PRESIDENT'S SPEECH FOR SHAREHOLDERS MEETING

APRIL 28, 2015

Thank you Dad.

In 2014, net income was 57.1 million dollars. Adjusted net income, excluding deferred compensation, increased environmental reserves and other significant non-recurring items, was 57.7 million dollars, down 28 percent from the prior year.

Net sales were 1.9 billion dollars, up two percent. Sales volume was down four percent.

Surfactant operating income of 60.8 million dollars was down 39.4 million dollars, or thirty-nine percent, from

2013. Surfactant income was significantly impacted by severe weather in the first quarter and operational difficulties throughout the year. Surfactant volume decreased eight percent for the year as volume in all regions declined. Surfactant income was also down on lower commodity consumer product volumes in North America and Brazil. Underutilization of North American anionic capacity remains an opportunity and a vulnerability which will be addressed in 2015. Consumer product volume in Latin America should increase, supported by our plant acquisition in Brazil, now anticipated to close in the second quarter. Oilfield growth, including enhanced oil recovery, partially offset decreased Agricultural income which was down due to lower weather-related demand and crop prices.

In 2014, Polymers had its sixth consecutive record year. Operating income of 60.7 million dollars was 6.2 million dollars, or eleven percent, over 2013. Polymer sales volume increased thirteen percent for the year, three percent excluding the June 2013 acquisition of Columbus. North American sales volume for polyol used in rigid foam applications; low slope roof insulation and increasingly vertical wall insulation, was up thirteen percent. European rigid foam was up ten percent. Our North American Specialty Polyol and Resin business serving the CASE and PUSH markets from Columbus, contributed $9.1 million operating income, exceeding expectations for the year. Income from merchant market Phthalic

Anhydride sales was down on a large customer bankruptcy.

Specialty Product operating income declined four hundred thousand dollars.

Coming into this year, we stated our belief that the Company was well positioned to re-establish earnings momentum in 2015. This morning, we announced first quarter earnings that were on track with that expectation. Net income was 21.3 million dollars, or 93 cents per diluted share, versus 57 cents per diluted share last year. Adjusted net income was $20.4 million dollars compared to 12.8 million dollars in the year ago quarter. Net sales decreased four percent to 460.5 million dollars on two percent higher volume.

Surfactant operating income was a record 33.8 million dollars, up 15.4 million dollars or 84% versus 2014. All regions increased earnings from the prior year quarter. Improved operations, particularly in North America, drove the rebound in earnings. Higher sulfonation and softener volumes in European laundry and higher sulfonation volumes in Latin America contributed to positive results. The quarter also benefited from greater sales through our distributor partners, an enhanced oil recovery pilot, and lower petroleum-based raw material costs.

Polymer operating income was 14.8 million dollars, including a 2.9 million dollar gain on the System business sale. Excluding the gain, Polymer operating income was up ten percent versus 2014. Global rigid polyol volumes continued to benefit from energy conservation efforts and margins increased from falling petroleum-based raw materials. Income on Phthalic Anhydride sold to the merchant market in the quarter, was down due to seasonally high petroleum based raw material inventories as petroleum based products rapidly declined in price.

Specialty Product operating income was 2.2 million dollars, down 1.8 million dollars from 2014 due to lower volumes and margins for Lipid Nutrition.

Surfactant earnings should continue to benefit from reduced operating costs due to the investments we made in our efficiency program and in our plants to improve reliability and performance in 2014. We expect income gains in North America and Latin America from Consumer Products and Agricultural Chemicals. Income from Oilfield, including EOR, will decrease as the current oil price is below that which is necessary to implement new commercial projects; four pilot and one commercial floods are projected to continue.

In 2015, Polymers should grow from continued energy conservation efforts throughout the world and the introduction of new specialty CASE resins and polyols.

North American polymer income should benefit from growing volumes in rigid and CASE polyols. Our merchant market Phthalic Anhydride business should improve. It appears polyol volume gains in Europe may be offset by lower margins and the impact of the strong US dollar. Profitability on polyols in China will be down, as we begin to staff mid-year, for plant startup in the first quarter of 2016. Additional specialty polyol capacity is planned for Poland and the United States.

After the first quarter, we remain on track to re-establish earnings momentum during 2015. We have a healthy balance sheet and we will continue to pursue investments that will improve our efficiency, increase utilization of our assets, accelerate our growth and deliver value to you, our shareholders.

At this time we would be happy to address any questions.