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 GAAP. Senior management uses pre-special gross margin, adjusted operating income, 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.

Signate Signature Signat	Platform operating income mix percentage					2	2005Y		2008Y		2011Y
A								\$		\$	
Specially Platform Specially Special Norm Specially Platform Spe						Ψ		Ψ		Ψ	
Performance Products and Solutions 19.5 3.1 3.5 5.0 5.0 Distribution 19.5 19.5 28.6 5.0 Distribution 19.5 19.5 28.6 5.0 Diperating income (loss) GAAP 19.1 28.6 5.0 Deperating income excluding expense (income) 5.1 42.5 7.0 Diperating income excluding Corporate 19.1 19.1 19.1 Performance performance excluding Corporate 19.1 19.1 19.1 Proforma platform operating mix percentage 2.0 34.0 42.0 Proforma platform operating income mix percentage 2.0 34.0 42.0 Proforma platform operating income mix percentage 2.0 3.0 5.0 Proforma platform operating income mix percentage 2.0 3.0 5.0 Proforma platform operating income mix percentage 2.0 3.0 5.0 Proforma platform operating income mix percentage 2.0 3.0 5.0 Proforma platform operating income mix percentage 2.0 3.0 5.0 5.0 Proforma platform operating income mix percentage 3.0 3.0 5.0 5.0 Proforma platform operating income mix percentage 3.0 3.0 5.0 5.0 Proforma platform operating income mix percentage 3.0 3.0 5.0 5.0 5.0 Proforma platform operating income mix percentage 3.0 3.0 5.0 5.0 5.0 Proforma platform operating income proforma ColorMatrix 3.0 3.0 5.0 5.0 5.0 5.0 Proforma platform operating income proforma ColorMatrix 3.0 3.0 5.0						\$		\$		\$	
Submibition 1919 28.6 5.0						_					
Sun Bel Florint Venture 91,9 28,6 5,0 1,0	Distribution										
Corporate	SunBelt Joint Venture										
Departing income (toss) GAAP \$ 233.0 \$ 231.0 \$ 233.0 \$ 200.0 \$ 2	Corporate										
Less: Corporate operating expense (income) 51.5 425.1 20.3	<u>r</u>					\$		\$		\$	
Operating income excluding Corporate \$ 191.8 \$ 133.7 \$ 212.7 Specialty platform operating mix percentage 2% 34% 42% Pro forma platform operating income mix percentage 2007 Pro forma Platform operating income mix percentage 2007 2011Y Specialty Platform pro forma ColorMatrix - 3.0.6 \$ 89.3 Per formance Products and Solutions 65.8 62.4 Distribution 3.4.8 5.0 SunBelt Joint Venture 3.4.8 5.0 Corporate \$ 80.0 \$ 20.0 Corporate and SunBelt operating income 73.3 \$ 25.0 Specialty platform operating mix percentage \$ 130.9 \$ 40.9 \$ 100.9 \$ 200.0 Specialty platform operating mix percentage 20% \$ 200.7 \$ 20.3 \$ 20.3 Specialty platform operating mix percentage 20% \$ 200.9 \$ 200.9 \$ 200.0 Adjusted EPS 2006Y 2007Y 2008Y 2009Y 2011Y 2011Y Adjusted EPS 2004Y 2008Y 2009Y 2010Y						·					
Specialty platform operating mix percentage 2% 34% 42% Proforma platform operating income mix percentage 2007 Proforma platform 2007 2017Y Specialty Platform \$ 30.6 \$ 89.3 \$ 89.3 \$ 27.7 \$ 27.7 \$ 27.7 \$ 27.7 \$ 27.7 \$ 27.7 \$ 27.7 \$ 27.7 \$ 27.1 \$						\$		\$		\$	
Proforma platform operating income mix percentage \$200 \$200 \$207 \$20							2%		34%		42%
Specialty Platform \$30.6 \$89.3 Pro forma ColorMatrix \$30.6 \$17.0 \$27.7 \$27.7 \$27.7 \$27.7 \$27.7 \$27.7 \$30.6 \$117.0 \$27.7]	Pro forma
Proforma ColorMatrix		ent	age						2007		2011Y
Specialty Platform pro forma ColorMatrix \$30.6 \$117.0 Performance Products and Solutions 65.8 62.4 Diluted shares \$6.8 62.4 Sunbelt Joint Venture \$22.1 56.0 Sunbelt Joint Venture \$34.8 5.0 Corporate \$80.0 \$26.07 Sunbelt Joint Venture \$80.0 \$26.07 Less: Corporate and SunBelt operating income 73.3 (25.3) Operating income excluding Corporate operating income \$153.3 \$235.4 Specialty platform operating mix percentage \$2006Y \$2007Y \$2008Y \$2009Y \$2010Y \$2011Y Net Income \$130.9 \$40.9 \$417.0 \$106.7 \$162.6 \$172.6 SunBelt and OxyVinyls equity earnings, after tax (21.2) 41.4 310.0 (31.0) 15.8 (30.5) Tax adjustments \$30.0 \$30.7 \$147.2 (44.9 (88.3) (42.3) Adjusted et income \$11.2 \$25.5 \$19.4 \$11.8 \$75.4 \$96.1 Diluted shares \$9.12 \$0.27 \$0.21 \$0.13 \$0.79 \$1.02 Adjusted EPS \$0.12 \$0.27 \$0.21 \$0.13 \$0.79 \$0.21 Adjusted EPS \$0.12 \$0.25 \$0.25 \$0.25 \$0.25 \$0.25 \$0.25 Adjusted net income \$1.02 \$0.25	Specialty Platform				 			\$	30.6	\$	
Performance Products and Solutions	Pro forma ColorMatrix			 	 				<u>-</u>		
Distribution	Specialty Platform pro forma ColorMatrix							\$	30.6	\$	117.0
SunBelt Joint Venture	Performance Products and Solutions								65.8		62.4
Corporate Corporate Corporate Corporate Corporate Corporating income pro forma ColorMatrix Social Standard SunBelt operating income Corporate and SunBelt operating income Corporate and SunBelt operating income Corporate operatin	Distribution								22.1		56.0
Operating income pro forma ColorMatrix Less: Corporate and SunBelt operating income \$80.0 \$260.7 Less: Corporate and SunBelt operating income \$153.3 \$235.4 Operating income excluding Corporate operating income 20% \$50% Adjusted EPS 2006Y 2007Y 2008Y 2009Y 2010Y 2011Y Net Income \$130.9 \$40.9 \$(417.0) \$106.7 \$162.6 \$172.6 SunBelt and OxyVinyls equity earnings, after tax (68.5) (26.1) (20.8) (19.0) (14.7) (3.7) Special items, after tax (21.2) 41.4 310.0 (30.1) 15.8 (30.5) Tax adjustments (30.0) (30.7) 147.2 (44.9) (88.3) (42.3) Adjusted net income \$11.2 \$25.5 \$19.4 \$11.8 \$75.4 \$96.1 Diluted shares 92.8 93.1 92.7 93.4 96.0 94.3 Adjusted EPS \$0.12 \$0.27 \$0.21 \$0.13 \$0.79 \$1.02 Net Income	SunBelt Joint Venture								34.8		5.0
Less: Corporate and SunBelt operating income 73.3 (25.3)	Corporate								(73.3)		20.3
Less: Corporate and SunBelt operating income 73.3 (25.3)	Operating income pro forma ColorMatrix								\$ 80.0	\$	260.7
Specialty platform operating mix percentage 2006Y 2007Y 2008Y 2009Y 2010Y 2011Y	Less: Corporate and SunBelt operating income								73.3		(25.3)
Adjusted EPS 2006Y 2007Y 2008Y 2009Y 2010Y 2011Y Net Income \$ 130.9 \$ 40.9 \$ (417.0) \$ 106.7 \$ 162.6 \$ 172.6 SunBelt and OxyVinyls equity earnings, after tax (68.5) (26.1) (20.8) (19.0) (14.7) (3.7) Special items, after tax (21.2) 41.4 310.0 (31.0) 15.8 (30.5) Tax adjustments (30.0) (30.7) 147.2 (44.9) (88.3) (42.3) Adjusted net income \$ 11.2 \$ 25.5 \$ 19.4 \$ 11.8 \$ 75.4 \$ 96.1 Diluted shares 92.8 93.1 92.7 93.4 96.0 94.3 Adjusted EPS \$ 0.12 \$ 0.27 \$ 0.21 \$ 0.13 \$ 0.79 \$ 1.02 Adjusted EPS \$ 0.12 \$ 0.27 \$ 0.21 \$ 0.13 \$ 0.79 \$ 1.02 Adjusted PS \$ 0.21 \$ 0.21 \$ 0.13 \$ 0.79 \$ 1.02 SunBelt equity earnings, after tax \$ (79.8)	Operating income excluding Corporate operating	inco	me					\$	153.3	\$	235.4
Net Income \$ 130.9 \$ 40.9 \$ (417.0) \$ 106.7 \$ 162.6 \$ 172.6 SunBelt and OxyVinyls equity earnings, after tax (68.5) (26.1) (20.8) (19.0) (14.7) (3.7) Special items, after tax (21.2) 41.4 310.0 (31.0) 15.8 (30.5) Tax adjustments (30.0) (30.7) 147.2 (44.9) (88.3) (42.3) Adjusted net income \$ 11.2 \$ 25.5 \$ 19.4 \$ 11.8 \$ 75.4 \$ 96.1 Diluted shares 92.8 93.1 92.7 93.4 96.0 94.3 Adjusted EPS \$ 0.12 \$ 0.27 \$ 0.21 \$ 0.13 \$ 0.79 \$ 1.02 Adjusted EPS \$ 0.12 \$ 0.27 \$ 0.21 \$ 0.13 \$ 0.79 \$ 1.02 Adjusted EPS \$ 0.12 \$ 0.27 \$ 0.21 \$ 0.13 \$ 0.79 \$ 1.02 Adjusted EPS \$ 0.12 \$ 0.27 \$ 0.21 \$ 0.13 \$ 0.79 \$ 0.21 Special items, after tax \$ 0.79.8 \$ 0.1 \$ 0.1 \$ 0.1 \$ 0.1 Adjusted net	Specialty platform operating mix percentage								20%		50%
SunBelt and OxyVinyls equity earnings, after tax (68.5) (26.1) (20.8) (19.0) (14.7) (3.7) Special items, after tax (21.2) 41.4 310.0 (31.0) 15.8 (30.5) Tax adjustments (30.0) (30.7) 147.2 (44.9) (88.3) (42.3) Adjusted net income \$ 11.2 \$ 25.5 \$ 19.4 \$ 11.8 \$ 75.4 \$ 96.1 Diluted shares 92.8 93.1 92.7 93.4 96.0 94.3 Adjusted EPS \$ 0.12 \$ 0.27 \$ 0.21 \$ 0.13 \$ 0.79 \$ 1.02 Adjusted EPS \$ 0.12 \$ 0.27 \$ 0.21 \$ 0.13 \$ 0.79 \$ 1.02 Adjusted EPS \$ 0.12 \$ 0.27 \$ 0.21 \$ 0.13 \$ 0.79 \$ 1.02 Adjusted EPS \$ 0.12 \$ 0.27 \$ 0.21 \$ 0.13 \$ 0.79 \$ 1.02 Adjusted EPS \$ 0.12 \$ 0.27 \$ 0.21 \$ 0.13 \$ 0.79 \$ 0.21 Net Income \$ 11.0.2 \$ 0.27 \$ 0.21 \$ 0.21 \$ 0.21 \$ 0.21 \$ 0.21 \$	Adjusted EPS	2	2006Y	2007Y	2008Y	2	2009Y		2010Y		2011Y
Special items, after tax (21.2) 41.4 310.0 (31.0) 15.8 (30.5) Tax adjustments (30.0) (30.7) 147.2 (44.9) (88.3) (42.3) Adjusted net income \$ 11.2 \$ 25.5 \$ 19.4 \$ 11.8 \$ 75.4 \$ 96.1 Diluted shares 92.8 93.1 92.7 93.4 96.0 94.3 Adjusted EPS \$ 0.12 \$ 0.27 \$ 0.21 \$ 0.13 \$ 0.79 \$ 1.02 Adjusted EPS \$ 0.12 \$ 0.27 \$ 0.21 \$ 0.13 \$ 0.79 \$ 1.02 Adjusted EPS \$ 0.12 \$ 0.27 \$ 0.21 \$ 0.13 \$ 0.79 \$ 1.02 Adjusted EPS \$ 0.12 \$ 0.27 \$ 0.21 \$ 0.13 \$ 0.79 \$ 1.02 Adjusted EPS \$ 110.2 \$ 20.2 <t< td=""><td>Net Income</td><td>\$</td><td>130.9</td><td>\$ 40.9</td><td>\$ (417.0)</td><td>\$</td><td>106.7</td><td>\$</td><td>162.6</td><td>\$</td><td>172.6</td></t<>	Net Income	\$	130.9	\$ 40.9	\$ (417.0)	\$	106.7	\$	162.6	\$	172.6
Tax adjustments (30.0) (30.7) 147.2 (44.9) (88.3) (42.3) Adjusted net income \$ 11.2 \$ 25.5 \$ 19.4 \$ 11.8 \$ 75.4 \$ 96.1 Diluted shares 92.8 93.1 92.7 93.4 96.0 94.3 Adjusted EPS \$ 0.12 \$ 0.27 \$ 0.21 \$ 0.13 \$ 0.79 \$ 1.02 Adjusted EPS \$ 110.2 \$ 20.2 \$ 20.2 \$ 20.2 \$ 20.2 \$ 20.2 SunBelt equity earnings, after tax (3.7) - - \$ 6.1 \$ 6.1 Tax adjustments (1.5) 0.1 \$ 25.2 \$ 26.4 Diluted shares 96.4 90.7	SunBelt and OxyVinyls equity earnings, after tax		(68.5)	(26.1)	(20.8)		(19.0)		(14.7)		(3.7)
Adjusted net income \$ 11.2 \$ 25.5 \$ 19.4 \$ 11.8 \$ 75.4 \$ 96.1 Diluted shares 92.8 93.1 92.7 93.4 96.0 94.3 Adjusted EPS \$ 0.12 \$ 0.27 \$ 0.21 \$ 0.13 \$ 0.79 \$ 1.02 Adjusted EPS Q1 2011 Q1 2012 Net Income \$ 110.2 \$ 20.2 SunBelt equity earnings, after tax (3.7) - Special items, after tax (79.8) 6.1 Tax adjustments (1.5) 0.1 Adjusted net income \$ 25.2 \$ 26.4 Diluted shares 96.4 90.7	Special items, after tax		(21.2)	41.4	310.0		(31.0)		15.8		(30.5)
Diluted shares 92.8 93.1 92.7 93.4 96.0 94.3 Adjusted EPS \$ 0.12 \$ 0.27 \$ 0.21 \$ 0.13 \$ 0.79 \$ 1.02 Adjusted EPS Net Income \$ 110.2 \$ 20.2 SunBelt equity earnings, after tax \$ (3.7) - Special items, after tax \$ (79.8) 6.1 Tax adjustments \$ (1.5) 0.1 Adjusted net income \$ 25.2 \$ 26.4 Diluted shares	Tax adjustments		(30.0)	(30.7)	147.2		(44.9)		(88.3)		(42.3)
Adjusted EPS \$ 0.12 \$ 0.27 \$ 0.21 \$ 0.13 \$ 0.79 \$ 1.02 Adjusted EPS Q1 2011 Q1 2012 Net Income \$ 110.2 \$ 20.2 SunBelt equity earnings, after tax (3.7) - Special items, after tax (79.8) 6.1 Tax adjustments (1.5) 0.1 Adjusted net income \$ 25.2 \$ 26.4 Diluted shares 96.4 90.7	Adjusted net income	\$	11.2	\$ 25.5	\$ 19.4	\$	11.8	\$	75.4	\$	96.1
Adjusted EPS Q1 2011 Q1 2012 Net Income \$ 110.2 \$ 20.2 SunBelt equity earnings, after tax (3.7) - Special items, after tax (79.8) 6.1 Tax adjustments (1.5) 0.1 Adjusted net income \$ 25.2 \$ 26.4 Diluted shares 96.4 90.7	Diluted shares		92.8	93.1	92.7		93.4		96.0		94.3
Net Income \$ 110.2 \$ 20.2 SunBelt equity earnings, after tax (3.7) - Special items, after tax (79.8) 6.1 Tax adjustments (1.5) 0.1 Adjusted net income \$ 25.2 \$ 26.4 Diluted shares 96.4 90.7	Adjusted EPS	\$	0.12	\$ 0.27	\$ 0.21	\$	0.13	\$	0.79	\$	1.02
Net Income \$ 110.2 \$ 20.2 SunBelt equity earnings, after tax (3.7) - Special items, after tax (79.8) 6.1 Tax adjustments (1.5) 0.1 Adjusted net income \$ 25.2 \$ 26.4 Diluted shares 96.4 90.7	Adjusted EPS								O1 2011		O1 2012
SunBelt equity earnings, after tax (3.7) - Special items, after tax (79.8) 6.1 Tax adjustments (1.5) 0.1 Adjusted net income \$ 25.2 \$ 26.4 Diluted shares 96.4 90.7								\$		\$	
Special items, after tax (79.8) 6.1 Tax adjustments (1.5) 0.1 Adjusted net income \$ 25.2 \$ 26.4 Diluted shares 96.4 90.7								_			
Tax adjustments (1.5) 0.1 Adjusted net income \$ 25.2 \$ 26.4 Diluted shares 96.4 90.7											
Adjusted net income \$ 25.2 \$ 26.4 Diluted shares 96.4 90.7											
Diluted shares 96.4 90.7								\$		\$	
	Diluted shares							Ψ		Ψ	
	Adjusted EPS							\$	0.26	\$	0.29

Platform sales and operating income (OI)		2005		2006		2007		2008		2009		2010		2011
Global Specialty Engineered Materials Sales	\$		\$		\$	384.4	\$	514.0	\$	402.9	\$		\$	
Global Color, Additives and Inks Sales		503.7		531.8		560.5		554.3		459.8		527.4		544.6
Specialty Platform Sales	\$	786.2	\$	877.1	\$		\$	1,068.3	\$	862.7	\$	5 1,044.8	\$	1,119.7
Performance Products and Solutions Sales		1,136.3		1,166.2		1,086.8		1,001.4		667.7		776.3		865.4
PolyOne Distribution Sales		679.2		732.8		744.3		796.7		625.1		911.9		996.5
Corporate and Eliminations		(151.1)		(153.7)		(133.3)		(127.7)		(94.8)		(111.1)		(118.1)
Total Sales	\$	2,450.6	\$	2,622.4	\$	2,642.7	\$	2,738.7	\$:	2,060.7	\$	2,621.9	\$	2,863.5
Pro forma ColorMatrix Sales														196.0
Total sales pro forma ColorMatrix													\$	3,059.5
	Ф	0.4	Φ	2.0	Ф	4.0	Ф	17.6	Ф	20.6	Ф	40.7	Ф	45.0
Global Specialty Engineered Materials OI	\$	0.4	\$	3.9	\$	4.9	\$	17.6	\$	20.6	\$	49.7	\$	45.9
Global Color, Additives and Inks OI	Φ.	4.3	Φ.	8.9	Φ.	25.7	ф	28.1	Φ.	25.2	Φ.	37.7	Φ.	43.4
Specialty Platform OI	\$	4.7	\$	12.8	\$	30.6	\$	45.7	\$	45.8	\$	87.4	\$	89.3
Performance Products and Solutions OI		75.7		64.2		65.8		31.3		33.1		54.0		62.4
PolyOne Distribution OI		19.5		19.2		22.1		28.1		24.8		42.0		56.0
Sunbelt Joint Venture OI		91.9		102.9		34.8		28.6		25.5		18.9		5.0
Corporate and eliminations		(21.8)		(4.6)		(25.5)		(28.9)		(40.8)		(32.5)		(26.4)
Special items		(29.7)		39.1		(47.8)		(396.2)		48.7		4.8		46.7
Operating income (loss) GAAP	\$	140.3	\$	233.6	\$	80.0	\$. ,	\$	137.1	\$	174.6	\$	233.0
Sunbelt equity income		(72.5)		(107.0)		(40.8)		(32.5)		(29.7)		(23.1)		(5.7)
Special items		29.7		(39.1)		47.8		396.2		(48.7)		(4.8)		(46.7)
Operating income adjusted	\$	97.5	\$	87.5	\$	87.0	\$	72.3	\$	58.7	\$	146.7	\$	180.6
Operating income pro forma ColorMatrix														27.7
Operating income adjusted pro forma ColorMatri	X												\$	208.3
Global Specialty Engineered Materials - OI as a														
percentage of sales		0.1%		1.1%		1.3%		3.4%		5.1%		9.6%		8.0%
Global Color, Additives and Inks - OI as a														
percentage of sales		0.9%		1.7%		4.6%		5.1%		5.5%		7.1%		8.0%
Specialty platform OI as a percentage of sales		0.6%		1.5%		3.2%		4.3%		5.3%		8.4%		8.0%
Specialty platform OI as a percentage of sales -														
pro forma ColorMatrix														8.9%
Global Color, Additives and Inks OI as a														
percentage of sales – pro forma ColorMatrix														9.6%
PP&S operating OI as a percentage of sales		6.7%		5.5%		6.1%		3.1%		5.0%		7.0%		7.2%
Distribution OI as a percentage of sales		2.9%		2.6%		3.0%		3.5%		4.0%		4.6%		5.6%
PolyOne OI adjusted, as a percentage of sales		4.0%		3.3%		3.3%		2.6%		2.8%		5.6%		6.3%
PolyOne OI adjusted, pro forma for ColorMatrix,														
as a percent of sales														6.8%
Operating income (OI)											0	1 2011		Q1 2012
Global Specialty Engineered Materials OI											\$	14.0	\$	11.8
Global Color, Additives and Inks OI											Ψ	11.2	Ψ	17.3
Specialty Platform OI											\$	25.2	\$	29.1
Performance Products and Solutions OI											Ψ	14.3	φ	17.8
PolyOne Distribution OI												14.5		16.7
Corporate and eliminations														(10.2)
												(1.6)		
Special items Operating income (loss) CAAP												127.2	ø	(8.5)
Operating income (loss) GAAP											\$	179.8	\$	44.9
Research and Development (R&D) – Pro form	ıa Co	olorMatri	ix											2011
Research and Development (R&D) – Pro form PolyOne R&D	na Co	olorMatr	ix										\$	2011 36.9
_ ``	ıa Co	olorMatri	ix										\$	

Gross Margin as a percentage of Sales	2006	2011	2011 Pro forma ColorMatrix
Specialty platform sales	\$ 877.1	\$ 1,119.7	\$ 1,315.7
Specialty platform gross margin	125.2	263.4	345.9
Specialty platform gross margin percentage	14.3 %	23.5 %	26.3 %

Average Debt	Q4 2010	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Average
PolyOne Debt	\$ 452.9	\$ 432.9	\$ 432.9	\$ 432.9	\$ 707.0	n/a
Pro forma ColorMatrix	274.1	274.1	274.1	274.1	-	n/a
Total Debt	\$ 727.0	\$ 707.0	\$ 707.0	\$ 707.0	\$ 707.0	\$ 711.0
Average Equity	O4 2010	O1 2011	O2 2011	O3 2011	O4 2011	Average
PolyOne	\$ 516.0	\$ 615.2	\$ 629.6	\$ 608.5	\$ 588.3	\$ 591.5