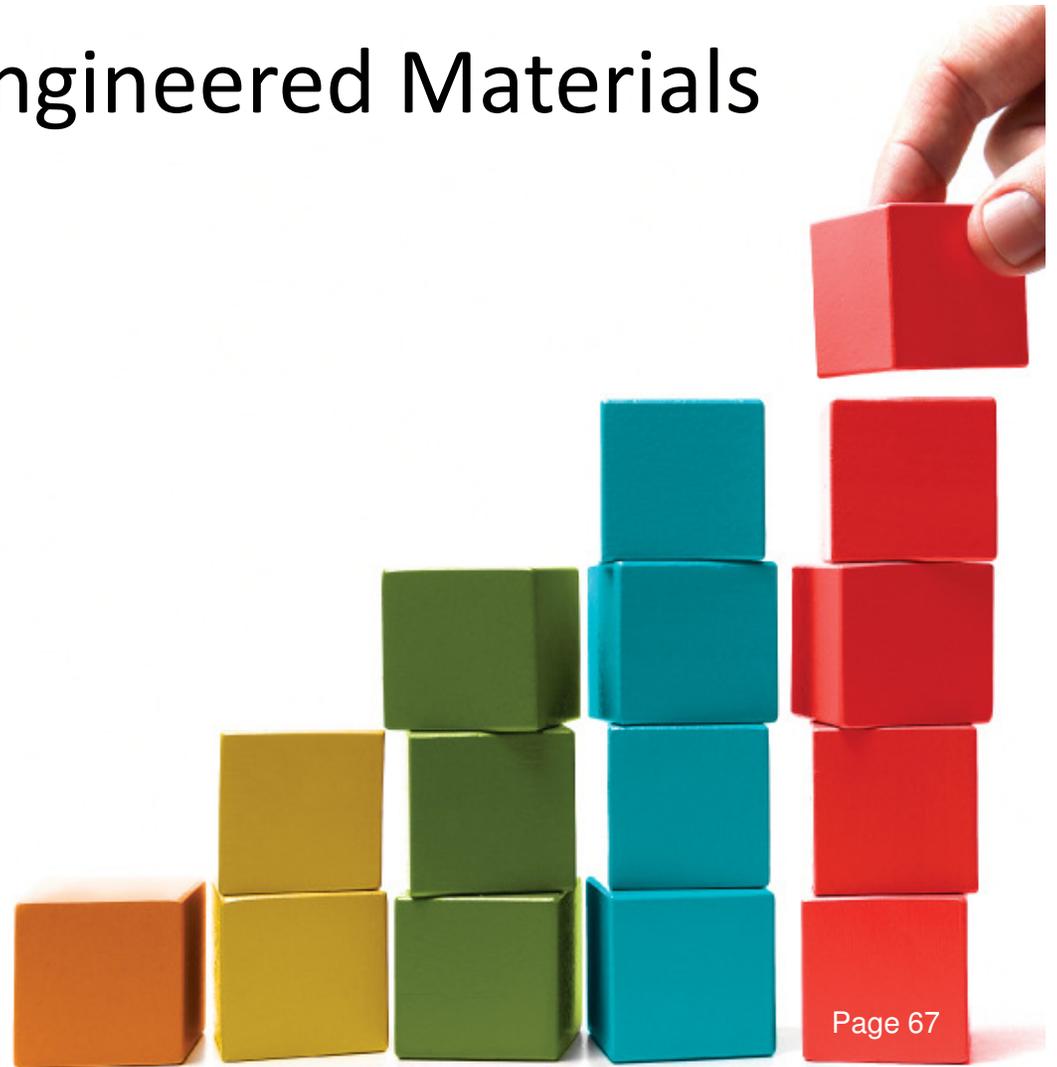




Global Specialty Engineered Materials

Craig M. Nikrant



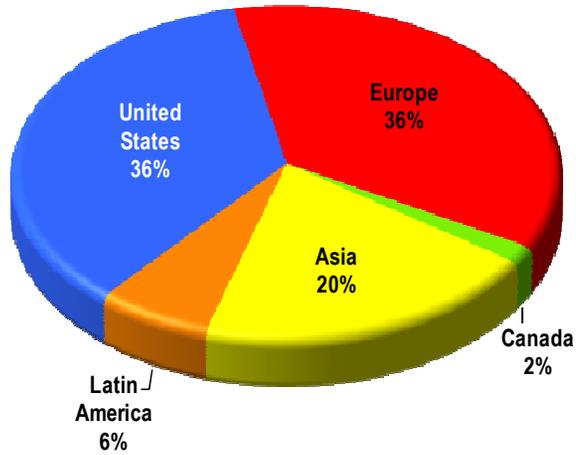
Collaboration. Innovation. Excellence.

At a Glance

Global Specialty Engineered Materials



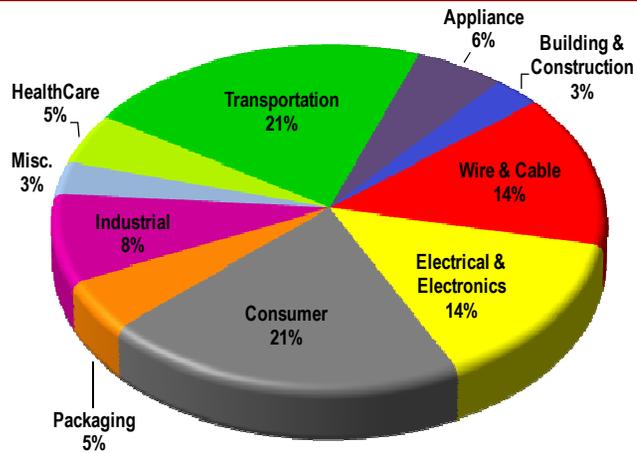
2011 Revenue: \$0.6 Billion



Solutions

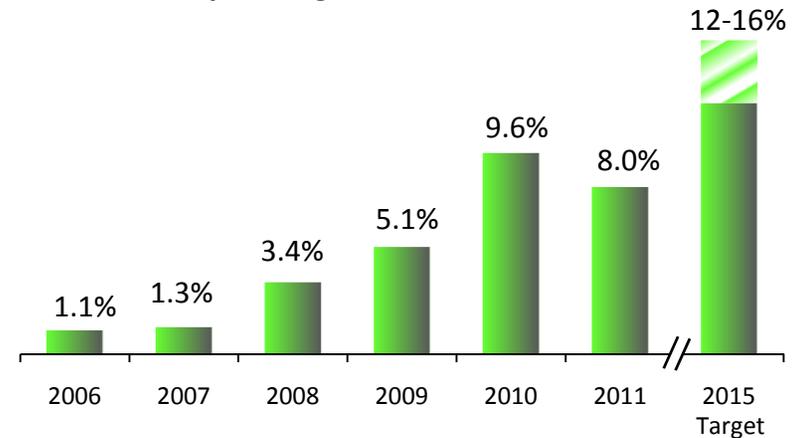


2011 Revenue by Industry Segment



Expanding Profits

Operating Income % of Sales



Value Proposition

- GSEM is a global leader providing complete specialty solutions encompassing innovative technologies and services to enable customer success

Transformation Highlights

- Dramatic turnaround of the Engineered Materials business through mix improvement and specialty focus
- GLS acquisition successfully integrated, having more than doubled earnings in 3 years
- PolyOne culture and strategy now engrained worldwide
- Expansion into healthcare with dedicated resources

> \$15B Addressable Market



Key Differentiators

Global Specialty Engineered Materials



- Polymer design, formulation and service expertise
- Broad, global technology base and regional centers of excellence
- Ten innovation centers around the world
- Specialty brand leadership with PolyOne, GLS, NEU and ECCOH
- Ability to leverage global key account team



Mix Transformation – Executing the Strategy



Global Specialty Engineered Materials

EM North America Transformation

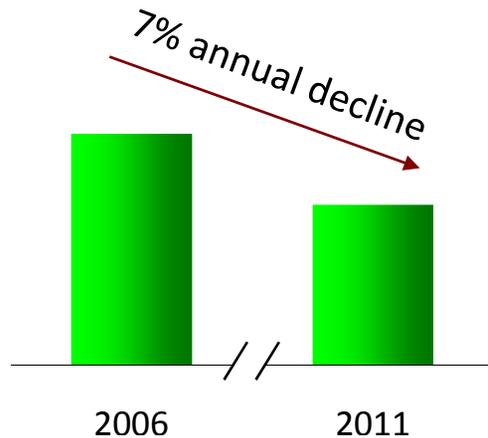
From Volume

Commodity-driven product portfolio

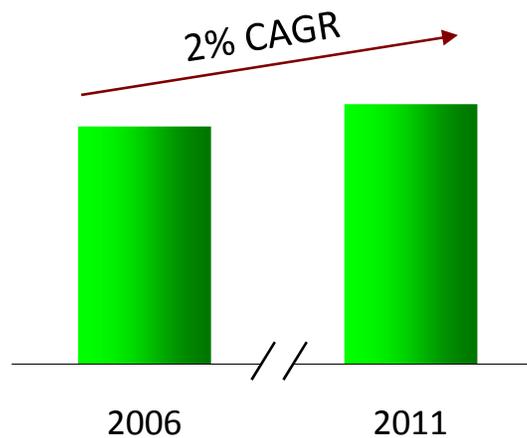
To Value

Specialty technology and solutions

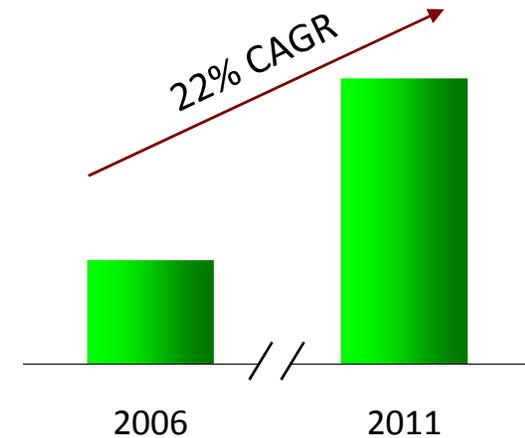
Volume



Sales



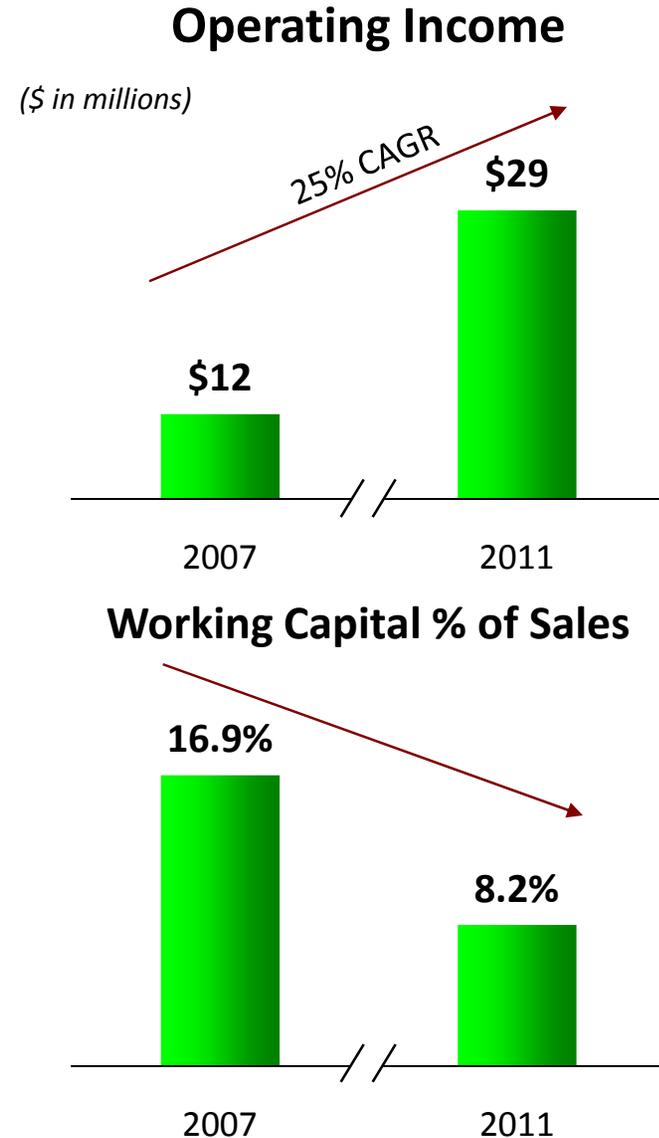
Gross Margin \$



GLS Integration Success



- Provided access to new customers in specialized, high-growth markets such as healthcare and consumer
- Strategic partner to many of the world's best-known companies
- Complementary global footprint provided additional cross-selling opportunities
- Opportunity to expand margins and drive working capital improvement while remaining customer-focused

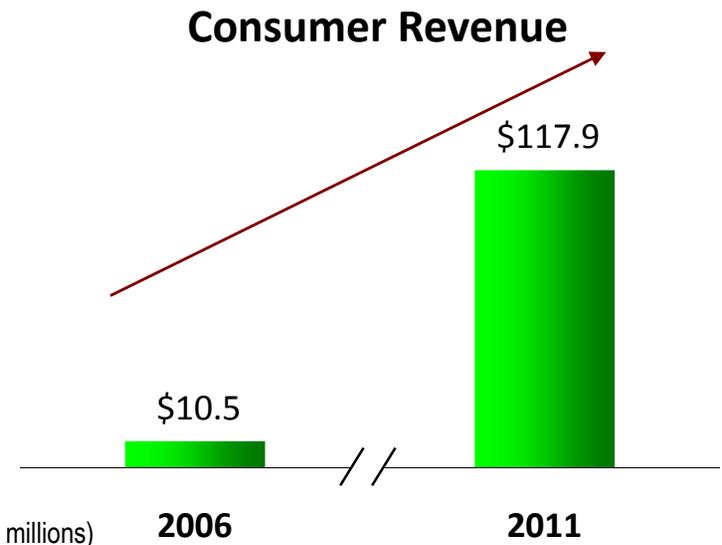
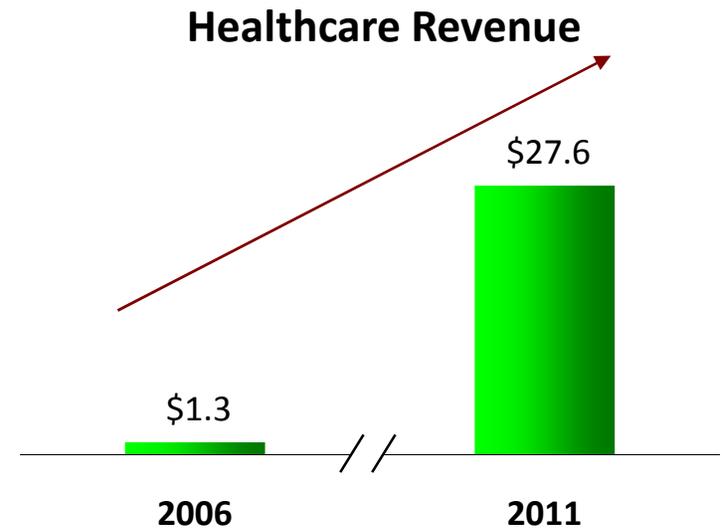


Areas of Focus

Global Specialty Engineered Materials



- Investment in dedicated healthcare team to drive penetration and growth
- Leverage product portfolio globally & win specialty business in targeted markets
- Aggressively commercialize specialty innovation platforms
- Utilize our innovation centers to influence OEM design



(Revenue in \$ millions)

Key Innovations

Global Specialty Engineered Materials



- **Carbon Nanotube Formulations**

- ✓ **Applications:** Semiconductor equipment, hard drives
- ✓ **Customer benefits:** Scrap cost reduction and clean conductivity



- **Thermally Conductive Solutions**

- ✓ **Applications:** Sockets and bulb holders for LED lighting
- ✓ **Customer benefits:** Cost reduction, energy saving, and design flexibility



- **FDA-Regulated TPEs**

- ✓ **Applications:** Food packaging seals, intravenous delivery systems, medical stoppers, prefilled syringes
- ✓ **Customer benefits:** Clean and safe elastomers for highly regulated applications



Critical Imperatives and 2015 Goal

Global Specialty Engineered Materials



Critical Imperatives

- Commercialize critical new technology platforms
- Manage the mix as we continue to drive the transformation
- Global translation of commercial successes

2015 Goal

- 12 - 16% return on sales



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