

Recast Financial Information for Discontinued Operations

June 29, 2017



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Slide 3 - GAAP Financial Information Recast for DSS Divestiture

Reflects recast GAAP financial information for DSS as a discontinued operation.

Slide 4 - Adjusted Financial Information Recast for DSS Divestiture

Reflects quarterly adjusted condensed financial data recast for DSS as a discontinued operation. This financial information includes the use of non-GAAP financial measures, including adjusted gross profit, adjusted SG&A, adjusted operating income, and adjusted EPS.

Slide 5 - Business Segment and Data Recast for DSS Divestiture

Reflects segment disclosures recast for DSS as a discontinued operation. Operating income at the segment level does not include: special items as defined below; corporate general and administration costs that are not allocated to segments; intersegment sales and profit eliminations; share-based compensation costs; and certain other items that are not included in the measure of segment profit and loss that is reported to and reviewed by the chief operating decision maker. These costs are included in Corporate and eliminations. Certain corporate costs previously allocated to DSS will be retained by PolyOne and have been recast as costs in continuing operations. The costs are now shown in Corporate and eliminations as follows: 2013 (\$14.0M), 2014 (\$14.7M), 2015 (\$13.0M) and 2016 (\$11.6M).

Slide 6 - Non-GAAP Reconciliations

Reflects a reconciliation of each non-GAAP financial measure with the most directly comparable GAAP financial measure for these recast historical financial results.

Slide 7 - Summary of Special Items Recast for DSS Divestiture

Reflects special items from continuing operations which 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 realignment 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; and the effect of changes in accounting principles or other such laws or provisions affecting reported results. 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.

	Q1 2013	Q2 2013	Q3 2013	Q4 2013	2013 YTD
Sales	\$ 759.6	\$ 838.7	\$ 821.1	\$ 754.4	\$ 3,173.8
Cost of sales	598.6	657.1	661.4	657.0	2,574.1
Gross margin	161.0	181.6	159.7	97.4	599.7
Selling and administrative	104.8	108.5	104.2	66.1	383.6
Income from equity affiliates and minority interest	0.1	-	-	26.8	26.9
Operating income (loss)	56.3	73.1	55.5	58.1	243.0
Interest expense, net	(15.6)	(16.6)	(15.9)	(15.2)	(63.3)
Premium on early extinguishment of debt	(10.6)	-	(5.2)	-	(15.8)
Other income (expense), net	1.5	(1.3)	(1.5)	-	(1.3)
Income (loss) before income taxes	31.6	55.2	32.9	42.9	162.6
Income tax (expense) benefit	(10.8)	(21.6)	(13.4)	(16.6)	(62.4)
Net income (loss) from continuing operations	20.8	33.6	19.5	26.3	100.2
Net (loss) income from discontinued operations, net of income taxes	(5.7)	147.0	3.3	(2.1)	142.5
Net income (loss)	15.1	180.6	22.8	24.2	242.7
Less: Non-controlling interest	0.2	0.3	0.2	0.4	1.1
Net income (loss) attributable to PolyOne common shareholders	\$ 15.3	\$ 180.9	\$ 23.0	\$ 24.6	\$ 243.8

Earnings per share attributable to PolyOne common shareholders - Basic

Continuing operations	\$ 0.23	\$ 0.35	\$ 0.21	\$ 0.28	\$ 1.06
Discontinued operations	\$ (0.06)	\$ 1.50	\$ 0.03	\$ (0.02)	\$ 1.49
Total	\$ 0.17	\$ 1.85	\$ 0.24	\$ 0.26	\$ 2.55

Earnings per share attributable to PolyOne common shareholders - Diluted

Continuing operations	\$ 0.22	\$ 0.34	\$ 0.20	\$ 0.27	\$ 1.05
Discontinued operations	\$ (0.06)	\$ 1.49	\$ 0.04	\$ (0.02)	\$ 1.48
Total	\$ 0.16	\$ 1.83	\$ 0.24	\$ 0.25	\$ 2.53

	Q1 2016	Q2 2016	Q3 2016	Q4 2016	2016 YTD
Sales	\$ 738.5	\$ 758.2	\$ 746.6	\$ 694.8	\$ 2,938.1
Cost of sales	561.9	576.3	580.5	542.3	2,261.0
Gross margin	176.6	181.9	166.1	152.5	677.1
Selling and administrative	106.2	100.1	94.1	90.4	390.8
Operating income	70.4	81.8	72.0	62.1	286.3
Interest expense, net	(14.6)	(14.6)	(15.1)	(15.4)	(59.7)
Premium on early extinguishment of debt	-	(0.4)	-	-	(0.4)
Other income (expense), net	-	0.1	(0.1)	0.4	0.4
Income before income taxes	55.8	66.9	56.8	47.1	226.6
Income tax expense	(17.6)	(16.8)	(14.0)	(12.0)	(60.4)
Net income from continuing operations	38.2	50.1	42.8	35.1	166.2
Net income (loss) from discontinued operations, net of income taxes	0.8	(0.1)	(0.5)	(1.4)	(1.2)
Net income	39.0	50.0	42.3	33.7	165.0
Less: Non-controlling interest	0.1	-	-	0.1	0.2
Net income attributable to PolyOne common shareholders	\$ 39.1	\$ 50.0	\$ 42.3	\$ 33.8	\$ 165.2

Earnings per share attributable to PolyOne common shareholders - Basic

Continuing operations	\$ 0.45	\$ 0.59	\$ 0.51	\$ 0.43	\$ 1.98
Discontinued operations	\$ 0.01	\$ -	\$ (0.01)	\$ (0.02)	\$ (0.01)
Total	\$ 0.46	\$ 0.59	\$ 0.50	\$ 0.41	\$ 1.97

Earnings per share attributable to PolyOne common shareholders - Diluted

Continuing operations	\$ 0.45	\$ 0.59	\$ 0.51	\$ 0.42	\$ 1.96
Discontinued operations	\$ 0.01	\$ -	\$ (0.01)	\$ (0.02)	\$ (0.01)
Total	\$ 0.46	\$ 0.59	\$ 0.50	\$ 0.40	\$ 1.95

	Q1 2014	Q2 2014	Q3 2014	Q4 2014	2014 YTD
Sales	\$ 828.7	\$ 841.5	\$ 806.1	\$ 741.7	\$ 3,218.0
Cost of sales	660.2	674.2	644.1	602.7	2,581.2
Gross margin	168.5	167.3	162.0	139.0	636.8
Selling and administrative	112.5	118.0	104.1	151.6	486.2
Income from equity affiliates and minority interest	-	-	-	-	-
Operating income (loss)	56.0	49.3	57.9	(12.6)	150.6
Interest expense, net	(15.5)	(15.7)	(15.4)	(15.5)	(62.1)
Premium on early extinguishment of debt	-	-	-	-	-
Other income (expense), net	(0.7)	(0.4)	(1.6)	(1.4)	(4.1)
Income (loss) before income taxes	39.8	33.2	40.9	(29.5)	84.4
Income tax (expense) benefit	(10.7)	(2.6)	(12.0)	15.6	(9.7)
Net income (loss) from continuing operations	29.1	30.6	28.9	(13.9)	74.7
Net (loss) income from discontinued operations, net of income taxes	0.1	0.9	3.8	(1.1)	3.7
Net income (loss)	29.2	31.5	32.7	(15.0)	78.4
Less: Non-controlling interest	0.2	0.2	-	0.4	0.8
Net income (loss) attributable to PolyOne common shareholders	\$ 29.4	\$ 31.7	\$ 32.7	\$ (14.6)	\$ 79.2

Continuing operations	\$ 0.31	\$ 0.33	\$ 0.32	\$ (0.15)	\$ 0.82
Discontinued operations	\$ -	\$ 0.01	\$ 0.04	\$ (0.01)	\$ 0.04
Total	\$ 0.31	\$ 0.34	\$ 0.36	\$ (0.16)	\$ 0.86

Continuing operations	\$ 0.31	\$ 0.33	\$ 0.31	\$ (0.15)	\$ 0.81
Discontinued operations	\$ -	\$ 0.01	\$ 0.04	\$ (0.01)	\$ 0.04
Total	\$ 0.31	\$ 0.34	\$ 0.35	\$ (0.16)	\$ 0.85

	Q1 2017
Sales	\$ 796.7
Cost of sales	614.4
Gross margin	182.3
Selling and administrative	98.3
Operating income	84.0
Interest expense, net	(14.6)
Premium on early extinguishment of debt	(0.3)
Other income (expense), net	(1.1)
Income before income taxes	68.0
Income tax expense	(19.7)
Net income from continuing operations	48.3
Net income (loss) from discontinued operations, net of income taxes	(1.4)
Net income	46.9
Less: Non-controlling interest	-
Net income attributable to PolyOne common shareholders	\$ 46.9

Continuing operations	\$ 0.58
Discontinued operations	\$ (0.01)
Total	\$ 0.57

Continuing operations	\$ 0.58
Discontinued operations	\$ (0.01)
Total	\$ 0.57

	Q1 2015	Q2 2015	Q3 2015	Q4 2015	2015 YTD
Sales	\$ 754.0	\$ 775.5	\$ 729.2	\$ 665.4	\$ 2,924.1
Cost of sales	589.9	599.6	564.2	518.9	2,272.6
Gross margin	164.1	175.9	165.0	146.5	651.5
Selling and administrative	93.8	97.2	90.7	112.2	393.9
Income from equity affiliates and minority interest	-	-	-	-	-
Operating income (loss)	70.3	78.7	74.3	34.3	257.6
Interest expense, net	(16.1)	(16.2)	(16.2)	(15.5)	(64.0)
Premium on early extinguishment of debt	-	-	-	(16.4)	(16.4)
Other income (expense), net	(0.6)	(1.2)	(1.7)	0.3	(3.2)
Income (loss) before income taxes	53.6	61.3	56.4	2.7	174.0
Income tax (expense) benefit	(23.3)	4.3	(8.8)	2.3	(25.5)
Net income (loss) from continuing operations	30.3	65.6	47.6	5.0	148.5
Net (loss) income from discontinued operations, net of income taxes	(0.1)	1.4	(3.1)	(2.0)	(3.8)
Net income (loss)	30.2	67.0	44.5	3.0	144.7
Less: Non-controlling interest	-	(0.2)	-	0.1	(0.1)
Net income (loss) attributable to PolyOne common shareholders	\$ 30.2	\$ 66.8	\$ 44.5	\$ 3.1	\$ 144.6

Continuing operations	\$ 0.34	\$ 0.73	\$ 0.55	\$ 0.06	\$ 1.69
Discontinued operations	\$ -	\$ 0.02	\$ (0.04)	\$ (0.02)	\$ (0.04)
Total	\$ 0.34	\$ 0.75	\$ 0.51	\$ 0.04	\$ 1.65

Continuing operations	\$ 0.34	\$ 0.73	\$ 0.54	\$ 0.06	\$ 1.67
Discontinued operations	\$ -	\$ 0.01	\$ (0.04)	\$ (0.02)	\$ (0.04)
Total	\$ 0.34	\$ 0.74	\$ 0.50	\$ 0.04	\$ 1.63

Adjusted Financial Information Recast for DSS Divestiture



	Q1 2013	Q2 2013	Q3 2013	Q4 2013	2013 YTD	Q1 2014	Q2 2014	Q3 2014	Q4 2014	2014 YTD	Q1 2015	Q2 2015	Q3 2015	Q4 2015	2015 YTD
Sales	\$ 759.6	\$ 838.7	\$ 821.1	\$ 754.4	\$ 3,173.8	\$ 828.7	\$ 841.5	\$ 806.1	\$ 741.7	\$ 3,218.0	\$ 754.0	\$ 775.5	\$ 729.2	\$ 665.4	\$ 2,924.1
Cost of sales	601.6	670.6	656.6	606.9	2,535.7	656.0	660.1	637.0	592.6	2,545.7	588.7	597.4	561.0	511.0	2,258.1
Gross margin	158.0	168.1	164.5	147.5	638.1	172.7	181.4	169.1	149.1	672.3	165.3	178.1	168.2	154.4	666.0
Selling and administrative	102.4	106.2	107.6	107.5	423.7	109.6	108.4	100.0	94.5	412.5	91.6	93.1	88.1	96.5	369.3
Operating income	55.6	61.9	56.9	40.0	214.4	63.1	73.0	69.1	54.6	259.8	73.7	85.0	80.1	57.9	296.7
Interest expense, net	(13.7)	(16.6)	(15.9)	(15.2)	(61.4)	(15.5)	(15.7)	(15.4)	(15.5)	(62.1)	(16.1)	(16.2)	(16.2)	(15.5)	(64.0)
Other income (expense), net	0.1	(1.3)	(1.5)	-	(2.7)	(0.7)	(0.9)	(1.7)	(1.5)	(4.8)	(0.6)	(1.2)	(1.8)	0.3	(3.3)
Income before income taxes	42.0	44.0	39.5	24.8	150.3	46.9	56.4	52.0	37.6	192.9	57.0	67.6	62.1	42.7	229.4
Income tax expense	(14.2)	(16.1)	(13.5)	(9.8)	(53.6)	(14.9)	(18.3)	(16.6)	(12.0)	(61.8)	(18.8)	(21.3)	(19.4)	(12.1)	(71.6)
Adjusted net income from continuing operations	27.8	27.9	26.0	15.0	96.7	32.0	38.1	35.4	25.6	131.1	38.2	46.3	42.7	30.6	157.8
Less: Non-controlling interest	0.2	0.3	0.2	0.4	1.1	0.2	0.2	-	0.4	0.8	-	(0.2)	-	0.1	(0.1)
Adjusted net income attributable to PolyOne common shareholders - continuing operations	\$ 28.0	\$ 28.2	\$ 26.2	\$ 15.4	\$ 97.8	\$ 32.2	\$ 38.3	\$ 35.4	\$ 26.0	\$ 131.9	\$ 38.2	\$ 46.1	\$ 42.7	\$ 30.7	\$ 157.7
Adjusted earnings per share attributable to PolyOne common shareholders - Diluted	\$ 0.30	\$ 0.28	\$ 0.27	\$ 0.15	\$ 1.01	\$ 0.34	\$ 0.41	\$ 0.38	\$ 0.28	\$ 1.41	\$ 0.43	\$ 0.51	\$ 0.48	\$ 0.36	\$ 1.78
	Q1 2016	Q2 2016	Q3 2016	Q4 2016	2016 YTD	Q1 2017									
Sales	\$ 738.5	\$ 758.2	\$ 746.6	\$ 694.8	\$ 2,938.1	\$ 796.7									
Cost of sales	557.8	576.5	576.1	540.7	2,251.1	612.0									
Gross margin	180.7	181.7	170.5	154.1	687.0	184.7									
Selling and administrative	100.0	93.9	88.3	94.9	377.1	99.0									
Operating income	80.7	87.8	82.2	59.2	309.9	85.7									
Interest expense, net	(14.6)	(14.6)	(15.1)	(15.4)	(59.7)	(14.6)									
Other (expense) income, net	(0.2)	0.2	(0.1)	0.3	0.2	(1.2)									
Income before income taxes	65.9	73.4	67.0	44.1	250.4	69.9									
Income tax expense	(21.0)	(23.1)	(20.7)	(11.5)	(76.3)	(20.7)									
Adjusted net income from continuing operations	44.9	50.3	46.3	32.6	174.1	49.2									
Less: Non-controlling interest	0.1	-	-	0.1	0.2	-									
Adjusted net income attributable to PolyOne common shareholders - continuing operations	\$ 45.0	\$ 50.3	\$ 46.3	\$ 32.7	\$ 174.3	\$ 49.2									
Adjusted earnings per share attributable to PolyOne common shareholders - Diluted	\$ 0.53	\$ 0.59	\$ 0.55	\$ 0.39	\$ 2.06	\$ 0.59									

Business Segment and Data Recast for DSS Divestiture



	Q1 2013	Q2 2013	Q3 2013	Q4 2013	2013 YTD
Sales:					
Color, Additives and Inks	205.3	229.4	219.0	198.6	852.3
Specialty Engineered Materials	152.9	158.8	157.6	146.2	615.5
Performance Products and Solutions	166.6	210.3	207.4	188.9	773.2
PolyOne Distribution	268.0	275.1	275.0	257.1	1,075.2
Corporate and Eliminations	(33.2)	(34.9)	(37.9)	(36.4)	(142.4)
Sales	759.6	838.7	821.1	754.4	3,173.8

Gross Margin:					
Color, Additives and Inks	67.7	75.2	71.8	63.1	277.8
Specialty Engineered Materials	39.2	39.0	39.2	35.8	153.2
Performance Products and Solutions	24.0	26.9	27.6	23.5	102.0
PolyOne Distribution	28.2	28.1	27.6	24.7	108.6
Corporate and Eliminations	1.9	12.4	(6.5)	(49.7)	(41.9)
Gross Margin	161.0	181.6	159.7	97.4	599.7

Selling and Administrative Expense:					
Color, Additives and Inks	43.5	44.3	42.9	43.1	173.8
Specialty Engineered Materials	23.4	24.0	24.6	24.0	96.0
Performance Products and Solutions	10.4	11.6	12.5	11.5	46.0
PolyOne Distribution	12.0	11.2	11.0	11.1	45.3
Corporate and Eliminations	15.5	17.4	13.2	(23.6)	22.5
Selling and Administrative Expense	104.8	108.5	104.2	66.1	383.6

Operating Income:					
Color, Additives and Inks	24.2	30.9	28.9	20.0	104.0
Specialty Engineered Materials	15.8	15.0	14.6	11.8	57.2
Performance Products and Solutions	13.6	15.3	15.1	12.0	56.0
PolyOne Distribution	16.2	16.9	16.6	13.6	63.3
Corporate and Eliminations	(13.5)	(5.0)	(19.7)	0.7	(37.5)
Operating Income (loss)	56.3	73.1	55.5	58.1	243.0

	Q1 2016	Q2 2016	Q3 2016	Q4 2016	2016 YTD
Sales:					
Color, Additives and Inks	204.9	212.2	195.9	184.7	797.7
Specialty Engineered Materials	141.0	143.3	146.2	135.3	565.8
Performance Products and Solutions	166.2	172.8	171.3	158.2	668.5
PolyOne Distribution	268.8	272.6	274.8	254.8	1,071.0
Corporate and Eliminations	(42.4)	(42.7)	(41.6)	(38.2)	(164.9)
Sales	738.5	758.2	746.6	694.8	2,938.1

Gross Margin:					
Color, Additives and Inks	75.3	78.0	70.0	62.8	286.1
Specialty Engineered Materials	44.2	43.0	41.7	38.6	167.5
Performance Products and Solutions	32.4	33.0	29.2	26.6	121.2
PolyOne Distribution	30.7	29.5	29.6	27.3	117.1
Corporate and Eliminations	(6.0)	(1.6)	(4.4)	(2.8)	(14.8)
Gross Margin	176.6	181.9	166.1	152.5	677.1

Selling and Administrative Expense:					
Color, Additives and Inks	40.4	39.8	38.6	39.8	158.6
Specialty Engineered Materials	20.8	21.6	21.2	22.8	86.4
Performance Products and Solutions	12.7	11.7	11.2	11.2	46.8
PolyOne Distribution	13.2	11.7	11.4	12.6	48.9
Corporate and Eliminations	19.1	15.3	11.7	4.0	50.1
Selling and Administrative Expense	106.2	100.1	94.1	90.4	390.8

Operating Income:					
Color, Additives and Inks	34.9	38.2	31.4	23.0	127.5
Specialty Engineered Materials	23.4	21.4	20.5	15.8	81.1
Performance Products and Solutions	19.7	21.3	18.0	15.4	74.4
PolyOne Distribution	17.5	17.8	18.2	14.7	68.2
Corporate and Eliminations	(25.1)	(16.9)	(16.1)	(6.8)	(64.9)
Operating Income	70.4	81.8	72.0	62.1	286.3

	Q1 2014	Q2 2014	Q3 2014	Q4 2014	2014 YTD
Color, Additives and Inks	219.6	228.7	212.0	190.5	850.8
Specialty Engineered Materials	157.4	157.8	145.8	137.3	598.3
Performance Products and Solutions	207.6	211.2	213.0	184.8	816.6
PolyOne Distribution	284.1	287.0	280.5	262.8	1,114.4
Corporate and Eliminations	(40.0)	(43.2)	(45.2)	(33.7)	(162.1)
Sales	828.7	841.5	806.1	741.7	3,218.0

Color, Additives and Inks	74.9	81.7	71.8	65.1	293.5
Specialty Engineered Materials	42.6	43.5	39.7	37.4	163.2
Performance Products and Solutions	28.0	29.0	29.2	22.8	109.0
PolyOne Distribution	29.8	28.8	29.3	26.1	114.0
Corporate and Eliminations	(6.8)	(15.7)	(8.0)	(12.4)	(42.9)
Gross Margin	168.5	167.3	162.0	139.0	636.8

Color, Additives and Inks	44.5	44.0	41.7	38.4	168.6
Specialty Engineered Materials	24.3	24.6	21.3	20.6	90.8
Performance Products and Solutions	12.0	11.4	11.4	11.1	45.9
PolyOne Distribution	12.6	11.5	10.6	11.1	45.8
Corporate and Eliminations	19.1	26.5	19.1	70.4	135.1
Selling and Administrative Expense	112.5	118.0	104.1	151.6	486.2

Color, Additives and Inks	30.4	37.7	30.1	26.7	124.9
Specialty Engineered Materials	18.3	18.9	18.4	16.8	72.4
Performance Products and Solutions	16.0	17.6	17.8	11.7	63.1
PolyOne Distribution	17.2	17.3	18.7	15.0	68.2
Corporate and Eliminations	(25.9)	(42.2)	(27.1)	(82.8)	(178.0)
Operating Income (loss)	56.0	49.3	57.9	(12.6)	150.6

Q1 2017

Sales	211.8
Color, Additives and Inks	159.1
Specialty Engineered Materials	183.7
Performance Products and Solutions	286.1
PolyOne Distribution	(44.0)
Sales	796.7

Gross Margin	75.2
Color, Additives and Inks	46.1
Specialty Engineered Materials	33.9
Performance Products and Solutions	31.4
PolyOne Distribution	(4.3)
Gross Margin	182.3

Selling and Administrative Expense	40.1
Color, Additives and Inks	22.5
Specialty Engineered Materials	11.8
Performance Products and Solutions	12.8
PolyOne Distribution	11.1
Selling and Administrative Expense	98.3

Operating Income	35.1
Color, Additives and Inks	23.6
Specialty Engineered Materials	22.1
Performance Products and Solutions	18.6
PolyOne Distribution	(15.4)
Operating Income	84.0

	Q1 2015	Q2 2015	Q3 2015	Q4 2015	2015 YTD
Color, Additives and Inks	208.5	217.4	199.9	184.9	810.7
Specialty Engineered Materials	141.9	139.7	136.0	125.2	542.8
Performance Products and Solutions	175.9	190.3	175.2	152.7	694.1
PolyOne Distribution	265.7	266.8	259.5	242.1	1,034.1
Corporate and Eliminations	(38.0)	(38.7)	(41.4)	(39.5)	(157.6)
Sales	754.0	775.5	729.2	665.4	2,924.1

Color, Additives and Inks	73.4	80.0	73.4	67.0	293.8
Specialty Engineered Materials	43.0	41.1	39.6	37.3	161.0
Performance Products and Solutions	22.5	27.4	27.2	24.8	101.9
PolyOne Distribution	27.8	30.2	29.4	27.2	114.6
Corporate and Eliminations	(2.6)	(2.8)	(4.6)	(9.8)	(19.8)
Gross Margin	164.1	175.9	165.0	146.5	651.5

Color, Additives and Inks	39.6	40.4	38.9	39.5	158.4
Specialty Engineered Materials	19.9	21.0	19.6	20.9	81.4
Performance Products and Solutions	11.0	11.1	11.1	11.3	44.5
PolyOne Distribution	12.1	11.1	11.8	11.6	46.6
Corporate and Eliminations	11.2	13.6	9.3	28.9	63.0
Selling and Administrative Expense	93.8	97.2	90.7	112.2	393.9

Color, Additives and Inks	33.8	39.6	34.5	27.5	135.4
Specialty Engineered Materials	23.1	20.1	20.0	16.4	79.6
Performance Products and Solutions	11.5	16.3	16.1	13.5	57.4
PolyOne Distribution	15.7	19.1	17.6	15.6	68.0
Corporate and Eliminations	(13.8)	(16.4)	(13.9)	(38.7)	(82.8)
Operating Income (loss)	70.3	78.7	74.3	34.3	257.6

Non-GAAP Reconciliations

	Q1 2013	Q2 2013	Q3 2013	Q4 2013	2013 YTD
Sales	759.6	838.7	821.1	754.4	3,173.8
Gross margin - GAAP	161.0	181.6	159.7	97.4	599.7
Special items in gross margin (see slide 7)	(3.0)	(13.5)	4.8	50.1	38.4
Adjusted gross margin	158.0	168.1	164.5	147.5	638.1
Adjusted gross margin as a percent of sales	20.8%	20.0%	20.0%	19.6%	20.1%
Operating income - GAAP	56.3	73.1	55.5	58.1	243.0
Special items in operating income (see slide 7)	(0.7)	(11.2)	1.4	(18.1)	(28.6)
Adjusted operating income	55.6	61.9	56.9	40.0	214.4
Adjusted operating income as a percent of sales	7.3%	7.4%	6.9%	5.3%	6.8%

	Q1 2014	Q2 2014	Q3 2014	Q4 2014	2014 YTD
Sales	828.7	841.5	806.1	741.7	3,218.0
Gross margin - GAAP	168.5	167.3	162.0	139.0	636.8
Special items in gross margin (see slide 7)	4.2	14.1	7.1	10.1	35.5
Adjusted gross margin	172.7	181.4	169.1	149.1	672.3
Adjusted gross margin as a percent of sales	20.8%	21.6%	21.0%	20.1%	20.9%
Operating income - GAAP	56.0	49.3	57.9	(12.6)	150.6
Special items in operating income (see slide 7)	7.1	23.7	11.2	67.2	109.2
Adjusted operating income	63.1	73.0	69.1	54.6	259.8
Adjusted operating income as a percent of sales	7.6%	8.7%	8.6%	7.4%	8.1%

	Q1 2015	Q2 2015	Q3 2015	Q4 2015	2015 YTD
Sales	754.0	775.5	729.2	665.4	2,924.1
Gross margin - GAAP	164.1	175.9	165.0	146.5	651.5
Special items in gross margin (see slide 7)	1.2	2.2	3.2	7.9	14.5
Adjusted gross margin	165.3	178.1	168.2	154.4	666.0
Adjusted gross margin as a percent of sales	21.9%	23.0%	23.1%	23.2%	22.8%
Operating income - GAAP	70.3	78.7	74.3	34.3	257.6
Special items in operating income (see slide 7)	3.4	6.3	5.8	23.6	39.1
Adjusted operating income	73.7	85.0	80.1	57.9	296.7
Adjusted operating income as a percent of sales	9.8%	11.0%	11.0%	8.7%	10.1%

	Q1 2016	Q2 2016	Q3 2016	Q4 2016	2016 YTD
Sales	738.5	758.2	746.6	694.8	2,938.1
Gross margin - GAAP	176.6	181.9	166.1	152.5	677.1
Special items in gross margin (see slide 7)	4.1	(0.2)	4.4	1.6	9.9
Adjusted gross margin	180.7	181.7	170.5	154.1	687.0
Adjusted gross margin as a percent of sales	24.5%	24.0%	22.8%	22.2%	23.4%
Operating income - GAAP	70.4	81.8	72.0	62.1	286.3
Special items in operating income (see slide 7)	10.3	6.0	10.2	(2.9)	23.6
Adjusted operating income	80.7	87.8	82.2	59.2	309.9
Adjusted operating income as a percent of sales	10.9%	11.6%	11.0%	8.5%	10.5%

Q1 2017	
Sales	796.7
Gross margin - GAAP	182.3
Special items in gross margin (see slide 7)	2.4
Adjusted gross margin	184.7
Adjusted gross margin as a percent of sales	23.2%
Operating income - GAAP	84.0
Special items in operating income (see slide 7)	1.7
Adjusted operating income	85.7
Adjusted operating income as a percent of sales	10.8%

Summary of Special Items



	Q1 2013	Q2 2013	Q3 2013	Q4 2013	2013 YTD	Q1 2014	Q2 2014	Q3 2014	Q4 2014	2014 YTD	Q1 2015	Q2 2015	Q3 2015	Q4 2015	2015 YTD
Cost of sales:															
Restructuring Costs	-	-	-	(2.5)	(2.5)	(3.3)	(13.2)	(2.8)	(7.4)	(26.7)	(0.2)	(0.2)	(1.0)	(6.3)	(7.7)
Environmental remediation costs	(2.0)	(1.3)	(4.8)	(52.6)	(60.7)	(0.9)	(0.9)	(5.9)	(2.6)	(10.3)	(1.5)	(2.0)	(4.3)	(1.5)	(9.3)
Pension & other post-retirement benefits - mark-to-market adjustment	-	-	-	1.6	1.6	-	-	-	(2.0)	(2.0)	-	-	-	(1.0)	(1.0)
Reimbursement of previously incurred environmental costs	5.2	14.9	-	3.4	23.5	-	-	1.6	2.1	3.7	0.5	-	2.1	0.9	3.5
Acquisition related adjustments	(0.2)	(0.1)	-	-	(0.3)	-	-	-	(0.2)	(0.2)	-	-	-	-	-
Impact on cost of sales	3.0	13.5	(4.8)	(50.1)	(38.4)	(4.2)	(14.1)	(7.1)	(10.1)	(35.5)	(1.2)	(2.2)	(3.2)	(7.9)	(14.5)
Selling and administrative expense:															
Restructuring, legal and other	(2.3)	(1.9)	4.1	(1.0)	(1.1)	(2.7)	(9.3)	(3.9)	1.0	(14.9)	(1.9)	(3.4)	(1.8)	(3.9)	(11.0)
Unrealized gain on foreign currency option contracts	0.4	0.2	0.3	0.2	1.1	-	-	-	-	-	-	-	-	-	-
Pension & other post-retirement benefits - mark-to-market adjustment	-	-	-	42.4	42.4	-	-	-	(54.5)	(54.5)	-	-	-	(10.6)	(10.6)
Acquisition/divestiture related costs	(0.5)	(0.6)	(1.0)	(0.2)	(2.3)	(0.2)	(0.3)	(0.2)	(3.6)	(4.3)	(0.3)	(0.7)	(0.8)	(1.2)	(3.0)
Impact on selling and administrative expense	(2.4)	(2.3)	3.4	41.4	40.1	(2.9)	(9.6)	(4.1)	(57.1)	(73.7)	(2.2)	(4.1)	(2.6)	(15.7)	(24.6)
Gain on sale of investment in equity affiliates	0.1	-	-	26.8	26.9	-	-	-	-	-	-	-	-	-	-
Impact on operating income	0.7	11.2	(1.4)	18.1	28.6	(7.1)	(23.7)	(11.2)	(67.2)	(109.2)	(3.4)	(6.3)	(5.8)	(23.6)	(39.1)
Debt extinguishment costs	(10.6)	-	(5.2)	-	(15.8)	-	-	-	-	-	-	-	-	(16.4)	(16.4)
Bridge loan commitment fees - interest expense	(1.9)	-	-	-	(1.9)	-	-	-	-	-	-	-	-	-	-
Other income (expense), net	1.4	-	-	-	1.4	-	0.5	0.1	0.1	0.7	-	-	0.1	-	0.1
Impact on income before income taxes	(10.4)	11.2	(6.6)	18.1	12.3	(7.1)	(23.2)	(11.1)	(67.1)	(108.5)	(3.4)	(6.3)	(5.7)	(40.0)	(55.4)
Income tax benefit on above special items	3.9	(5.3)	1.9	(7.1)	(6.6)	2.6	10.5	4.5	24.0	41.6	1.4	1.7	1.0	14.6	18.7
Tax adjustments	(0.5)	(0.2)	(1.8)	0.3	(2.2)	1.6	5.2	0.1	3.6	10.5	(5.9)	23.9	9.6	(0.2)	27.4
Impact of special items on net income	(7.0)	5.7	(6.5)	11.3	3.5	(2.9)	(7.5)	(6.5)	(39.5)	(56.4)	(7.9)	19.3	4.9	(25.6)	(9.3)
Diluted earnings per common share impact	\$ (0.08)	\$ 0.06	\$ (0.07)	\$ 0.12	\$ 0.04	\$ (0.03)	\$ (0.08)	\$ (0.07)	\$ (0.43)	\$ (0.60)	\$ (0.09)	\$ 0.22	\$ 0.06	\$ (0.30)	\$ (0.11)
Q1 2016															
Cost of sales:															
Restructuring Costs	0.1	(1.0)	-	(0.2)	(1.1)	-	-	-	-	-	-	-	-	-	-
Environmental remediation costs	(1.7)	(2.1)	(2.4)	(2.2)	(8.4)	-	-	-	-	-	-	-	-	-	-
Pension & other post-retirement benefits - mark-to-market adjustment	-	-	-	0.3	0.3	-	-	-	-	-	-	-	-	-	-
Reimbursement of previously incurred environmental costs	-	5.3	-	0.8	6.1	-	-	-	-	-	-	-	-	-	-
Acquisition related adjustments	(2.5)	(2.0)	(2.0)	(0.3)	(6.8)	(0.2)	-	-	-	-	(0.2)	-	-	-	-
Impact on cost of sales	(4.1)	0.2	(4.4)	(1.6)	(9.9)	(2.4)	-	-	-	-	-	-	-	-	-
Selling and administrative expense:															
Restructuring, legal and other	(5.9)	(5.6)	(5.3)	(3.0)	(19.8)	1.4	-	-	-	-	-	-	-	-	-
Unrealized gain on foreign currency option contracts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pension & other post-retirement benefits - mark-to-market adjustment	-	-	-	8.1	8.1	-	-	-	-	-	-	-	-	-	-
Acquisition/divestiture related costs	(0.3)	(0.6)	(0.5)	(0.6)	(2.0)	(0.7)	-	-	-	-	-	-	-	-	-
Impact on selling and administrative expense	(6.2)	(6.2)	(5.8)	4.5	(13.7)	0.7	-	-	-	-	-	-	-	-	-
Gain on sale of investment in equity affiliates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Impact on operating income	(10.3)	(6.0)	(10.2)	2.9	(23.6)	(1.7)	-	-	-	-	-	-	-	-	-
Debt extinguishment costs	-	(0.4)	-	-	(0.4)	(0.3)	-	-	-	-	-	-	-	-	-
Bridge loan commitment fees - interest expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other income (expense), net	0.2	(0.1)	-	0.1	0.2	0.1	-	-	-	-	-	-	-	-	-
Impact on income before income taxes	(10.1)	(6.5)	(10.2)	3.0	(23.8)	(1.9)	-	-	-	-	-	-	-	-	-
Income tax benefit on above special items	3.8	2.6	3.7	(1.8)	8.3	0.9	-	-	-	-	-	-	-	-	-
Tax adjustments	(0.4)	3.7	3.0	1.3	7.6	0.1	-	-	-	-	-	-	-	-	-
Impact of special items on net income	(6.7)	(0.2)	(3.5)	2.5	(7.9)	(0.9)	-	-	-	-	-	-	-	-	-
Diluted earnings per common share impact	\$ (0.08)	\$ -	\$ (0.04)	\$ 0.03	\$ (0.10)	\$ (0.01)	-	-	-	-	-	-	-	-	-