

PolyOne Investor Presentation

March 2016

The logo features the word "PolyOne" in a serif font, with "Poly" in black and "One" in red. A red swoosh underline is positioned beneath the text. The entire logo is set against a background of three overlapping red curved lines that sweep across the bottom right of the slide.

*PolyOne*TM

Collaboration. Innovation. Excellence.

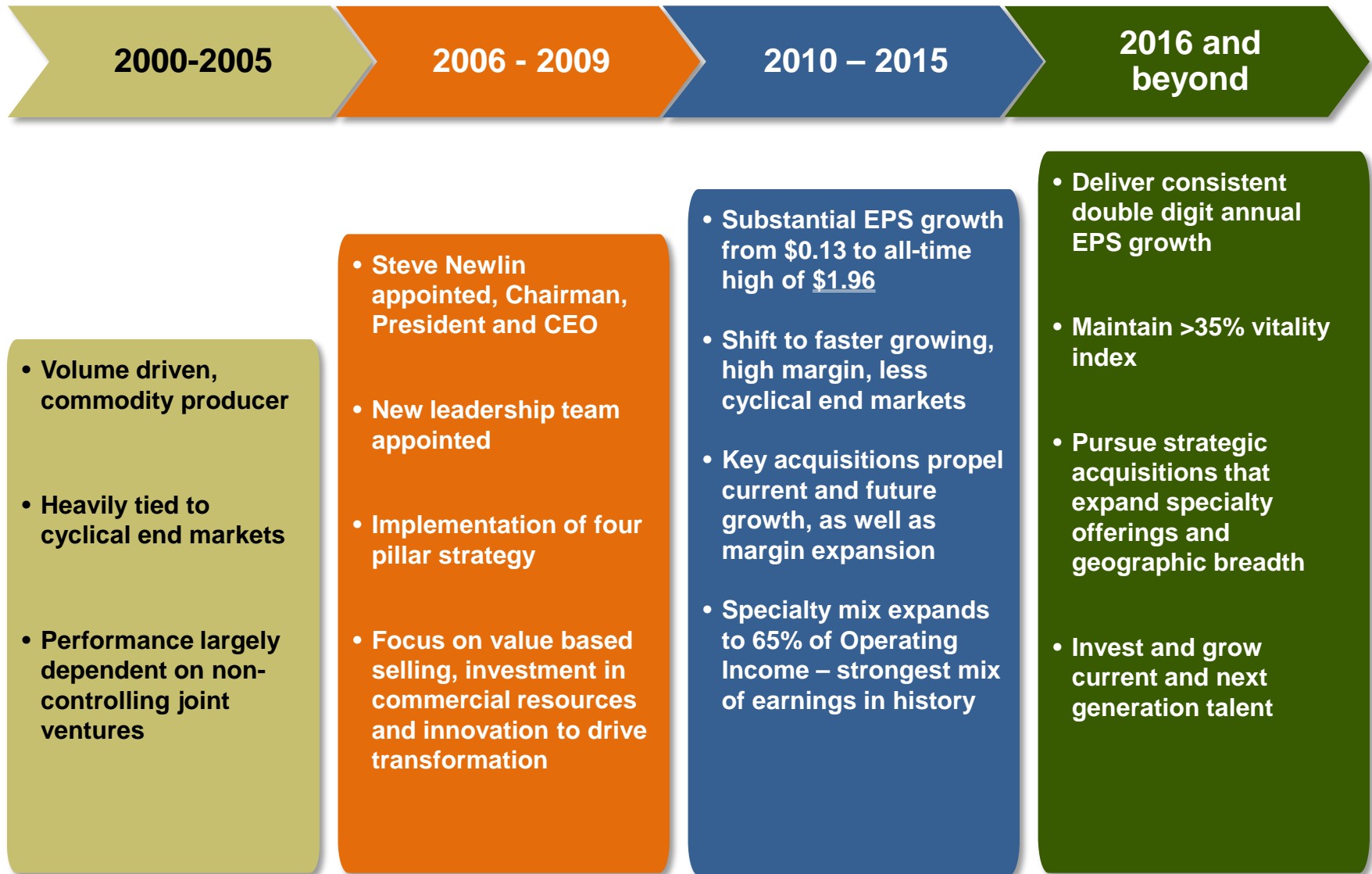
Forward-Looking Statements

- In this presentation, statements that are not reported financial results or other historical information are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements give current expectations or forecasts of future events and are not guarantees of future performance. They are based on management’s expectations that involve a number of business risks and uncertainties, any of which could cause actual results to differ materially from those expressed in or implied by the forward-looking statements. They use words such as “will,” “anticipate,” “estimate,” “expect,” “project,” “intend,” “plan,” “believe,” and other words and terms of similar meaning in connection with any discussion of future operating or financial performance and/or sales.
- Factors that could cause actual results to differ materially from those implied by these forward-looking statements include, but are not limited to:
 - ✓ Our ability to realize anticipated savings and operational benefits from the realignment of assets, including the closure of manufacturing facilities;
 - ✓ The timing of closings and shifts of production to new facilities related to asset realignments and any unforeseen loss of customers and/or disruptions of service or quality caused by such closings and/or production shifts;
 - ✓ Separation and severance amounts that differ from original estimates;
 - ✓ Amounts for non-cash charges related to asset write-offs and accelerated depreciation realignments of property, plant and equipment, that differ from original estimates;
 - ✓ Our ability to identify and evaluate acquisition targets and consummate acquisitions;
 - ✓ The ability to successfully integrate acquired companies into our operations, retain the management teams of acquired companies, retain relationships with customers of acquired companies, and achieve the expected results of such acquisitions, including whether such businesses will be accretive to our earnings;
 - ✓ Disruptions, uncertainty or volatility in the credit markets that could adversely impact the availability of credit already arranged and the availability and cost of credit in the future;
 - ✓ The financial condition of our customers, including the ability of customers (especially those that may be highly leveraged and those with inadequate liquidity) to maintain their credit availability;
 - ✓ The speed and extent of an economic recovery, including the recovery of the housing market;
 - ✓ Our ability to achieve new business gains;
 - ✓ The effect on foreign operations of currency fluctuations, tariffs and other political, economic and regulatory risks;
 - ✓ Changes in polymer consumption growth rates and laws and regulations regarding the disposal of plastic in jurisdictions where we conduct business;
 - ✓ Changes in global industry capacity or in the rate at which anticipated changes in industry capacity come online;
 - ✓ Fluctuations in raw material prices, quality and supply and in energy prices and supply; production outages or material costs associated with scheduled or unscheduled maintenance programs;
 - ✓ Unanticipated developments that could occur with respect to contingencies such as litigation and environmental matters;
 - ✓ An inability to achieve or delays in achieving or achievement of less than the anticipated financial benefit from initiatives related to working capital reductions, cost reductions and employee productivity goals;
 - ✓ An inability to raise or sustain prices for products or services;
 - ✓ An inability to maintain appropriate relations with unions and employees;
 - ✓ Our ability to continue to pay cash dividends;
 - ✓ The amount and timing of repurchases of our common shares, if any; and
 - ✓ Other factors affecting our business beyond our control, including, without limitation, changes in the general economy, changes in interest rates and changes in the rate of inflation.
- The above list of factors is not exhaustive.
- We undertake no obligation to publicly update forward-looking statements, whether as a result of new information, future events or otherwise. You are advised to consult any further disclosures we make on related subjects in our reports on Form 10-Q, 8-K and 10-K that we provide to the Securities and Exchange Commission.

Use of Non-GAAP Measures

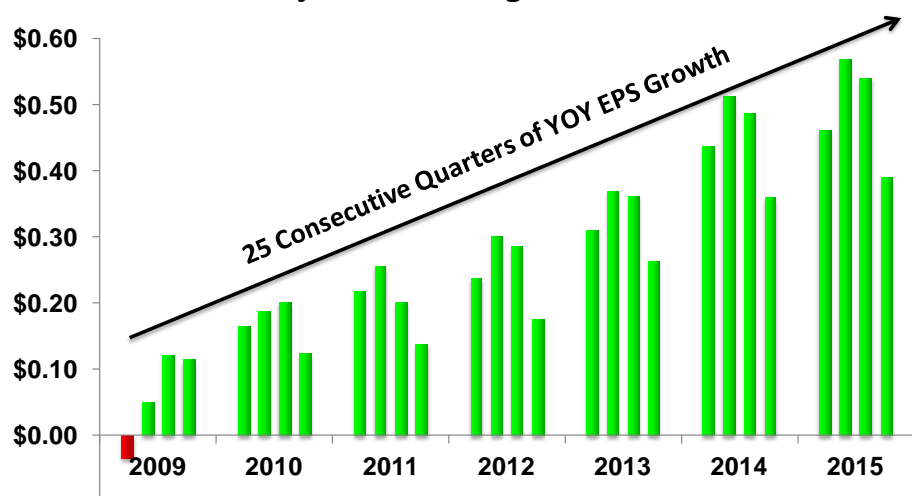
- This presentation includes the use of both GAAP (generally accepted accounting principles) and non-GAAP financial measures. The non-GAAP financial measures include: adjusted EPS, earnings before interest, tax, depreciation and amortization (EBITDA), adjusted EBITDA, net debt, Specialty platform operating income, Specialty platform gross margin percentage, adjusted operating income, return on invested capital, net debt/ EBITDA, and the exclusion of corporate charges in certain calculations.
- PolyOne's chief operating decision maker uses these financial measures to monitor and evaluate the ongoing performance of the Company and each business segment and to allocate resources. In addition, operating income before special items and adjusted EPS are components of various PolyOne annual and long-term employee incentive plans.
- A reconciliation of each non-GAAP financial measure with the most directly comparable GAAP financial measure is attached to this presentation which is posted on our website at www.polyone.com.

PolyOne Commodity to Specialty Transformation

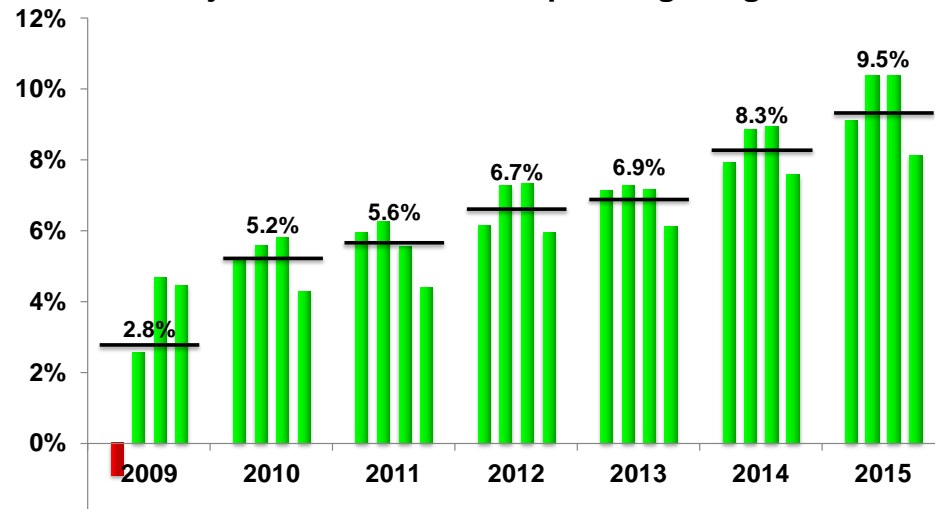


25 Consecutive Quarters of EPS Growth

Adjusted Earnings Per Share



Adjusted Consolidated Operating Margin

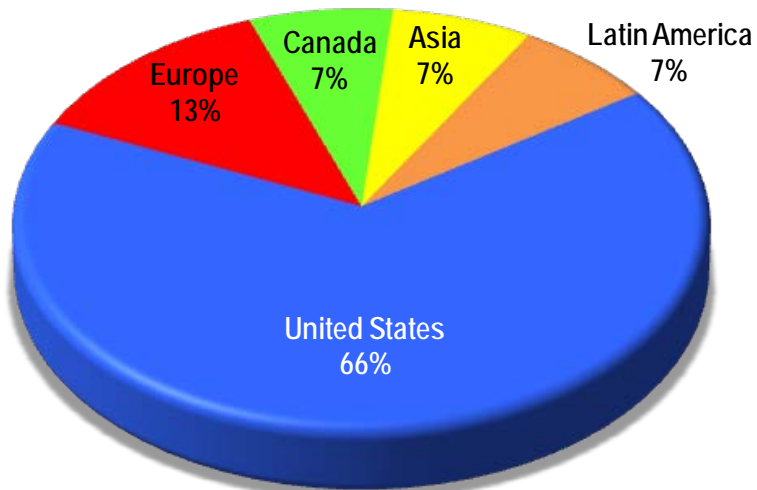


Note: 2009 has not been restated for subsequent changes in accounting principles or discontinued operations

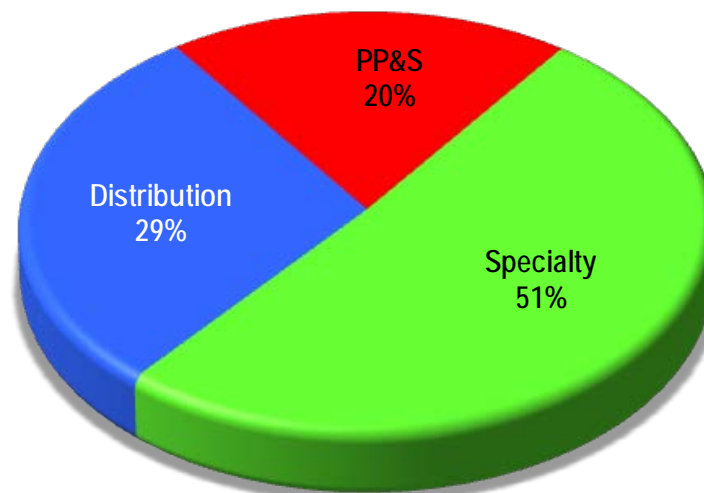
PolyOne

At A Glance

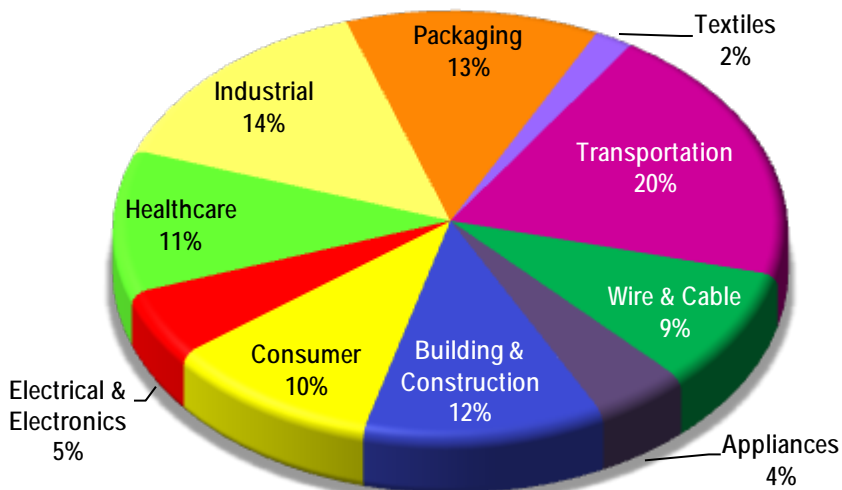
2015 Revenues: \$3.4 Billion



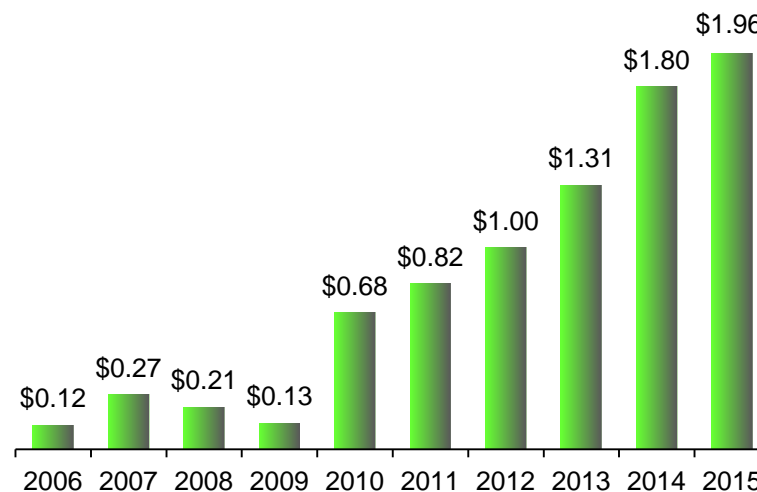
2015 Revenues: \$3.4 Billion



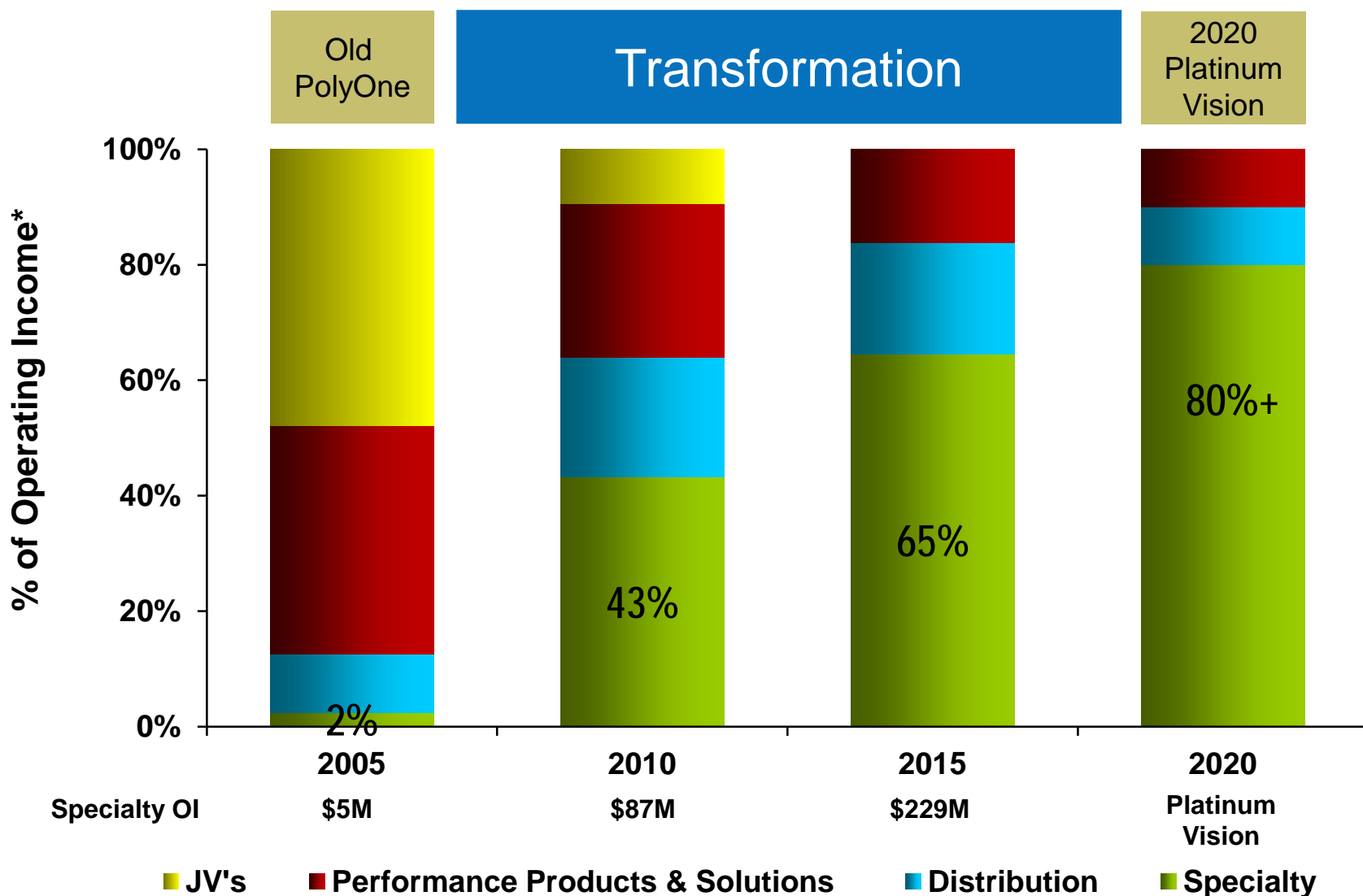
End Markets



Adjusted EPS



Mix Shift Highlights Specialty Transformation

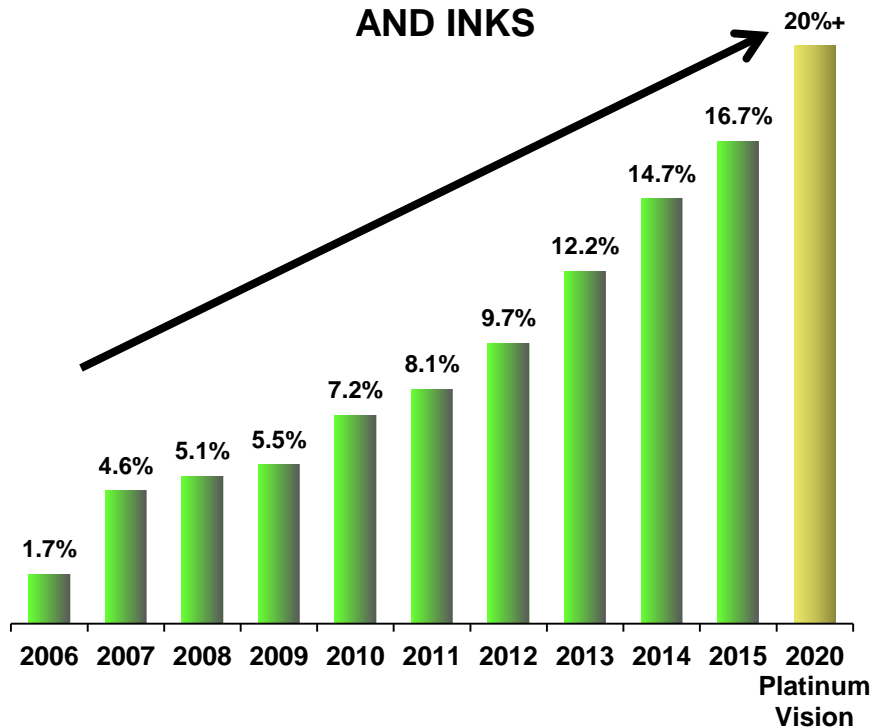


*Operating Income excludes corporate charges and special items

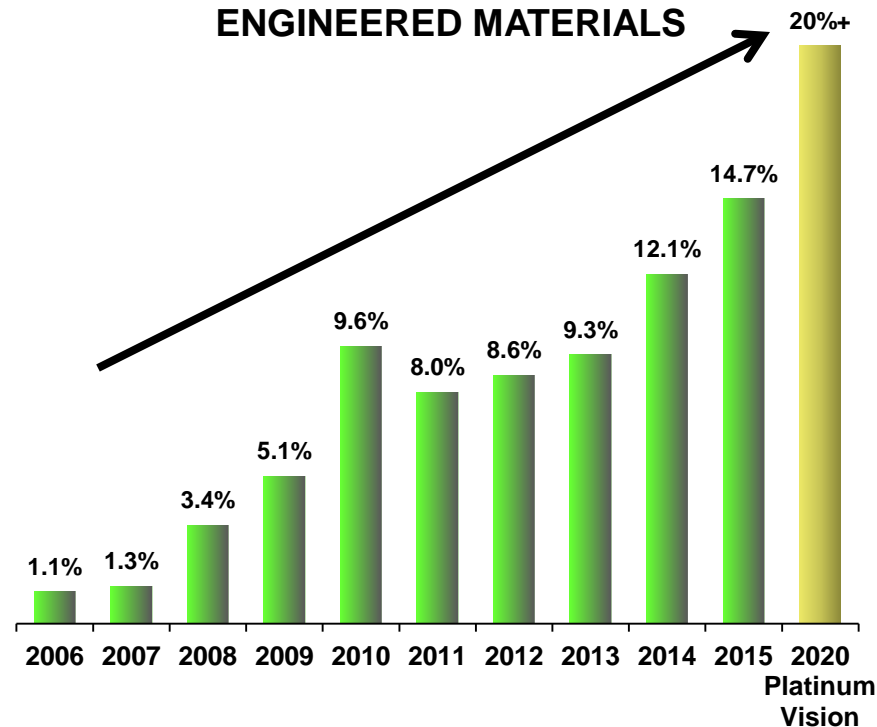
Color and Engineered Materials at the Heart of Specialty Transformation

OPERATING MARGIN

COLOR, ADDITIVES AND INKS



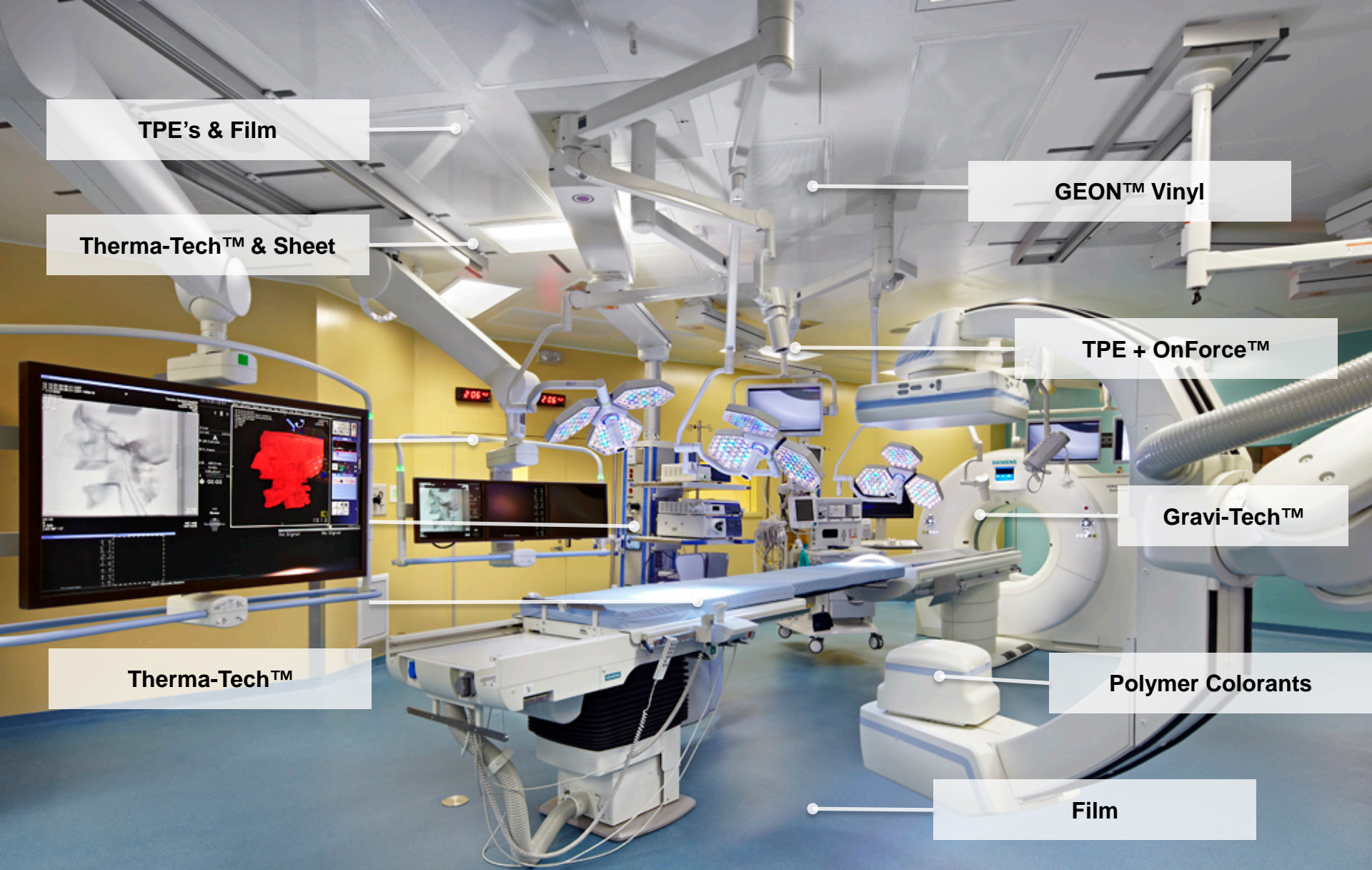
SPECIALTY ENGINEERED MATERIALS



Proof of Performance & 2020 Goals

	2006 “Where we were”	2015 “Where we are”	2020 Platinum Vision
1) Operating Income %			
Specialty:			
Color, Additives & Inks	1.7%	16.7%	20%+
Specialty Engineered Materials	1.1%	14.7%	20%+
Designed Structures & Solutions	1.4% (2012)	3.0%	12 – 14%
Performance Products & Solutions	5.5%	8.3%	10 – 12%
Distribution	2.6%	6.6%	6.5 – 7.5%
2) Specialty Platform % of Operating Income	6.0%	65%	80%+
3) ROIC*	5.0%	11.8%	15%
4) Adjusted EPS Growth	N/A	25 Consecutive Quarters of YOY EPS Growth	Double Digit Expansion

*ROIC is defined as TTM adjusted OI divided by the sum of average debt and equity over a 5 quarter period



TPE's & Film

Therma-Tech™ & Sheet

GEON™ Vinyl

TPE + OnForce™

Gravi-Tech™

Therma-Tech™

Polymer Colorants

Film

Target End Markets... Healthcare

Outdoor Recreation Product Sales \$120.7 Billion

APPAREL, FOOTWEAR,
EQUIPMENT, VEHICLES,
ACCESSORIES, SERVICES



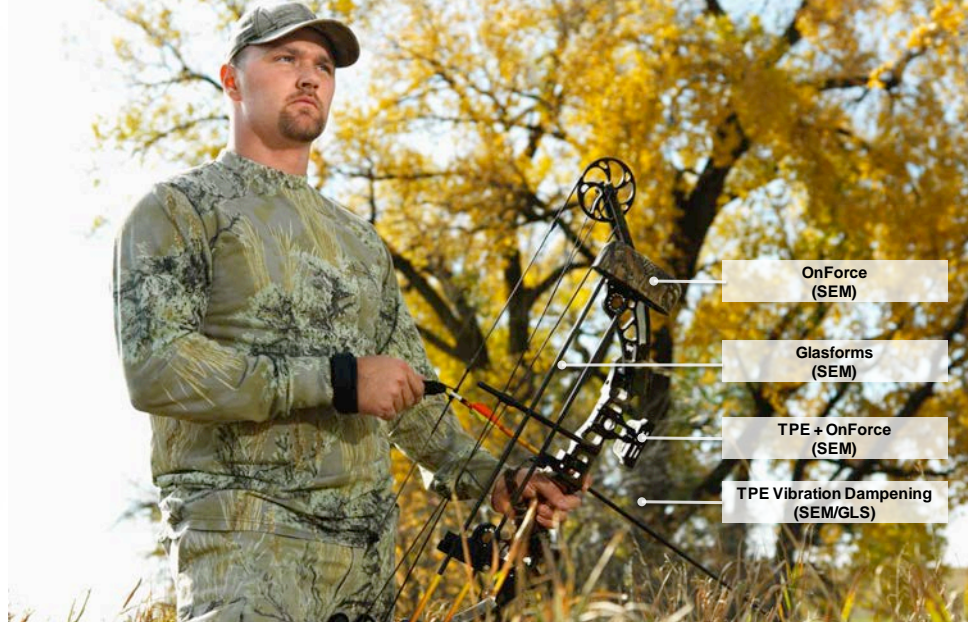
Trips and Travel- Related Spending \$524.8 Billion

FOOD/DRINK, TRANSPORTATION,
ENTERTAINMENT/ACTIVITIES,
LODGING, SOUVENIRS/GIFTS/MISC.



**\$646
Billion
Direct
Sales**

Source: Outdoor Industry Association



OnForce
(SEM)

Glasforms
(SEM)

TPE + OnForce
(SEM)

TPE Vibration Dampening
(SEM/GLS)



Thermoplastic Elastomers
(SEM)

Sheet
(DSS)

Glasforms
(SEM)

Polymer Colorants
(CAI)



Thermoplastic Elastomers
(SEM)

TPE & Film
(SEM + DSS)

Polymer Colorants
(CAI)

Thermatech
(SEM)

Glasforms
(SEM)

TPE + OnForce
(SEM)

OnForce
(SEM)

Target End Markets... Outdoor High Performance



Sound & Vibration Management

Roof Systems

Interior & Exterior Trim

Interior Structural Components

Underhood Components

Air management

Electronics & Cameras

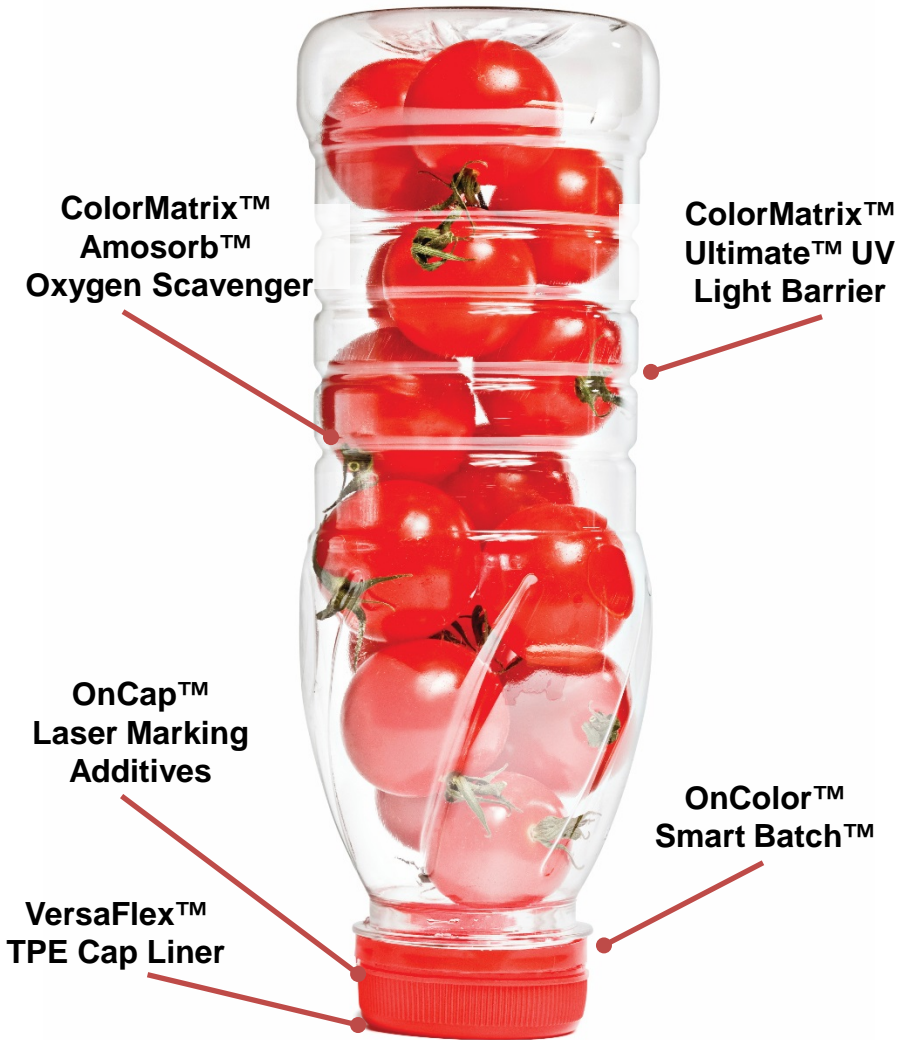
Lighting

Fluid Handling

Fuel Handling Systems

Structural Braces & Brackets

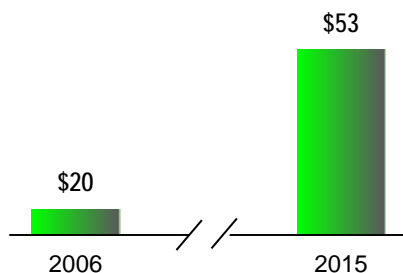
Target End Markets... Automotive



Target End Markets... Packaging

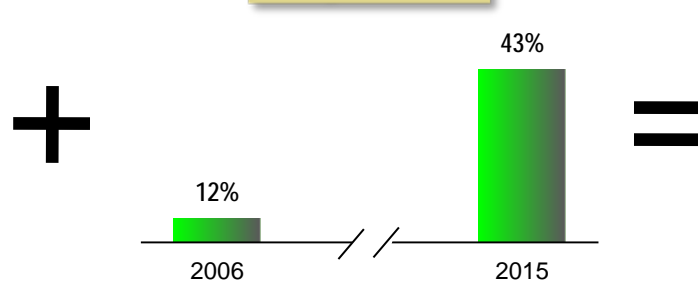
Innovation Drives Earnings Growth

Research & Development Spending (\$ millions)

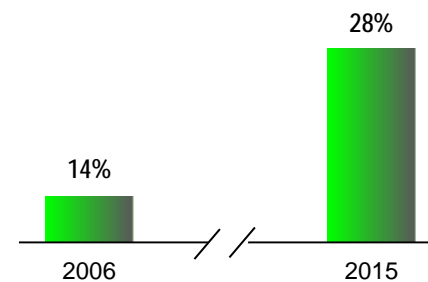


Specialty Platform Vitality Index Progression*

Target $\geq 35\%$

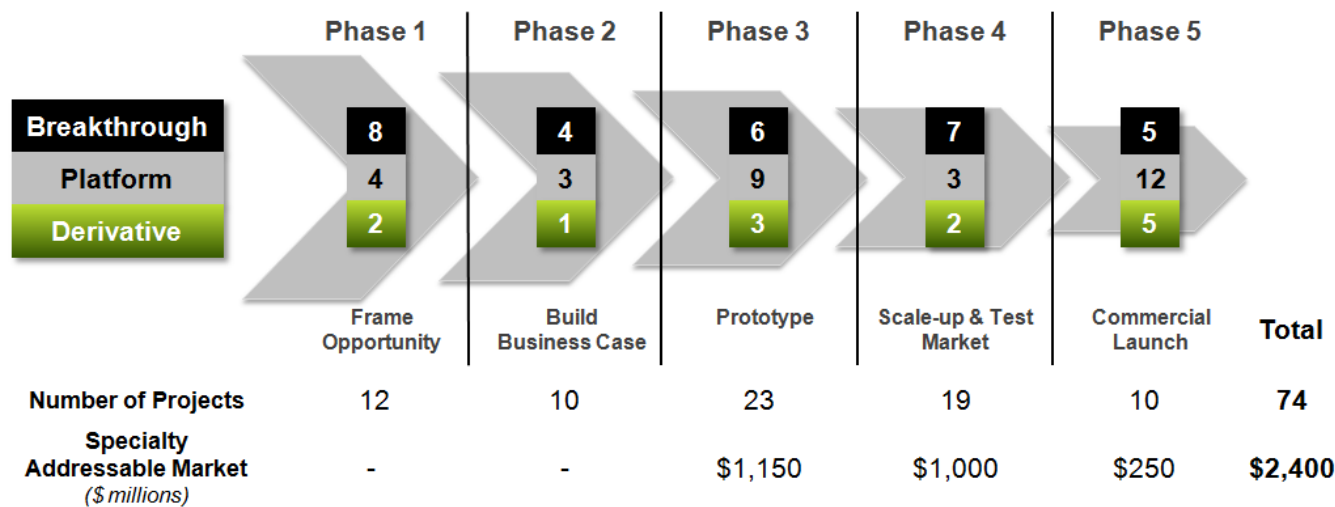


Specialty Platform Gross Margin



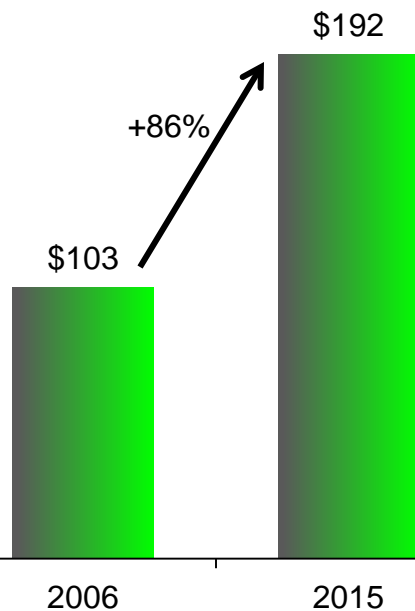
*Specialty Platform revenue from products introduced in last five years

Innovation Pipeline Potential

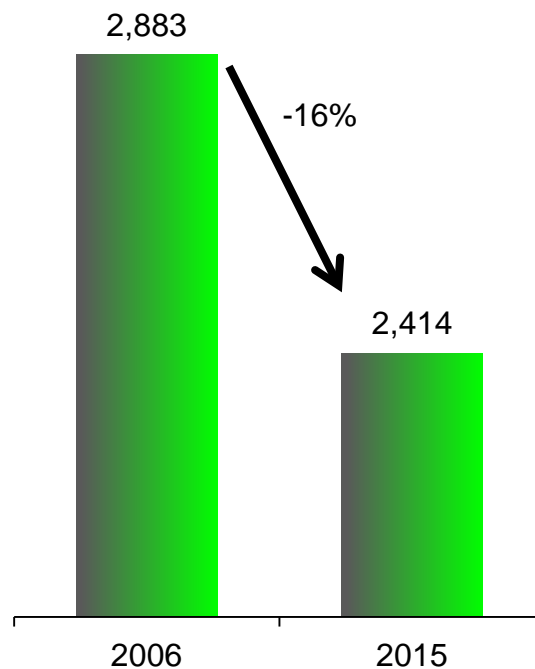


Investing to Drive Growth

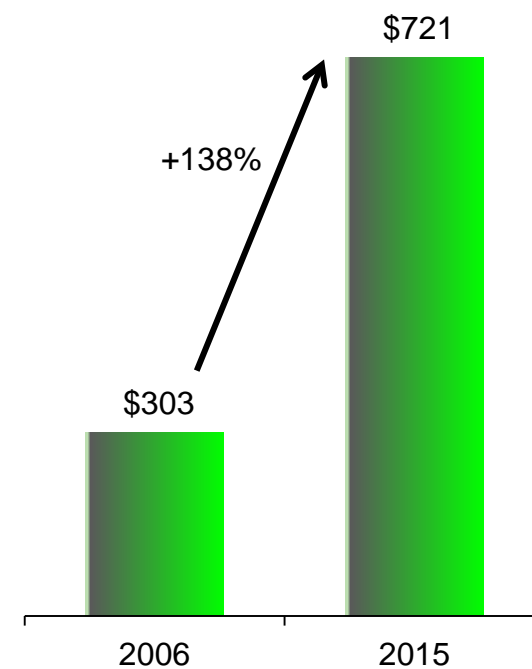
Commercial, R&D and Marketing Spending (\$M)



Volume (lbs in millions)

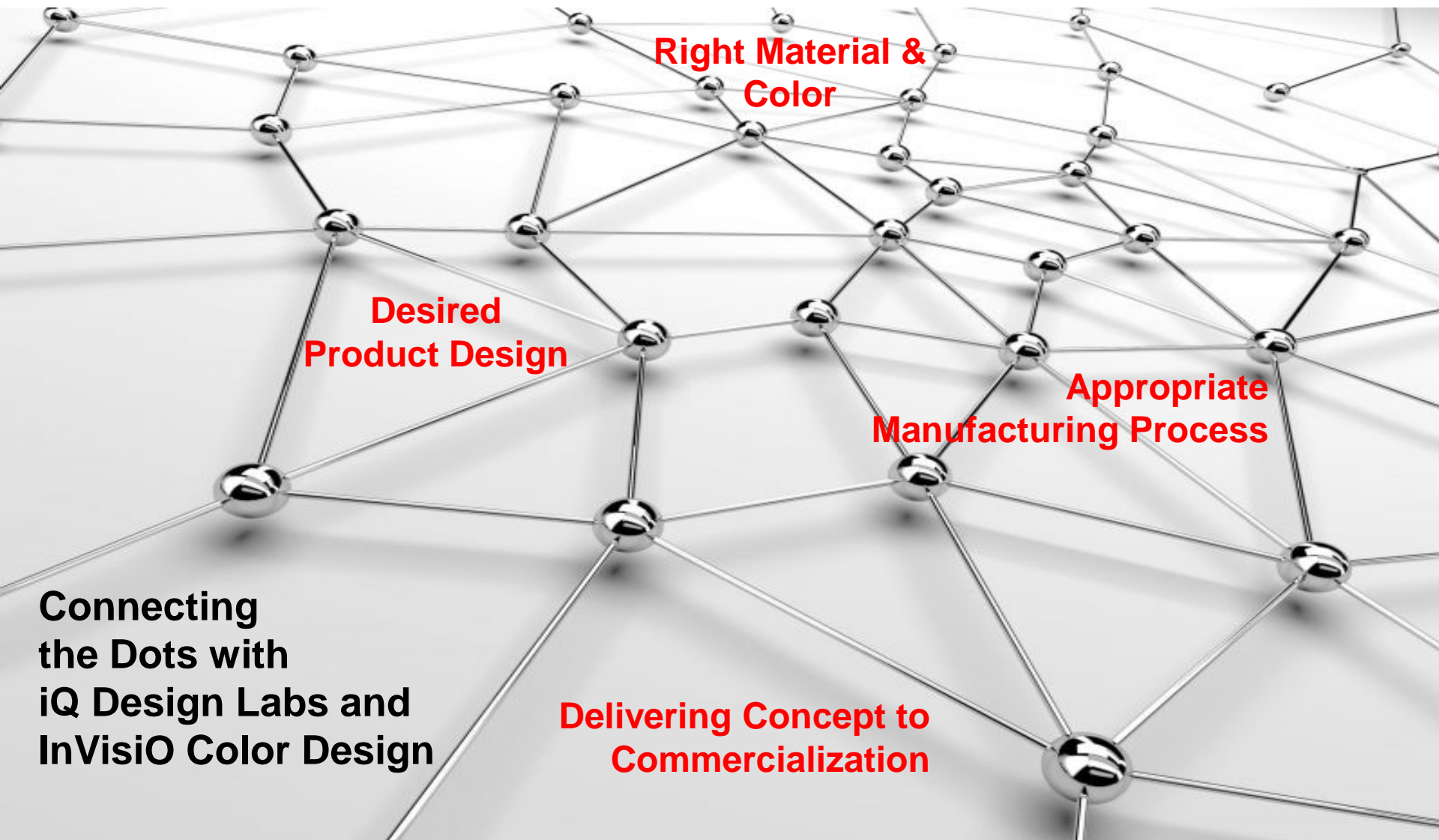


Adjusted Gross Margin (\$M)



Ours Is Not a Cost Cutting Story

Design and Service as a Differentiator

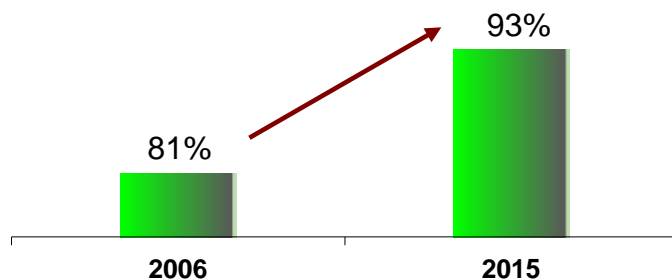


Customer First Through World-Class Service

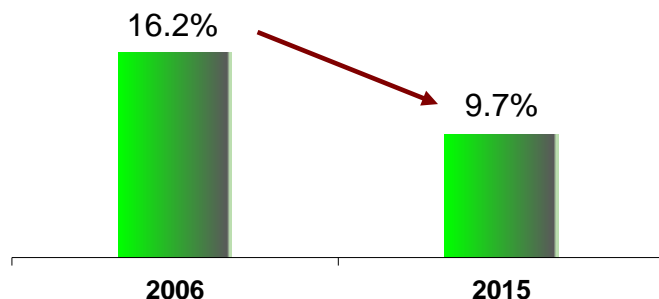
Strengthening relationships through:

- Providing LSS services to small/medium sized customers
- Providing training in Customer Centric Selling Skills with customers

On-Time Delivery



Working Capital % of Sales



Commitment to Operational Excellence

World's Best Start-up program for Lean Six Sigma Deployment in 2009*

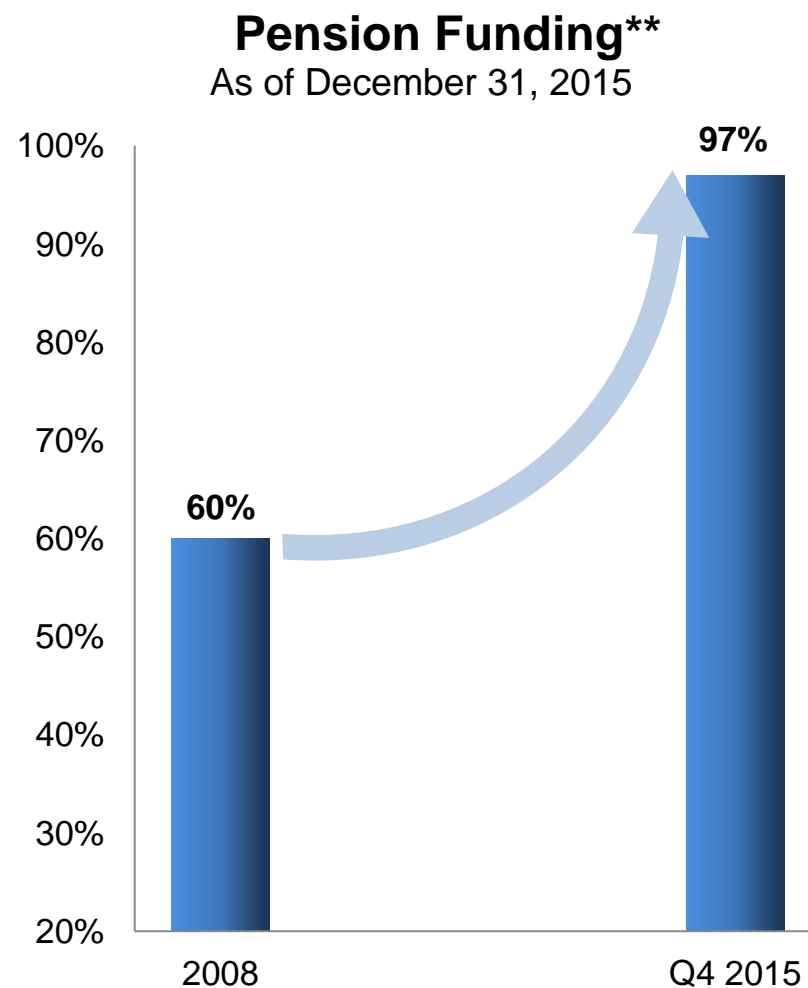
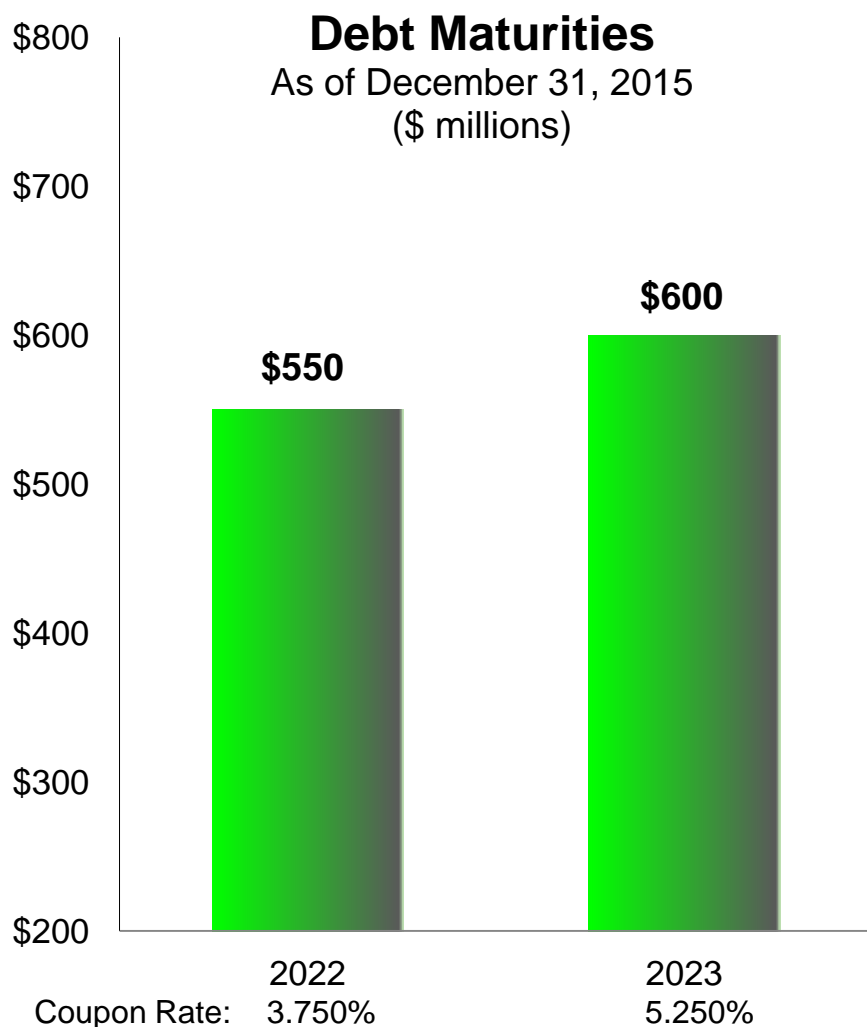


World's Best Business Process Excellence Program in 2012*



- 52% of associates trained in LSS
- Five consecutive years – *CFO Magazine* Best Working Capital Management in the chemical industry

Debt Maturities & Pension Funding



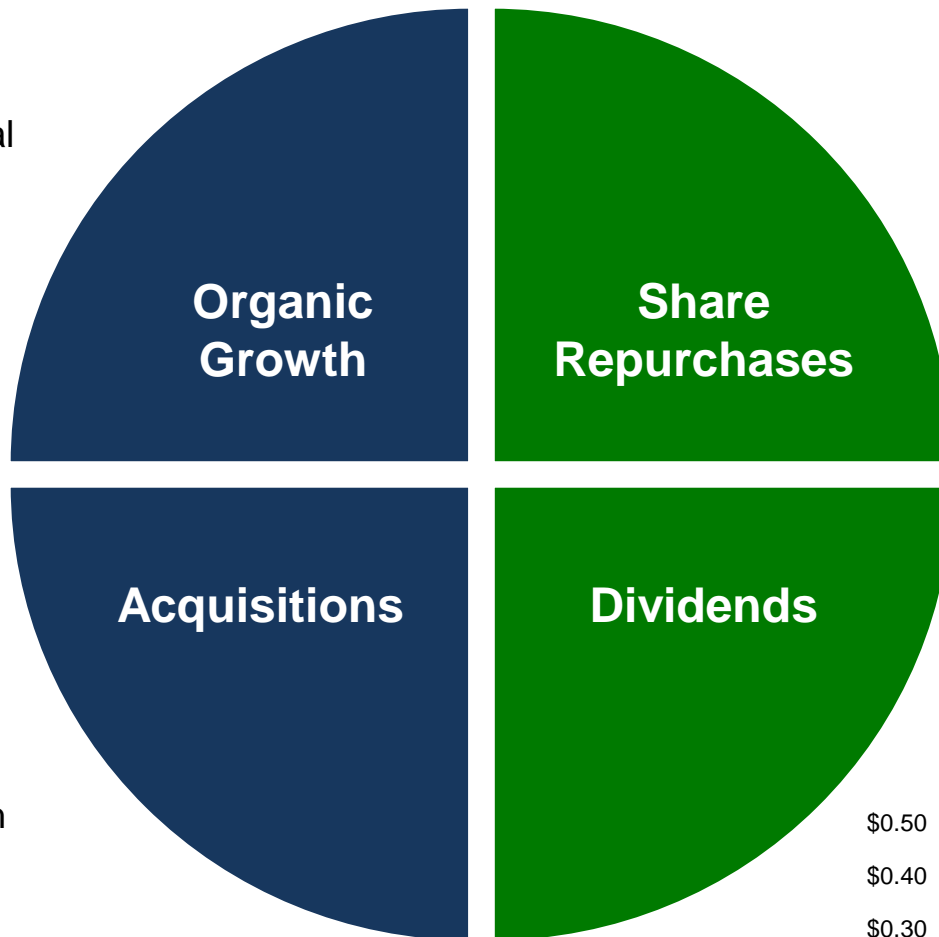
Net Debt / Adjusted EBITDA* = 2.1x

*TTM 12/31/2015

** includes US-qualified pension plans only

Free Cash Flow and Strong Balance Sheet Fund Investment / Shareholder Return

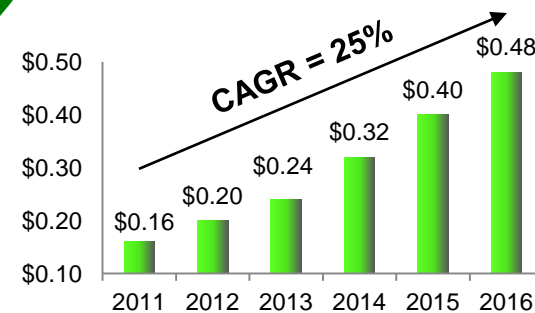
- Expanding our sales, marketing, and technical capabilities
- Investing in operational and LSS initiatives
- ~75% of capital expenditures fund growth initiatives



- Targets that expand our:
 - Specialty offerings
 - End market presence
 - Geographic breadth
- Synergy opportunities
- Adjacent material solutions

- Repurchased nearly 1.0 million shares in Q4 2015
- Repurchased 15.8 million shares since early 2013
- 4.2 million shares are available for repurchase under the current authorization

Annual Dividend



Why Invest In PolyOne?

- Addressable market exceeds \$40 billion
- Strong performance demonstrates that our strategy and execution are working
- Megatrends and emerging opportunities align with our strengths
- Innovation and services provide differentiation, incremental pricing power, and competitive advantage
- Strong and proven management team driving growth and performance

The New PolyOne: A Specialty Growth Company

Appendix

The logo features three thick, red, curved lines that sweep across the bottom right of the page, partially enclosing the text.

*PolyOne*TM

Collaboration. Innovation. Excellence.

Recent Acquisitions

Kraton TPE Assets

- February 2016 – Acquired Kraton’s thermoplastic elastomer (TPE) assets
- Serve personal care, medical, packaging (protective film) and electronics applications
- Purchase price of \$72 million represents a multiple of 9x EBITDA
- Adds \$35 million in annual revenue and \$0.03 accretive to 2016 adjusted EPS
- Expands GLS presence in consumer, healthcare, transportation, and packaging end markets



Baby Care



Electronics



Medical



Food Packaging

Magenta Master Fibers

- December 2015 – Acquired Magenta Master Fibers, an innovative developer of specialty color concentrates for the global fiber industry
- Purchase price of \$22 million represents a multiple of 6.8x EBITDA
- Adds \$16 million in annual revenue and \$0.01 accretive to 2016 adjusted EPS
- Broadens portfolio of colorant and additives technologies for fiber applications and extends existing reach into strategic end markets such as transportation and consumer goods



Automotive Textiles



Home Textiles



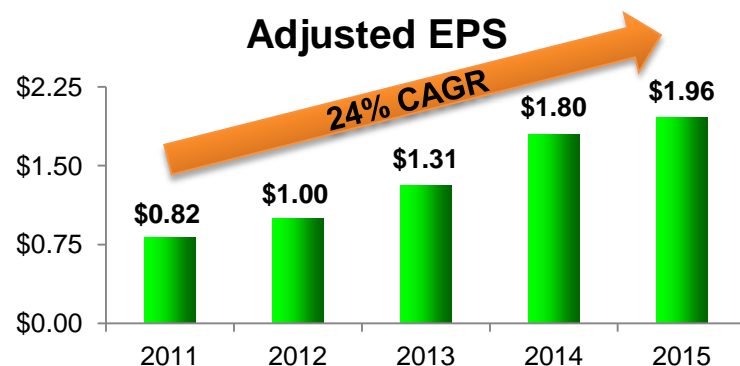
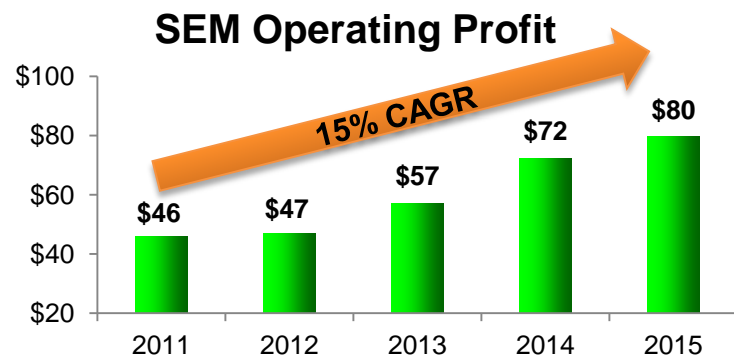
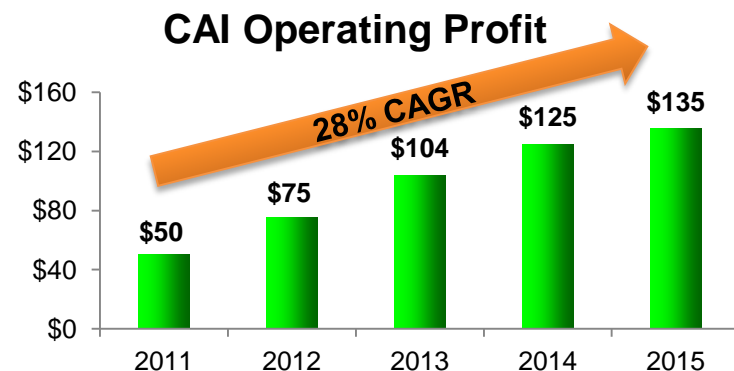
Clothing



Outdoor

2015 Full Year Financial Highlights

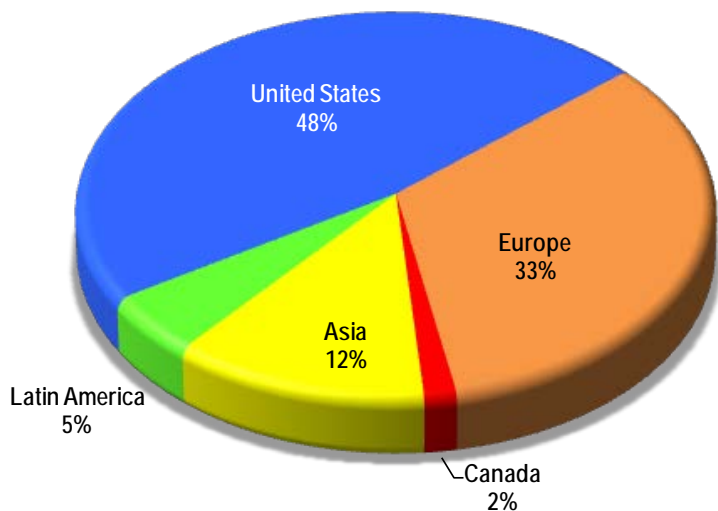
- Color Additives & Inks operating margin reached record level of 16.7%
- Specialty Engineered Materials operating margin grew 260 basis points year-over-year to 14.7%
- Adjusted EPS has grown on average 24% per year since 2011



At a Glance

Color, Additives and Inks

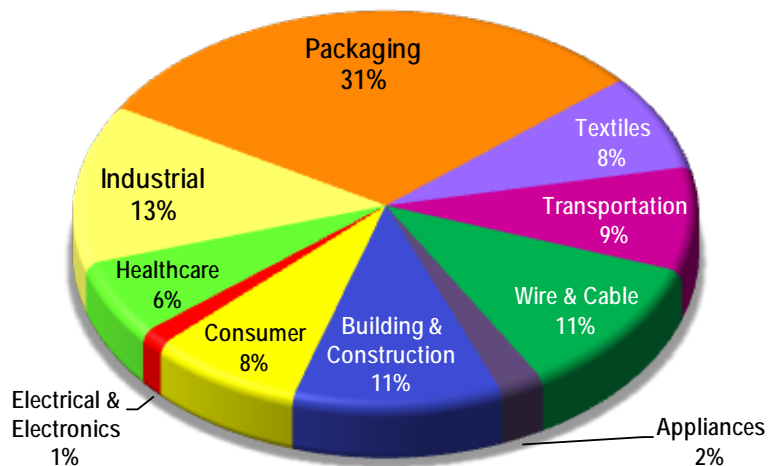
2015 Revenues: \$0.8 Billion



Solutions

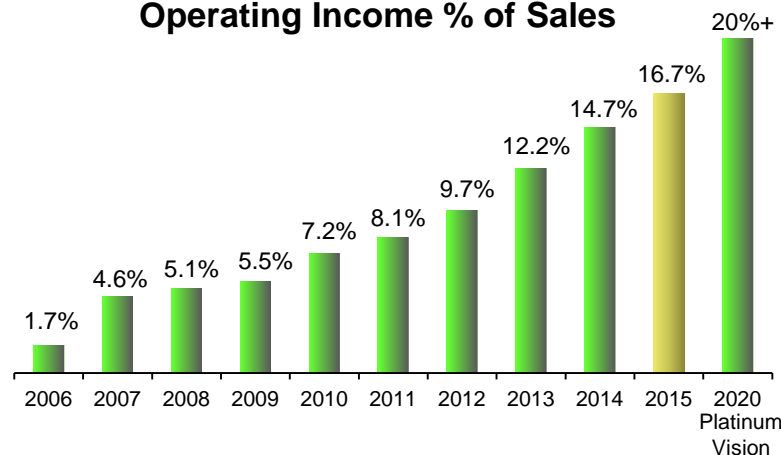


2015 Revenue by Industry Segment



Expanding Profits

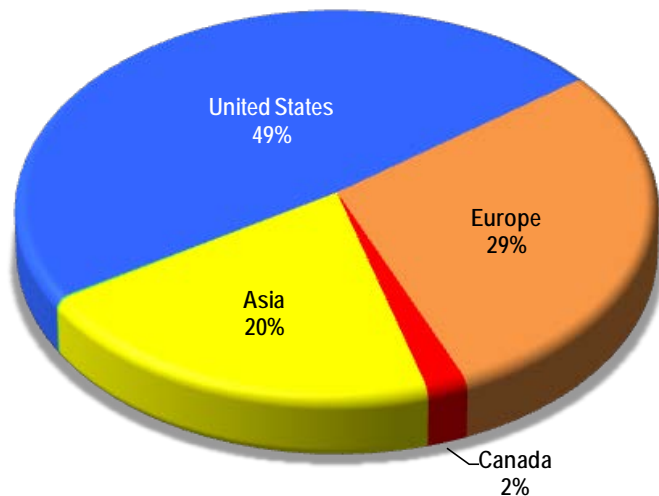
Operating Income % of Sales



At a Glance

Specialty Engineered Materials

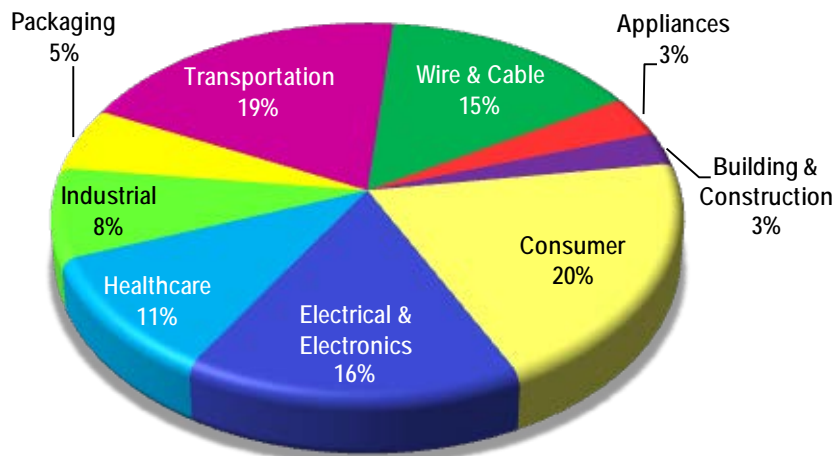
2015 Revenues: \$0.5 Billion



Solutions

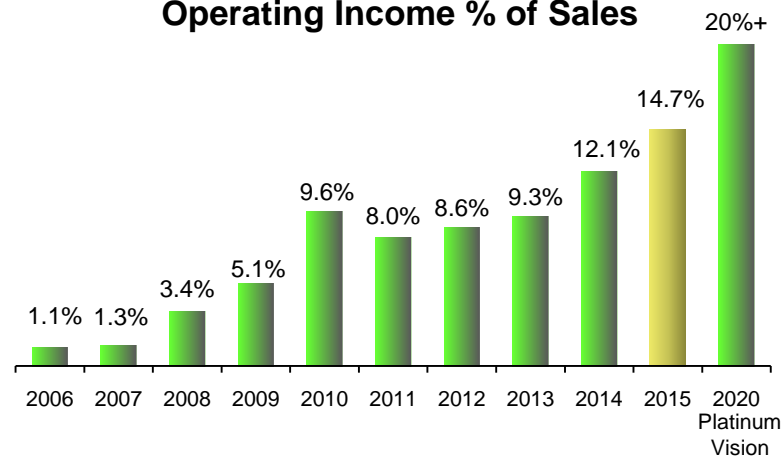


2015 Revenue by Industry Segment



Expanding Profits

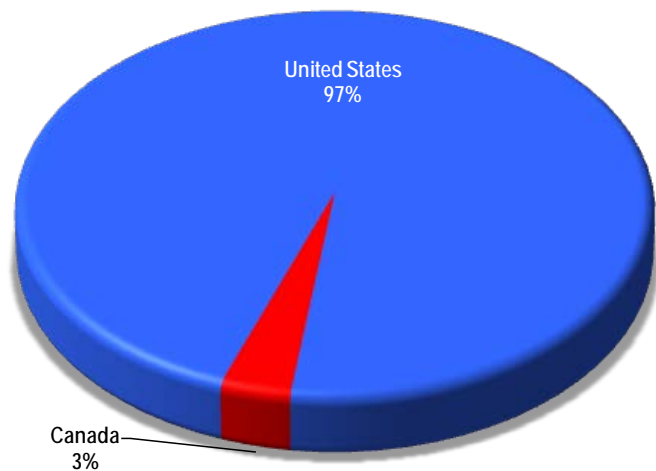
Operating Income % of Sales



At a Glance

Designed Structures and Solutions

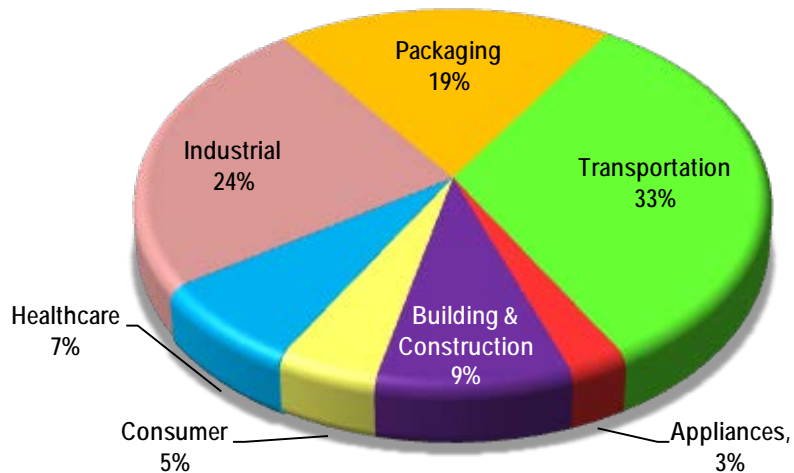
2015 Revenues: \$0.5 Billion



Solutions

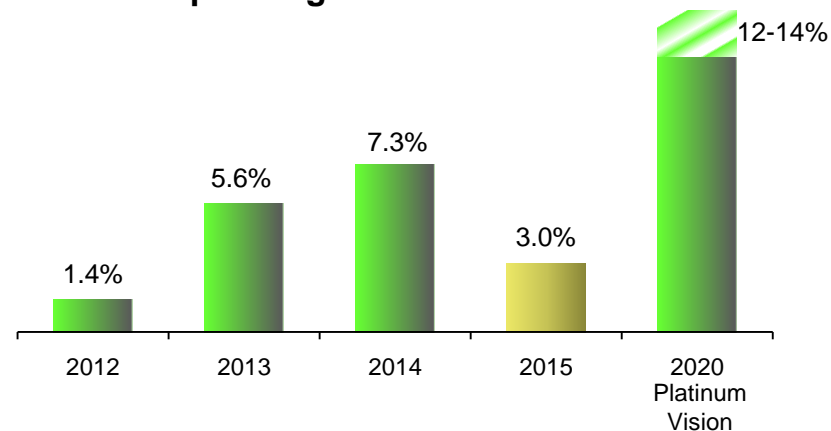


2015 Revenue by Industry Segment



Expanding Profits

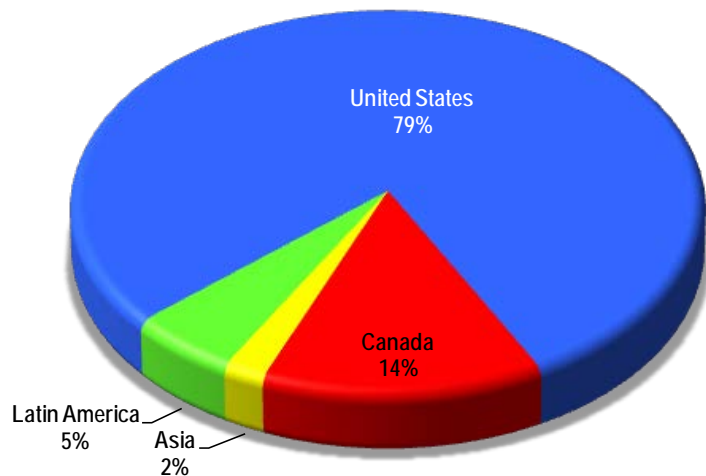
Operating Income % of Sales



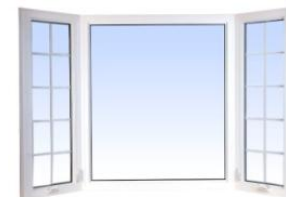
At a Glance

Performance Products and Solutions

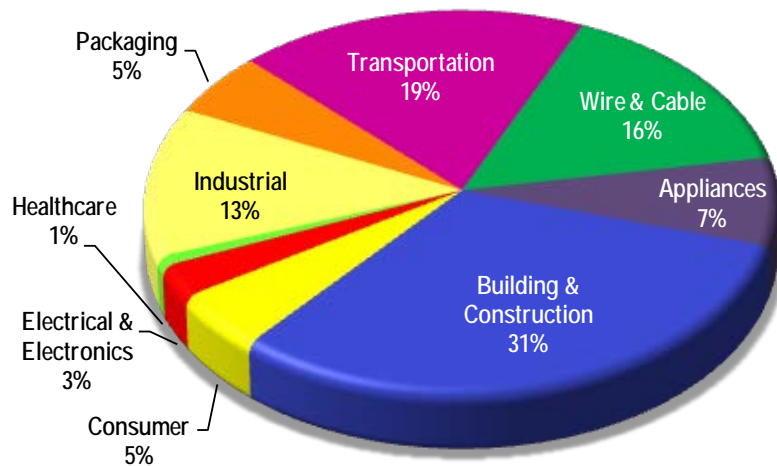
2015 Revenues: \$0.7 Billion



Solutions

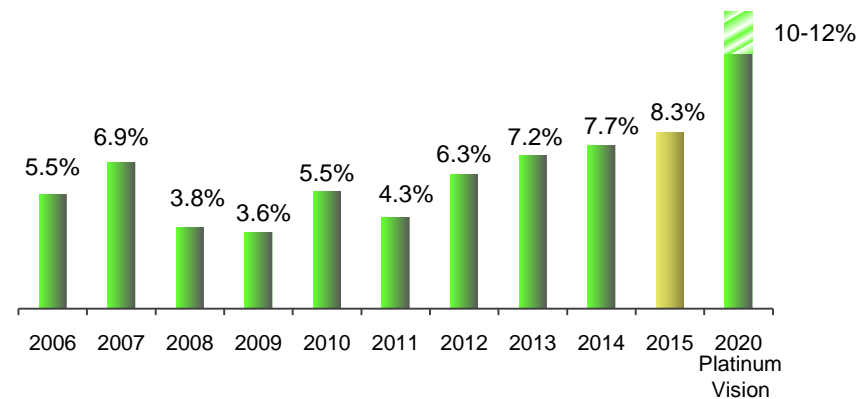


2015 Revenue by Industry Segment



Expanding Profits

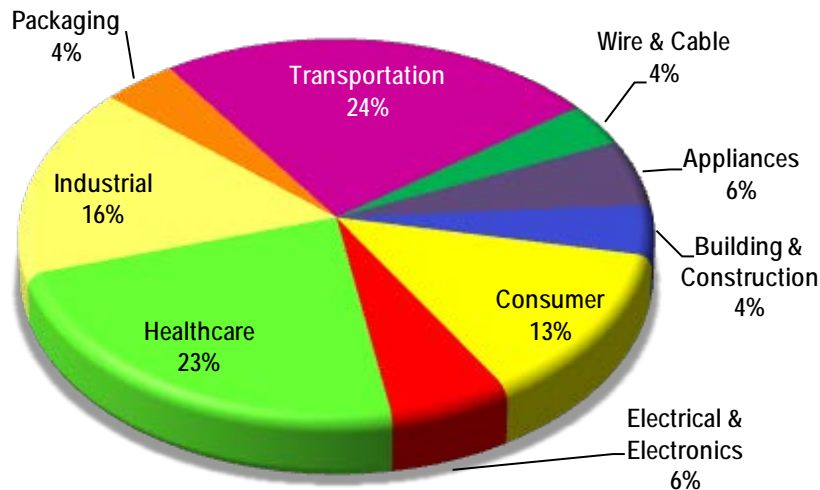
Operating Income % of Sales



At a Glance

Distribution

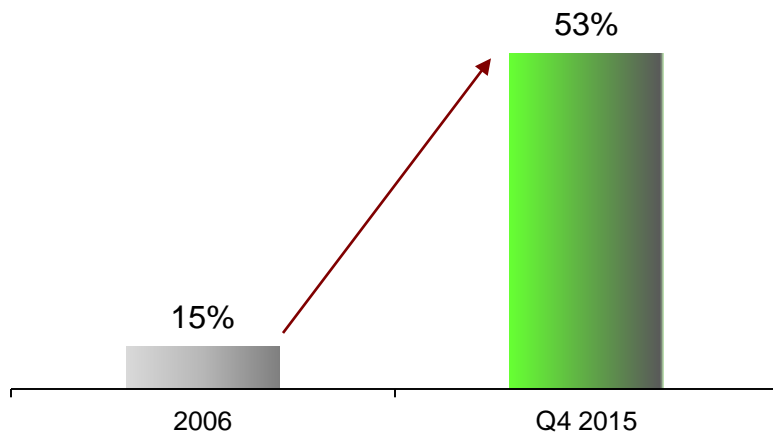
2015 Revenues: \$1.0 Billion



Key Suppliers

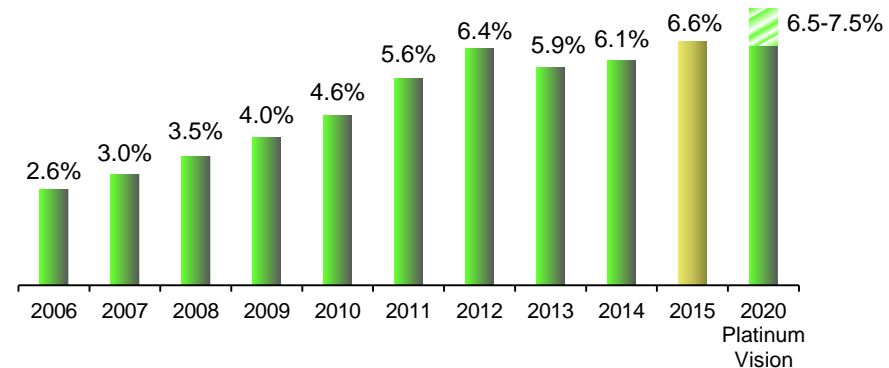


ROIC



Expanding Profits

Operating Income % of Sales



Plastics: Key to Future Sustainable Development

2 lbs Plastic
=
3 lbs aluminum
or
8 lbs steel
or
27 lbs glass

Requires **91% less energy** to
recycle a pound of plastic versus
a pound of paper

33% less material by weight
than aluminum
75% less material by weight
than steel
93% less material by weight
than glass



PolyOne
Sustainable
Solutions

Application Examples

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Outdoor Applications

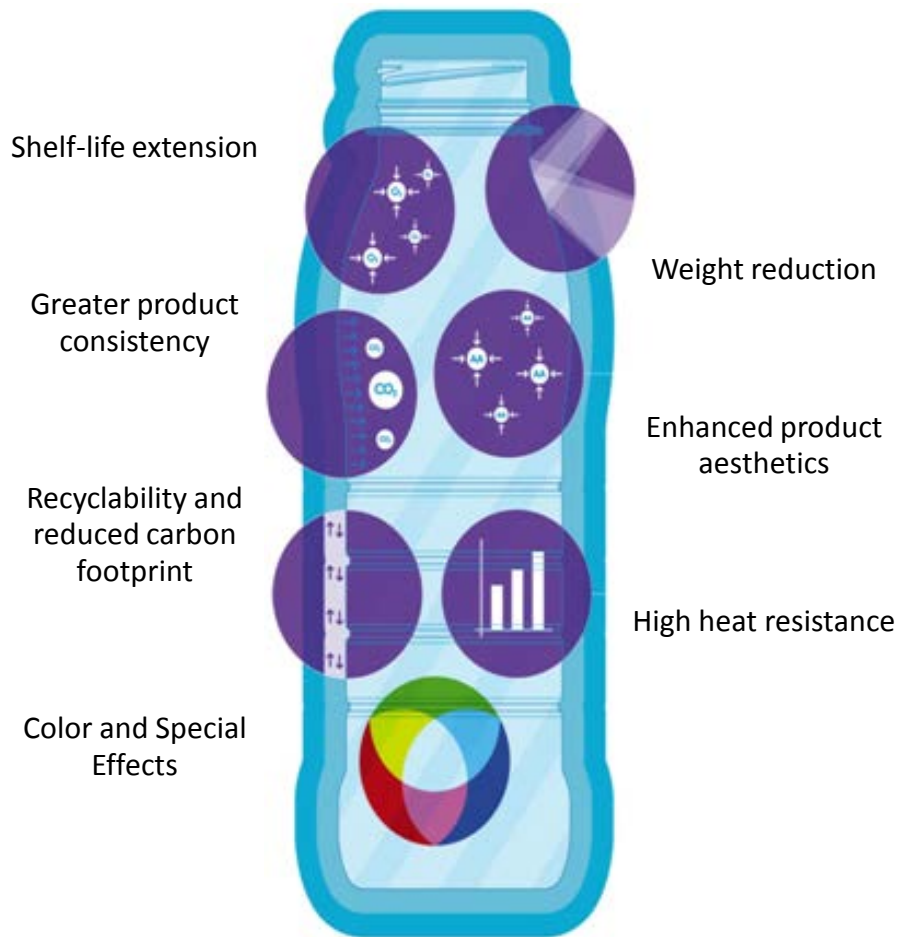


- Leading provider of high performance specialty materials for the recreational and sports & leisure industry
- Well positioned across all segments to address market needs
 - ✓ Metal to Polymer Conversion
 - ✓ Lightweighting
 - ✓ Thermal Management
 - ✓ Impact Performance



Source: Outdoor Industry Association

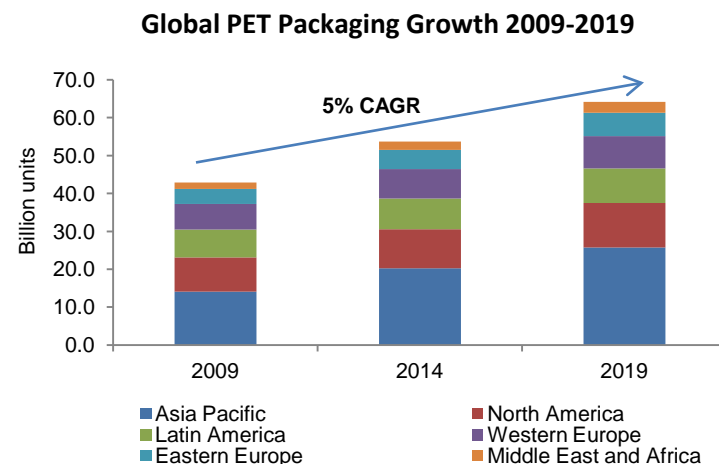
PET Bottling Technology



Market Opportunity

- \$1.5 billion attractive, growing market
- Additives improve performance and reduce cost through light-weighting, reduced waste, faster cycle times, and extended shelf life of finished product
- Aligned with megatrend of protecting the environment:
 - ✓ Sustainability benefits include lower package weight and improved recyclability of package at end of use

Leading Global Supplier of Additives In Growing PET Market



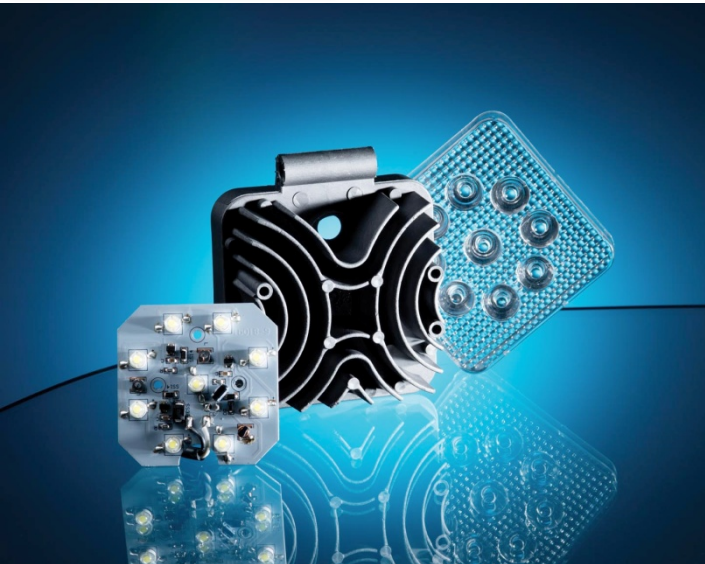
Source: Euromonitor retail off-trade consumption (PET bottles & jars, home care, personal care, food & non-alcoholic beverages)

Authentication Technology



- Includes formulation and consultative services to assist manufacturers and brand owners in positively identifying their finished goods
- Protects brand equity & consumer welfare
- Reduces exposure to unwarranted recall expenses
- Secures supply chain integrity – support for safe expansion into new geographies

Metal Replacement Solutions



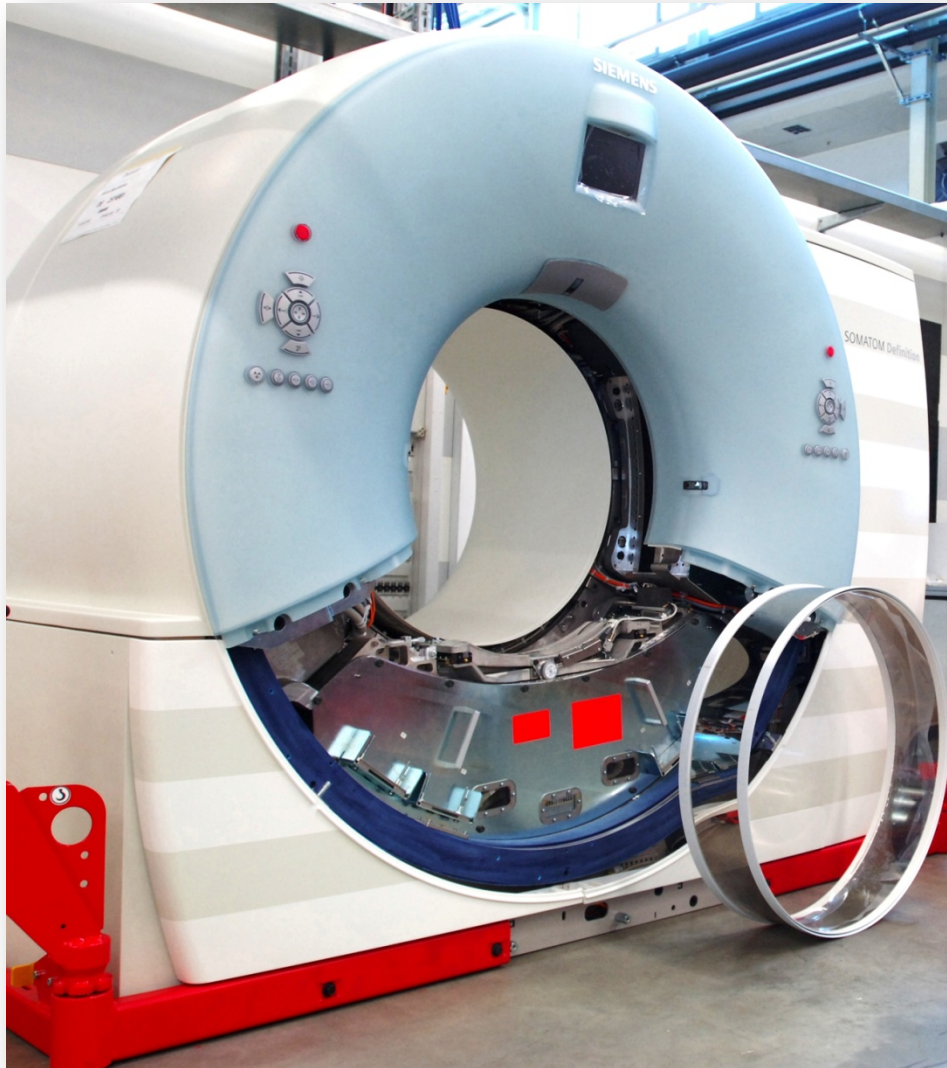
- Replaces metal in LED lighting
- Extends LED durability and life span eliminating hot spots
- Greater design flexibility with fewer parts
- Weight reduction
- Simplifies manufacturing and lowers total production cost

Range Rover Evoque Interior



- Color harmonization across 15 unique color-and-polymer combinations
- Eliminated need for multiple pre-colored materials
- Reduced Land Rover's working capital

CT Scanner



- Reduced health and environmental impact
- System cost reduction
- Radiation-shielding performance
- Parts consolidation
- Design freedom

High-Barrier Packaging Containers



- Capability to extrude up to 13 layers
- Strong oxygen and moisture vapor transmission protection
- Can be made symmetrical or asymmetrical to meet customized needs of broad variety of applications
- Barrier protection and superior sensory properties

Aerospace Applications



- Leading provider of specialty materials for the aerospace industry
- Typical applications
 - ✓ Mil-spec aircraft windows, canopies, windscreens, instrument panels, wingtip lenses
 - ✓ Interior – gallery furnishings, tray tables, arm rests, trim strips, joint/edge coverings
- Benefits:
 - ✓ High impact strength
 - ✓ Resistant to UV rays
 - ✓ Flame and smoke compliance
 - ✓ Easy to clean with aggressive cleaners; anti-microbial grades available
 - ✓ Range of sizes, thicknesses, colors, etc.

Reconciliation of Non-GAAP Financial Measures (Unaudited)

(Dollars in millions, except per share data)

Below is a reconciliation of non-GAAP financial measures to the most directly comparable measures calculated and presented in accordance with U.S. GAAP. Senior management uses operating income excluding special items, adjusted EPS and working capital to assess performance and allocate resources because senior management believes that these measures are useful in understanding current profitability levels and that current levels may serve as a base for future performance.

Adjusted EPS is calculated as follows:

Adjusted EPS	2006Y*	2007Y*	2008Y*	2009Y*	2010Y	2011Y	2012Y	2013Y	2014Y	2015Y
Net income (loss) attributable to PolyOne common shareholders	\$ 130.9	\$ 40.9	\$ (417.0)	\$ 106.7	\$ 152.5	\$ 153.4	\$ 53.3	\$ 94.0	\$ 78.0	\$ 144.6
Joint venture equity earnings, after tax	(68.5)	(26.1)	(20.8)	(19.0)	(14.7)	(3.7)	-	-	-	-
Special items, after tax ⁽¹⁾	(51.2)	10.7	457.2	(75.9)	(72.5)	(72.8)	36.2	32.6	90.5	28.9
Adjusted net income	<u>\$ 11.2</u>	<u>\$ 25.5</u>	<u>\$ 19.4</u>	<u>\$ 11.8</u>	<u>\$ 65.3</u>	<u>\$ 76.9</u>	<u>\$ 89.5</u>	<u>\$ 126.6</u>	<u>\$ 168.5</u>	<u>\$ 173.5</u>
Diluted shares	92.8	93.1	92.7	93.4	96.0	94.3	89.8	96.5	93.5	88.7
Adjusted EPS	\$ 0.12	\$ 0.27	\$ 0.21	\$ 0.13	\$ 0.68	\$ 0.82	\$ 1.00	\$ 1.31	\$ 1.80	\$ 1.96

Adjusted EPS	Q1 2009*	Q2 2009*	Q3 2009*	Q4 2009*	Q1 2010	Q2 2010	Q3 2010	Q4 2010
Net income attributable to PolyOne common shareholders	\$ 3.3	\$ 1.3	\$ 51.3	\$ 50.8	\$ 20.1	\$ 44.7	\$ 0.1	\$ 87.6
Joint venture equity earnings, after tax	(8.2)	(5.8)	(3.0)	(2.0)	(0.5)	(4.5)	(6.2)	(3.5)
Special items, after tax ⁽¹⁾	(10.2)	9.2	(36.9)	(38.0)	(3.8)	(22.1)	25.4	(72.0)
Adjusted net (loss) income	<u>\$ (15.1)</u>	<u>\$ 4.7</u>	<u>\$ 11.4</u>	<u>\$ 10.8</u>	<u>\$ 15.8</u>	<u>\$ 18.1</u>	<u>\$ 19.3</u>	<u>\$ 12.1</u>
Diluted shares	92.2	93.5	93.9	94.4	95.3	96.3	96.3	97.4
Adjusted EPS	\$ (0.16)	\$ 0.05	\$ 0.12	\$ 0.11	\$ 0.17	\$ 0.19	\$ 0.20	\$ 0.12

Adjusted EPS	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012	Q4 2012
Net income attributable to PolyOne common shareholders	\$ 106.0	\$ 23.1	\$ 16.0	\$ 8.3	\$ 15.3	\$ 18.4	\$ 19.4	\$ 0.2
Joint venture equity earnings, after tax	(3.7)	-	-	-	-	-	-	-
Special items, after tax ⁽¹⁾	(81.3)	1.3	2.8	4.4	6.2	8.9	5.4	15.7
Adjusted net income	<u>\$ 21.0</u>	<u>\$ 24.4</u>	<u>\$ 18.8</u>	<u>\$ 12.7</u>	<u>\$ 21.5</u>	<u>\$ 27.3</u>	<u>\$ 24.8</u>	<u>\$ 15.9</u>
Diluted shares	96.4	95.5	94.0	91.9	90.7	90.7	90.2	90.5
Adjusted EPS	\$ 0.22	\$ 0.26	\$ 0.20	\$ 0.14	\$ 0.24	\$ 0.30	\$ 0.28	\$ 0.18

Adjusted EPS	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014
Net income (loss) attributable to PolyOne common shareholders	\$ 11.2	\$ 38.6	\$ 23.2	\$ 21.0	\$ 29.4	\$ 30.9	\$ 32.3	\$ (14.6)
Special items, after tax ⁽¹⁾	17.7	(2.0)	12.3	4.6	12.5	17.4	13.1	47.5
Adjusted net income	\$ 28.9	\$ 36.6	\$ 35.5	\$ 25.6	\$ 41.9	\$ 48.3	\$ 45.4	\$ 32.9
Diluted shares	92.8	99.1	98.1	97.2	95.7	94.3	93.1	91.3
Adjusted EPS	\$ 0.31	\$ 0.37	\$ 0.36	\$ 0.26	\$ 0.44	\$ 0.51	\$ 0.49	\$ 0.36

Adjusted EPS	Q1 2015	Q2 2015	Q3 2015	Q4 2015
Net income attributable to PolyOne common shareholders	\$ 30.2	\$ 66.8	\$ 44.5	\$ 3.1
Special items, after tax ⁽¹⁾	11.4	(15.9)	3.0	30.4
Adjusted net income	\$ 41.6	\$ 50.9	\$ 47.5	\$ 33.5
Diluted shares	90.1	89.8	88.4	86.6
Adjusted EPS	\$ 0.46	\$ 0.57	\$ 0.54	\$ 0.39

Adjusted operating margin is calculated as follows:

Adjusted operating margin	Q1 2009*	Q2 2009*	Q3 2009*	Q4 2009*	YTD 2009*	Q1 2010	Q2 2010	Q3 2010	Q4 2010	YTD 2010
Operating Income	\$ 9.9	\$ 17.1	\$ 57.9	\$ 52.2	\$ 137.1	\$ 32.3	\$ 58.6	\$ 42.0	\$ 26.3	\$ 159.2
Special items ⁽¹⁾	(1.3)	4.6	(27.5)	(24.5)	(48.7)	-	(14.5)	5.5	4.2	(4.8)
Joint venture equity earnings	(12.8)	(9.0)	(4.8)	(3.1)	(29.7)	(0.8)	(7.1)	(9.7)	(5.5)	(23.1)
Adjusted operating (loss) income	\$ (4.2)	\$ 12.7	\$ 25.6	\$ 24.6	\$ 58.7	\$ 31.5	\$ 37.0	\$ 37.8	\$ 25.0	\$ 131.3
Sales	\$ 463.4	\$ 496.5	\$ 548.3	\$ 552.5	\$ 2,060.7	\$ 604.0	\$ 666.2	\$ 650.7	\$ 585.3	\$ 2,506.2
Operating Margin	(0.9)%	2.6%	4.7%	4.5%	2.8%	5.2%	5.6%	5.8%	4.3%	5.2%

Adjusted operating margin	Q1 2011	Q2 2011	Q3 2011	Q4 2011	YTD 2011	Q1 2012	Q2 2012	Q3 2012	Q4 2012	YTD 2012
Operating income (loss)	\$ 173.4	\$ 42.4	\$ 33.4	\$ (46.2)	\$ 203.0	\$ 37.4	\$ 43.3	\$ 43.5	\$ 13.3	\$ 137.5
Special items ⁽¹⁾	(127.2)	2.7	4.9	72.9	(46.7)	8.5	11.8	8.3	25.3	53.9
Joint venture equity earnings	(5.7)	-	-	-	(5.7)	-	-	-	-	-
Adjusted operating income	\$ 40.5	\$ 45.1	\$ 38.3	\$ 26.7	\$ 150.6	\$ 45.9	\$ 55.1	\$ 51.8	\$ 38.6	\$ 191.4
Sales	\$ 682.8	\$ 723.4	\$ 694.0	\$ 609.2	\$ 2,709.4	\$ 745.5	\$ 756.6	\$ 707.7	\$ 651.0	\$ 2,860.8
Operating Margin	5.9%	6.2%	5.5%	4.4%	5.6%	6.2%	7.3%	7.3%	5.9%	6.7%

Adjusted operating margin	Q1 2013	Q2 2013	Q3 2013	Q4 2013	YTD 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	YTD 2014
Operating income (loss)	\$ 40.5	\$ 80.7	\$ 61.6	\$ 48.7	\$ 231.5	\$ 56.4	\$ 49.4	\$ 63.6	\$ (14.3)	\$ 155.1
Special items ⁽¹⁾	16.6	(5.2)	10.8	7.8	30.0	22.9	39.8	22.0	80.2	164.9
Adjusted operating income	\$ 57.1	\$ 75.5	\$ 72.4	\$ 56.5	\$ 261.5	\$ 79.3	\$ 89.2	\$ 85.6	\$ 65.9	\$ 320.0

Sales	\$ 801.1	\$ 1,037.6	\$ 1,008.9	\$ 923.6	\$ 3,771.2	\$ 1,002.3	\$ 1,005.5	\$ 958.4	\$ 869.3	\$ 3,835.5
Operating Margin	7.1%	7.3%	7.2%	6.1%	6.9%	7.9%	8.9%	8.9%	7.6%	8.3%

Adjusted operating margin	Q1 2015	Q2 2015	Q3 2015	Q4 2015	YTD 2015
Operating income	\$ 70.1	\$ 80.3	\$ 69.2	\$ 31.3	\$ 250.9
Special items ⁽¹⁾	9.3	11.9	18.7	31.4	71.3
Adjusted operating income	\$ 79.4	\$ 92.2	\$ 87.9	\$ 62.7	\$ 322.2

Sales	\$ 873.1	\$ 887.1	\$ 841.6	\$ 775.8	\$ 3,377.6
Operating Margin	9.1%	10.4%	10.4%	8.1%	9.5%

Adjusted gross margin is calculated as follows:

(In millions)

	Twelve Months Ended December 31, 2015
Gross margin - GAAP	\$ 681.5
Special items in gross margin ⁽¹⁾	39.7
Gross margin before special items	\$ 721.2

Specialty operating income mix percentage is calculated as follows:

Platform operating income mix percentage	2005*	2010*	2015
Color, Additives and Inks	\$ 4.3	\$ 37.7	\$ 135.4
Specialty Engineered Materials	0.4	49.7	79.6
Designed Structures and Solutions	-	-	13.8
Specialty Platform	\$ 4.7	\$ 87.4	\$ 228.8
Performance Products and Solutions	75.7	54.0	57.4
Distribution	19.5	42.0	68.0
Joint ventures	91.9	18.9	—
Corporate and eliminations	(51.5)	(27.7)	(103.3)
Operating income GAAP	\$ 140.3	\$ 174.6	\$ 250.9
Less: Corporate operating expense	51.5	27.7	103.3
Operating income excluding Corporate	\$ 191.8	\$ 202.3	\$ 354.2
Specialty platform operating mix percentage	2%	43%	65%

Adjusted EBITDA and net debt to adjusted EBITDA is calculated as follows:

(In millions)	Twelve Months Ended December 31, 2015	
Income from continuing operations, before income taxes	\$	167.7
Interest expense, net		64.1
Depreciation and amortization		104.3
Special items, impact on income from continuing operations before income taxes ⁽¹⁾		87.6
Accelerated depreciation included in special items		(6.2)
Adjusted EBITDA	\$	417.5
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Short-term and current portion of long-term debt	\$	18.6
Long-term debt		1,128.0
Less: Cash and cash equivalents		(279.8)
Net Debt		866.8
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Net Debt/TTM Adjusted EBITDA		2.1

* Historical results are shown as presented in prior filings and have not been updated to reflect subsequent changes in accounting principal, discontinued operations or the related resegmentation.

(1) Special items are a non-GAAP financial measure and are used to determine adjusted earnings. Special items include charges related to specific strategic initiatives or financial restructuring such as: consolidation of operations; debt extinguishment costs; costs incurred directly in relation to acquisitions or divestitures; employee separation costs resulting from personnel reduction programs, plant phase-in costs, executive separation agreements; asset impairments; mark-to-market adjustments associated with actuarial gains and losses on pension and other post-retirement benefit plans; environmental remediation costs, fines, penalties and related insurance recoveries related to facilities no longer owned or closed in prior years; gains and losses on the divestiture of operating businesses, joint ventures and equity investments; gains and losses on facility or property sales or disposals; results of litigation, fines or penalties, where such litigation (or action relating to the fines or penalties) arose prior to the commencement of the performance period; one-time, non-recurring items; the effect of changes in accounting principles or other such laws or provisions affecting reported results; and tax adjustments. Tax adjustments include the net tax expense/benefit from one-time income tax items, the set-up or reversal of uncertain tax position reserves and deferred income tax valuation allowance adjustments.