

PolyOne Innovation Day

InterContinental Hotel

New York, New York

May 29, 2014

The PolyOne 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 "One".

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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:
 - ✓ The final amount of charges resulting from the planned North American asset realignment and the Company’s ability to realize anticipated savings and operational benefits from the asset realignment;
 - ✓ Our ability to achieve the strategic and other objectives relating to the acquisition of Spartech Corporation, including any expected synergies;
 - ✓ Our ability to successfully integrate Spartech and achieve the expected results of the acquisition, including, without limitation, the acquisition being accretive;
 - ✓ 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 in the markets 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, employee productivity goals, and an inability to raise or sustain prices for products or services;
 - ✓ An inability to raise or sustain prices for products or services;
 - ✓ An inability to maintain appropriate relations with unions and employees;
 - ✓ The inability to achieve expected results from our acquisition activities;
 - ✓ 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. In certain cases throughout this presentation.
- 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.

Welcome and Introduction

Robert M. Patterson

President and Chief Executive Officer

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PolyOne Leadership

Name	Title
Stephen D. Newlin	Executive Chairman
Robert M. Patterson	President and Chief Executive Officer
Bradley C Richardson	Executive Vice President and Chief Financial Officer
Thomas J. Kedrowski	Executive Vice President Global Operations and Process Improvement
Michael E. Kahler	Senior Vice President Chief Commercial Officer
Michael A. Garratt	Senior Vice President, President of Performance Products and Solutions
Julie A. McAlindon	Senior Vice President, President of Designed Structures and Solutions
Craig M. Nikrant	Senior Vice President, President of Global Specialty Engineered Materials

Name	Title
John V. Van Hulle	Senior Vice President, President of Global Color Additives and Inks
Kurt Schuering	Vice President, Global Key Account Management
Cathy K. Dodd	Vice President of Marketing
Lisa K. Kunkle	Vice President, General Counsel and Secretary
Dr. Christopher Murphy	Vice President of Research and Development, Chief Innovation Officer
Walter Ripple	General Manager of GLS
Fernando Sanchez	Global Director of Marketing Global Color and Additives
Dr. Patricia Hubbard	Global Technical Director Specialty Engineered Materials

Agenda

Time	Topic	Presenter
8:00-8:15 AM	Welcome and Introduction	Robert M. Patterson
8:15-8:30 AM	Financial Highlights and Goals	Bradley C. Richardson
8:30-8:45 AM	Innovating for the Future	Dr. Christopher Murphy
8:45-9:25 AM	Key End Markets and Differentiated Solutions	Robert M. Patterson
9:25-9:35 AM	Break	
9:35-11:25 AM	Breakout Group Interactive Display Tour	Segment Presidents & Key Colleagues
11:25-12:00 PM	Summary & Q&A	Robert M. Patterson
12:00-1:00 PM	Lunch	

PolyOne Commodity to Specialty Transformation

2000-2005

2006 - 2009

2010 – 2014

2015 and beyond

- Volume driven, commodity producer
- Heavily tied to cyclical end markets
- Performance largely dependent on non-controlling joint ventures

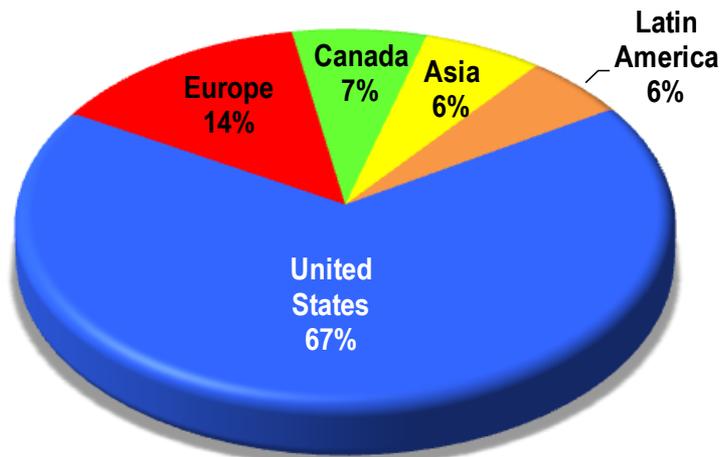
- Steve Newlin appointed, Chairman, President and CEO
- New leadership team appointed
- Implementation of four pillar strategy
- Focus on value based selling, investment in commercial resources and innovation to drive transformation

- 18 consecutive quarters of double-digit adjusted EPS growth
- Shift to faster growing, high margin, less cyclical end markets
- Key acquisitions propel current and future growth, as well as margin expansion
- Established aggressive 2015 targets

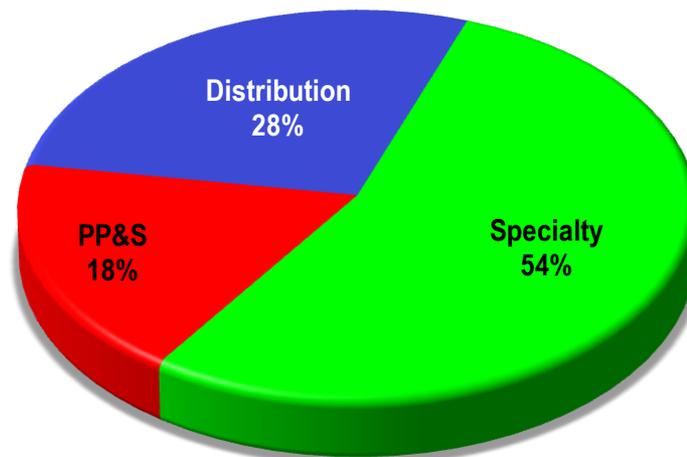
- Continue specialty transformation
- Targeting \$2.50 adjusted EPS by 2015, nearly double 2013 EPS
- Drive double digit operating income and adjusted EPS growth

PolyOne At a Glance

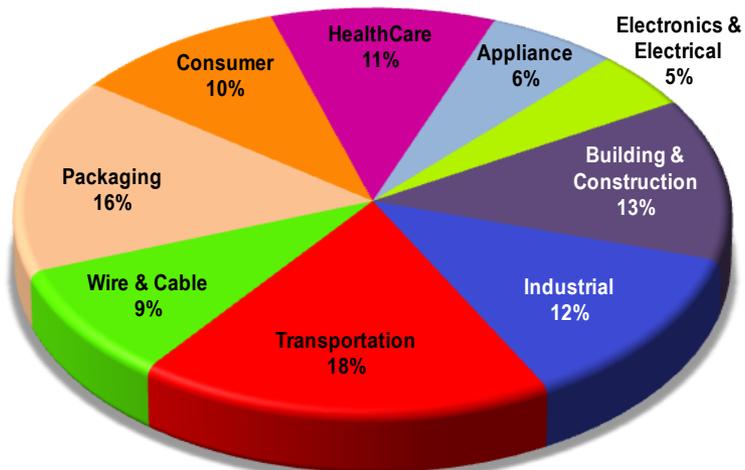
2013 Revenues: \$3.8 Billion



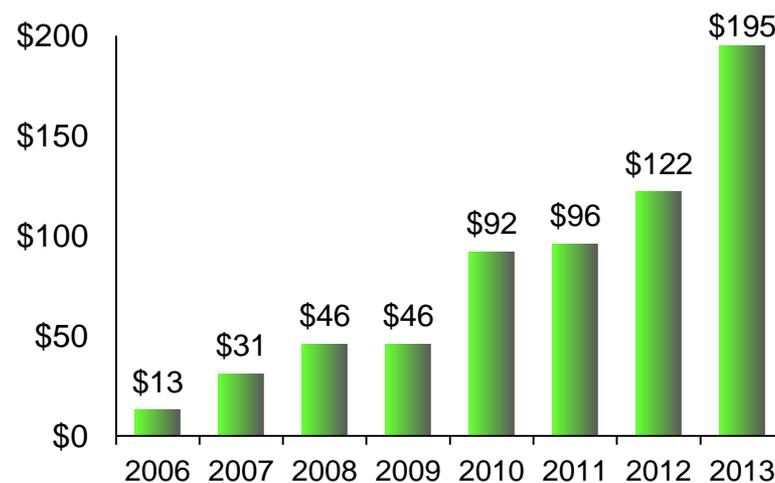
2013 Revenues: \$3.8 Billion



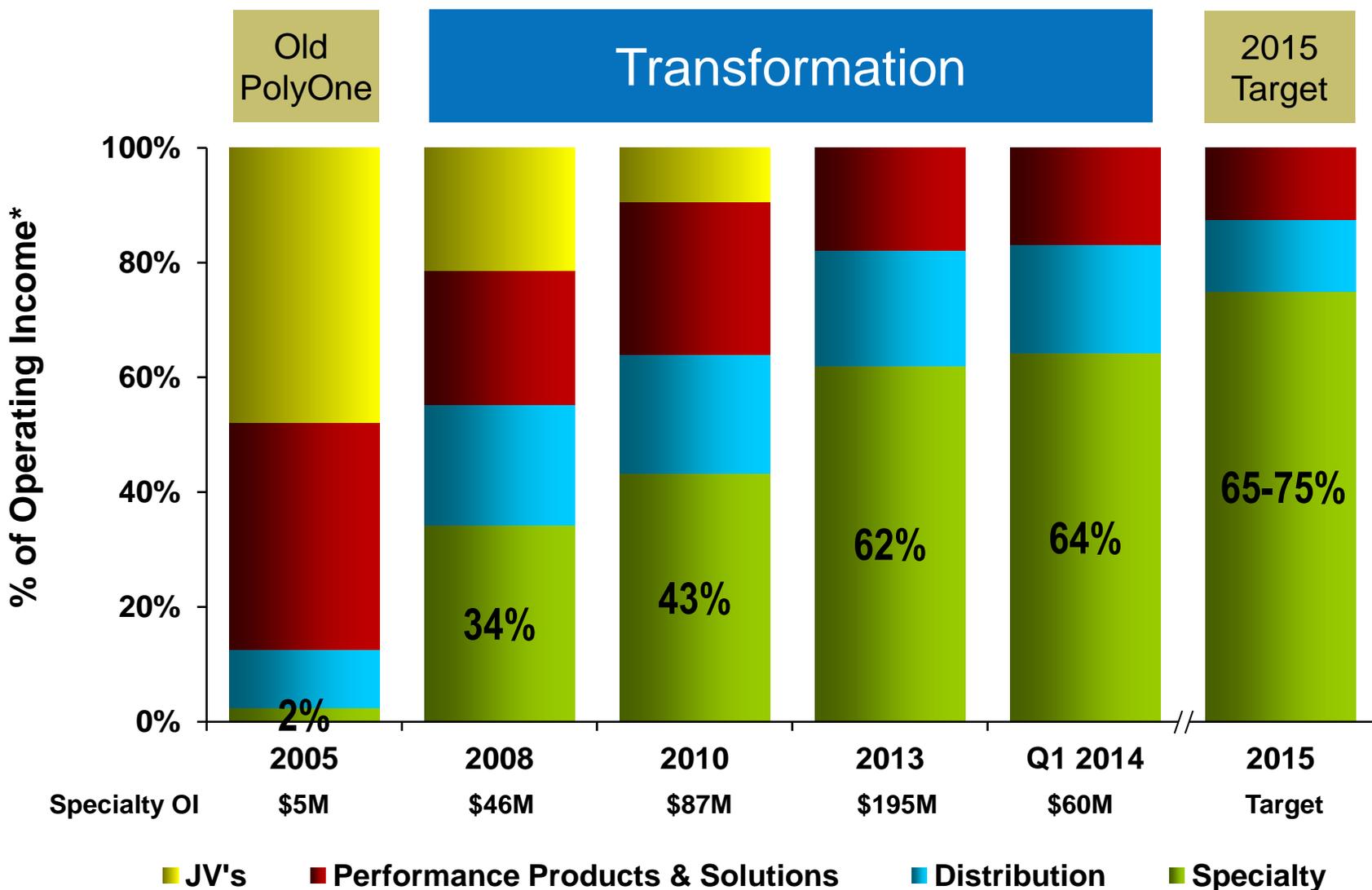
End Markets



Specialty Operating Income



Mix Shift Highlights Specialty Transformation



*Operating Income excludes corporate charges and special items

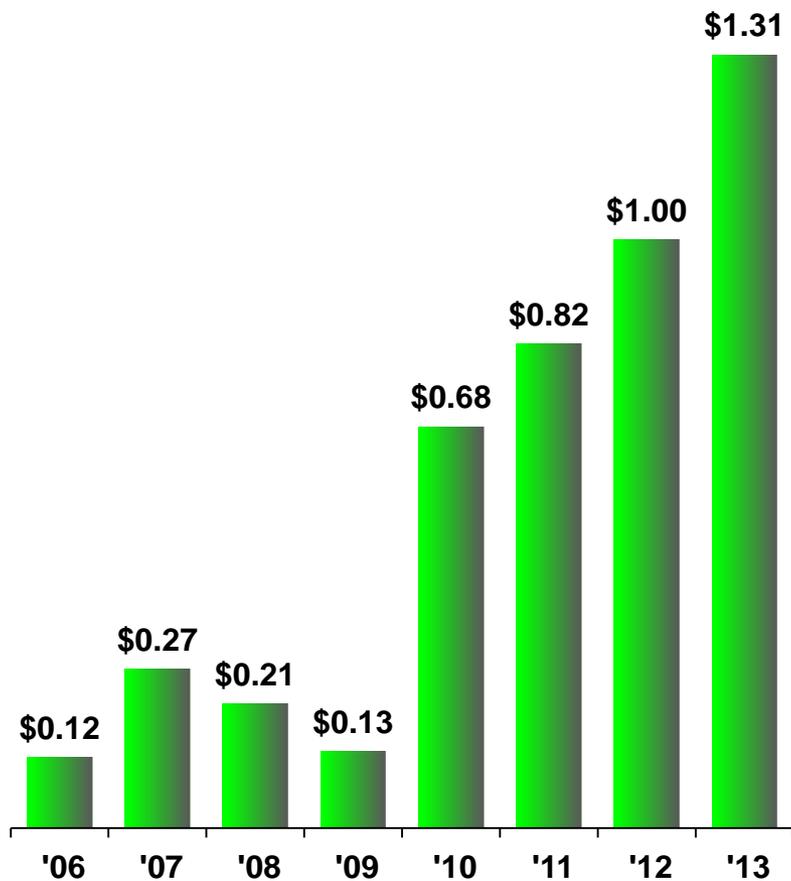
Confirmation of Our Strategy



**The World's Premier Provider of Specialized
Polymer Materials, Services and Solutions**

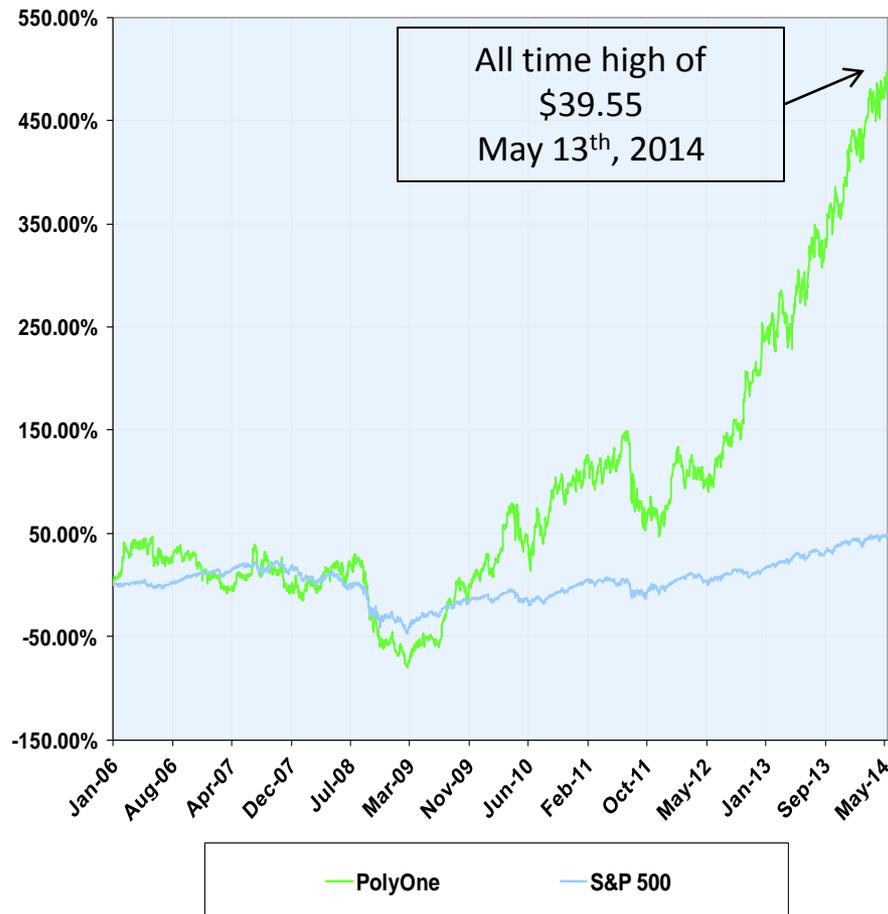
Strategy and Execution Drive Results

EPS



'06-'13 EPS CAGR = 41%

Share Price vs. S&P 500

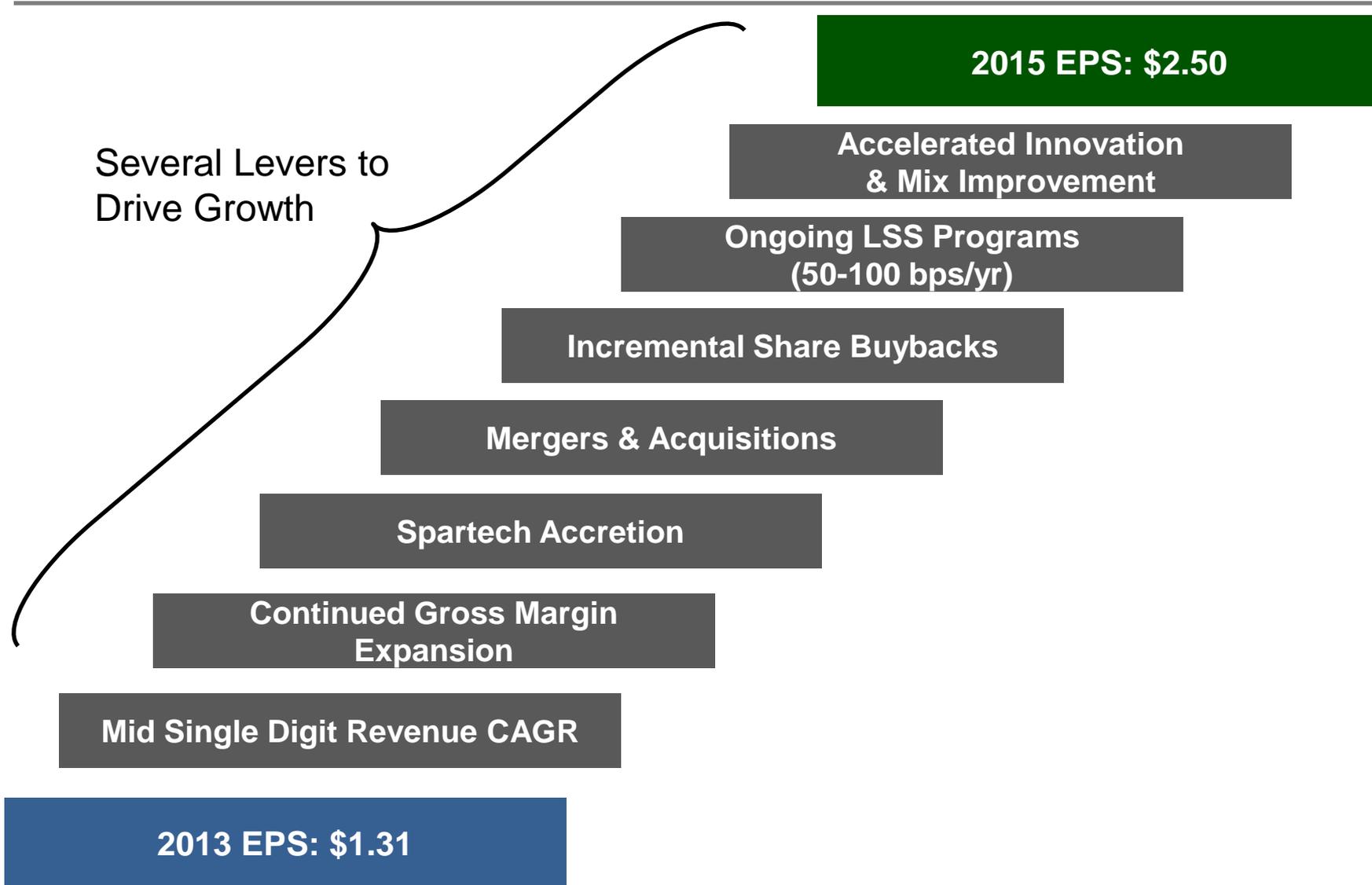


Proof of Performance & 2015 Goals

	2006 “Where we were”	Q1 2014 “Where we are”	2015 Target
1) Operating Income %			
Specialty:			
Global Color, Additives & Inks	1.7%	13.8%	12 – 16%
Global Specialty Engineered Materials	1.1%	11.6%	12 – 16%
Designed Structures & Solutions	--	6.5%	8 – 10%
Performance Products & Solutions	5.5%	7.7%	9 – 12%
Distribution	2.6%	6.1%	6 – 7.5%
2) Specialty Platform % of Operating Income	6.0%	64%	65 – 75%
3) ROIC*	5.0%	9.4%	15%
4) Adjusted EPS Growth	N/A	42%	Double Digit Expansion

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

Bridge to \$2.50 Adjusted EPS by 2015



Financial Highlights

Bradley C. Richardson

Executive Vice President, Chief Financial Officer

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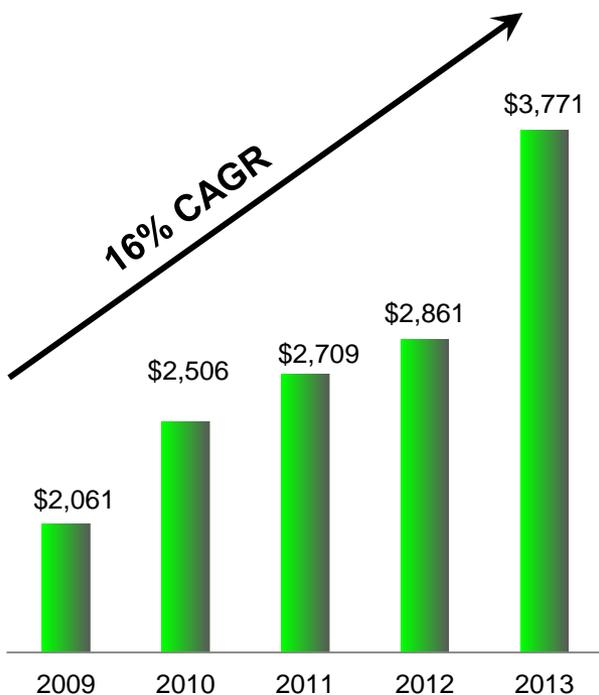
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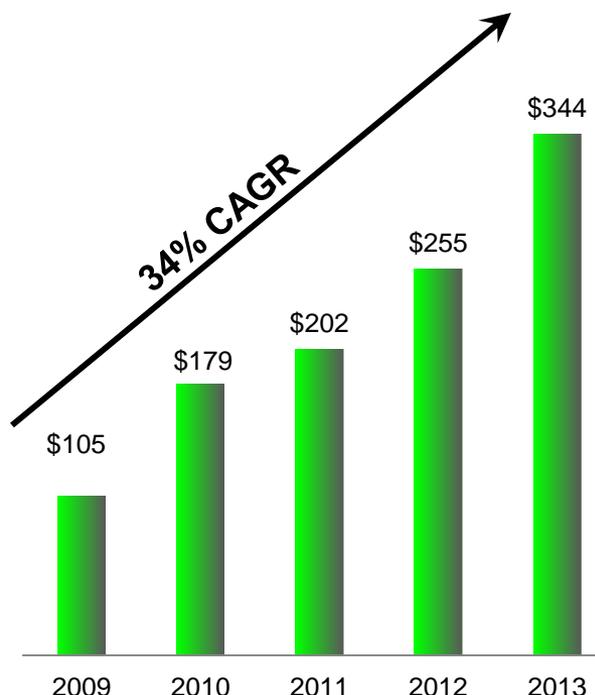
Track Record of Accelerated Growth

(\$ in millions, except EPS)

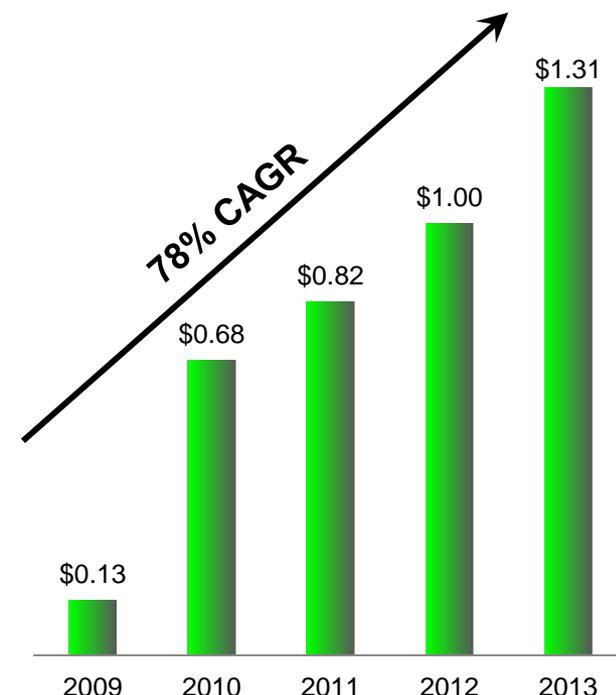
Total Revenue



Adjusted EBITDA



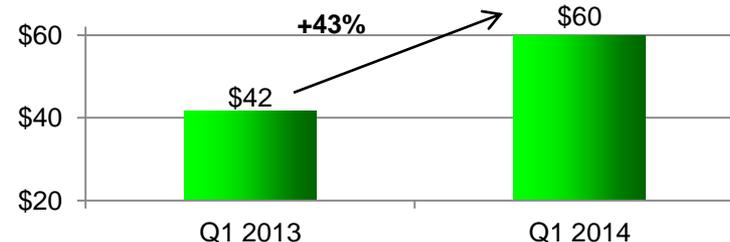
Adjusted EPS



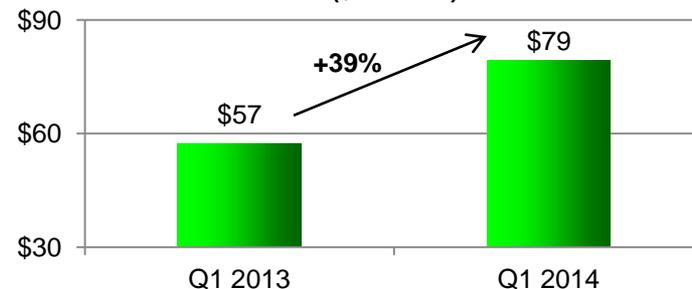
Q1 2014 Financial Highlights

- Growth momentum accelerates driven by specialty platform
- Specialty segments and Distribution achieve record results
- All segments increase operating income compared to prior year
- Revenue grew 25% versus Q1 2013

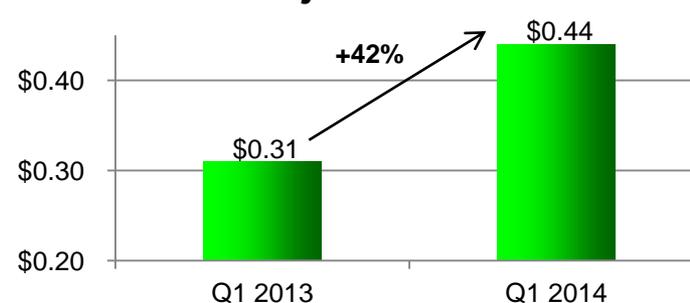
Specialty Operating Income
(\$ millions)



Adjusted Operating Income
(\$ millions)

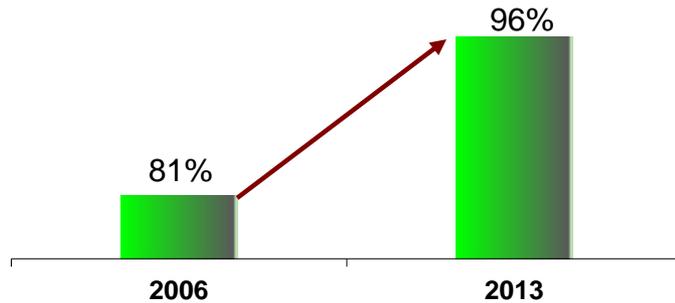


Adjusted EPS

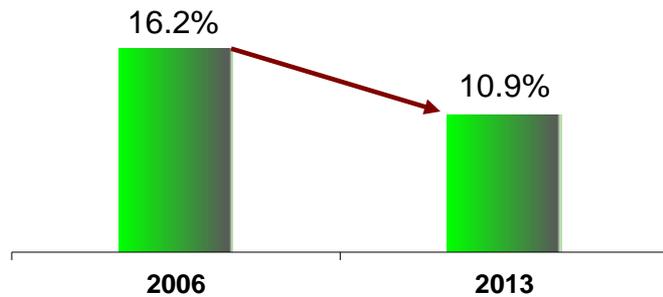


Commitment to Operational Excellence

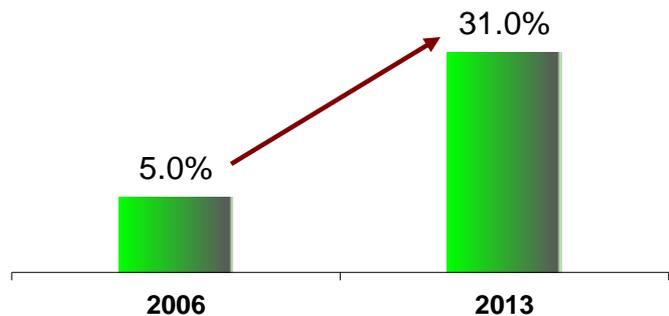
On-Time Delivery



Working Capital % of Sales



Percent of Associates Trained in LSS



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



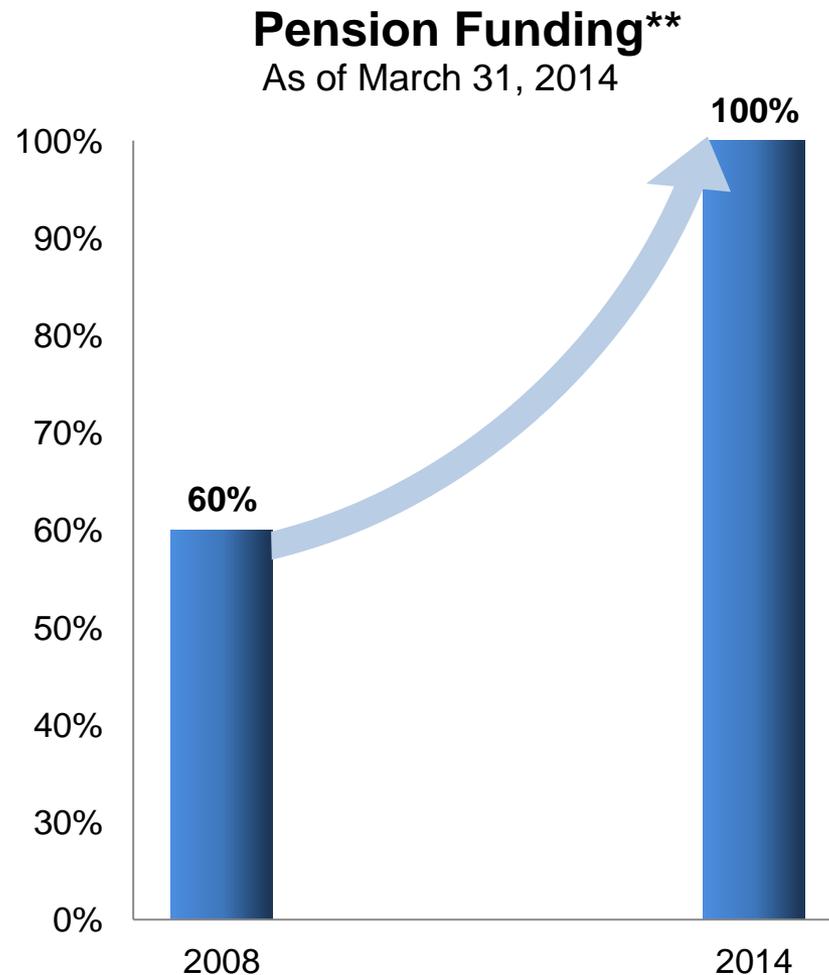
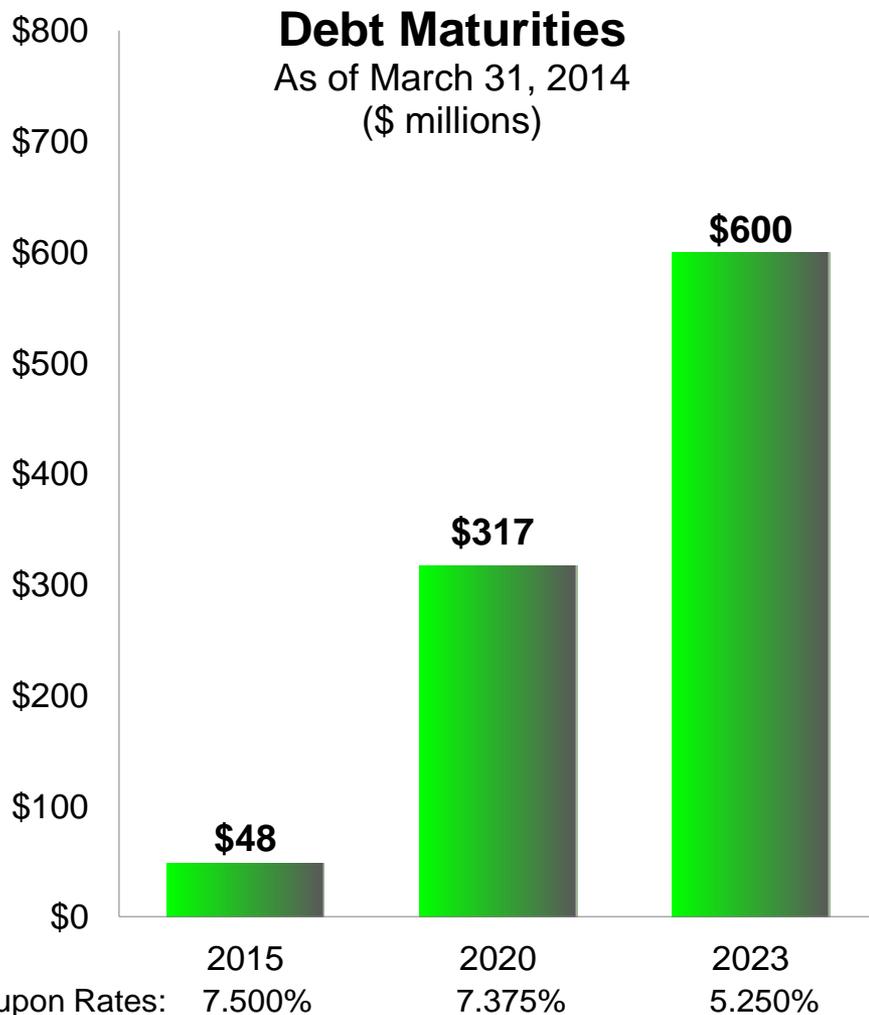
World's Best Business Process Excellence Program in 2012*



- Three consecutive years – *CFO Magazine* Best Working Capital Management Program in the chemical industry
- 95 certified Black Belts
- 211 certified Green Belts
- 422 Project Leaders

*Both awards received from International Quality and Productivity Center

Debt Maturities & Pension Funding – 3/31/14

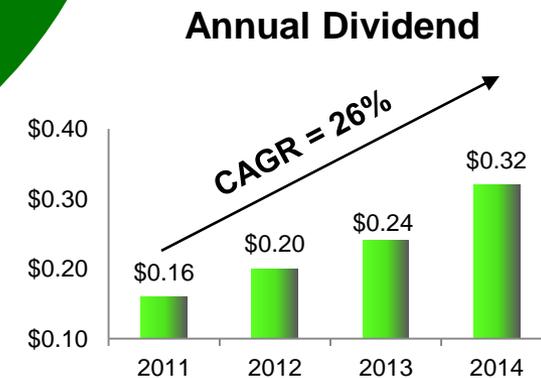
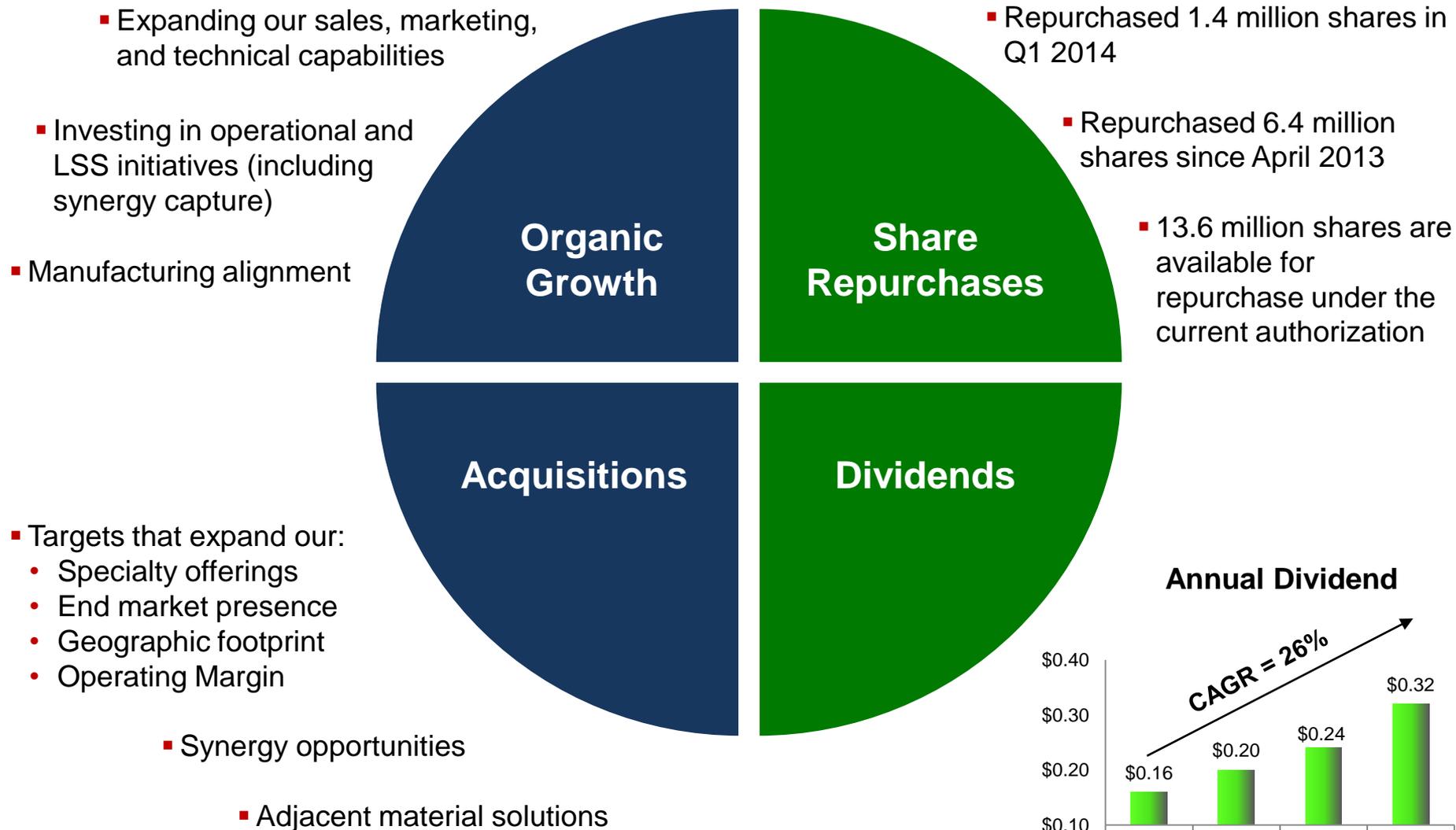


Net Debt / EBITDA* = 1.9x

*TTM 12/31/2013

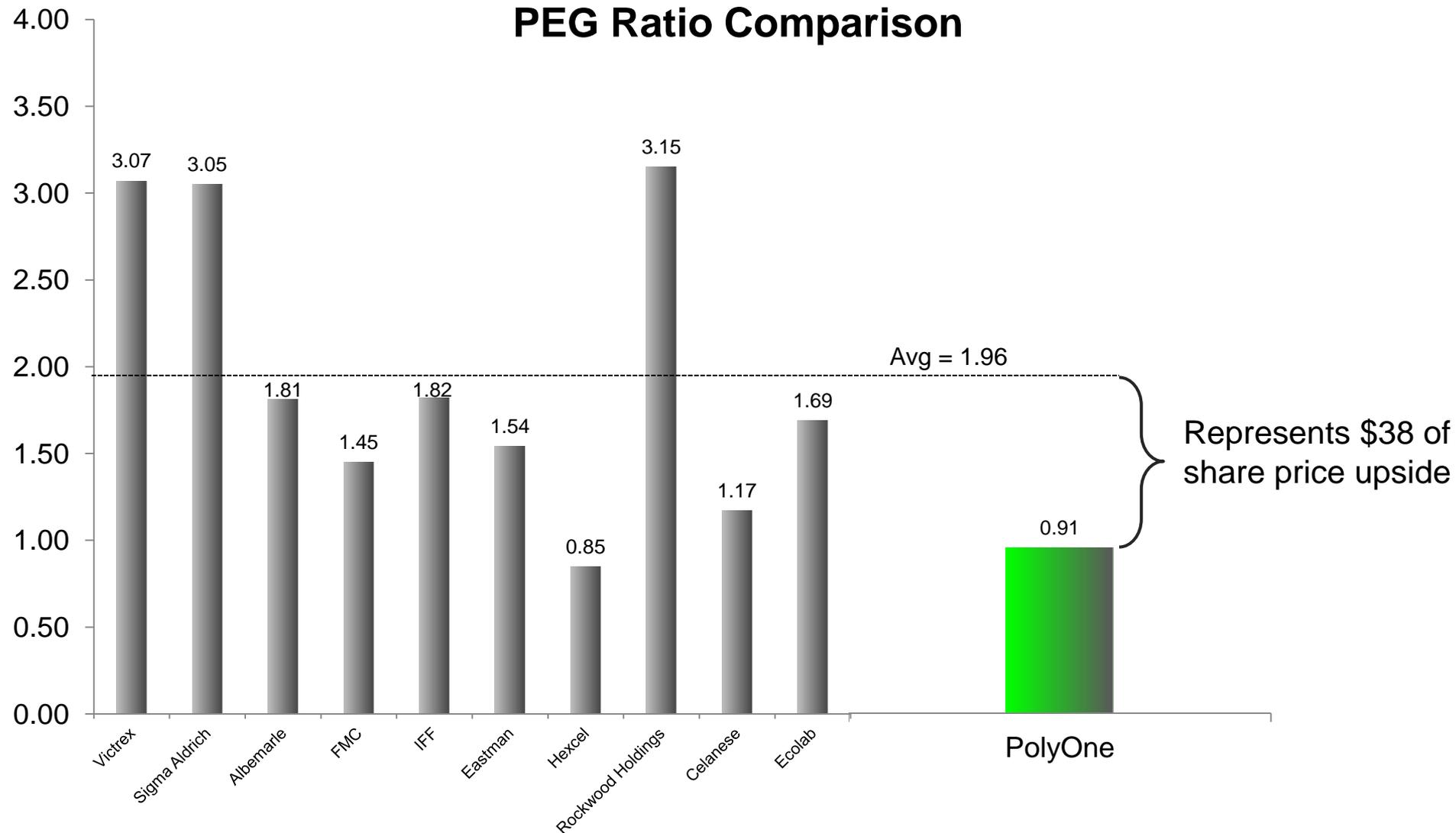
** includes US-qualified pension plans only

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



Valuation Aspirations

PEG Ratio Comparison



Innovating for the Future

Dr. Christopher Murphy

Vice President, Research and Development

Chief Innovation Officer

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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

Alignment with Megatrends

Improving Health and Wellness



- Aging population
- Longer life expectancy
- Healthy living
- Aging in place

Protecting the Environment



- Environmental consciousness
- Alternative energy
- Resource efficiency
- Biotechnology

Globalizing and Localizing



- Global leader/local expert with customized solutions
- Global OEMs seeking one standard of service everywhere

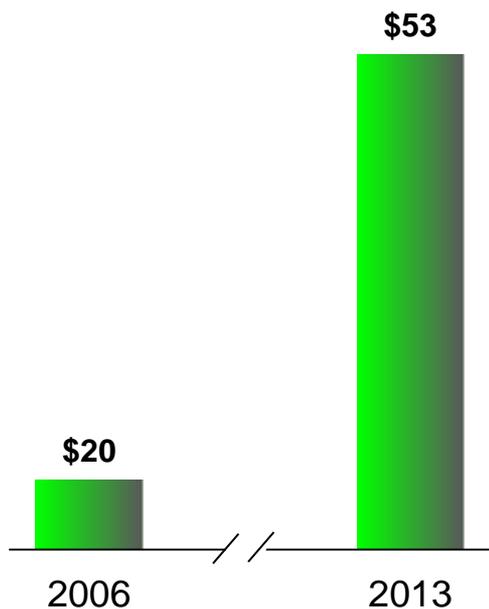
Decreasing Dependence on Fossil Fuels



- Efficiency focus
- Reduced size/weight
- Mass transit
- Alternative materials
- Electric vehicles

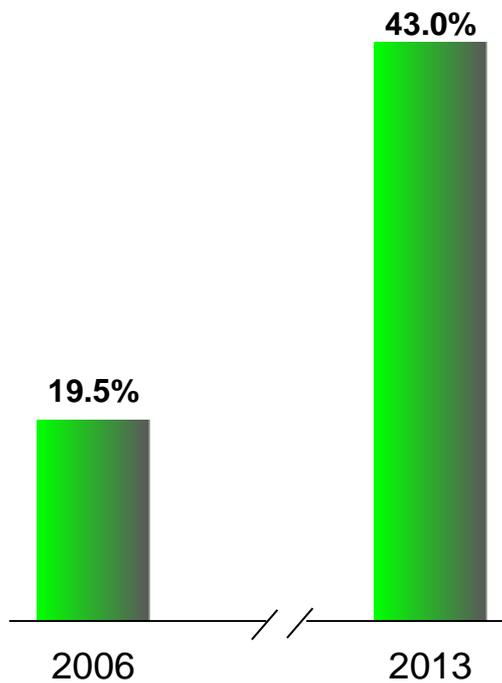
Innovation Drives Earnings Growth

Research & Development Spending
(\$ millions)



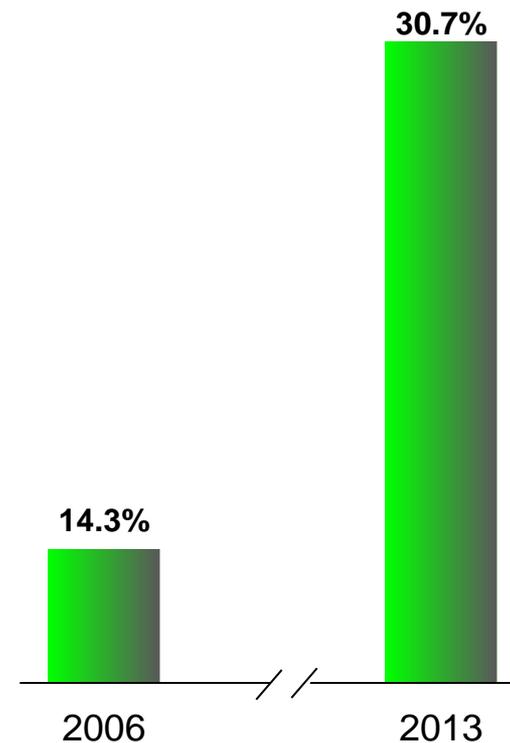
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Specialty Platform Vitality Index Progression*



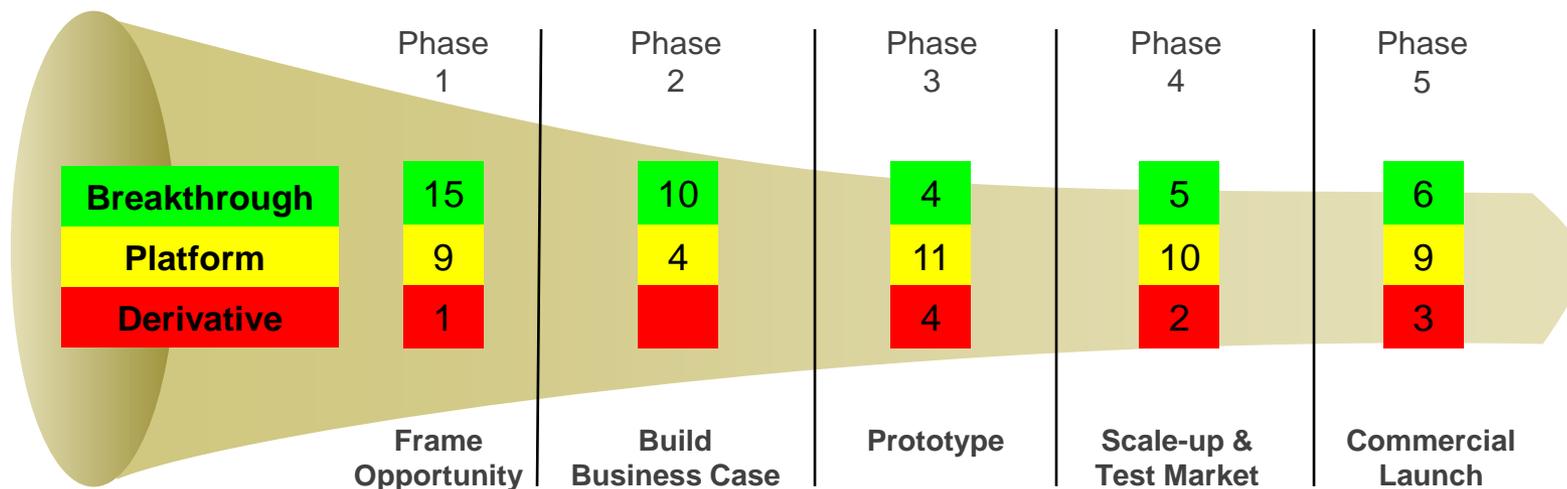
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Specialty Platform Gross Margin %



*Percentage of Specialty Platform revenue from products introduced in last five years

A Rich Pipeline of Opportunity



Number of Projects	25	14	19	17	18	93
Addressable Market (\$ millions)	TBD	TBD	\$800	\$450	\$450	\$1,700

Recent Innovations Aligned with Megatrends in Key End Markets and 2015 Goals

Robert M. Patterson

President and Chief Executive Officer

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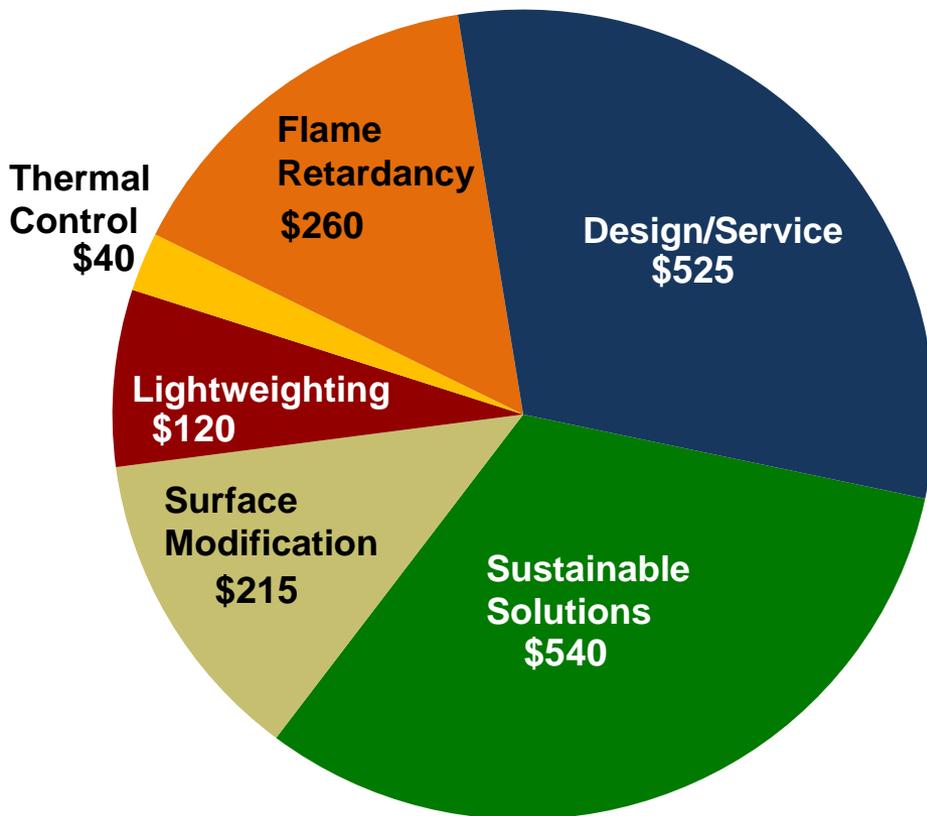
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Well Positioned for Revenue Growth

Addressable Market by Platform

(\$ millions)



2018



\$1.0 - \$2.0 Billion of revenue generated from new products in 5 years

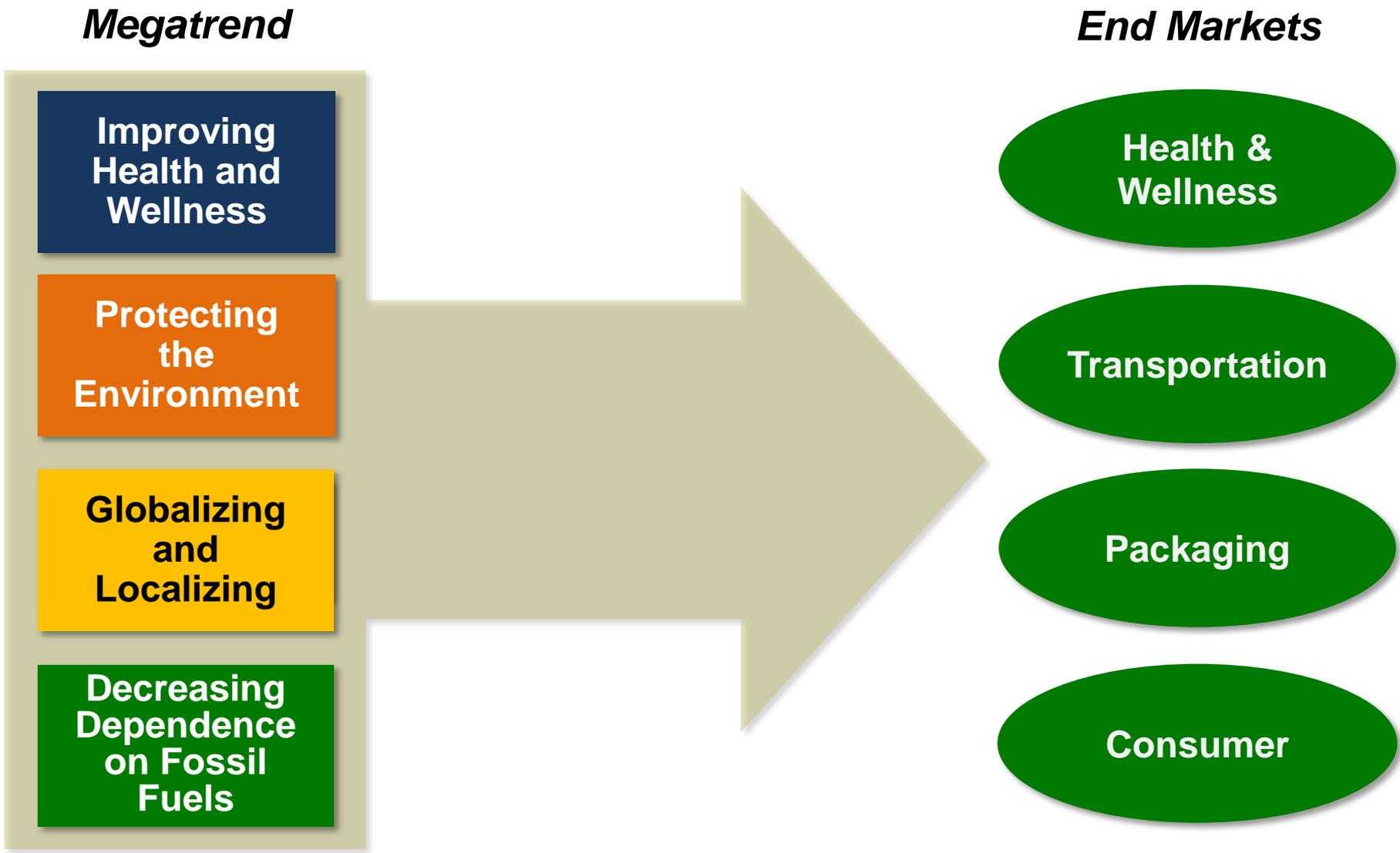


Gross margin on new products exceed current gross margin by at least 10 percentage points

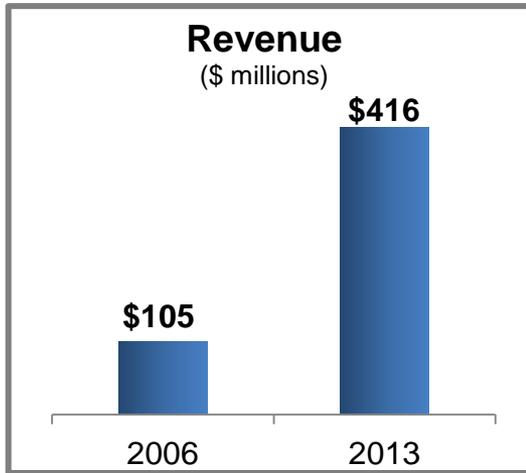


World class vitality index of $\geq 35\%$

Megatrends Aligned with Key End Markets



Health and Wellness Evolution



2015 & Beyond

2006

General purpose tubing

TPE applications from GLS

Specialty tubing

Ergonomic enhancements

Pre-certified biocompatible colorants

Highly sophisticated catheter and drug delivery components

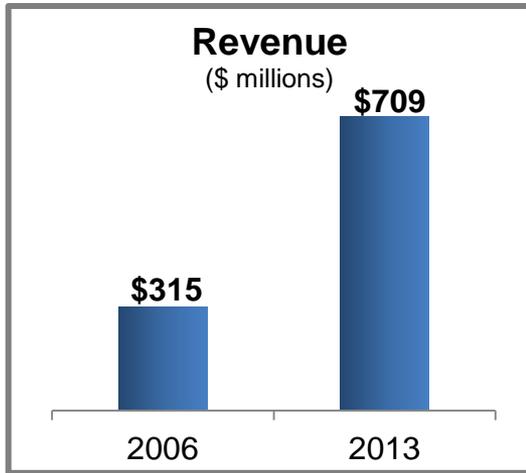
Chemical and heat sterilizable materials

Authentication and protection technologies

Addressing wellness, prevention, diagnostic and therapy changes in healthcare setting

Healthcare packaging solutions

Transportation Evolution



2006

General purpose formulations (bumpers, roof racks)

Long fiber for lightweighting

Thermal management for LED lighting

Thermoset composite pultrusions

Conductive polymers for EMI shielding

Formulations for aerospace interiors

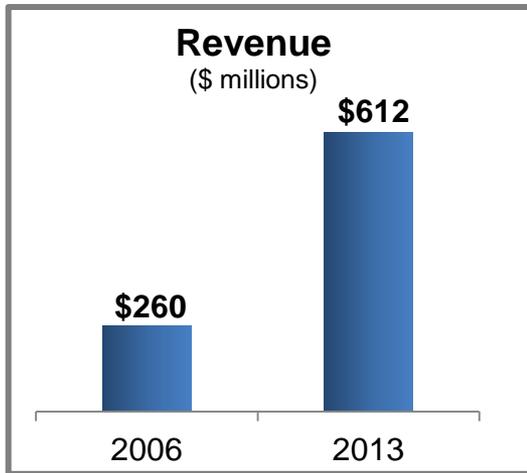
Thermoplastic composites

High temperature formulations for aerospace

Expand 3D printing capabilities

2015 & Beyond

Packaging Evolution



2015 & Beyond

2006

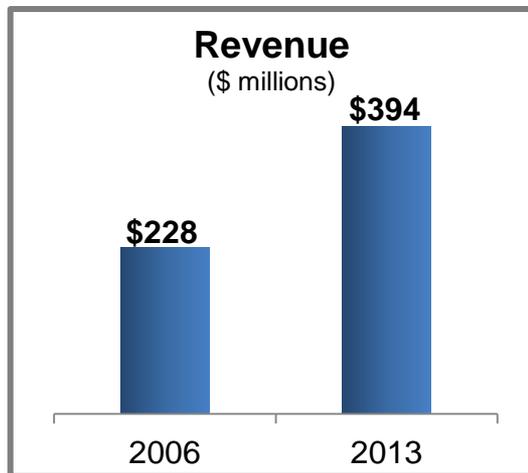
Masterbatch colors and PVC packaging materials

TPEs to enhance brand appeal and consumer functionality

Liquid color and additive technologies to extend shelf life, preserve taste and differentiate brands

Leveraging color, additives and sheet technology for healthcare and consumer packaging solutions

Consumer Evolution



2006

Commodity plastic and masterbatch color solutions

Engineered materials to enhance customer appeal through visual and performance improvements

Formulated metal-to-polymer conversion to enhance performance and reduce manufacturing costs

Biopolymers & composite materials leveraging unique color technology to build brand identity

2015 & Beyond

Interactive Display Introduction

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Interactive Displays

INNOVATION	DISCUSSION LEADER	TECHNOLOGIES	MARKETS
1) Anti-Counterfeiting Solutions	John V. Van Hulle Sr. VP / President Global Color Additives and Inks	Percept™ Authentication Technologies	Healthcare Packaging Electrical & Electronics Consumer Transportation
2) Security and Safety Solutions	Julie A. McAlindon Sr. VP / President Designed Structures and Solutions	Polycast™ Bullet Resistant Sheet GlasArmor™ Ballistic Resistant Panels	Aerospace Security
3) 3D Printing	Cathy K. Dodd Vice President Marketing	Prototyping Services Design Support Fused Deposition Modeling	Consumer Healthcare Aerospace Packaging Transportation
4) Enhanced Ergonomic Technologies	Craig M. Nikrant Sr. VP / President Global Specialty Engineered Materials	Versaflex™ VDT Thermoplastic Elastomers	Healthcare Electrical & Electronics Consumer
5) Sustainable Solutions	Michael A. Garratt Sr. VP / President Performance Products & Solutions	reFlex™ Bio-Based Plasticizer Solutions Wilflex™ Oasis Hydrate	Industrial Sporting Goods Consumer Textiles
6) Color and Design Services	Fernando Sanchez Director Global Marketing	InVisiO™ Color Inspiration Forecast In-Store Audits OnColor™ Portfolio	Packaging Healthcare Consumer Automotive
7) Metal Replacement Technology	Kurt Schuering Vice President Global Key Account Management	Light Weighting Thermal Management Corrosion Resistance Design Flexibility	Aerospace Transportation Electrical & Electronics Sporting and Shooting
8) Medical Device Solutions	Dr. Patricia Hubbard Director Global Technology	NEU™ View	Medical Devices & Catheters
9) Consumer Electronics Solutions	Walter Ripple General Manager GLS	Sustainability Global Supply Chain Ergonomics and Aesthetics Consumer Appeal	Personal Electronics Wearable Electronics Hand Held Devices Portable Audio

Wrap Up and Q&A

Robert M. Patterson

President and Chief Executive Officer

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PolyOne Core Values

The diagram consists of three overlapping circles arranged in a descending staircase pattern from left to right. The first circle on the left is dark blue and contains the word 'Collaboration'. The second circle in the middle is green and contains the word 'Innovation'. The third circle on the right is yellow and contains the word 'Excellence'. Each circle overlaps the one to its right.

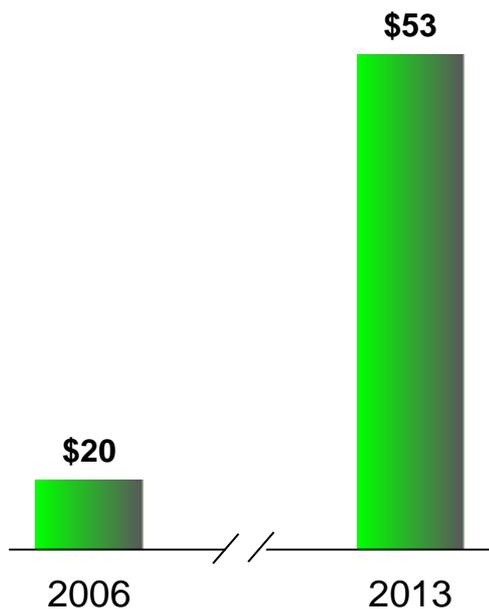
Collaboration

Innovation

Excellence

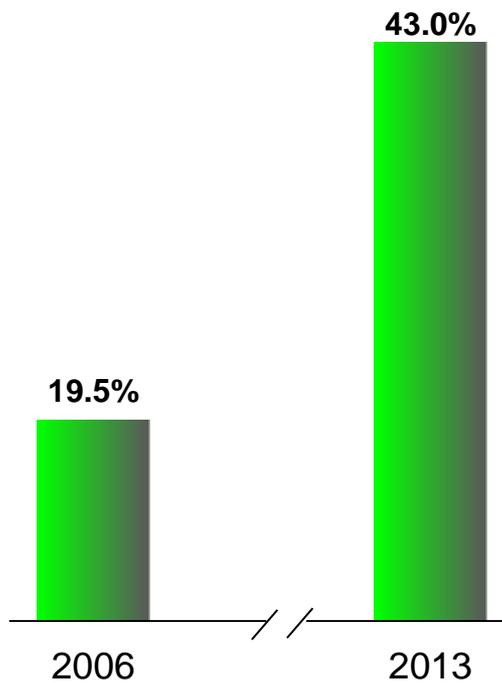
Innovation Drives Earnings Growth

Research & Development Spending
(\$ millions)



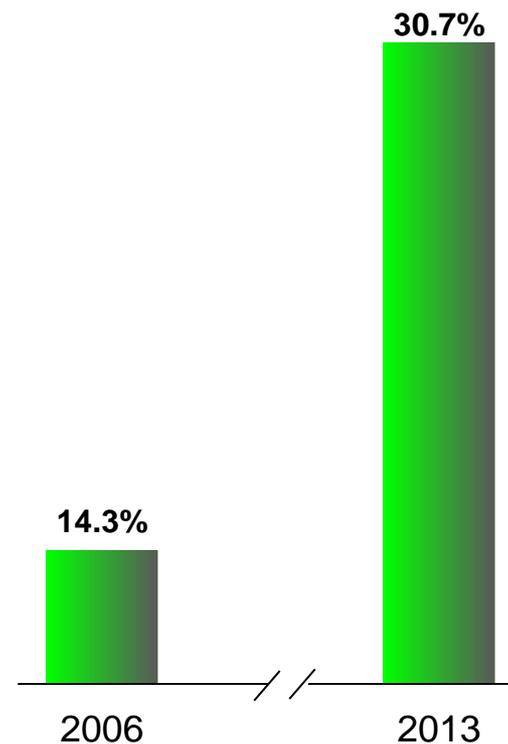
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Specialty Platform Vitality Index Progression*



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Specialty Platform Gross Margin %



*Percentage of Specialty Platform revenue from products introduced in last five years

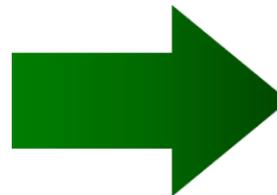
Formula for Success

Excellence in Execution

Innovation



M&A



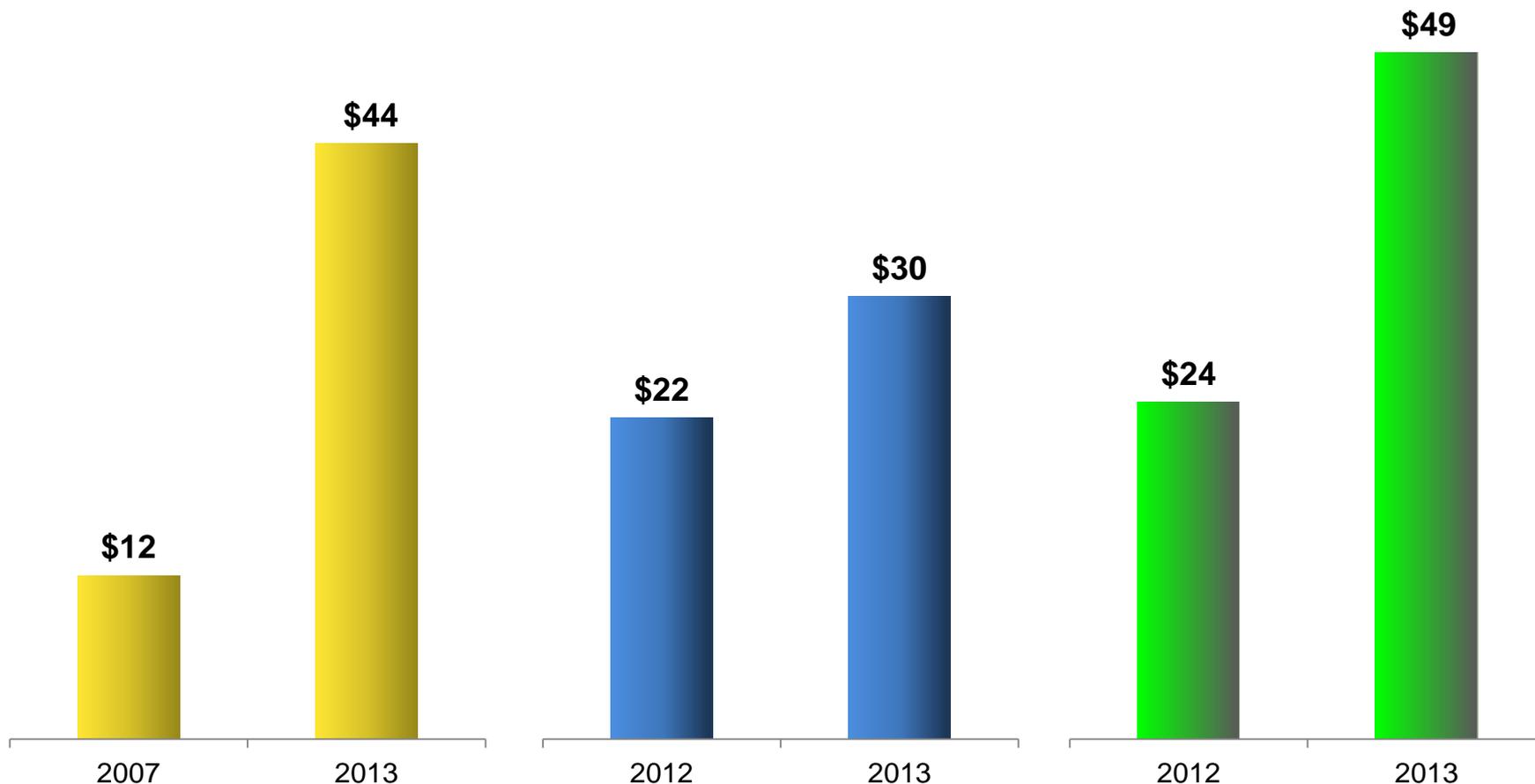
**Market
Beating
Performance**

Track Record of Successful Integrations and Rapid Operating Income Growth

GLS

ColorMatrix

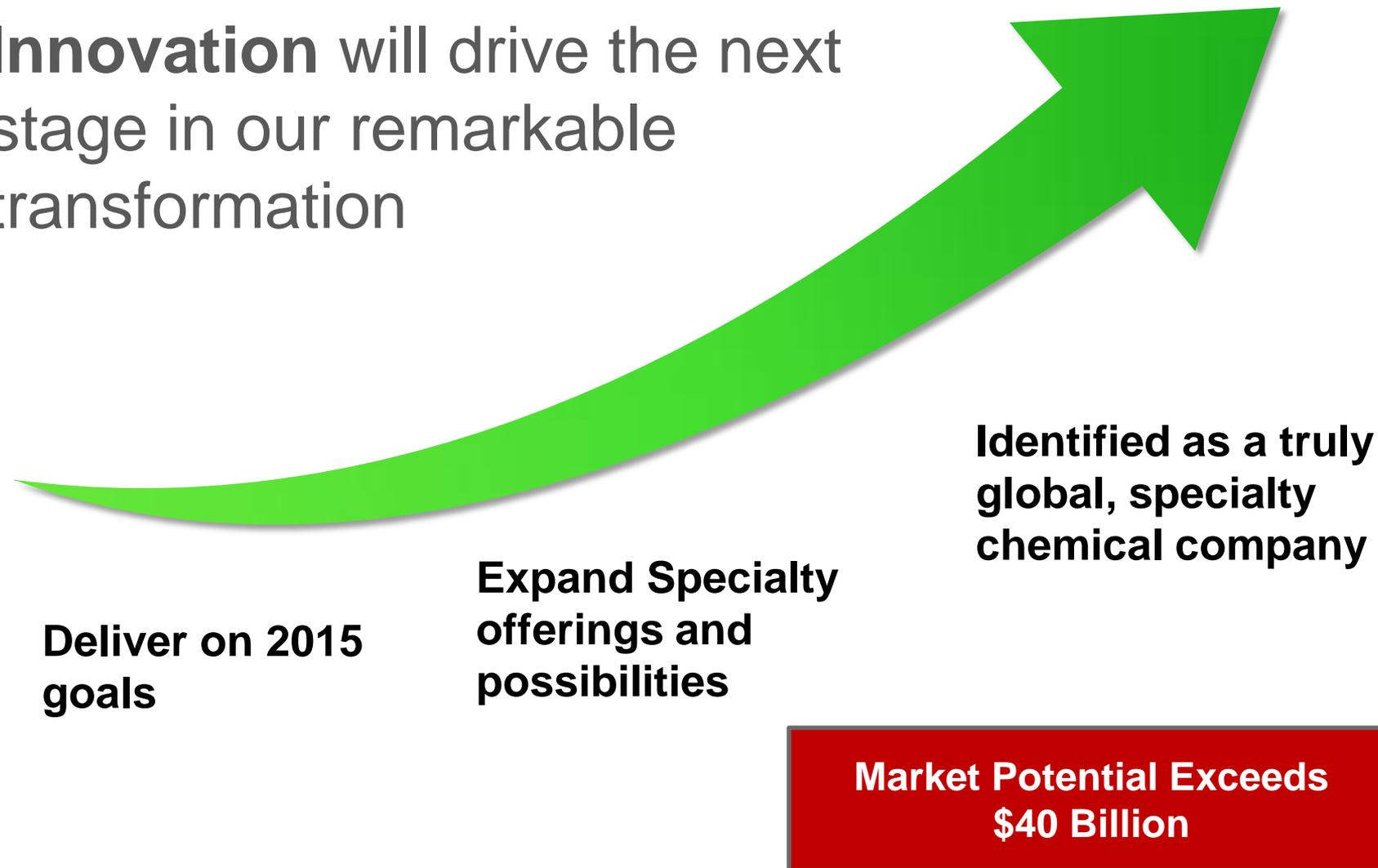
Spartech



OI in \$ millions

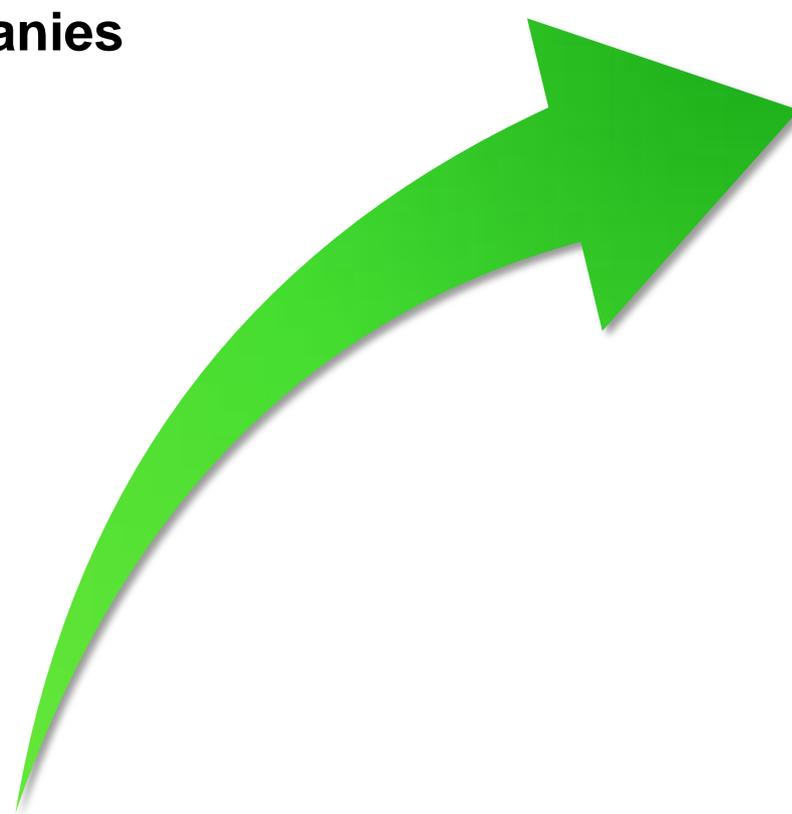
2015 and Beyond

Innovation will drive the next stage in our remarkable transformation



Driving Toward Premier Profitability

EBIT Margins for top tier companies

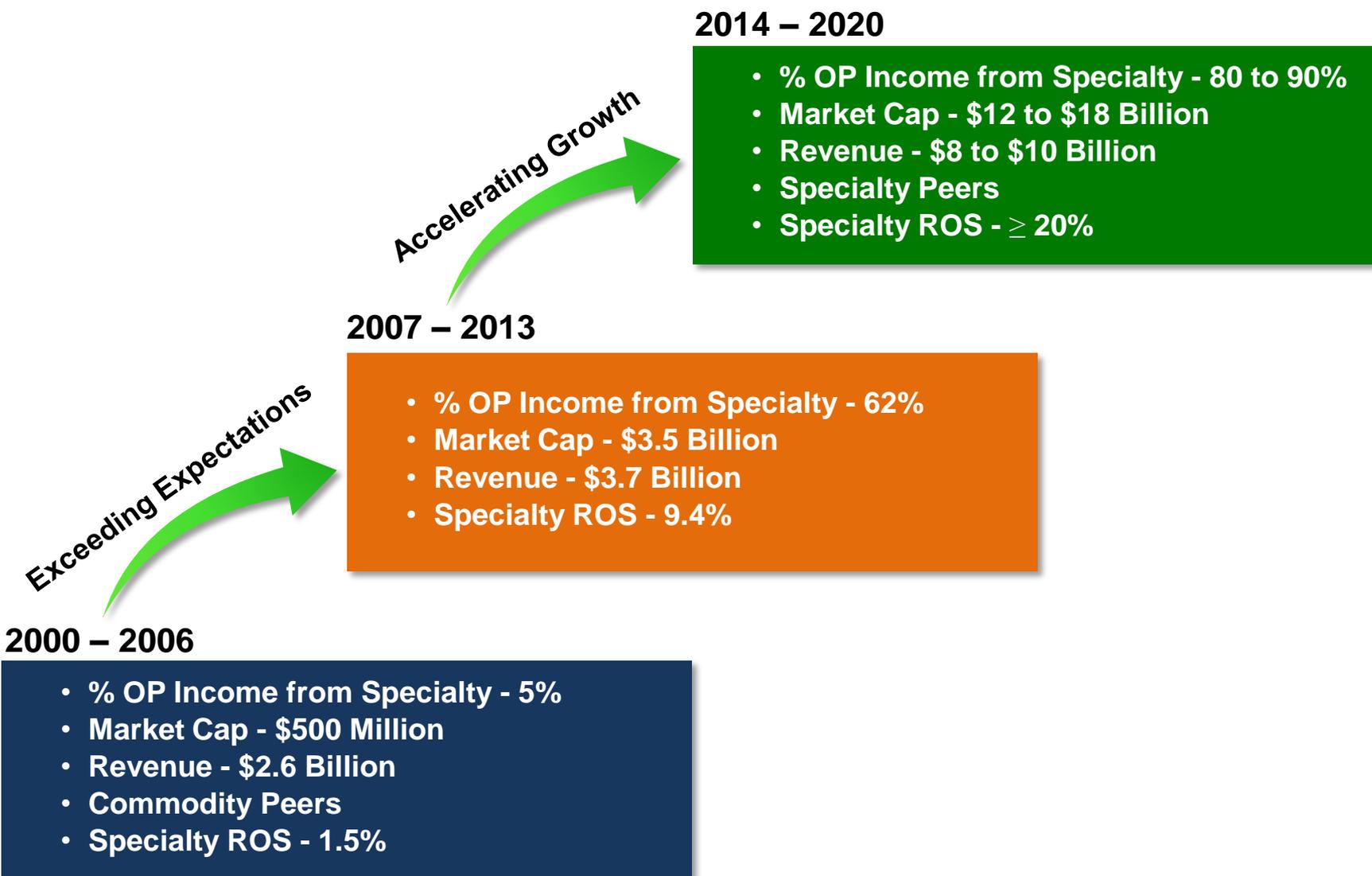


Victrex	42%
Sigma Aldrich	25%
Albemarle	24%
FMC	18%
IFF	18%
Eastman	17%
Hexcel	16%
Rockwood Holdings	16%
Celanese	14%
Ecolab	13%

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7% EBIT Margin – 2013

Bright Future & High Aspirations – The Next Seven Years



Why Invest In PolyOne?

- Strong past 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
- Addressable market exceeds \$40 billion

The New PolyOne: A Specialty Growth Company

Appendix

Kiosk Summaries

Segments at a Glance

Officer Biographies

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Anti-Counterfeiting Solutions



- Includes formulation and consultative services to assist manufacturers and brand owners in positively identifying their packaging, devices, end products and raw materials in the field
- Protects brand equity – defense against customer complaints or legal actions based on erroneous product identification
- Protects consumer welfare – decrease in potential harm to consumers, reduction in unwarranted recall expenses
- Secures supply chain integrity – support for safe expansion into new geographies

Security and Safety Solutions



- Polycast™ Bullet Resistant Sheet, an optically clear, non-yellowing acrylic, provides ballistics protection against powerful weapons
 - High-impact resistance that foils “smash-and-grab” thieves
- GlasArmor™ Bullet Resistant Panels, a UL-listed solution with superior ballistic resistance yet weights 75% less than steel panel
 - Used in commercial security applications for business, home, and governmental facilities

3D Printing



- Collaborating with customers using 3D printers to create prototypes and samples
- Enables customers to develop and test their products and innovations quickly and accurately
- 3D printing of molds and inserts allows OEMs to develop and test new product innovation using their own equipment and material of choice, more efficient than traditional processes

Enhanced Ergonomic Technologies



- Versaflex™ VDT was developed to absorb vibration and noise in a broad range of applications, including minimally invasive surgical instruments, electronics, firearms, archery and automotive
- Can be overmolded onto a rigid substrate without the need for an adhesive to increase production efficiencies and profitability
- Creates value by:
 - Increasing end-user comfort
 - Eliminating secondary assembly
 - Differentiating end products

Sustainable Solutions



- reFlex™ Bio-Based Plasticizer non-phthalate additive used to make vinyl more flexible
 - Derived primarily from soybeans rather than petroleum
 - Certified by USDA BioPreferred® program
- Wilflex™ Oasis Water-Based Inks satisfy consumer demand for eco-conscious products
 - Long screen life and production-friendly to improve operational efficiencies, increase design quality

Color and Design Services



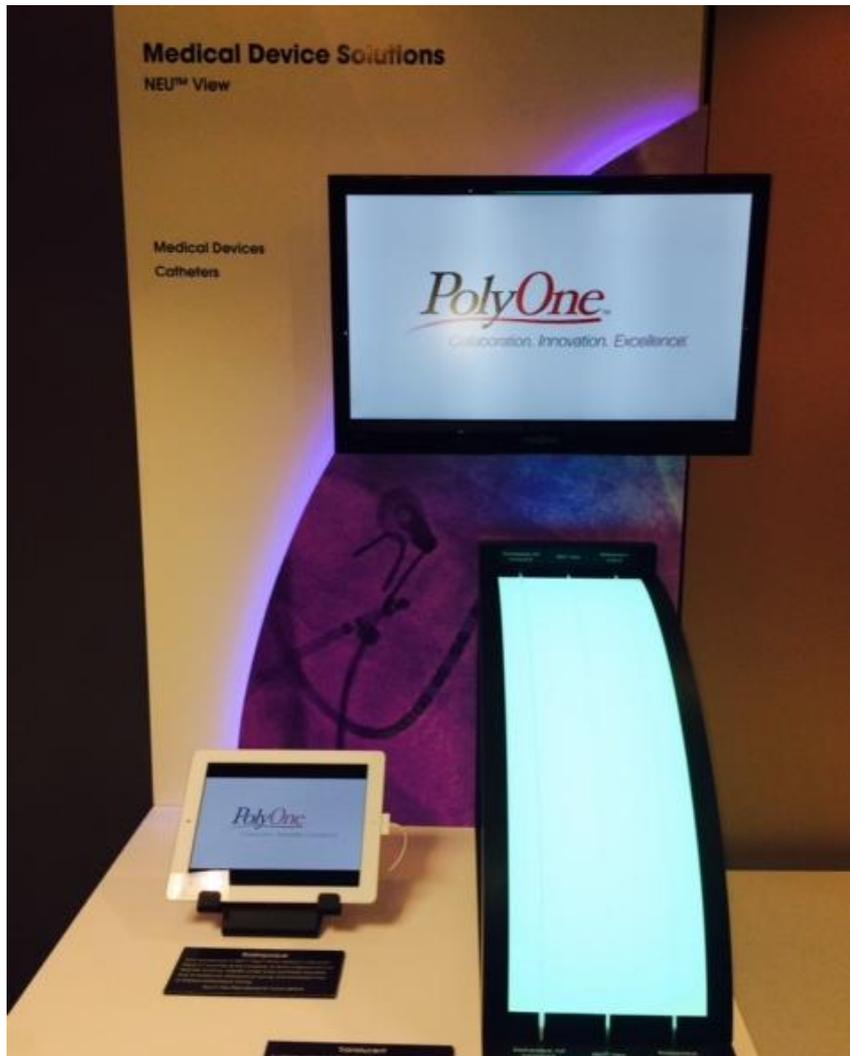
- First-of-its-kind offering that supports color and product development from concept to reality
- Helps brand managers and designers evaluate color and design alternatives to:
 - accelerate and streamline product development
 - strengthen brand equity
 - build marketplace excitement
- Enhances product differentiation
- Improves efficiency and profitability

Metal Replacement Technology



- Portfolio of solutions that meet upper range of performance requirements, removing barriers to replacing metal with polymers
- Applications include:
 - LED heat sinks
 - Electronic shielding (EMI/RFI)
 - Structural integrity at elevated temperatures (i.e., large appliances)
 - Lead-free radiation shielding (i.e., CT scanners)
- Creates value by eliminating the need for machining and secondary operations, removing weight, streamlining production and improving cost efficiencies

Medical Device Solutions



- Catheters made using NEU™ View patent-pending technology are optically translucent, and have superior contrast under X-ray (radiopaque) when compared with alternative catheter materials
- Formulations for cardiovascular and intravascular catheters are application-specific, incorporating medical-grade polymers, additives, color, and healthcare-centric manufacturing practices
- Only commercially available product that has excellent visibility, both optically and under X-ray, to bolster clinician confidence and offer significant market advantage

Consumer Electronics Solutions

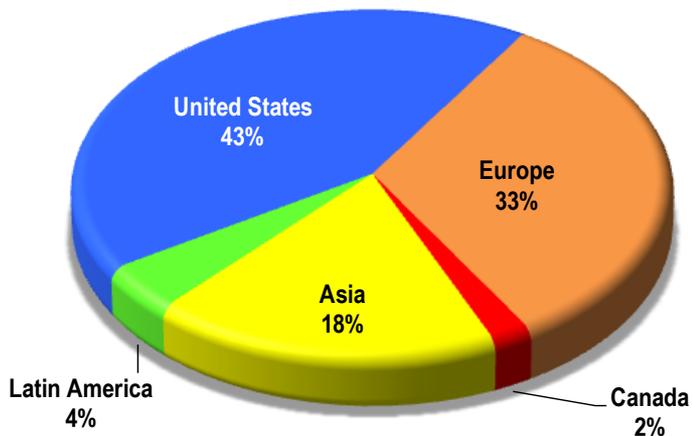


- Ability to offer multiple technology solutions on a global basis for this industry, where many OEMs design in one region, prototype in another, and manufacture in yet another
- Sustainable / “green” solutions help customers to differentiate in this market
- New formulations for emerging wearables market that meet skin contact requirements and aesthetic needs

At a Glance

Global Specialty Engineered Materials

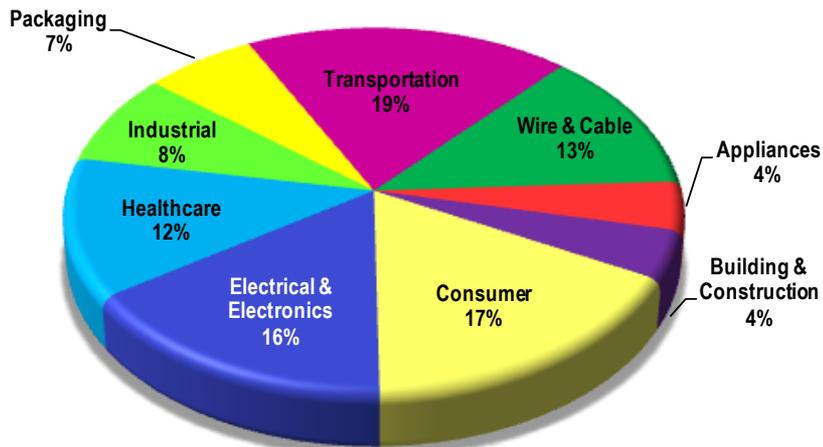
2013 Revenues: \$0.6 Billion



Solutions

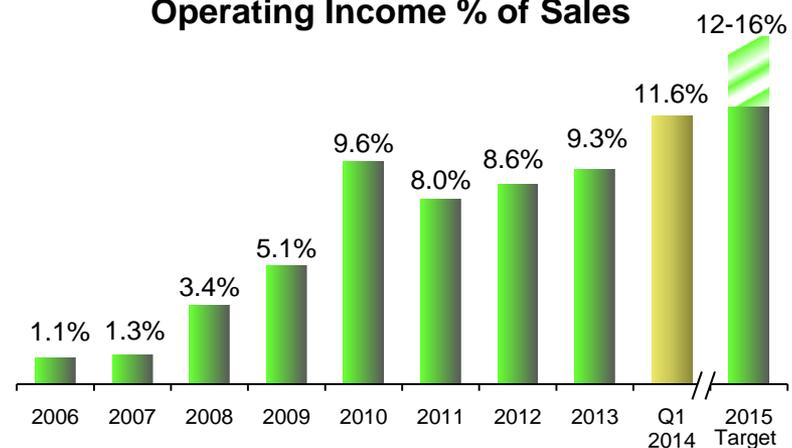


2013 Revenue by Industry Segment



Expanding Profits

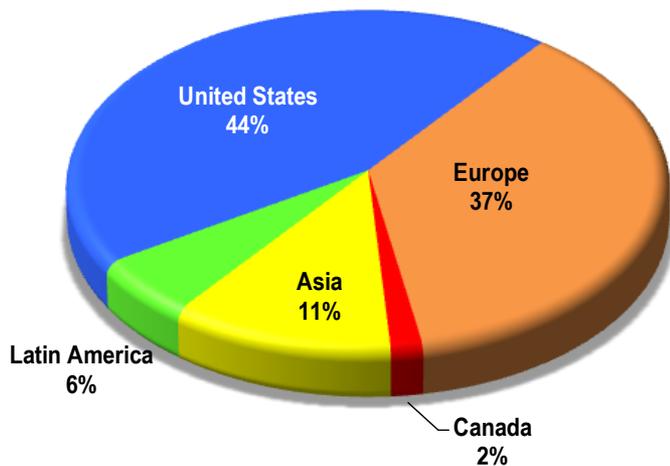
Operating Income % of Sales



At a Glance

Global Color, Additives and Inks

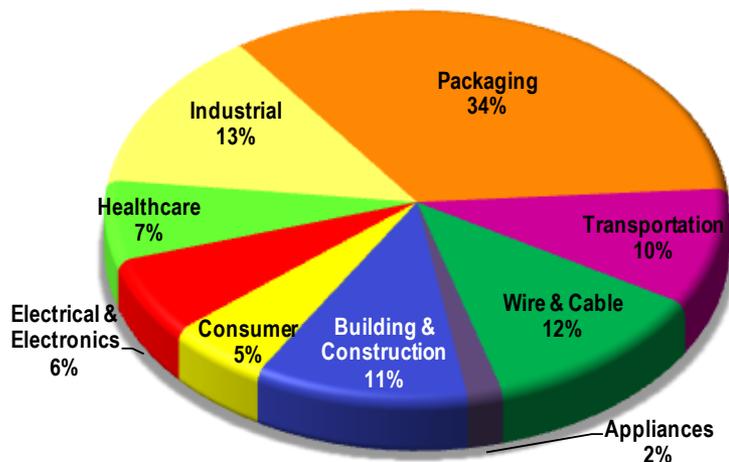
2013 Revenues: \$0.9 Billion



Solutions

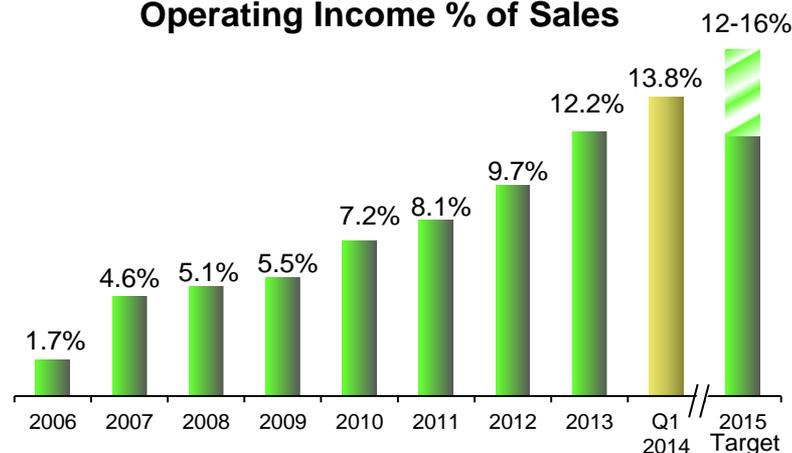


2013 Revenue by Industry Segment



Expanding Profits

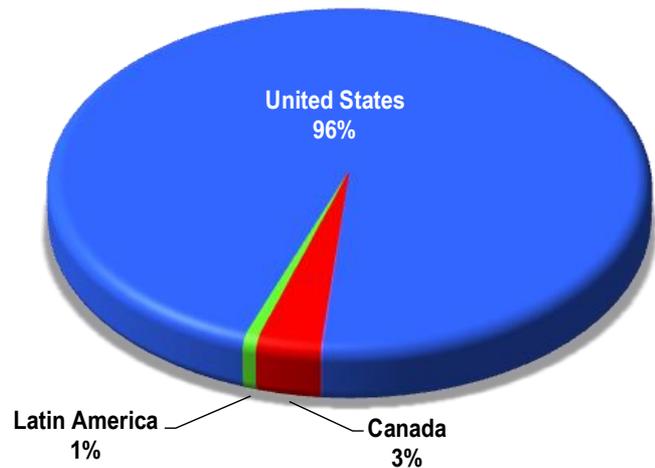
Operating Income % of Sales



At a Glance

Designed Structures and Solutions

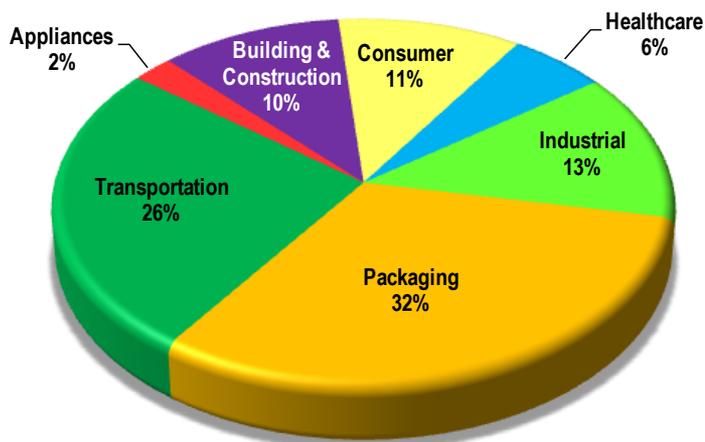
2013 Revenues: \$0.6 Billion



Solutions

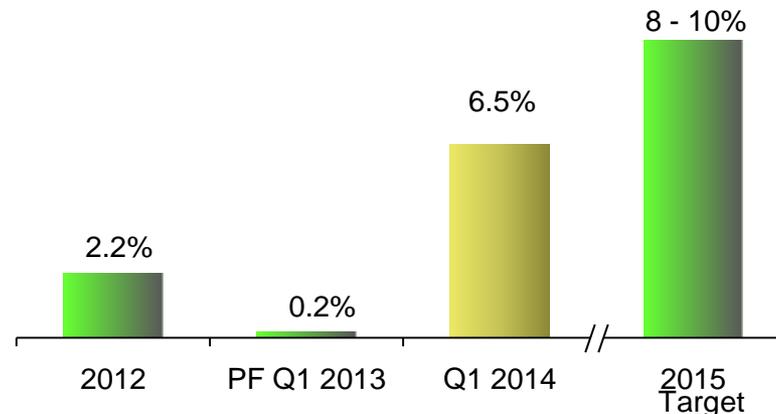


2013 Revenue by Industry Segment



Expanding Profits

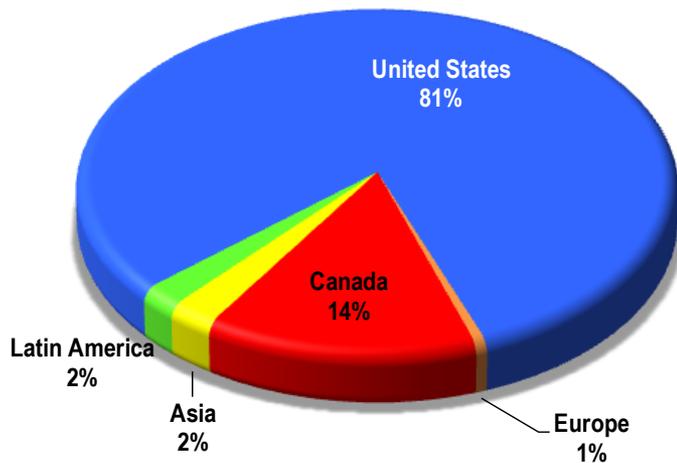
Operating Income % of Sales



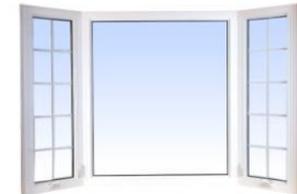
At a Glance

Performance Products and Solutions

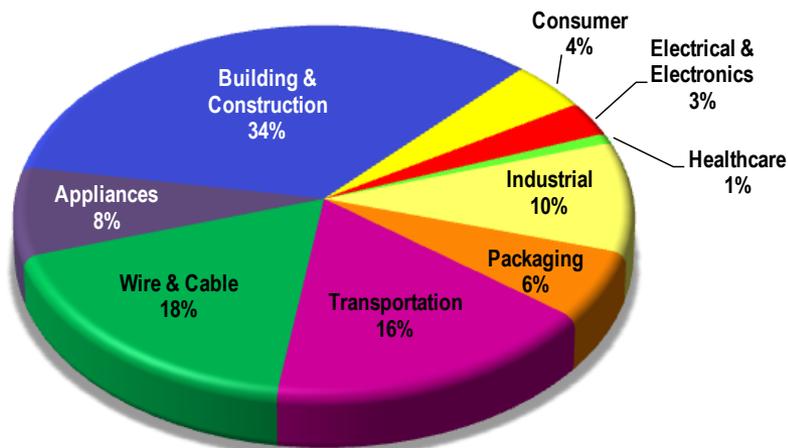
2013 Revenues: \$0.8 Billion



Solutions

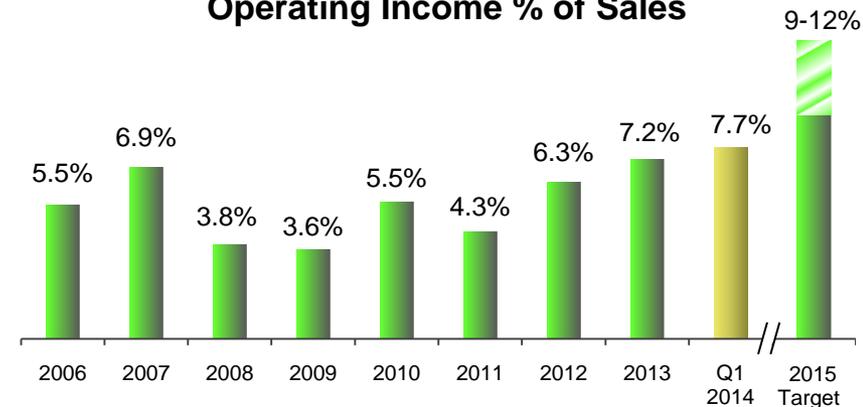


2013 Revenue by Industry Segment



Expanding Profits

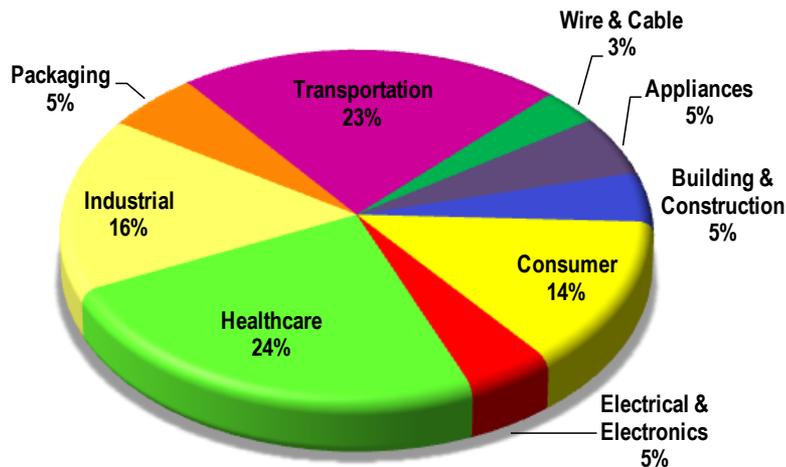
Operating Income % of Sales



At a Glance

Distribution

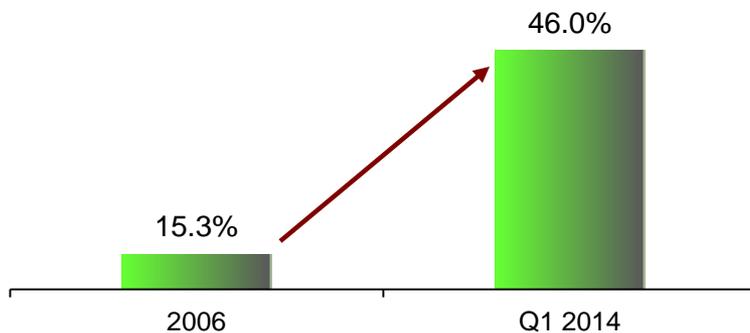
2013 Revenues: \$1.1 Billion



Solutions



ROIC*



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

Expanding Profits

Operating Income % of Sales

