

CHAIRMAN'S SPEECH FOR SHAREHOLDERS MEETING

APRIL 28, 2015

Good Morning. Welcome to our 2015 Annual Shareholder's meeting. We are pleased to have so many shareholders, guests and retirees here today. We look forward to sharing our results and future plans with you this morning.

Earlier this year we reported 2014 net income of \$57.1MM, a disappointing year. Significantly lower results in our Surfactant business were only partially offset by record results in Polymers.

In 2014 we made significant investments to improve plant operations, to expand capabilities for an improved product mix and to extend our business in emerging markets.

Helping customers grow is a key element of our profit improvement strategy. In 2014, we strengthened our innovation portfolio and opened new R&D facilities in Brazil, China and

France. The combination of deep science, market insight, local presence and these new state-of-the-art facilities enables our scientists to deliver wins in the market for Stepan and our customers.

Our first Metathesis derivative product launched in 2014 and created significant excitement and small, but growing sales. Our environmentally advantaged solvents for the Agricultural market continue to be adopted. We participated in six EOR floods last year and expect to ship five in 2015. Collaboration between our European and Chinese Polymer laboratories yielded new process technology which allowed a key target to utilize a Stepan polyol in China, supporting our new plant. These new products and new applications are just a few of the projects we are resourcing that refresh our product portfolio and help improve profitability.

Today we released first quarter earnings of \$21.3 million, up \$8.3 million or sixty-three percent from last year. Sales volume was up

two percent. Net sales were down four percent, due to the negative impact of foreign currency translations from the strong US dollar.

I am optimistic about our Company's future because of the 2000 employees in this room and around the world. Your commitment, passion and desire to excel, drives us forward.

In September of 2014, John Venegoni retired after thirty years of dedicated service. We thank John for his leadership and enthusiasm, as well as building a strong global team and growth strategy for our Surfactant business. We have significant opportunities in our Surfactant business and I am confident that Scott Behrens and his team will deliver.

Last October, the Board of Directors approved a six percent increase in the Company's quarterly common stock cash dividend, bringing the annual dividend to \$0.72 per share. This

marks the forty-seventh consecutive year in which the quarterly dividend rate on our common stock has been increased.

Now Quinn will discuss our results and plans for future growth.

Quinn.....