Third Quarter 2014 Financial Results Script

Operator introduction:

Good morning ladies and gentlemen, and welcome to the Trinseo Third Quarter 2014 Financial Results Conference Call. Turning to Slide 2, we welcome the Trinseo Management team, Chris Pappas, President and CEO, John Feenan, Executive Vice President and CFO, and David Stasse, Vice President of Treasury and Investor Relations, who will be conducting the call. I will now hand the call over to David Stasse.

Dave Stasse

Thank you Danielle and Good Morning everyone. At this time, all participants are in a listen-only mode. Later, we will conduct a question and answer session, and instructions will follow at that time. If anyone should require operator assistance during the call, please press *, then zero, on your Touch-Tone telephone.

The slide presentation for today's call has been posted on the Company's Investor Relations website, in the webcast viewer and with the financial results press release by means of a Form 8-K filing with the Securities and Exchange Commission. A replay of the conference call and transcript will be archived on the Company's Investor Relations website shortly following the conference call. The replay will be available until November 13, 2015.

Before beginning, I call your attention to the disclosure rules on Slide 2 regarding forward-looking statements and the use of Non-GAAP measures. The agenda is on Slide 3. I will now hand the call over to Chris Pappas.

Pappas

Thank you, Dave. Good morning and thank you for joining us to discuss our Third Quarter 2014 financial results.

Our agenda today, as shown on Slide 3, will be as follows. First, I will give a business overview, covering key highlights from the quarter including the primary drivers of our performance. John will then review the details of our latest results from both a Consolidated and Business Segment perspective. After that, I will comment about the current business conditions and our focus for the remainder of the year and a preview of next year. We will then open the call for your questions.

Now, let's turn to Slide 4.

This is a snapshot of Trinseo and our performance in the Third Quarter of 2014, at the Total Company, Division, and Segment levels.

Trinseo's Third Quarter 2014 Adjusted EBITDA was $62 million, including a $1 million unfavorable impact from inventory revaluation. This includes joint venture earnings of $9 million.

As expected, third quarter adjusted EBITDA was sequentially lower due to weaker economic conditions, customer inventory destocking driven by dropping oil prices, raw material dynamics in our Styrenics segment, a planned turnaround in Synthetic Rubber and seasonality in Europe. However, our results for our Rubber, Latex, Automotive and Consumer Essential Markets businesses were, in aggregate, in line with our expectations. We did have a shortfall versus expectations in Styrenics, in both Americas Styrenics and in styrene monomer and polystyrene margins. This was driven by the combination of destocking and weaker Europe and Asia economic conditions.

Let's start with our Emulsion Polymers Division, where Adjusted EBITDA was $53 million.

Latex delivered $26 million of Adjusted EBITDA during the quarter, which was very steady on a sequential basis, as expected. Volume of 309 million pounds was essentially flat to prior year and up 14 million pounds versus second quarter of 2014. We are pleased with this result as our strategy is paying off with consistent performance in our Latex business. The third quarter was our 8th consecutive quarter of approximately 300 million pounds of volume and about $26 million of EBITDA. We continue to drive to offset a challenging North America and Europe coated paper market with incremental volume in the Asia, carpet, board, and Performance Latex markets. We have made significant inroads in the coated paper market with our industry leading lower cost emulsion technologies, which provide similar performance as traditional SB technologies but at a cost advantage. We have been trialing this technology in additional markets with success, which should enable us to provide our customers with lower cost options while maintaining our margins.

We've also been successful in growing our Performance Latex portfolio. Our volumes are up 9% on a year-to-date basis, led by multiple construction applications and tape saturation.

Our strategic growth plans to meet increasing demand for latex in China's paper and paper board industry are on time and on budget. We still expect the new reactor to come on-stream late in the Second Quarter of 2015 and then to sell out quickly at current margins.

Our next phase of the Latex strategy will now include a drive for margin improvement to increase profitability and to support our continued investment in latex technology and assets.

Earlier this month, we announced Latex price increases in Europe and North America. We believe these price increases are required to improve the margins in our latex business.

Moving to Synthetic Rubber, Adjusted EBITDA was $27 million for the Third Quarter and was sequentially lower, as expected, due to the ESBR turnaround in September as well as a short, unplanned outage. Our SSBR sales continued to be strong with both Third Quarter and year-to-date volume increases of more than 30% compared to prior year.

Enhanced SSBR sales volume is up nearly fifty percent year to date and now represents almost sixty percent of our total SSBR volume. Year to date sales of high performance tires have grown about three to four times that of the overall tire market.

In order to serve this growing high performance tire market, our plans for added capabilities in SSBR technology are progressing. During the quarter we successfully completed trials and are doing sampling

to continue to demonstrate performance increases on rolling resistance and wet grip. We are also progressing on our plans to bring neodymium technology to market, which is on time and on budget.

Our strategy in Rubber is crystal clear - focus on delivering the best technology for the rapidly growing high performance tire market.

Now moving to the Plastics Division, which delivered Adjusted EBITDA of $23 million for the quarter.

The Styrenics Segment Adjusted EBITDA was $22 million, including $11 million of Equity Affiliate Income from Americas Styrenics.

Styrene monomer margins decreased sequentially and I will talk more about this in a few minutes.

Styrenic Polymers demand was soft during the quarter due to several factors. First, economic weakness and falling feedstocks in Europe late in the quarter caused polystyrene volume to fall more than expected. Second, buyers, especially in packaging, who are sensitive to price fluctuations, reduced their purchases and destocked their inventory, waiting for lower polystyrene prices. Third, polystyrene demand in the appliance and consumer goods markets in China were lower than expected.

This volume weakness, combined with increased price competition from Middle East and Asia producers compressed polystyrene margins.

I've mentioned the issue of destocking a couple of times and want to spend a moment reviewing this.

I know you are all familiar with this behavior: falling oil, falling feedstocks, with even normal demand, can lead to significant declines in actual purchases of product or finished goods throughout the chain.

Now, let's look at what has been influencing our customer's behaviors recently.

First, oil has dropped steeply from about $95 per barrel to about $78 per barrel from September 1st to the end of October. That's about a 20% in two months.

We have seen similar percentage decreases during the last three months in contract prices in Europe for Benzene and Butadiene, which have both drop by about $250 per metric ton.

As these feedstock dynamics are occurring, customer behavior to delay purchasing and reduce inventory is clear. Styrene monomer inventory levels in China have been cut in half since the beginning of the third quarter.

Similarly, in Europe our Polystyrene customers have been decreasing their orders, suggesting that destocking took place in the latter half of the third quarter. We have since seen order patterns return to more normal levels in October for polystyrene.

Now – we are not saying styrenics real demand was strong over the third quarter. It was at least seasonally weak in Europe, but, clearly the destocking behavior through the chain was a big factor in purchasing behavior.

In Styrenics industry news, Styrolution announced this week that it is closing its polystyrene site in Trelleborg, Sweden in the fourth quarter of 2014. This site represents about 3% of Western Europe's polystyrene capacity.

The Engineered Polymers segment delivered $2 million of Adjusted EBITDA during the quarter, including a $2 million loss in equity affiliate income from Sumika Styron.

In Automotive, our sales volumes were roughly flat compared to last year with increases in Europe, North America, and Asia being offset by a decrease in Latin America. These results are similar to what we are seeing in the Automotive production market. Overall, we are progressing on our strategic plans to grow this business by expanding our offerings for car exteriors and semi-structural applications, which have higher margins.

Now, moving to the Consumer Essential Markets, which includes medical, electronics, electrical and lighting.

In the Third Quarter of 2014 The CEM business had its strongest sales volume since 2012, driven by strong sales to the consumer electronics market. Our high performance plastics are gaining momentum in the growth markets for energy efficient lighting, portable medical devices and miniaturization for smaller, lighter consumer electronics. We have been focusing our growth on higher value, customized products for these markets.

In Polycarbonate, as expected, higher bisphenol-A cost negatively impacted margins by about $4 million as compared to the prior quarter and margins continue to be very low. However, global polycarbonate demand and operating rates have been improving, and I will discuss later in the call.

At the end of September, we successfully exited the contract manufacturing agreement with Dow at its Freeport, Texas plant. This closure, combined with another closure in Asia, will take about three percent of supply out of the polycarbonate market by the end of 2014.

The Freeport exit was the first step of our Polycarbonate restructuring plan. Starting at the beginning of 2015 we will improve our raw material cost position at our production facility in Stade, Germany. We still anticipate a full year total annual savings benefit as a result of these actions of approximately $35 million, based on 2013 volumes and cost. We believe our restructuring strategy will result in significant EBITDA improvement in 2015, independent of improving Polycarbonate market dynamics. The continued global demand growth of polycarbonate, coupled with our Freeport exit, should increase operating rates further and lead to improved margins as well.

Turning to Slide 5, let's discuss some recent trends in our major raw materials markets.

As a reminder, last quarter we modified the Styrene Monomer feedstocks chart to show two components; our European produced Styrene Monomer dynamics, and our Asia cost-based purchases. We believe this provides a better view of the impact of Styrene Monomer margins on our results. This quarter we've added a proxy for Styrene Monomer margin, which is the styrene price less the costs of benzene and ethylene.

This proxy margin is shown as the gray bars on the charts on the approximately 650 kilo tons we produce in Europe and the approximately 300 kilo tons we purchase on an Asia cost basis, with the IHS forecast through the end of the year.

Styrene margins decreased late in the Second Quarter and early in the Third Quarter due to the outage-related benzene price increase. This led to a record-high US benzene contract price in July, pushing global prices higher as well. Styrene prices increased too, but to a lesser extent, and this led to a decrease in styrene margins, particularly in Asia.

As expected, benzene prices decreased after this spike through the remainder of the third quarter of 2014. Styrene prices followed this decline and margins expanded only slightly, more in Europe than in Asia. Styrene derivative demand was soft during the quarter due mostly to the higher styrene price at the beginning of the quarter, seasonality in Europe, the destocking dynamic discussed earlier, and general economic weakness. Now, this limited the extent to which styrene margins could increase in August and September.

Overall Third Quarter margins were slightly lower in Europe and more so in Asia as compared to the Second Quarter. However, despite the challenging conditions from earlier in the quarter, it is important to note that the styrene monomer margins continue to maintain levels that are a step change higher than what they were during the early part of our company's history. We believe this is due to several factors, such as the previous industry asset closures, limited new capacity and demand growth in Asia.

So far in the Fourth Quarter we have seen some margin expansion, I will talk more about that later.

Moving to Slide 6 and the Butadiene trends, Asia prices moved higher at the beginning of the quarter due to several turnarounds and delays of new startups. However, the return of supply, as well as lower input costs, caused prices to decline through the end of the quarter. Europe and North America followed a similar trend during the quarter, though prices there weren't as high at the beginning and that created a brief arbitrage opportunity, but that closed as Asia prices quickly decreased. Current forecasts are indicating a continued downward trend, and I will talk about that more later.

Now, I'd like to turn the call over to John for a more detailed review of our financial results at a consolidated and business segment level.

Feenan

John Feenan:

Thanks Chris and good morning. As you heard in Chris' opening comments, our performance was as expected in the Rubber, Latex, Automotive and CEM businesses with some very late in-quarter challenges across our Styrenics business.

Please turn to slide 8 where you can see the Third Quarter results for Trinseo along with two comparison periods – the Third Quarter of 2013 and the Second Quarter of 2014.

Third Quarter 2014 revenue of $1.3 billion was roughly flat to prior year. Higher volume, mostly in Synthetic Rubber, along with a stronger Euro increased revenue by about 1% each. This was offset by lower price due mainly to the pass through of lower raw material cost in the Styrenics segment.

Third Quarter Adjusted EBITDA was $62 million including $9 million of equity affiliate income. This compares to $72 million in the Third Quarter of 2013 and $79 million in the Second Quarter of 2014. Variance versus prior year was driven by lower styrene monomer margin. Recall, that styrene monomer margins in the third quarter of 2013 were quite high – in fact, at their highest since 2005. This was partially offset by the $26 million unfavorable inventory revaluation impact compared to a $1 million unfavorable impact this year. Variance versus prior quarter was driven by the turnaround at our Rubber plant in Schkopau, lower styrene margins, particularly in Asia, higher bisphenol-A costs in Polycarbonate, lower margins and destocking in styrenic polymers, and seasonality in Europe.

Now, turning to slide 9,

The Latex Segment revenue of $328 million for the quarter was down 1% versus prior year due mostly to the pass through of lower raw material costs as well as a continued competitive environment. Lower volume sold to the Europe and North America paper markets was offset by higher volume to the Asia paper and North America and Europe carpet markets. Adjusted EBITDA of $26 million was essentially flat to prior year and prior quarter.

Now, turning to Slide 10,

In Synthetic Rubber, revenue increased 10% driven by higher SSBR volumes and the pass through of increased Butadiene costs. Adjusted EBITDA of $27 million was $14 million higher than prior year as higher volume, mainly SSBR, and higher margin, due mostly to favorable raw material timing, were partially offset by turnaround related impacts.

Sequentially, revenue decreased 6% from lower ESBR sales, due mostly to the turnaround, as well as FX. Adjusted EBITDA decreased $10 million due to the previously mentioned Third Quarter turnaround.

Now, turning to slide 11,

The Styrenics Segment revenue of $561 million for the quarter was 3% below prior year due mostly to the pass through of lower styrene cost. Adjusted EBITDA of $22 million was $45 million below prior year due mostly to lower styrene monomer margin as well as $4 million lower equity income at Americas Styrenics.

Sequentially, Adjusted EBITDA decreased $5 million due to lower styrene and polystyrene margins, as well as lower polystyrene volume as Chris previously discussed. These impacts were partially offset by higher equity affiliate income from Americas Styrenics after their Second Quarter turnaround.

Turning to Slide 12,

Engineered Polymers Adjusted EBITDA of $2 million was flat to prior year. Higher volume to the Automotive market as well as higher margin in the Automotive and CEM businesses was offset by lower equity affiliate income from Sumika Styron.

Sequentially, Adjusted EBITDA decreased $3 million due mainly to lower margin from higher bisphenol-A costs in Polycarbonate.

Now, turning to slide 13 for the discussion on cash and liquidity. As discussed during our last earnings call, in July we used the majority of the net IPO proceeds to pay down ten percent, or $132.5 million, of our 8.75% senior secured notes. Free cash flow for the quarter was negative $19 million, which included $60 million of cash interest and $14 million for capital expenditures. You may recall that interest on our

long-term senior secured notes is paid in February and August. The third quarter of 2014 payment included the accrued amount on the portion we retired in July as well as the amount on the remaining outstanding portion.

Year-to-date capital spending was $69 million including $26 million for the JSR capacity acquisition in the First Quarter. We previously communicated total capital spending in the range of $110 to $120 million for the year and we anticipate coming in at the lower end of the range as we continue to closely monitor our spending. We expect cash taxes of between $8 and $12 million for the year. For 2015 we expect CapEx of around $120 million and cash taxes of about $30 million.

With that, I will now turn the call back over to Chris.

Pappas

Thanks John.

Let's turn to Slide 15, where I'd like to discuss fourth quarter raw material trends.

This is the same styrene raw materials slide that I discussed earlier. Benzene prices have continued to decrease since the Third Quarter due to a seasonal cracker feed shift, refinery blend changes, and falling crude oil and naphtha prices. In early October there was an incident at Shell's facility at Moerdijk in the Netherlands which shut down its propylene oxide styrene unit. Trinseo benefitted in October from the lower benzene cost. In addition, while benzene costs continued to decrease, the styrene contract price held steady from October and November, expanding styrene margins for the month. We also expect Fourth Quarter margins to expand in Asia after a relatively lower Third Quarter.

You can see our estimate for the styrene margin change we currently expect in the fourth quarter, both in Europe and Asia.

Turning to Slide 16, I want to spend a few minutes on two of the key drivers of potential rising EBITDA and cash flow for Trinseo in 2015 and beyond – Styrene Monomer and Polycarbonate.

As you know, we produce about half our Styrene Monomer and purchase about 20 percent on Asia cost based economics. This makes us quite levered to the potential upswing in Styrene Monomer margins.

IHS and others continue to forecast a strong Styrene Monomer operating rate going forward. Of course, this will not be smooth quarter over quarter. We just experienced a quarter where destocking, sluggish demand, and seasonality compressed Styrene margins – and so far it looks like Q4 will see some styrene margin rebound. Outages, whether in Benzene or Styrene Monomer, inventory swings, and seasonality will all impact quarter to quarter margins. But, it does seem clear to us that over the last couple of years the general direction of Styrene Monomer margins is moving up.

Now, the regional and end-use demand data for styrene monomer is important to understand.

First, the geographic Styrene demand clearly shows the importance of Asia, as that region consumes about 60% of the world's Styrene. Most of this is for in-region consumption of finished goods, some of it is for finished product export. So, the economic growth of Asia is a key driver of Styrene demand.

Also note the end uses of importance. About three quarters of Styrene is consumed in Polystyrene, expanded Polystyrene, and ABS. Nearly ninety percent of that consumption is in consumer products, packaging, and construction. We believe this information plus the EBITDA leverage we have in Styrene Monomer should help you make and take a view on the future contribution from Styrene Monomer to Trinseo results.

Turning the Slide 17, let's discuss the polycarbonate drivers.

Year to date demand increased five percent and third quarter operating rates are approaching eighty percent. There is no significant supply anticipated to be coming online until 2017 and it is not certain that this supply will come on. This coupled with continued good demand could yield a tighter market and better pricing environment. Again, we have significant EBITDA leverage to rising Polycarbonate margins, a $100 per metric ton increase in margin yields about $15 in additional EBITDA. It seems that a rebound in Polycarbonate demand and operating rates should support price and margin improvement in 2015.

Similar to Styrene, the geographic polycarbonate demand clearly shows the importance of Asia, as that region consumes about 60% of the world's Polycarbonate. Unlike styrene, however, a substantial percentage of polycarbonate demand in Asia is re-exported to the rest of the world in consumer electronics and other finished goods. Demand for polycarbonate, therefore, is more driven by global consumption of polycarbonate contained finished goods by local Asia consumption.

Let's turn to Slide 18 for another look at Butadiene.

Butadiene prices are forecasted to continue to decrease through the fourth quarter due to market length and falling prices of naphtha and crude oil. These lower input prices add economic viability to heavier cracking which increases the supply of butadiene. This increased supply, when mixed with seasonally lower demand, is expected to result in lower butadiene prices. Regardless of fundamental demand, buyers pulled back in this environment further exacerbating the short term decline. This will lead to lower EBITDA in the Fourth Quarter due to the impact of inventory revaluation from Butadiene.

Now, let's turn to Slide 19,

Now, I would like to explain our new business realignment, which we announced in early October. To better reflect the nature of our business, we created two new business divisions - Performance Materials and Basic Plastics and Feedstocks. The two business divisions are of similar size in sales, but have different margin profiles, different strategic focus, different value drivers and different operating requirements. By grouping businesses with similar strategies and business drivers, we can manage and operate them more effectively – driving accelerated growth in our Performance Materials businesses, and optimizing profitability of the Basic Plastics and Feedstocks businesses for cash generation.

This new alignment also provides better visibility for investors to understand how our businesses work. Changes to financial reporting will be effective January 1, 2015.

The Performance Materials division, lead by Martin Pugh, will include the following reporting segments: Rubber, Latex and Performance Plastics, which consists of the Automotive and Consumer Essential Markets businesses.

The strategic intent of Performance Materials is clear. Grow EBITDA via technology leadership in focused markets. We strive to accomplish this via organic growth and possible bolt on acquisitions.

The Basic Plastics and Feedstocks division will be a separate reporting segment including the following businesses: Styrenic Polymers, Polycarbonate, and Styrene Monomer. A new position, Senior Vice President and Business President for Basic Plastics and Feedstocks, is expected to be filled in the first half of 2015.

The strategic intent of Basic Plastic and Feedstocks is also clear. Generate cash via cost control and margin improvement. Organic investment is not part of this strategy but consolidation steps are possible.

Turning to Slide 20,

You can see some highlights of Fourth Quarter expectations. Overall, we expect a much stronger fundamental performance versus the Third Quarter. Synthetic Rubber should improve after the Third Quarter turnaround. Latex should continue to have performance consistent with prior quarters.

In Styrenics, as we previously mentioned, Europe styrene monomer margins are expected to improve in the Fourth Quarter and should result in approximately $10 million of additional EBITDA. Americas Styrenics should also benefit from higher styrene margins, and therefore, we anticipate a sequential increase of several million dollars in equity affiliate income.

Finally, in Engineered Polymers, we should start to see the benefit of our Polycarbonate restructuring efforts with the end of the Freeport contract manufacturing agreement and some market improvement which should result in about $6-8 million improvement.

However, we will have a substantial, unfavorable inventory revaluation impact from decreasing styrene and butadiene related costs. Based on current raw material forecasts, we estimate this impact will be about $30 million. As the US Dollar strengthens versus the Euro, we expect a negative EBITDA of a couple million dollars as compared to the Third Quarter of 2014, and much of this will be in Synthetic Rubber.

But – our fundamental quarter over quarter business performance should improve substantially.

We are currently finalizing our 2015 Plan and I'd like to give you an early view of a few expectations for next year. In Latex, we expect continued steady EBITDA performance as growth in Asia, Performance Latex, Board and Carpet markets will off-set declines in North America and Europe paper. Time will tell if there is upside from our margin improvement efforts, but additional volumes from our new capacity in China as well as other initiatives should allow us to at least continue the consistent performance we've seen over the last two years.

In Rubber, we expect some year-over-year fundamental improvement as we finalize our contract extensions and sell our incremental volume of SSBR. This will be partially offset by higher fixed costs related to our technology growth initiatives and potential increased costs due to exposure. Our Rubber business has the most exposure to the Euro, so it will be the most affected by a weakening of the currency.

Styrenics performance will be influenced by the styrene monomer dynamic I covered earlier. Our expectations are for a similar performance at Trinseo and at Americas Styrenics, include some upside to

the extent of demand recovery in Europe or Asia and tightening operating rates, drive styrene monomer and polystyrene margins higher.

Engineered Polymers should improve due to the full-year realization of our Polycarbonate restructuring as well as incremental EBITDA from a combination of higher Polycarbonate margins and higher volumes from Automotive and Consumer Essential Markets.

In closing, slide 21 shows the key takeaways by segment for the last half of 2014 as well as full year 2015.

Let me add that if you look at our EBITDA performance over the last 7 quarters, excluding Inventory Revaluation impacts, we have averaged $77 million of EBITDA per quarter. And that is without any sustained styrene monomer margin improvement, without our Polycarbonate restructuring impact or any substantial polycarbonate margin improvement.

We will continue to remain disciplined and focused on our strategy, and continue to feel that we are in a good position to leverage the upside of the markets in which we compete.

And now, Danielle we are open to questions from the audience.

Question and Answer session

Operator: Thank you. Ladies and Gentlemen if you have a question at this time press star and then one on your touch-tone telephone. If your question has been answered or you wish to remove yourself from the queue please press the pound key. And our first question comes from Lawrence Jollen from Shenkman, your line is now open. Please go ahead.

Lawrence Jollen, Shenkman: Good morning gentlemen.

Chris Pappas: Good morning Lawrence.

Lawrence Jollen: I just have two quick questions if you don't mind. Sorry if I missed this, but in the synthetic rubber segment, how much of the ten million dollar sequential decline in EDITDA was related to the planned turnaround?

Chris Pappas: There are two events in the quarter in rubber. One was a planned turnaround and one was an unplanned outage, and that in combination with summer seasonality accounted for the ten million dollars, Lawrence. Those two plus seasonality.

Lawrence Jollen: Ok. And I really appreciate the guidance around the potential unfavorable inventory revaluation in the fourth quarter, the thirty million guidance, it's very helpful, but as we think about your commentary on Slide 20, are you saying that, well, I guess first-off, the inventory revaluation. I assume since that's largely butadiene related that it would flow through latex and synthetic rubber. Is that right?

Chris Pappas: Well, it will be butadiene, but it will also be benzene and styrene. And you can see that in our chart. Rubber will have an effect, latex will have some, but our styrenics complex will also have some so it will be across the board, Lawrence, and we don't split that out but we felt it was important to

give the aggregate number. I think the important thing in the fourth quarter is, as described, we see substantial fundamental improvement across the board in a number of our businesses. But we will have that inventory revaluation headwind to fight through.

Lawrence Jollen: But I guess as we model the fourth quarter and I sorta look at your commentary on Slide 20, I mean I just want to make sure I have it right, when you make comments like "latex should be consistent sequentially," "synthetic rubber should improve sequentially" because you don't have the turnaround whether planned or unplanned events, " styrene monomer margins should improve sequentially" should we model that out and then effectively at the consolidated EBITDA line then back out thirty million unfavorable inventory revaluation?

Chris Pappas: Exactly.

John Feenan: Yup that's it exactly.

Chris Pappas: And we gave you I think a few numbers related to a few of those pieces as well Lawrence and you can do exactly that.

Operator: Thank you, and our next question comes from David Begleiter from Deutsche Bank. Your line is now open, please go ahead.

David Begleiter: Thank you, good morning, hey Chris, just on the decline in oil price how do you either quantitatively or qualitatively assess the impact on Trinseo crude price versus results?

Chris Pappas: Well, David, if dropping oil is strictly related to, you know, the over-priced oil, if you will, then other than inventory revaluation and destocking dynamics which are temporary it really doesn't affect our business because our business as you know largely operates on margins and in many cases on fixed margins. If, on the other hand, oil is dropping because of global depressed demand, or the belief of depressed demand, then that of course would have an effect on our demand curve. I think it's primarily the former and that oil is not dropping because of substantially lower economic activity but it's dropping because of the former. So once we're clear of the drop then, you know, we should have essentially no effect. The effect we'll have in the short term is destocking driving inventories down and driving purchasing down and inventory revaluation? But as I mentioned our fourth quarter dynamics on fundamental performance appear to be moving up strongly even as oil continues to drop.

David Begleiter: Very good and just Chris comment on or talk on tire demand or tire inventory as you head into the year end.

Chris Pappas: Tire demand overall was stronger in the first half of the year, is slowing in the second half of the year - overall tire demand - however the high performance tire demand continues to grow strongly - it was up about 12% - and it continues to go strongly through the balance end of the year and there continues to be a push into 2015 for regulatory or labeling impacts driving growth of high performance tires, and recall that is the business that we're basically in. And you can see that in our SSBR numbers, 30% volume growth and 50% growth of enhanced SSBR, which is our focus of course in our rubber business.

David Begleiter: Thank you very much.

Operator: Thank you and our next question comes from Bob Koort from Goldman Sachs. Your line is now open, please go ahead.

Bob Koort: Thanks very much. Chris, I think you gave some numbers on global styrene rates. I was wondering if you could give us a sense of where yours are and how they varied, maybe through the last couple quarters and looking into next, and secondly, on your regional styrene margin charts I found it interesting that there's been a little bit of variation between European and Asian margins. How would you expect that delta to narrow? Will we see an improvement in Asia, or will we see some erosion in Europe, or do you think they'll sustain some level of distance from each other?

Chris Pappas: OK. Our operating rates are, remember in Europe is where we operate, are pretty close to global numbers, number one. For two, regionally in styrene the US operates a little bit higher as you might expect due to the ethylene conditions and Europe generally operates about at that norm, and Asia's a little bit lower, Bob, on regional. On the margins by region, it's interesting because if you look back at the third quarter of 2013 you can see that we had margins in Asia that were also very also high at the same time we had them very high in Europe. Now in the fourth quarter this year European margins are rising pretty substantially but they're also rising in Asia, both about 50 dollars per ton, on the basis of which we do business, so... and by the way the 50 dollars is the aggregate average of those gray bars guys I think you can see that graphically. You know we have 650 KT of styrene in Europe that we make, 300KT in Asia that we buy at cost. I would say generally Bob better margin potential in Europe than Asia, but Asia can be pretty fickle it can move up very rapidly like it did in the third quarter of last year. But as a general rule I think you would probably say our margin potential for Europe is higher going forward.

Bob Koort: Got it. Thanks very much.

Operator: Thank you, and our next question comes from Kevin McCarthy from Bank of America/ Merrill Lynch. Your line is now open; please go ahead.

Kevin McCarthy: Ah yes, good morning, Chris you seemed to express some confidence that Styrenics EBIDTA can improve sequentially in the fourth quarter showing some of the margin date I guess on Slide 15. What are you assuming for volumes there and can you speak to what you are seeing in October and November relative to the normal seasonal patterns?

Chris Pappas: Yes, I think you're really asking about polymers probably, Kevin, more than monomer but we do see sequential improvement in Styrenics; well, you can see it in the monomer charts that we gave you, that's our current best estimate. We believe sequentially America Styrenics is going to be up; we mentioned a few million dollars because their business is rebounding after destocking and other components. Our own polymer business in the fourth quarter, in October, the purchases returned to normal after some latent third quarter destocking. With the Feedstocks continuing to drop we are seeing in polystyrene some pull-back in the back part of the fourth quarter on volume as customers again, having bought in October, Kevin, are saying maybe we should wait and see if Feedstocks are dropping further. Adding all that up, I think polystyrene volumes for us will be up a little bit quarter over quarter, but the real dynamic for margin improvement appears to be, at this point, styrene monomer stepping up in both Europe and Asia and sequential improvement from the AmSty joint venture.

Kevin McCarthy: Ok, and then the second question if I may for John on CapEx you're guiding now to the lower end of your prior range of $110 -120 million. If I heard you right it sounded like you're looking for $120 million next year as well. I want to say you might have been north of $140 million previously, so can you talk about what is changing and whether you're eliminating projects, deferring projects; how should we think about that profile?

John Feenan: Yes Kevin let me just reconfirm lower end 2014 of around $110 million. You're correct in 2015, around $120-121 million, low $120 million's, and the real change in 2015 vs. prior discussion when we were in the $140 million range we've just taken a very hard look at every component of the business we've looked at projects where we can get the best return. I think if you recall, we will be continuing to invest in our higher growth businesses. Within that $120 million, we'll still have $30-40 million of maintenance CapEx, and we also have to begin our initiatives around the shop floor with our Mod 5 and our NEA, which is our SAP investment. That's basically the bulk of it. We still have growth aspects and as you can imagine you saw Chris's new chart. He'll be focused on the conversion to Neodynium in our latex, mainly in the high performance latex business and also in the performance plastics. So that would be the three components of the growth element of our CapEx.

Kevin McCarthy: Great. I appreciate the color.

Operator: Thank you and our next question comes from Frank Mitch from Wells Fargo. Your line is now open. Please go ahead.

Rory Blake: Hi, this is actually Rory Blake in for Frank. Thank you for taking the question. Just going back to the styrene questions and I understand sequentially we're seeing margins take up about $50 dollars. Is there anything in the market dynamic is that sustainable or should we expect that to fall off going into 2015?

Chris Pappas: Well, if you look at, this is Chris again, if you look at the chart we gave you which goes all the way back to the beginning of 2013, and if you think about our commentary which is generally rising styrenic margins from say 2011 forward, driven by consolidation, asset reduction, limited new capacity, continued demand growth, our expectation would be that 2015 should continue to have periods where we would see these run-ups in styrene monomer margins as we did in 2013 and as we're seeing a little bit of at end of 2014 and the reasons for that are the reasons I stated: there is no new capacity coming, the operating rates have inched up, the product is still growing at a couple percent per year demand, and the assets are old and outages occur, and that combination suggests to us a continued trend of the potential for higher styrene margins and that has been the case over the last couple of years. Again, not smoothly over quarters because we have these dynamics where you can have destocking, you can have inventory builds, you can have outages, and that's how you get that gray bar profile that you see that we've laid out for you now on Slide 20 I think it is where we show the gray bars with the margins.

Rory Blake: Ok, ok, that makes sense. Thank you. And just one more on the follow-up of the new business segmentation, the basic plastics and feedstocks, you see potentially some industry consolidation. Is that focused in any region particularly and is Trinseo a more likely buyer or maybe a potential seller of some assets? That's all I had, thank you.

Chris Pappas: The consolidation potential I talked about is in basic plastics and feedstocks and we would see ourselves as a potential active participant and generally as a consolidator and it would generally be in a European arena.

Rory Blake: Thank you so much for your time.

Operator: Thank you and our next question comes from P.J. Juvekar from Citi. Your line is now open. Please go ahead.

Eric Petrie: Thanks, good morning, this is actually Eric Petrie in for P.J. Your SSBR volume growth was strong up over 30%. Excluding the volume or capacity from JSR how much did your underlying volumes grow?

Chris Pappas: In rubber?

Eric Petrie: In rubber, yeah, because I believe you have production rights now to the 25,000 metric tons from JSR.

Chris Pappas: We do. I'm not sure I understand your question. You're asking about the rest of our rubber business and its volume curve? Is that your question?

Eric Petrie: Yes, volumes probably wouldn't be up to 30 percent excluding.... So I'm just looking for an apples to apples.

Chris Pappas: Well the volumes of our other rubber products, outside of SSBR, are generally not growing. We are in fact more or less maxed-out on those products: ESBR, Lithium PBR, Nickel PBR. So our growth in our rubber business is driven by our growth in SSBR. Now we had a turn-around in the third quarter that did depress for example our ESBR volume from the third quarter vs. the second quarter. But the way you should think about our rubber business is our non SSBR product lines: ESBR, Lithium PBR, Nickel PBR are essentially sold out for us and they are not growing and we are not investing in those. In fact we are converting our nickel PBR into neodynium which will start up at the beginning of 2016. So that is not where our growth is coming from, it's coming from our focus on SSBR, our technology in that area and in the case of JSR we just acquired 25 KT of capacity and some of that has been used in the third quarter and will be used in the fourth quarter and will continue to fill out that capacity in 2015.

Eric Petrie: Perfect, and are you still expecting the $10 million benefit from the JSR volumes in 2015?

Chris Pappas: We expect that benefit from growth and volume. We will have potential affects in our rubber business as described earlier. Our rubber business as a rule accounts for about 60% of our currency impact in the company so if you think about the total impact in the company about 60% of that can be attributed to our rubber business so if the euro continues to decline we will take on currency impact of $6-8 million and we are investing in some technology enhancements next year in order to drive neodynium and some of our other enhanced product lines. Both of those will have some potential impact on the $10 million dollars.

Eric Petrie: OK and then in engineered polymers you noted strong CEM sales but it looks like volumes and margins were relatively unchanged. So how much did polycarbonate negatively impact EBITDA and what is your split between CEM and polycarbonate sales?

Chris Pappas: Our polycarbonate EBITDA continues to be strongly negative as we await the restructuring efforts we've talked about, $5 million of which will occur in the fourth quarter, $5 million in the quarter, $35 million overall next year and the rebound of the polycarbonate market in margin which appears to be coming based on rising operating rates. We have two businesses in our compounding world: one is our automotive business and one is what we call performance plastics or CEM product line and those businesses are about $800 million in aggregate and about $600 million of that is automotive compounds, and about $200 million of that is the electronics and lighting and so on. Now we also said in our new structure we will start to report that performance material segment as the

separate segment starting in 2015 so you'll then start to see that a little more clearly and polycarbonate will move over to the basic plastic side of the house.

Eric Petrie: Ok. Thank you.

Operator: Thank you and our next question comes from Laurence Alexander, from Jefferies. Your line is now open. Please go ahead.

Laurence Alexander: Good morning. Just a couple, as we think about the bridge for 2015. First, as you think about the destocking you saw in Q3 and you expect in Q4, how much of a volume hit is that for the full-year basis in terms of and then does it turn into an easy comp for 2015?

Chris Pappas: Well, the destocking - Laurence, this is Chris- I think was most acute -- well, we know it was most acute in polystyrene or styrenic polymers, we should say. We do over two billion pounds. So I would say, hard to exactly say, because hard to separate destocking from demand. But a few percent, I think we would say, from destocking on that complex. It did affect rubber a little bit as well. Tire producers try to buy less in the same environment. The volumes there are lower. Maybe a couple, 3% there. Latex a little bit less effected in terms of destocking. So maybe that gives you a bit of a sense of it.

Laurence Alexander: Okay. And then as you think about the planned outages you have for next year and the planned and unplanned outages you had this year, what is the net balance for the year-over-year comparison?

Chris Pappas: Rubber will be similar. And overall for the Company, we would be slightly lower. We will get you that, but not enough, I think, to make a difference. Similar aggregate turnaround effects next year, I think, is the best way to think about it, Laurence.

Laurence Alexander: Okay, and finally, one of your peers flagged a fairly cautious stance on synthetic rubber because there's some capacity additions that are coming on over the next four to six quarters. Is there any reason, or can you just address your relative mix, and the degree to which you would be insulated from that?

Chris Pappas: First of all, as you know, we operate almost strictly in the tire business, and we focus ourselves in the high-performance tire business. We are well aware of capacity additions and announcements, even in SSBR. And so far, and looking forward at our key customers, we think we're going to be able to maintain a pretty darn good SSBR business. And the reason for that is, we have very good technology. We're embedded in compounds and we are embedded in tires and we're extending our contracts. And from a mix point of view, a large amount of what we do is SSBR, and a large amount of that is SSBR, and we're continuing to grow that. And then we're going to be adding to that with the conversion of nickel to neodynium in 2016. So, hard to say how good the other guys are going to be, in the world of SSBR that we are in, okay. Hard to say how good they're going to be in enhanced SSBR and how quickly they'll be able to get into that market. And also remember that market's growing rapidly, three to four times the general tire market. So if they struggle to develop the products or struggle to bring on capacity and the market continues to grow, then that would net a pretty strong environment

for us, and you can do the reverse version of that equation. But net/net, we feel pretty good about our rubber business going forward, the way we described.

Laurence Alexander: Great. Thanks.

Operator: Thank you. And our last question comes from Vincent Andrews from Morgan Stanley. Your line is open. Please go ahead.

Matt Andrejkovics: Good morning, everyone, this is Matt Andrejkovics calling for Vincent. Thanks for squeezing me in. Can you just comment a little bit on the volume growth you're seeing in latex in Asia? It sounds that's providing you guys a nice offset, but what are some of the dynamics you are seeing there? Is there any potential for slowdown, and just overall your expectations for that volume growth to continue?

Chris Pappas: Matt, it's Chris. Just so we're clear, our ability to hold our volume in latex and hold our EBITDA is a function of several components. One is, we have a strong business in China, where the market for paper and board is growing. The other is we're growing performance latex.

Another is we're focused on certain segments of the paper business that are growing rather than shrinking, board for example. A fourth is we're delivering technology to the market, this is very important, that is lower cost, but similar margin for us, it's an advantage versus our competition. And if you at all that up, that's how we have eight quarters of consistent volume and consistent EBITDA in that business, where there are challenges in the decline of paper in Europe and North America.

Now in China specifically, we are currently sold out on our capacity. Our growth in China latex will come next year, when we bring on the new reactor at the end of the second quarter, and that reactor is 25 kilotons at capacity. And we would expect to move that into the market at some rate in the second half of next year; maybe 15 million to 20 million pounds of that will get sold in the second half of next year, as new volume.

Matt Andrejkovics: Got it. Yes, thank you. And then just on a follow-up, do you have any kind of visibility to the inventory in the channel for styrene? It seems like these outages -- at least the Shell outage, I've read, is expected to last a while. So is there any sense of the kind of tightness that could actually the causes the destocking to rebound, perhaps, as you get into the early part of next year? Thank you.

Chris Pappas: We mentioned the one statistic about styrene inventory in China dropping 50%, 60% in the last few months. That's the one statistic that's fairly readily available. We gave you the kind of demand and market consumption of styrene.

It is true that Shell actually has had two outages, Matt. One earlier in the year and one in October, so, and they've publicly said that at least the first outage will be extended, and the second one they're planning to perhaps bring back up later this year. We will have to see.

But net/net, I think your thesis, if I hear it right, would suggest that lowering of inventories and longer-term outages, and no new capacity, in our view, is a good trend for us in styrene. And hopefully we'll have a year that has more of those high gray bars on it in 2015 than low grade. That's what we would forecast, generally speaking, more high gray bars.

Matt Andrejkovics: Great. Thanks very much.

Chris Pappas: Thank you.

Operator: Thank you. Ladies and gentlemen, that does conclude today's Q&A session and today's call. Thank you for participating in today's conference. You may all disconnect. Everyone, have a great day.