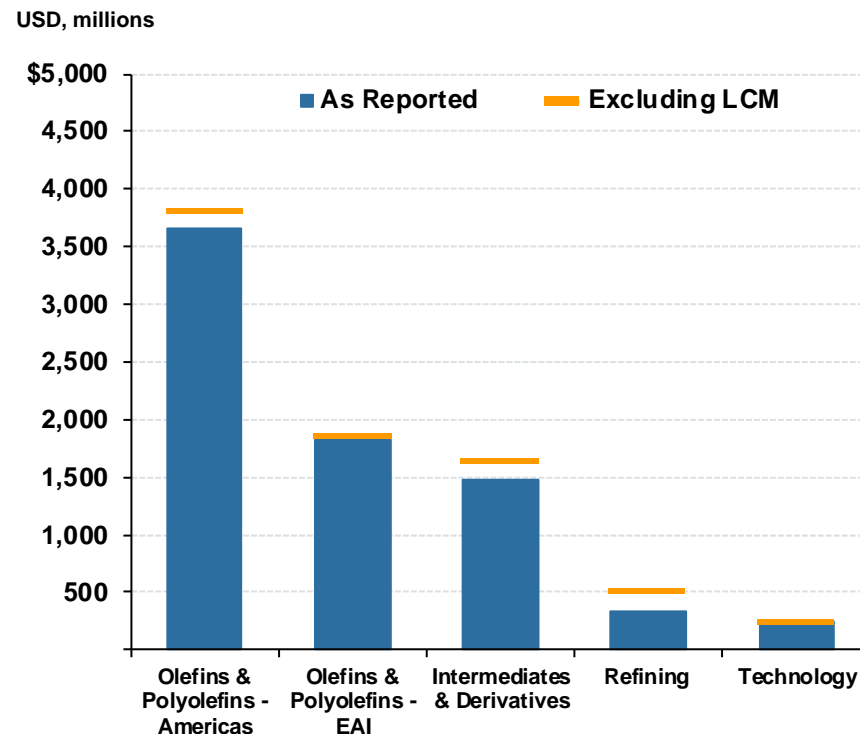
### Fourth Quarter 2015 EBITDA



## FY 2015

(\$, millions)	EBITDA	Op. Income
As Reported	\$7,533	\$6,122
As Adjusted for LCM	\$8,081	\$6,670

### FY 2015 EBITDA

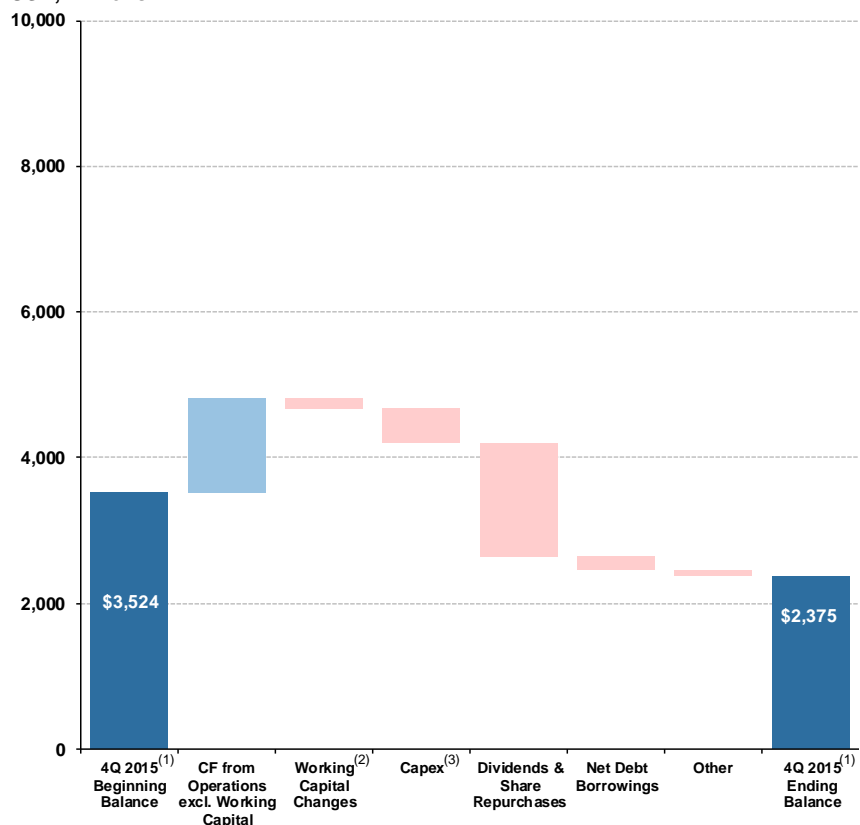


# Cash Flow



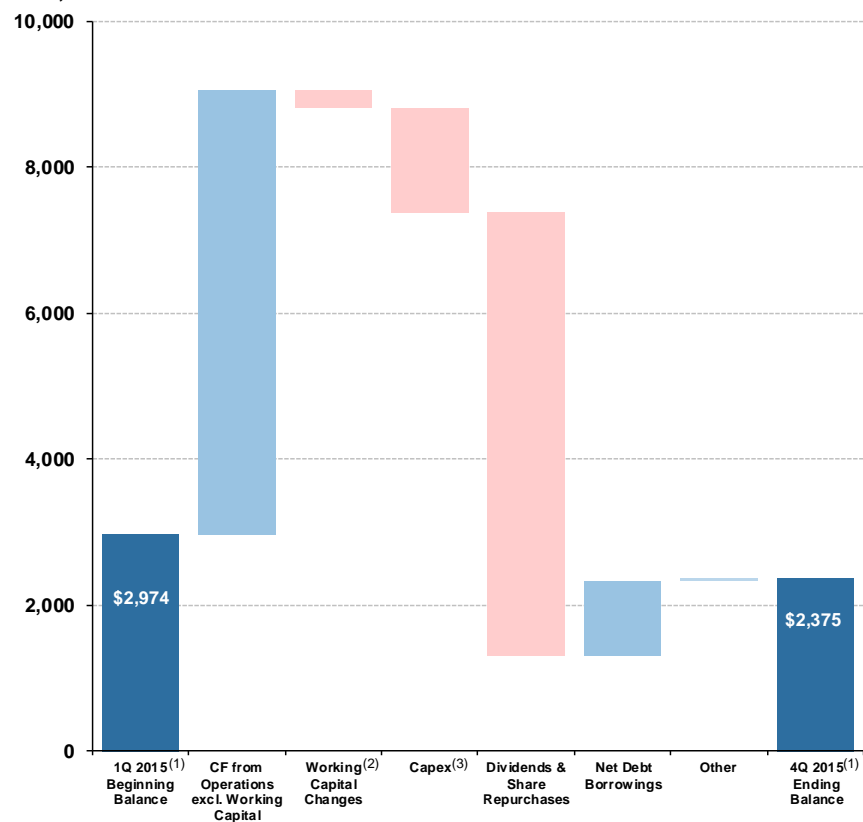
## Q4 2015

USD, millions



## FY 2015

USD, millions



**\$5.8 billion in cash from operations generated during 2015**

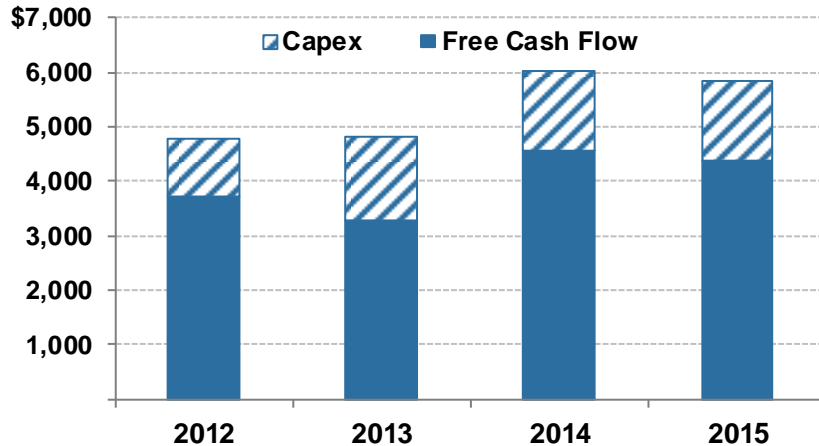
(1) Beginning and ending cash balances include cash and liquid investments; (2) Includes accounts receivable, inventories and accounts payable; (3) Includes capital and maintenance turnaround spending.

# Strong Cash Generation, Share Repurchases & Dividends



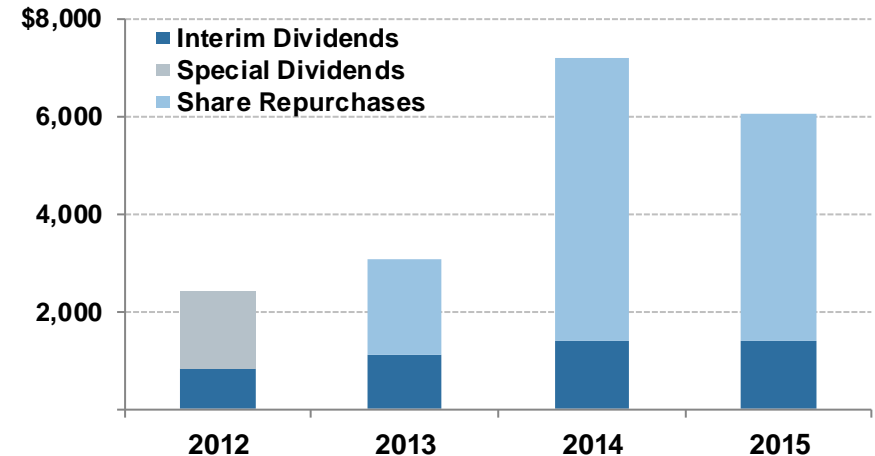
## Cash From Operations

USD, millions



## Dividends & Share Repurchases

USD, millions



## Key Statistics

### Snapshot at December 31, 2015

FCF<sup>(1)</sup>: \$4.4 billion

Capex: \$1.4 billion

Cash<sup>(2)</sup>: \$2.4 billion

Total Debt/EBITDA<sup>(3)</sup>: 1.0x

- 12.7 million shares (2.8% of total) purchased during the fourth quarter
- \$6.1 billion in share repurchases and dividends during 2015

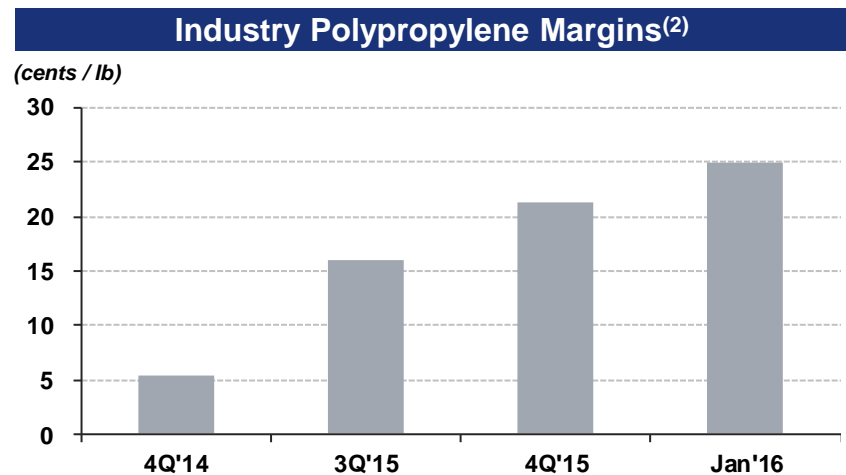
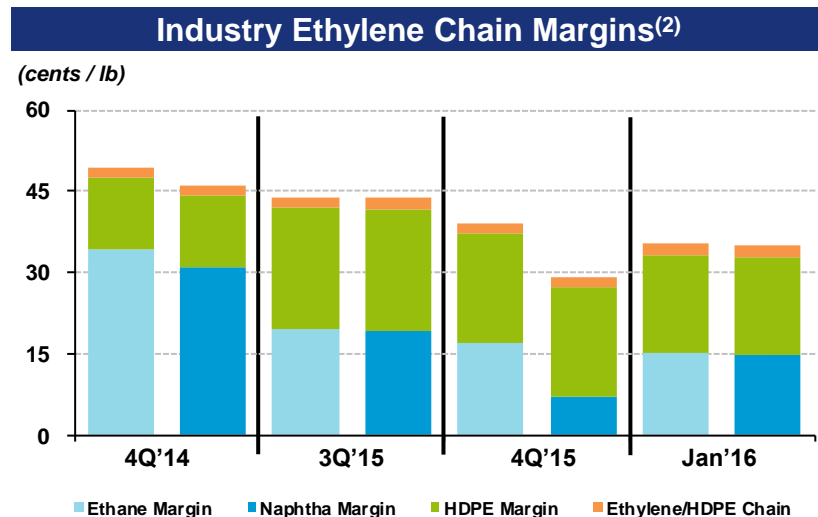
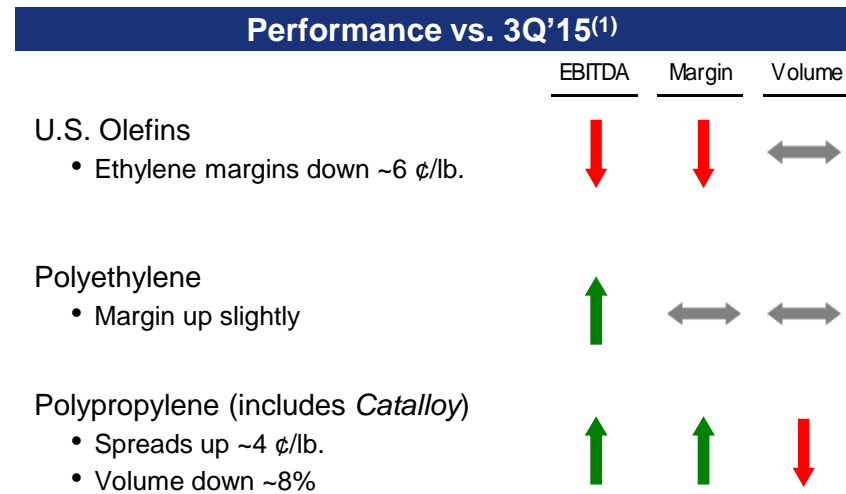
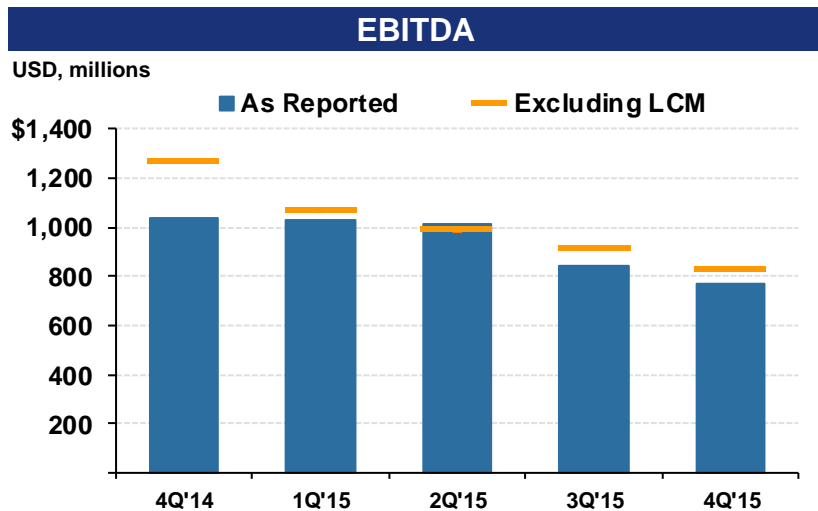
(1) Free Cash Flow = Cash from Operations – Capital Expenditures

(2) Cash balances include cash and liquid investments

(3) EBITDA excludes LCM adjustments

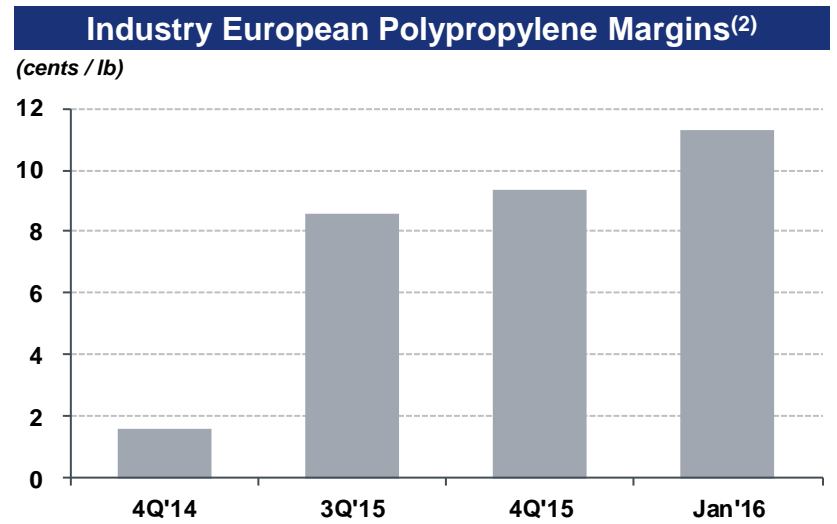
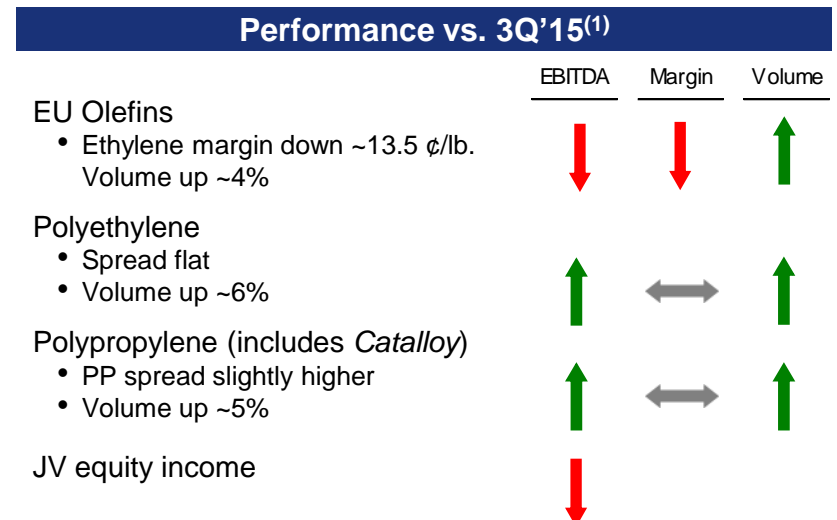
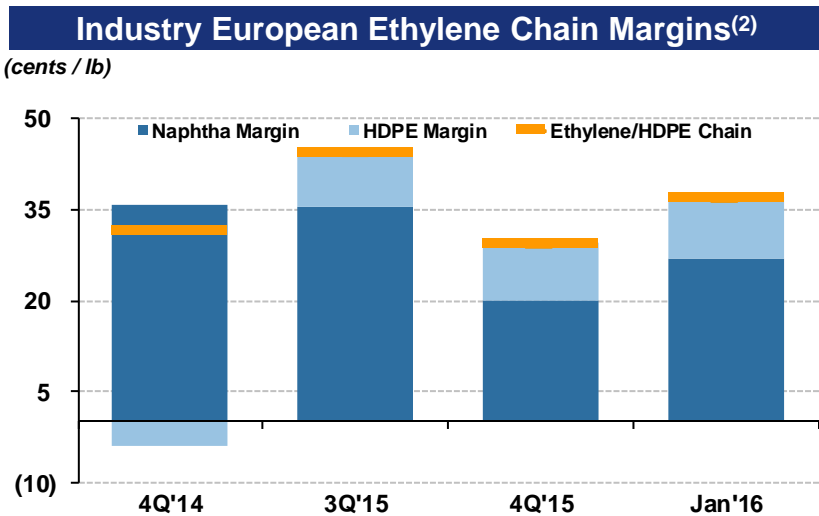
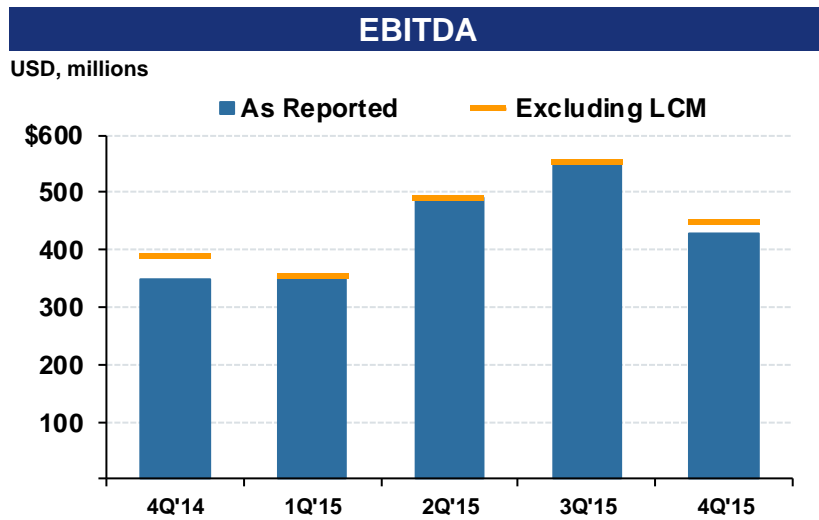
# Olefins & Polyolefins – Americas

## Highlights and Business Drivers – 4Q'15



(1) The direction of the arrows reflects our underlying business metrics. (2) Source: Quarterly and January 29, 2016 month-to-date average industry data from IHS.

# Olefins & Polyolefins – Europe, Asia, International Highlights and Business Drivers – 4Q'15



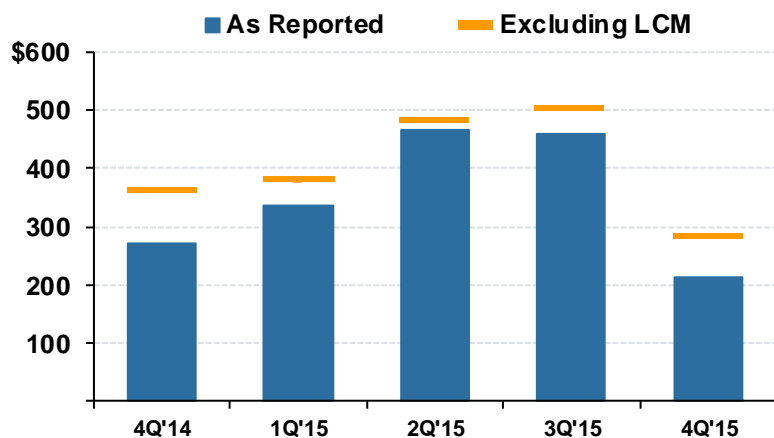
(1) The direction of the arrows reflects our underlying business metrics. (2) Source: Quarterly and January 29, 2016 month-to-date average industry data from IHS.

# Intermediates & Derivatives Highlights and Business Drivers – 4Q'15



## EBITDA

USD, millions

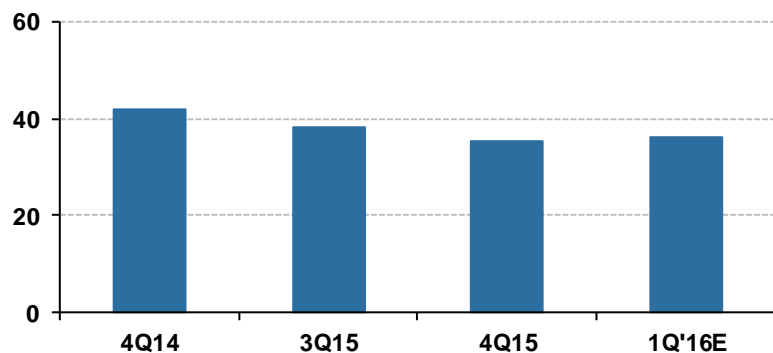


## Performance vs. 3Q'15<sup>(1)</sup>

	EBITDA	Margin	Volume
Propylene Oxide and Derivatives	↓	↓	↔
• Margins lower due to sales mix			
Intermediates	↓	↓	↓
• Lower Styrene and Methanol margin			
• Volume lower due to Acetyls turnaround			
Oxyfuels	↓	↓	↓
• Seasonal decline in margin and volume			

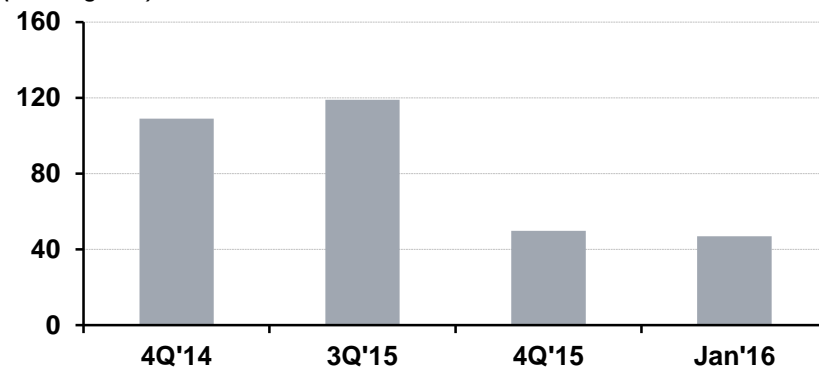
## P-Glycol Raw Material Margins (per Chemdata)

(cents / lb)



## EU MTBE Raw Material Margins (per Platts)<sup>(2)</sup>

(cents / gallon)



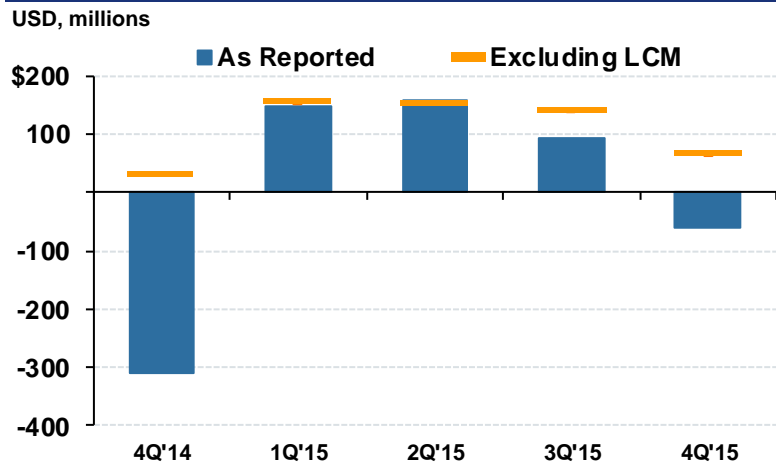
(1) The direction of the arrows reflects our underlying business metrics.

(2) Quarterly and January 29, 2016 month-to-date averages.

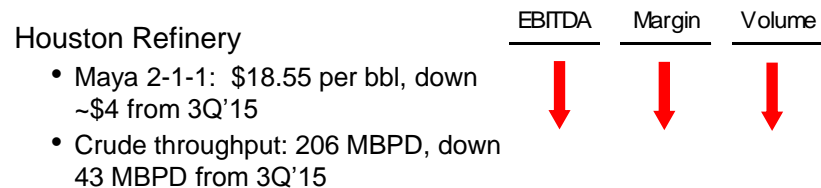
# Refining Highlights and Business Drivers – 4Q'15



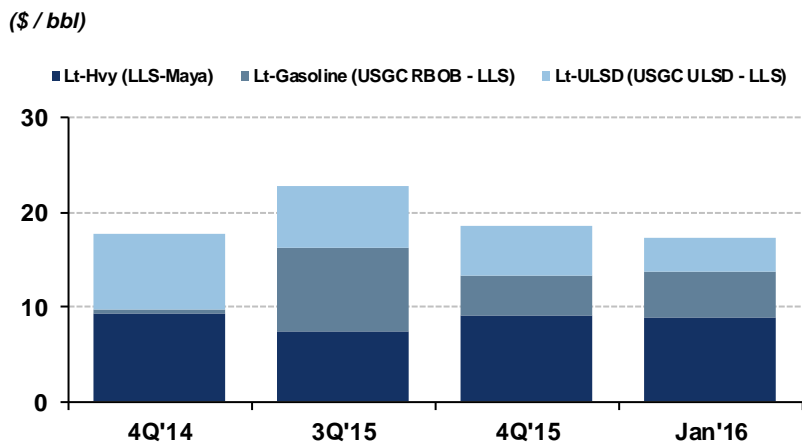
## EBITDA



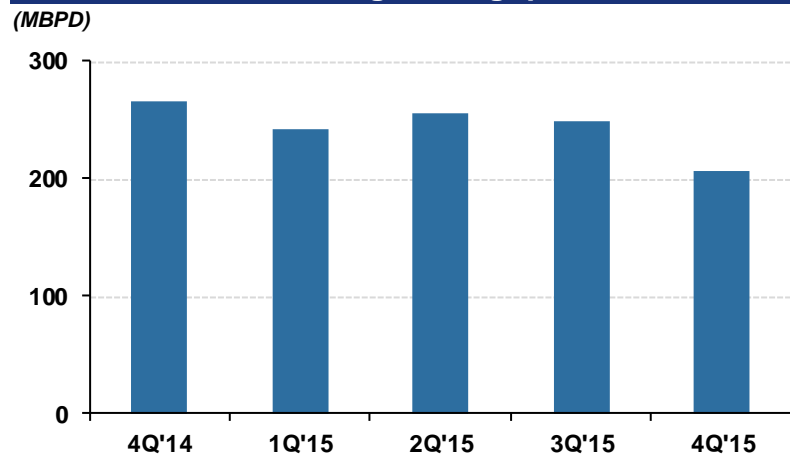
## Performance vs. 3Q'15<sup>(1)</sup>



## Refining Spreads (per Platts)<sup>(2)</sup>



## Refining Throughput



(1) The direction of the arrows reflects our underlying business metrics.

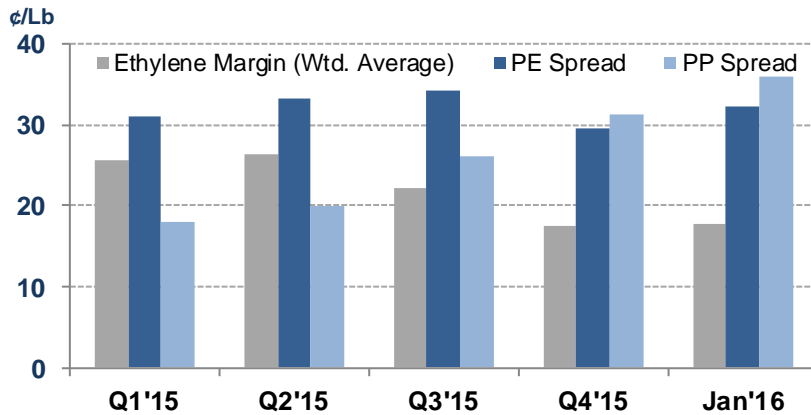
(2) Light Louisiana Sweet (LLS) is the referenced light crude. Data represents quarterly and January 28, 2016 month-to-date average.



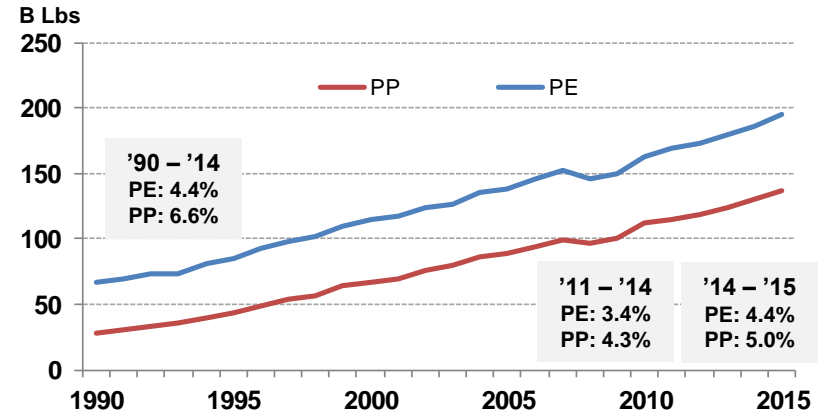
# Continued Strength Despite Macro Uncertainty



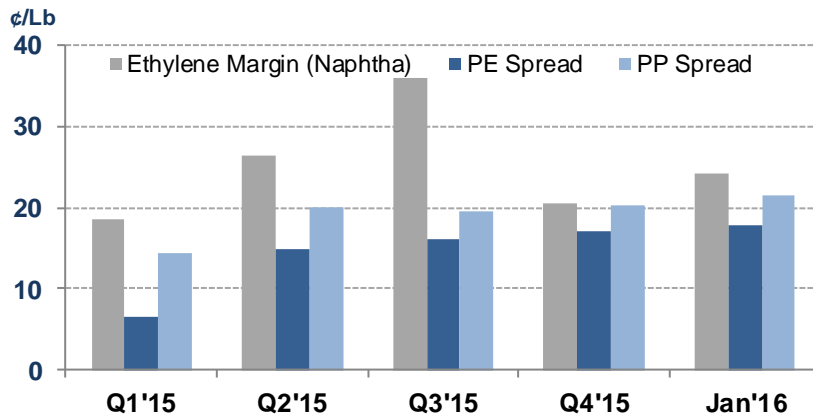
## North America Spreads<sup>(1)</sup>



## Steady Growth in Global Polymer Demand



## Western Europe Spreads<sup>(1)</sup>



## LYB Polymer Capacity<sup>(2)</sup>

	O&P - Americas	O&P - EAI
Owned PE	6.2 B	4.3 B
+ JV share	--	0.9 B
<b>Total PE</b>	<b>6.2 B</b>	<b>5.2 B</b>
Owned PP	3.7 B	5.6 B
+ JV share	0.6 B	2.6 B
<b>Total PP</b>	<b>4.3 B</b>	<b>8.2 B</b>

(1) Source: Quarterly and January 26, 2016 month-to-date average industry data from IHS.  
(2) Includes *Cataloy* capacity.

# Fourth Quarter Summary and Outlook



## Fourth Quarter Summary<sup>(1)</sup>

- Ethylene industry conditions adjusted toward a balanced market
- Planned maintenance during the quarter resulted in an EBITDA impact of approximately \$55 million
- Operating issues during the quarter resulted in an estimated EBITDA impact of \$105 million
- O&P Americas and O&P EAI continued to benefit from higher polyolefin margins helping to mitigate a decline in olefins
- I&D results lower from seasonal Oxyfuels decline and from lower Methanol and Styrene results
- Refining results declined as a result of operating interruptions and lower margins

## Near-Term Outlook

- Volatility of oil and uncertainty of economic picture makes forecasting difficult
- Crude oil price decline of the 4<sup>th</sup> Quarter has continued into 1Q 2016
- Planned maintenance activity at the Houston Refinery is expected to impact 1Q EBITDA by \$40 million and at our Berre, France Olefins site by \$20 million
- Natural gas and NGL supply, inventory, and price remain favorable
- Demand growth remains strong with balanced markets that can quickly tighten

(1) Comments exclude the impacts of the LCM inventory adjustments

# Investor Reception 2016: Save the Date



## LYB Investor Reception | March 16, 2016 | Houston, TX

LyondellBasell will hold an Investor Reception on the evening of **Wednesday March 16, 2016**, after the first day of the IHS World Petrochemical Conference in Houston.

This is a valuable opportunity to meet with members of our executive leadership team and have informal conversations about LyondellBasell businesses.

Invitations and additional information to follow.