

**Olin**

**February 9, 2016  
1:00 PM EST**

Larry Kromidas:

Am I on? There we go. Good afternoon, everyone, and welcome to Olin's Investor Day. It's great to see so many familiar faces out there. We also want to welcome those who are joining us via the webcast.

First, a couple of housekeeping items. If you haven't already done so, please turn off the sound on your cell phones. This event is being webcast and the slides we present today have been posted to our Investor section in our website, [www.olin.com](http://www.olin.com). Our slides have also been filed in an 8-K with the SEC. A replay of the webcast will be available on our website.

In the event we need to evacuate the room, this slide will show you where the exits are located -- basically, where you came in, and one in the back.

Today's agenda will begin with presentations from Joseph D. Rupp, our Chairman and Chief Executive Officer, who will provide a strategic overview of the businesses, and from John E. Fischer, our President and Chief Operating Officer, who will review some key considerations for success. We will then focus on our Chlor Alkali segment. We will turn the program back over to Joe, who will provide an overview and an introduction to our Chlor Alkali Products and Vinyls businesses with our -- with their leaders, John McIntosh, John Sampson, and James Varilek.

After a short break, we'll return to hear from Pat Dawson on the Epoxy segment. Following Pat, Tom O'Keefe will speak about the Winchester Ammunition business. We will end the day with a financial overview from Todd Slater, our Vice President and Chief Financial Officer. Following Todd's section, Joe will provide some closing remarks.

Then we will have our speakers all available for a question-and-answer period. Please wait until a microphone has been brought to you before stating your name and your question, for the benefit of those who are listening via the webcast.

Finally, let me remind you that during today's presentation we will be making statements

regarding our estimates of future performance. Clearly, these are forward-looking statements, and results could differ materially from those projected. Some of those factors could cause actual results to differ, described without limitation in our risk factors section of our most recent Form 10-K and in our fourth quarter earnings release. Now, let me turn the podium over to Joseph Rupp. Joe?

Joseph Rupp:

Thank you, Larry, and thank you for joining us today on this crisp, snowy afternoon in New York City. So, thank you. What I'd like to do with you is describe a little bit about our strategic view and the trajectory that we've set out for Olin, for our company, in the coming years.

And so, I think the best way to do that is to just review with you a little bit the actions that we've taken over the past 10 years. In order to attain a leading position, we've worked diligently over the last 10 years to shape our portfolio. And what we've tried to do is build a network of assets that's going to enable us to compete much better on a global basis. And -- apologize for this. Just go back.

The timeline shows that in 2007 we acquired the Chlor Alkali business of Pioneer. Also in 2007, we exited the Metals business, a business that we'd been in for over 90 years. In 2008 we began our bleach growth initiatives, and we commenced the relocation and cost reduction initiatives of Winchester in 2010. And you'll hear a little bit about that later today from Tom O'Keefe. Also in 2010, we announced our exit from mercury cell technology in our plants. We also bought out in 2011 our SunBelt partner, and then later that year we began operations in HyPure bleach plants in three different locations throughout the United States.

In 2012 we purchased KA Steel, a chemical distribution business. And then, last year, we focused on a transaction that gave us the opportunity to increase participation across the chlorine envelope by acquiring Dow's chlorine products businesses. We expanded our reach in the chlorine envelope and positioned our business to serve additional customers and markets.

I'm going to talk about two numbers now: 3 and 19, which I think are very, very important to Olin -- the Olin going forward. The first number -- if we can get this to go -- is 3.

What is 3? 3 is the old Olin. Olin had 3 places to put chlorine. I'll talk about those places in just a second.

The next number is 19. It's the new Olin. With the acquisition of the Dow chlorine products businesses, we've established the opportunity for us to place chlorine into 19 different paths and chemicals. I'm going to provide a little bit of color about those 19. Old Olin -- 3 chemicals: merchant chlorine; hydrochloric acid; bleach.

With the addition of Dow, the first addition is our Vinyls business, which gives us the opportunity to place chlorine in two more Vinyls products, EDC and VCM. With the further addition from a Dow perspective, we have the opportunity to place chlorine into three more streams in the Epoxy business. The next addition gives us the opportunity in our Chlorinated Organics business to place chlorine in seven more, taking us to 15.

And lastly, with our agreements with Dow we have the opportunity to supply chlorine into four other base products, giving us a grand total of 19 avenues to place chlorine. We believe that that allows us to actually be able to be much more stable over the cycle. Additionally, with the acquisition -- get back.

Additionally, with the acquisition, we've had the opportunity to participate in further end use markets that we know we didn't participate in before. And you can see refrigerants, food packaging, and coatings, as being examples of those. Again, by participating in those new markets, we reduced the cyclical nature of our chlorine business.

In all, our transformation actually has positioned us -- we've actually increased our size, both from a scale perspective and also from a reach perspective. We've positioned ourselves on a global basis to be the number one chlor alkali producer. We're the largest seller of membrane caustic soda in the world; the largest seller of epoxy materials in the world; and the largest seller of chlorinated organics in the world.

From a North American perspective, we have the number one position from a merchant chlorine perspective; we're the number one seller of industrial-grade bleach; and we are the number one seller of what we call on-purpose hydrochloric acid, where we actually try to make hydrochloric acid through our burner system.

The position from a global basis I think is pointed out by this slide. At 6.2 million tons of capacity, Olin is the largest chlor alkali producer in the world, the whole world capacity being roughly 90 million tons.

We believe that -- again, I'll just kind of come back to some of things that I've talked about a little bit. Olin has emerged as an industry leader. We have a more defensive portfolio. We -- this portfolio allows us to reduce our cyclical nature. We have robust offerings, and I'll talk about our three segments. Our first segment is our Chlor Alkali Products and Vinyls business, where we have offerings in merchant chlorine, in caustic, in vinyls, in bleach, in hydrochloric acid, and also in chlorinated organics.

Our second segment, which you'll hear about later today, is Epoxy -- again, another segment for us, creating stability. And lastly, our last segment, Winchester, which has been a significant contributor to us, and will continue as we go forward. You can see the size in the breakout which we've provided is Chlor Alkali and Vinyls at 55%, Epoxy's at 33%, and Winchester at 22%.

Going forward, in the near term, we're focused on several key priorities. The first priority is to achieve EBITDA in the \$915 million to \$985 million range.

The second priority is to integrate our Chlor Alkali Products business, putting the two old -- the Olin and the Dow businesses together, and also to integrate our Epoxy business into the new Olin; and with that, to leverage the strength of those businesses.

Our third is to deliver our cost synergies. We've identified \$250 million of cost synergies. John Fischer will talk about those in a few moments. And in addition to that, we have \$100 million of market-related synergy potential.

Our objective is to delever, to reduce our net debt, to get our debt to EBITDA ratios back to 2.5-3.0. Our intention is to achieve that by 2017.

And lastly, we intend over the next 2 years to continue to reward our shareholders with our dividend - a dividend we've paid for 355 consecutive quarters. I'm excited today for you -- I'm happy, also, that you've joined us. You're going to have an opportunity to meet our management team, a team that has, I think, collectively over 270 years' worth of experience, and ones that I think you'll be pleased to hear from.

I'd just like to point out that, as part of the Dow transaction we had the opportunity to get -- to join us, John Sampson, who's responsible for manufacturing and engineering, who as the first player in the Dow carveout team totally understands all the operations throughout Europe, the United States, South America, et cetera.

Jim Varilek, who is responsible for Chlor Alkali Vinyls -- he'll tell a little bit more about himself. But, a Division President. He came with his entire leadership team, as did John.

Pat Dawson, a veteran who's run the Epoxy business but also had foreign assignments -- lived outside the United States for Dow for eight years, running international operations; came to Olin with his entire Epoxy team.

So, those are the new additions in addition to some of the veterans who you've seen before, who'll have an opportunity to speak with you. So, we're excited about the new business; we're excited about the team. We think the team's excited about us. At least, that's what they tell us. And we know that the 2,300 employees that have come from Dow are pleased to be with us.

I'm going to turn the mic over to John Fischer, our President and Chief Operating Officer, and John's going to continue the discussion on the key considerations for success. John?

John Fischer:

Thanks, Joe. It's a pleasure to be here today. Joe talked a little bit about the company. I want to talk a little bit about the value proposition of the new company. We believe we have created a company that's less cyclical. We have a much more balanced portfolio, and we'll talk a lot about that today. We believe we have a company that has low cost assets and low cost materials. We have a company which has significant upside from both market dynamics -- and we'll talk about those specifically around caustic and EDC - - and we have a company we believe has significant upside from synergies, and we'll talk quite a bit about that.

So, first, if we could look at just some of the considerations for success, there's really five of them. And I mentioned a couple of them. Portfolio balance. And I'll take you through, in a couple of minutes, the details of the portfolio and how it's changed and how we view it. We do believe we have reduced cyclical. Specifically, we have significantly reduced our exposure to merchant chlorine and merchant caustic, so that we've got a portfolio that has a number of stable cash flow streams, and we're not entirely reliant on the market.

I talked about low cost. We've got cost-advantaged positions on energy. I will show you

that. And John Sampson and John McIntosh will talk about it a little more in detail. We have access to low cost brine -- brine that we control ourselves. We are the largest purveyor of membrane caustic production in the world. So, we have the best caustic asset out there.

And finally, we have low cost ethylene, by virtue of our agreements with Dow. Those are 20-year agreements. Jim Varilek will spend a few minutes and talk about the contracts as we go forward.

We've got, from a market dynamics perspective, we believe, significant upside from caustic soda, and significant upside from EDC pricing. We'll show you some charts to try to prove those points to you. And then we've got the opportunity around synergies -- \$250 million of cost synergies, as Joe said; \$100 million of revenue synergies.

Just looking at the balance in the portfolio. Joe showed you 55% of it is Chlor Alkali. That's about what it was before the merger, but we've added some significant legs to that Chlor Alkali business, so it's made us more stable.

We've added a Vinyls business where we sell both EDC and VCM. We've added a chlorinated organics business, which we'll talk about in a minute; but it provides a stable cash flow stream. And we've also essentially doubled the amount of caustic soda that we have to supply to the market, and it's that doubling that provides us with the largest membrane position in the world.

We've also added an Epoxy business which, as Pat will tell you, is a key component of our chlorine envelope. We get pull-through from chlorine. It liberates caustic. But not only that; it's a business that we think has a lot of potential to improve over the next several years, and we'll show you that. And finally, we have our old, stable Winchester, which continues to perform well and has grown significantly over the last five years.

So, let's talk about cyclicity. We have reduced the -- our exposure to the merchant chlorine and merchant caustic soda markets from 40% of revenue to 20% of revenue. And I'll talk about that more in a minute.

We also have long-term contracts with Dow. Jim Varilek will talk about these -- those. But those provide us with a stable base of cash flow, year in and year out. They are long-term contracts. They are cost-based. We do not have market exposure within those contracts.

And we do have some opportunity around volumes. There are minimums and maximums, and we have some opportunities that, if we underperform -- underrun costs ourselves in the manufacturing operation, they can enhance profitability.

We have a -- we have the industrial bleach business. We've talked about this in the past in Olin as a business that is seasonal but not cyclical. That business remains with us, and by using the Dow assets -- and John McIntosh will talk about this -- we think there's a significant opportunity to grow this. It's one of the things we've cited in our revenue synergies, so we think it too is going to provide a long-term, stable cash flow. We've got a chlorinated organics business that uses by-product streams -- effectively gives us a low

cost position and allows us to sell to non-cyclical customers; and, again, provides us with stable cash flow stream.

And finally, Winchester. Winchester remains a very steady part of our portfolio. We've said over the last couple of years, we believe it's capable of generating \$125 million a year of EBITDA, regardless of the market position that we're in -- whether we're in a surge or whether we're not -- and we stand by that. We feel very good about the Winchester business, and Tom will give you more discussion on that in a minute.

So, moving on, and just looking at the exposure to merchant chlorine and merchant caustic -- there we go -- we used to be 40%. It's today 20% -- significantly reduced. And that is the one component of the business that Olin had that made it so cyclical, and we've been able to reduce that. And we've reduced that even though we've essentially doubled the amount of caustic soda that we are now selling, and selling through the market. So, we think that's a real positive.

I want to talk about low cost assets. There we go. Electricity -- 85% of our electricity comes from either natural gas, which is used at the Dow plants and is a product of co-generation; or hydro power, which is the legacy Olin plants, both of which are the lowest-cost electricity sources you can find to run Chlor Alkali plants in North America. 80% of our brine is controlled by ourselves. It's internal supply. We do our own mining, we do our own solution creation, and then we recycle it.

And finally, we have the ethylene contracts. They are 20-year agreements. They are producer economics. We have cost-based ethylene as we move forward, and that is going to be a key component, as I discuss some of the market dynamics around EDC.

This is a little bit of a busy chart. It shows you the different plants and it shows you where we have natural gas, where we have our own brine, and I would point out that there's really only three places where we buy salt. It happens to be our three smallest sites. And I would also point out that at Charleston, Tennessee, the salt that we buy for the most part is potassium salt, not sodium salt, to support our potassium hydroxide business. And that is salt that all of our competitors also have to buy in the market. So, being a buyer of potassium salt is not a disadvantage. So, we feel very good about our energy position.

Now, let's talk about market dynamics. First of all, caustic soda. When we look at the caustic soda market today -- and what we've shown you here is contract netbacks over the last 10 years, because the majority of the caustic soda that Olin sells today is sold under contract.

And if you look at where we are today, we are near the lowest price we've seen in the last 10 years. The only time the price was lower was in 2010, which was a product of the dramatic fall-off we saw in -- during the financial crisis. And it's in 2010, not 2009, because contract prices lag. So, the trough of contract actually showed up a year later than you might have thought. So, our point of view is, if you look at where caustic is today, there is a significant amount of upside and very little downside, because we believe caustic soda is at or near trough-level pricing.

I also want to talk about ethylene. If you -- because ethylene is a precursor and that's (ph) somewhat of a predictor of the prices of Vinyls products, be it EDC, VCM, or PVC. And if you look over the -- where ethylene is today, it's actually lower than it has been at any point in time over the last 10 years. So, again, one would think, and we believe, that it's near trough pricing, and if there's -- the predominant bias is towards the upside.

And taking that one step further into the majority product that we sell, which is EDC -- and we essentially sell EDC into the spot export market, which is why we track spot export pricing -- you can see the degree of volatility. And then you can see where we are today.

And that volatility is proven out by just the recent experience Olin had in transitioning its ownership of the Dow assets to Olin. EDC spot pricing declined 47% from the third quarter of 2015 to the fourth quarter of 2015, and that's what you see on the chart. And that is actually part of the reason that's informed our outlook for the first quarter and the full-year outlook that Joe talked about.

The news here, though, is, if you look at where we are today versus a 15-year average, that delta is about \$0.06 to \$0.07 a pound. And I'll talk about sensitivities to our EBITDA in a moment. But -- it is a volatile market; but it is a market that, as Jim says -- and Jim'll talk about it a little more -- moves in Vs. It tends to move down rapidly; tends to recover rapidly. So, right now, we believe on EDC we're sitting here at trough levels.

Sensitivity. These are annual numbers in terms of the price change. In the case of chlorine, a \$10 per ton price change is a \$10 million a year change in EBITDA for Olin.

On the caustic side, \$10 per ton is \$30 million a year of EBITDA for Olin.

And on EDC, a \$0.01 per pound change is worth \$20 million annually. I just talked about where we were in the fourth quarter, somewhere between \$0.07 and \$0.08. 15-year historic average has been \$0.14. So, we believe there's a lot of leverage on the upside. And these are what we talk about in terms of market dynamics that have the potential to move in our favor, because we believe all of these are much nearer to trough conditions than they are to peak conditions.

Now, I'm going to change gears a little bit and talk about synergies. Our list of synergies there. A couple of comments on synergies. Synergies has been a good story for Olin that only continues to get better. We don't have a meeting of operating people to discuss synergies, where the pool of opportunities and the value of that pool hasn't increased over the last four months. We've increased our cost synergy estimate from \$200 million to \$250 million, and we feel very confident about this.

Today, John McIntosh and his team are working on a portfolio of 130 different synergy projects. So, this isn't a case of, we've got \$250 million, and if we don't do one thing we'll have \$50 million. We have a lot of opportunities here to achieve that number, and we feel very confident about it. Just a couple of comments on them.

We -- logistics is the one thing we've talked about a lot. We talked in our fourth quarter call about the fact that the day -- within the week after closing, we started moving

chlorine from the Dow plant to Olin customers by rail, and we saved \$5,000 a ton when we did it. The logistics is all about shipping in the most freight-logical manner that we can, and saving money. We think there's huge opportunity there.

Procurement is another huge opportunity. We've got essentially the largest chlor alkali portfolio in the world, all in North America. We combined and we looked across it, and we've got significant ability to leverage customers -- leverage suppliers.

And let me give you just one simple example. We buy sulfuric acid at six different chlor alkali plants. Prior to the merger, they were all buying them separately. If we just bought that sulfuric acid at the lowest price that one of the six plants was buying it from, we would save \$2 million on an annual basis. That's one simple chemical. It's not a big purchase. But it gives you an example of what we're talking about.

Operational efficiencies. We've got a significant opportunity to maximize and optimize the use of our caustic soda network that came with the chemical distribution business that John'll talk about in a minute. And then we've got the revenue synergies.

I mentioned bleach earlier. It's a project that's now in process. We expect to begin shipping bleach out of the Freeport site some time in the second half of 2016. So, it's a project that's ongoing, and we feel very good about it.

Now, let's look at the economics around synergies. And this again is a busy slide, and I apologize for that. But if you look up to the upper left, the first number there -- \$40 million to \$60 million. That is the amount of synergy we expect to realize in 2016. The number below that, \$70 million to \$80 million, is the run rate we expect to be at when we exit 2016. So, when you look to the second number in the first row there, that will give rise to the \$100 million to \$110 million of synergies we would expect to generate from costs in 2017. And then as you move across, we feel very confident that we're going to be able to achieve the \$250 million.

We also see lesser numbers as we walk across on the revenue. Most of the revenue synergies are going to require some kind of capital investment. I mentioned that we're building a bleach plant in Freeport. That takes time. The revenue synergies will be later, but we're just as confident there.

The other thing I would point out is that, by showing you this -- the capital spending by year, that's our projection of what it will take to achieve that. And I've also shown you the cash costs for integration and restructuring that we expect to occur -- incur in order to achieve the synergies. And later today Todd'll show you a slide where we look at projected 2016 free cash, and he's incorporated these numbers in it. So, synergies is a very strong story -- one we feel very good about as we move forward.

I mentioned the more balanced portfolio, and I mentioned the opportunities we see by having added the Epoxy business. Todd'll get up here in a little while and he'll give you details on the business -- details how he plans to continue the level of improvement. But to just give you a metric, between 2013 and 2015, the Epoxy business EBITDA improved by \$50 million. And we firmly believe that as we move through time we're going to see continued improvement. We do expect 2016 to be better than 2015, so we're on the right



path there.

Now, just a couple of financial slides to conclude. First, I just want to talk about a bridge between the 2014 pro forma EBITDA that you were able to extract from the S-4 that was filed and our 2016 guidance. Because a lot of things have changed. And I think what has really happened is that we've been able -- this is a -- demonstrating for you the resilience of the new product portfolio we have. Because from 2014 we've seen caustic soda prices decline \$25 to \$30 a ton, and I've shown you the metrics on what that's worth to Olin.

We've seen EDC prices go from something north of \$0.14 a pound down to -- you know, right now we're at \$0.07 or \$0.08. But both of those are big negatives. We've seen probably the worst hydrochloric acid market we've seen in the last 10 or 15 years, as Olin selling hydrochloric acid, because demand has dropped off substantially with oil drilling dropoff. And we've seen a little bit of weakness from some refrigerant customers in the chlorinated organics side. The good news is, we've been able to offset that by first the Epoxy -- and you can see that on the top, the expansion there of their EBITDA.

Second, we've got the natural gas exposure. Natural gas is down. That is helping our results. And finally, we've been able to put synergies in there. So, in spite of its two significant downsides from the two products, caustic and EDC, we were able to continue to earn, you know, in the \$950 million range. So, we do believe this proves both the -- less cyclical; more stability; more resilience.

Now, what does that translate to, as we look at the business going forward? And if you look at -- I'm going to walk you through what we believe could happen. Because we think we have here is a very strong earnings potential for the company.

Taking the midpoint of the 2016 guidance of \$950 million, if you add synergies -- I've talked about that; \$250 million in total in costs; another \$100 million in revenue. I -- we (ph) talked about the potential for growth from the Epoxy business. And then we've talked about the market dynamics around EDC. And then, finally, the market dynamics around caustic soda.

And we really believe we've got a portfolio here that has the opportunity to be -- earn in excess of \$1.5 billion of EBITDA in an annual period from -- I showed you the market dynamics; we've talked about these synergies. You'll hear more about the Epoxy business. So, we feel very good about where the business is today, and we feel especially good about where the opportunity is.

And now I'm going to turn the podium back over to Joe. Joe is going to give you an overview of the world and North American chlor alkali markets. He's going to talk about capacities. And I think he's going to help with the market dynamics scenario around caustic soda.

Joseph Rupp:

Thanks, John. Actually, what I'll do is try to set the stage, and then after I speak John McIntosh will step up and talk about the Olin legacy assets, the Olin Chlor Alkali assets; John Sampson will get up and talk about the new Dow assets; Jim Varilek will get up and talk about the new Dow business -- Chlor Alkali Vinyls business. We're in the process of smooching all that together, and so I think it -- what we want to do is just take the time so

you can understand all the moving parts from that business.

Okay. I think this slide hopefully will set the stage for what I'd really like to talk about. And I'd preface it with the fact that you've heard us start to talk a little bit, and you'll hear a little bit more as it -- time goes on, that we actually believe that we have wide-ranging, best-in-class assets; we have low cost assets; we've got reach; we've got the ability to really attack the market, particularly when the market tightens. We believe that capacity is going to be reduced in the market. We've announced that we're going to take capacity out. I'm going to give you a little bit more detail with regard to that.

Capacity is being reduced in Europe due to the sunset from a mercury cell perspective -- or, mercury ban in Europe. And lastly, John's just talked to you about prices being really at trough levels, both on -- in the caustic soda and in the EDC range. So, we actually believe that we are positioned to really grow our earnings, particularly as this market tightens.

The next slide, you're going to see, I think, several more times throughout the day. And it's really the chlorine envelope. And the purpose of showing it is just to reset everybody on what we're really doing. We're taking brine. We're electrolyzing the brine. And when we do it, we get caustic soda; we get chlorine; and we get hydrogen, which is -- we don't list up here, we get hydrogen. Whether you want them or not, you got all three of them.

And so, the Dow transaction, by giving us the 19 different places to go with chlorine, gives us much more opportunity to be able to participate at all moments in the cycle. Additionally, we also have picked up places to go from a caustic perspective as well. So, I'll just leave it at that, because I know these other guys are going to talk a little bit about the chlorine envelope; but the integration of that chlorine envelope is really important for us going forward.

This is just a slide really for your reference, and it really talks about Olin -- the new Olin's Chlor Alkali end uses. I think significant in it is, if you take a look on the chlorine side, almost a fourth of our chlorine now goes into vinyls. About a third of our chlorine goes into urethanes. We're also a major player in both inorganic and organic. You can see that we still participate in water treatment, but it's not as big a piece as it used to be on the old Olin.

From a caustic perspective, again, we have a balanced portfolio. You can see that we participate, pulp and paper being probably the largest, I believe, at 19%. We're in the organics. We're in the inorganics. We participate in alumina. We have the ability to export. And we participate through the -- through distribution and the distributors. I think, going forward, this will be helpful for you as you think about Olin and our end uses.

I'd like to just spend a little bit of time to talk about global chlor alkali capacity and operating rates. I think this is a question everybody has, and at times -- sometimes information's readily available; sometimes it's not. The total global capacity is 90 million tons -- 90 million metric tons.

The first big chunk is Northeast Asia. Northeast Asia's China, Japan, Korea, and Taiwan.

And you can see that roughly 50 million tons, or 55%, of the world's chlor alkali capacity, is in that region. The second big chunk is North America. North America at 16 million tons represents about 17% of the global Chlor Alkali.

And lastly, the big -- the other big region that produces is Europe -- Western Europe, with 12 million tons of capacity. I think together those add up to almost 85% of all the capacity of chlor alkali from a global basis.

The top line talks about operating rates. In Asia they've been operating in the low to mid 70s -- 72%, 73%, 74% operating rate. In North America, we've been operating in the low 80s -- 80% to 85%. And in Europe they've been really more at the 84% to 85% -- more mid-80s -- low to mid-80s, than the US. But to frame really where chlor alkali is being manufactured, what the operating rates are -- that's what we wanted to try to level-set you.

The next slide talks about North American -- and so, this slide's got a lot of stuff on it. You've got the upper -- one piece which talks about capacities; another piece which talks about capacity utilization, which is the green line; and then you've got domestic demand going across, taking you back to 2000.

A couple of points I'd like to make. Way back in the early 2000s, this industry had 16 million tons of capacity. Over time, up until about 2010, due to the leadership of The Dow Chemical Company, Oxy played a little bit; Olin played a little bit. Capacity was actually taken out of the system. And you can see that capacity actually came down to about 14 million tons. During that time period, naturally capacity utilizations went up, and it was a very profitable time for Chlor Alkali.

Beginning in about 2010, '11, and moving forward, capacity started being added. Some of the vinyls guys started to add capacity. Ultimately, the three big guys that added was Dow, who added the big plant with Mitsui; secondly, Oxy added a plant; and Westlake added a plant, which you're all aware of. And what's happened is, that capacity was allowed to drift up to about 16 million tons, and there's not been enough demand to soak up all of that capacity. And I think we've made that comment on several different calls in the past.

As we look forward, we believe that capacity -- we've announced that we are going to take capacity out. We do know of another producer who's announced that they are looking at their capacity and we believe that those two lines will start to converge, where we get higher operating rates. And we believe, when that occurs, it will put us into a better environment from a profitability perspective.

While I talk about that, let me talk about what our capacity reduction timetable is. Our capacity reduction timetable that we announced in October of 2015 -- that we brought our teams together right after the deal closed on October 5<sup>th</sup>, we completed our due diligence, and we identified capacity that we were going to take out. We announced in November, really about a month after the close, that 250,000 to 450,000 tons was coming out. We've continued to evaluate that.

We announced on our call that we believe that number will be at the higher end of that

range. We are in the final analysis of that. As you can imagine, there's many constituents that get involved in it; many employees that get involved in it; unions that get involved in it. So, there's a lot of work that has to be done before we're prepared to announce exactly where that's going to be. It is our intent to announce plant and capacity reductions in March, and it'll be our intention to have those curtailments completed by the end of the second quarter of 2016.

From a Europe -- let me talk just for a second about what's happening in Europe. You've heard a little bit about this in the past. Europe has roughly 12 million tons of capacity. Of that 12 million tons, 2.8 million practices the old mercury cell technology. That technology has been banned and has to be out of practice by the end of 2017 -- roughly 23% of their capacity.

We have expected for a long time that somewhere between 1.3 and 1.5 million tons would not be converted, but would be shut down. And so far, 800,000 tons has been announced or has been shut down. So, we think that that's a very positive step. And when that occurs, the chart that's on the right-hand side shows that up until 2016 Europe has been a net exporter of caustic soda. When that capacity comes out, we believe that Europe will become a net importer of caustic soda. We naturally believe, as low cost, North America will have the opportunity to be able to access that market. So, we view that as a positive for us.

You hear a lot of talk about China. I'd like to address what we believe. And we state it, I think, at the top: we think that our exposure to China is minimal. And why do we believe that? There's two reasons. The major reason is their cash costs are higher than North America. You can show that the Middle East is the lowest cash cost producer. You also saw from an earlier chart that they also don't have much capacity, so they're not a gigantic player in the market, but they do have low cost. North America's the second lowest cost place in the world. You'll see some more information as the guys make their presentations on where Olin is on that cost curve.

China at \$272 is a higher cost than us. That's because their electricity costs more; their salt costs more. In addition, this ignores the cost of freight of getting their product from China to North America. I think a validation point is that last year the 12 million tons caustic soda that was consumed -- less than 70,000 tons came from China. So, that would be less than 1% of product came into the United States. So, we don't see China as being a big problem for us in our network.

Let me conclude just a little bit. We believe that these markets are going to tighten. We are going to take the leadership role in taking out high cost capacity in North America. Europe is being taken care of because of the sunset from a mercury perspective. John Fischer has talked to you about where pricing is, and we believe that there's the opportunity for those prices to rebound, and when that does, we believe that will be a wonderful day for all of us who own Olin.

So, with that, I'm going to turn my talk over to John McIntosh. John is going to talk to you about the legacy Olin assets. John?

John McIntosh:

Thanks, Joe. It's a pleasure to be here this afternoon. My name's John McIntosh. I've

been an Olin employee for over 38 years. I started working in the manufacturing part of the organization when I started with the company. I've worked in various manufacturing roles in various of the Olin legacy plants. I've worked in business management. And today, my responsibilities are the legacy Olin businesses -- the Chlor Alkali business, the Chemical Distribution business, and Winchester.

I'd like to start my talk with four key points that I think comprise the value proposition that the legacy Olin sites bring to the new company that we're here today talking about. If you look at those four key points, they're listed on this graph. Olin has a geographic advantage because of the way our plants are situated across North America -- the legacy Olin plant.

Second, we've managed to carve out markets that we are the leaders in -- the bleach market; the HCl market; the potassium hydroxide market. And we've done that through using our regional plants to serve the regional businesses and regional customers that are the marketplace we sell into.

Third, our legacy Olin business, by virtue of the distribution assets we own, has a real unique advantage in the manufacturing and distribution chain, allowing us again, using that variety of assets, which I'll show pictorially in a minute, to service, again, geographies and customers that we could not have gotten to in years past.

And last, we believe because of the nature of legacy Olin's energy mix -- fuels used by the utilities that we're buying power from -- that we have a very balanced energy mix that complements some of the real low cost advantages that the acquired plants have.

I mentioned I'd show you pictorially the graph of the Olin sites. And that's what's up now. When you look at it, we have assets that give us a presence in almost every market across the continental US, beginning in Canada and going all the way to the west coast.

At those facilities, we have a combination of assets producing the five products that are listed on the right-hand side of the screen, and within those assets we have 10 bleach plants; we have six Chlor Alkali plants that are resident to 10 bleach plants; up to five hydrochloric acid plants; to one potassium hydroxide plant. So, those -- and then merchant chlorine coming, of course, from all of the sites in varying degrees.

Those assets produce, you know, significant quantities of product -- 1.9 million tons of chlorine in total, some of which is converted into those downstream derivative products I mentioned; some of which is sold as merchant chlorine.

When you look at those -- the sites that -- or, the products that we make, sorry -- I wanted to mention that we produce -- we are the industrial -- the leader in industrial bleach. We produce the only HyPure product that's made and sold in North America. We're the leader in burner HCl production. And we're the number two manufacturer of potassium hydroxide. So, again, the legacy Olin businesses came to the new Olin with leadership positions.

We look at specific pictures and attributes of our plants -- we find that each one of our plants, in addition to serving its unique geography, has some very specific capabilities

that are important to the new Olin. In Bécancour, we have a plant that serves very positive return markets in Canadian pulp and paper markets. We have a plant that is served by Hydro-Québec with low cost hydro power. And it is well-positioned to satisfy a market -- a set of markets up there that is really absent from a lot of competition from others in the chlor alkali industry.

If you look at the second picture, you'll see Charleston, Tennessee. Charleston, Tennessee is an important part of our assets because it includes the only potassium hydroxide manufacturing asset we have, and is the site of a membrane conversion that we did years ago that positioned us to produce the highest-quality KOH and the highest-quality caustic soda that can be made and put into the marketplace today.

Looking at the next two legacy plants -- Henderson, Nevada, a diaphragm plant that buys hydro power from the Colorado River Commission, and therefore has a low cost electricity position, and a plant that we've expanded to satisfy the local bleach and HCl markets -- HCl going into mining; bleach going into water treatment and purification in the major population centers in California. So, again, a location that's geographically advantaged to the markets that it serves.

Our McIntosh plant is the largest of the legacy Olin plants that we've put into the new company. It is largest by size. It has both diaphragm and membrane cell room capability there, running both technologies at the same location. It has a partial co-gen on-site capability that really belongs to Alabama Power, who is our utility provider, but is a key part of the overall electricity and steam cost mix that we have there.

We also have owned brine. The plant sits on a salt dome that we own, so we have all the advantages of solution mining. So, the McIntosh site is a very important part of our portfolio and it also services a significant part of the pulp and paper market in the Southeast US.

Finally, the last two plants -- Niagara Falls, New York, a plant that's got a history -- been around for many, many years; has been the site of Chlor Alkali plants of the -- of mercury cell technology, and was converted, you know, years ago to a membrane cell plant. It has low cost hydro power. It is -- it provides us with the opportunity to meet in an area of the country where industrial manufacturing has continued to decline. We have a secure position there and a secure opportunity to again serve markets that are important to us.

Lastly, I'll talk about St. Gabriel. St. Gabriel was a plant that came to us with the Pioneer acquisition, and at the time that that acquisition occurred, the plant was being converted from mercury cell technology to membrane cell technology. So, we have a, you know, newest generation membrane plant at this site.

One of the unique things about St. Gabriel is that it has, as well, a pretty respectable cost position. Its fuel source is predominantly natural gas, served by Entergy to us at the site. It has brine that we use to run the cell room, so it's solution brine, both of which are positive, as John showed in his earlier chart.

But probably the biggest attribute of the site is that it's connected by pipeline to the Geismar Louisiana complex. In the Geismar complex, a series of multi-national

companies have assets that are chlorine-using assets, and collectively those assets form the largest chlorine-consuming, you know, center of industrial manufacturing in North America. So, it's uniquely positioned, you know, for us as we serve the markets that those companies provide.

Let me just briefly talk about the products I mentioned that legacy Olin was able to carve out a very compelling competitive position.

The first one is bleach. You can see over the period of time in question that is depicted by the graph, a 22% combined annual growth rate for industrial bleach produced at this site. It's -- it provides us with an opportunity to reduce our exposure to the merchant market by consuming both chlorine and caustic internally in the manufacture of this chemical. It has margins that are -- you know, that are improved over ECU margins. And it's been a success story that we will continue to grow on, as we now have new geographies by virtue of the new acquired plants in Texas and Louisiana where we can look at and have already announced our intention to build, you know, a bleach plant at the Freeport, Texas site.

Next is HCl. The HCl story is not as big a number, but is very positive -- a 14% growth rate over the period of time. Again, we've done this as a means to reduce our merchant exposure to moving chlorine. We've also done it because we identified very, you know, regional, very sustainable markets in which we could sell this HCl product to.

The last graph I'll show is the potassium hydroxide graph. Potassium hydroxide is made by the same process as caustic soda; it just uses a different salt. It's a smaller market nationally, but one that typically has higher margins than caustic soda markets have, and is less cyclical. So, for us it is in some sense a hedge towards more exposure in the caustic soda market. So, in each of these cases we believe that we've carved out, at -- around each of these plants, an opportunity to contribute to the new Olin.

I mentioned distribution earlier. This is a slide on our distribution assets. If you look at the picture -- at the map, you'll see all the little dots. Those are all of the centers -- the terminals and storage facilities that we own, from which we can distribute not only caustic, which is the predominant commodity that goes through these sites, but also the chemicals I just mentioned, that are growth chemicals for us.

In each case, in a lot of occasions, these terminals allow us a competitive way to get to market that we didn't have before. For the most part these terminals sit on water -- sit on river; sit on the coast -- which allows us to use the most economical, you know, water-compelled freight, either barge or ship, to move product into these terminals and reach, via truck, markets that we just could not effectively, you know, reach before. And we have the opportunity to increase the utilization of these sites -- of these terminal locations to further enhance our business.

So, let me finish, again, by pointing out the four key factors that -- the takeaways that you should have when you think about the legacy Olin business as part of the new, combined company. We have best-in-class facilities. We've invested in these alternative products in recent years. We've invested in new technology, moving away from mercury; the move to membrane.

So, we have best-in-class facilities. We have a regional location and advantage to serve the customers that we've -- and the markets that I've just talked about. We do have a balanced energy portfolio that is a compelling match to the energy portfolio that the acquired assets bring to us. And we have a logistics advantage because of our distribution assets.

So, these things together, I think, provide, you know, a very strong -- another arrow in the quiver of the new Olin to (ph) especially do business in chemical -- in the chemical space. So, I want to conclude my remarks by thanking you, and I'll turn the podium over to John Sampson, who will talk about the capabilities and assets that come with the acquired Dow business.

John Sampson:

Thanks, John. My name is John Sampson and I am the Head of Manufacturing for the acquired assets that came with Dow. Prior to joining Olin in the fourth quarter of 2015, I spent 32 years at Dow, working in a number of functions and locations. I ran the chlorine business for about four years. I've been the site manager at some of the sites that we'll show you here in a moment, in both Germany and California. And I also worked in research and supply chain.

And so, as John spoke about the legacy Olin and its capabilities, and what was built over the last several decades in terms of a foundational business that has an expertise in chlorine, HCl and caustic, and you look at what we're adding with the Dow businesses -- scale, global reach, and some unique technologies, and as Joe said earlier, 19 places to put chlorine -- it really forms a great combination and a business that will be very powerful in this industry.

I think we're really set for success because we've got the right assets in the right location. We've got world-leading technology, and we'll speak in a minute about the different technology that was brought in as part of this deal. We've got low cost feedstock, which in the commodity business you have to have if you're going to have success. And we've got great logistics, so we can move the molecules around very effectively.

You knit all that together with integration, which is something I think we're bringing to the new Olin, and you really have got a great recipe for success. Or, said simply, we're able to make, manage and move molecules better than the competition. And that's a real, sustainable advantage.

Let's take a look at the assets. So, you can see what was acquired is really a global footprint: 12 different sites around the world that allows Olin to service both North America, South America, Asia and Europe.

You look across those 12 sites that were a part of this transaction -- you find there are three major characteristics of the 12 sites. We've got integrated assets. We've got tenant assets where we have one plant on a Dow site. And we've got five stand-alone assets.

When you think about what was bought, think about the numbers three, four, five. We've got three highly-integrated assets; we've got four tenant assets, where we've got one site on a Dow property; and we've got five stand-alone assets.



So, let's take a walk through the three/four/five configuration. We'll start with the big three, as I call them: Texas, Plaquemine, and Stade, Germany. These three are where most of the molecules are made; most of our products are made. And we'll start on the left with Freeport, Texas.

Freeport, Texas is the largest chemical complex in the Western hemisphere. And on day one, Olin owns 40% of the Freeport site. It's got the largest chlor alkali installation in the world, with over 3 million tons of capacity. It's got its -- we have our own cogen facility that allows us to make chlorine -- allows us to make electricity and steam that we need for the asset. We've got our own brine reserves at this asset. All of the businesses involved here -- the Chlor Alkali and Vinyl business, Chlorinated Organics business, and the Epoxy business -- all have assets on our Freeport site.

And what makes us very special is, we knit all this together with integration. And with the integration that we have, we're able to work together between the plants to make sure that we're effectively moving the product around in the most efficient manner. Dow's there as a customer and a supplier. And so, we're able to work collaboratively with Dow, while at the same time working independently to service our customer base. And lastly, on the logistics side, deep water access because of where it is, there in Freeport, Texas, south of Houston.

In the middle you've got Plaquemine, Louisiana. Plaquemine is just south of Baton Rouge. It's on the west bank of the Mississippi River, which gives us river access for those products.

Oh, by the way, it's right across the river from the St. Gabriel plant that John just reviewed. So, you can start to see the synergy opportunity between St. Gabriel and Plaquemine, because they're just right across the river from each other. We've got coverage on both the east and west bank with the Plaquemine and St. Gabriel assets. Then we've got our second chlorine installation -- over 1 million tons of production.

We've got, again, co-gen access via a lease to co-gen power and steam. Sure (ph) we're going to have low cost electricity. We've got chlorinated organics assets on the site, Epoxy -- I'm sorry, a chlorine plant, a caustic plant, and we've got a cell fabrication and manufacturing facility that's also there. Plaquemine also has its own brine reserves and access, as I said, to the Mississippi River and deep water access.

Lastly, Stade, outside of Hamburg, Germany. We've got a great asset there that's got epoxy assets; chlorinated organics assets. This is a great position to service European customers, and we can serve the Asian market effectively from there (ph). Again, very tight integration across all three of these assets, sharing molecules, sharing key feedstocks, which ensures that we're going to have low costs. And all three sites have access to deep water.

So, that's the big three. Moving from three to four, then, let's talk about the four tenant sites. And these sites in Brazil, Germany, China and the Netherlands -- we've got one asset on a Dow site. All four of these assets are to service the Epoxy business. The Epoxy business -- these are critical assets for the Epoxy business because they are either

a low cost raw material source, or they're an end market play for formulation. Pat will be up here in a moment to talk to you more about the Epoxy franchise. Suffice to say that these are very important assets for Pat -- his business.

Moving from four to five, then, we go to the five stand-alone sites, and these are purely Olin-owned and operated assets. We own the entire site and we are totally responsible for everything that's at the location. Four of these five are again aligned to the Epoxy business, giving Pat end-market, customer-intimate assets where he can do formulations, understand what customer needs are; come back, make those products; have a very efficient supply chain, because he's close to his customer -- they're end-market plays; and ensure that he's servicing his customers in an efficient way.

The fifth site there, Russellville, Arkansas, is part of our maintenance network for cell manufacturing. Again, more on that (ph) in a moment. So, when you think about what was purchased, think about 12 sites: three, four, five. Three highly-integrated assets; four tenant assets where we have one plant on a Dow site; and five stand-alone assets.

I'll put this slide up. You've seen this already today. My comment here against the chlorine envelope is, it is incredibly important, if you're going to be in this business, that you really understand integration. These -- chlorine chemistry is -- I like to say chlorine chemistry is not a beautiful chemistry, but it's very effective. And part of not being a beautiful chemistry is, you have by-products. You have to have a way to manage those by-products in an effective way.

What we got as (ph) part of this transaction is not only the assets, not only the products that you see up here, but we've got integration assets that allow us to effectively manage by-products associated with chlorine chemistry in (ph) a very effective way. We're recapturing the value of both the chlorine molecule and the carbon molecule in a very effective way. With that, we're ensured to have efficiency; therefore low cost. And as you know in this game, low cost is everything.

We'll move from integration, then, and talk a bit about feedstocks. If you don't have low cost input variables it's very hard for me to have a low cost product. And two of the more critical input variables are brine and power. We've got, as I said earlier, in Texas and Louisiana, our own brine reserves -- over three decades' worth of salt that came to us as part of this transaction, ensuring that we will have low cost brine for both chlorine plants in Texas and in Louisiana.

On the right side, in terms of power, the number one cost of making ECUs or making chlorine -- electricity. In Texas we've got our own cogen facilities. We have five gas turbines and two steam turbines that came as part of this transaction, to ensure (ph) that we can make low cost electricity as a key input variable to making chlorine and caustic.

We also in Plaquemine, through a lease agreement, have access to producer economics for the electricity that's needed in the Plaquemine -- on the Plaquemine site. So, low cost electricity; low cost brines. We're ensured to making low cost products, which will increase our margin over time (ph).

Along with that you need to have technology. When I talk about technology, I'm really

talking about two components of that: the human capital, in terms of people that really know how the assets work and how to improve them; and the know-how, in terms of how you actually use these pots and pans (ph) (inaudible). We've got both, in terms of the strength, in terms of this transaction.

With our technology centers across chlorinated organics, epoxy, or alkali and vinyl space, we've got subject-matter experts that have decades of experience in this industry. These people really understand how the assets work and they ensure we drive improvement in (ph) productivity each and every day. We've got a very unique cell manufacturing technology in terms of preparatory technology in diaphragm and membrane. And again, we'll talk more about that on the next slide.

In the Epoxy area, it's all about innovation. So, with this transaction we received people who understand how to innovate in the epoxy space -- the formulation space, understanding what the customer needs are, bringing it back into our assets, making the kind of products that they want.

And then, lastly, in the chlorinated organics space, it is a real centerpiece for us in terms of that integration that I talked about earlier, really understanding how you can take by-products and convert them into sellable products, thereby avoiding disposal costs.

Cell technology is really critical. Within the number of chlorine plants that we operate, we really have to have an advantage in this space, and we do in both diaphragm and membrane. Starting with cell technology on the membrane side, we operate zero-gap cells. Well, that's not unusual; most people that put in new installations operate zero-gap cells, which help you use less electricity. But our cells are twice as large as the industry average -- gives us a great advantage in terms of scale; a great advantage in terms of footprint; a great advantage in terms of electricity use (ph).

On the diaphragm side, we've got our own developed technology that came to us from Dow, that's been developed over several decades. Our diaphragm cells have two unique characteristics. They use an extremely low amount of electricity that makes the separation; and they last four times longer than the industry average. So, you can again imagine the leverage and the improvements in (ph) unit costs and maintenance costs. We've got cells that last over 10 years, at your disposal.

On the right side, in cell services, we've got a network of plants -- facilities that can manage both diaphragm and membrane, in Arkansas, Texas and Louisiana. We (ph) do all of our own work in-house. For the diaphragm cells, we make the cell bodies; the cathodes; the electrodes. We put it all together. And that's all internal technology that came with us as (ph) part of this transaction. We're even leveraging this now into third parties who want to come and ask us to help them maintain their cells on the membrane side. So, we're generating more cash with this capability.

I'll move to my last topic, which is high-efficiency global logistics. Because in the end, you have to move all these products that you make -- move them very effectively. We have access to all modes of logistics, which makes us again low cost and able to serve multiple markets. And we've got access to deep water, so we can move large ships. We've got barge, rail, truck, and of course (ph) pipeline customers (inaudible) Dow, so

we can really flip back and forth to whatever mode the customer wants.

And oh, by the way, with all of these modes it means we can also go to where the customers are. So, if a market moves in a particular place in the world, and we need to move large parcels, we've got deep water that's available. Customer decides they want to come off the rails and go to a barge -- save some money -- we can do that. So, we've got all these modes that we can use to ensure that we're there for the customer, delivering what they need.

So, I'll move to my last slide and again just tell you that, you know, we're excited about this business because of several key enablers. We think we have strength where strength matters. We've got great assets. They're in the right locations. We've got advantaged technology. We've got a leading position in -- on Jim's slide. Getting a little bit too excited (laughter). Sorry about that. I was stealing Jim's thunder there. We've got great assets and they're in the right locations. We've got world-leading technology. We've got integration that ties it all together to make it efficient and low cost. We've got a great feedstock position. We are globally effective on logistics.

So, we think all that sums up to be an advantage for Olin that is sustainable and we expect to generate a lot of value for our customers. So, with that, I'll turn it over to Jim Varilek, who will bring it all together, explaining to you the benefits of heritage Olin and these new Chlor Alkali assets being tied together. Thank you.

James Varilek:

Thanks, John. I've got -- I've already given my first slide. So, I'll quickly introduce myself. I'm Jim Varilek, and before joining Olin I spent 33 years with The Dow Chemical Company. Spent a good bit of time in the polyethylene business. I was in the epoxy business for a while; the chlorinated organics business. Did a few stints in supply chain and in purchasing, and then most recently I was leading the chlor alkali and vinyl business before the acquisition, and I moved over to Olin in October of this year.

As both John and John talked about, they talked about foundational type of capabilities: the foundations that legacy Olin brings, and the foundation that the acquired asset brings. What I'd like to do is spend the next few minutes talking about the business aspects of that foundation and how we carry that forward.

First of all, from a value proposition standpoint, the acquired assets brings scale. To the already well-located geographic plants that Olin has, these assets provide scale and leading positions in the marketplace. Also, as Joe mentioned earlier, we bring a portfolio of new applications and new outlets for chlorine, which has a dampening effect of cyclicalities and is very important for this industry. We'll talk a lot about low cost, and what low cost enables us to do, and participate around the world.

And so, all summed up, what it does is, it allows us to have globally advantaged positions that we can capitalize on. We can make product in the US. We can make derivatives in the US. We can ship them in North America or anywhere in the world and do it profitably.

You've seen this slide a few times today, and I apologize for that. But what I want to do is to focus on the competitive advantage that integration brings. You've heard a lot about

our low cost power, our low cost brine; and we leverage that -- we take that through these large-scale, world-scale plants to deliver a very low cost caustic and chlorine molecule.

We then carry that forward into the downstream businesses -- GCO, epichlorohydrin, allyl chloride, and EDC businesses -- and we provide a competitive start for those businesses; and then they take their own technology and their own scale and further advantage that downstream into the marketplace. So, that low cost chlorine, that low cost ECU, provides a jump-start on competitive advantage.

From a location standpoint, John covered this pretty well already. We've got large Gulf Coast plants in Plaquemine at integrated sites in Plaquemine and in Freeport, Texas. But, importantly for our business, Dow operates an Aratu, Brazil plant and we get 100% of the caustic soda to market in Latin America from that location. And then we also supplement that with additional product that's exported out of the Gulf Coast. So, very important when you think about our locations, that we also have access to caustic soda in Brazil.

We (ph) talked a lot about competitive position, and John mentioned that power is absolutely critical to low cost. About 80% of the variable cost of producing an ECU is power -- is electricity. And in the United States the shale gas phenomenon -- the access to shale gas, and therefore low cost natural gas and power, provides a real competitive advantage for anyone competing out of North America.

And on this curve you can see where our power costs -- our regional ECU costs -- are relative to other countries; other regions of the world. See, North America is right there with the Middle East in terms of the ability to generate low cost ECUs. We (ph) have a significant advantage over Northeast Asia, over Western Europe, and over Latin America. So, we already start off with a competitive advantage just based on the fact that we have access to shale gas.

Then when you take a step further and you drill down into North America, and you look at the assets that were acquired by Olin, our membrane plants are in Plaquemine -- are in Freeport, and our diaphragm plants in Plaquemine and in Freeport are to -- some of the -- three of the lowest cost plants in North America. So, we have the lowest cost plants in North America, in the lowest-cost producing region of the world. Very significant competitive advantage.

And what that allows us to do is, it gives us access to the world. Out of our Gulf Coast plants, we can supplement the very well-located regional plants that we have in North America. We can put caustic into the river system and use the distribution capabilities that we have with KA Steel, and we can fill the network with low cost product and service North America extremely well.

But importantly, we also have access to deep water ports, and that low cost position allows us to ship caustic anywhere in the world. We supplement our Latin American position with exports out of the Gulf Coast. We ship to -- into the alumina market, into Australia. And as Joe mentioned earlier, Western Europe is looking better and better as an exports destination in the near future, and we can do that out of the Gulf Coast.

And importantly, we have our derivative plants located at these sites as well. And so that

-- what holds for caustic also holds for the derivative plants. We can ship out of those locations, anywhere in the world, deliver to -- products to customers, and make money doing it.

When we talk about the chlorine portfolio, we have to talk about chlorinated organics, epoxy, sales to Dow, and EDC. These new outlets provide tremendous advantage to us because they dampen the cyclicity of this industry. At any point in time, if one market is up or one product is down, we have the ability to shift and move both our production and our positions in the marketplace to dampen the effect of that particular movement. And at the same time we are able to -- since these are unbalanced users of chlorine, they're able to pull chlorine through and liberate caustic soda, and feed our caustic soda franchise, which is so important.

John Fischer mentioned earlier that we have an important relationship with The Dow Chemical Company, and it is really a critical relationship, and will be now and for decades to come. We're located in the middle of Dow sites, and in some cases, in Freeport, we actually own about 40% of the site.

So, that integration and those relationships are going to be very, very important into the future. We have both buy and sell relationships with Dow. We sell chlorine, cell effluent, aromatics, GCO and VCMs, and we do that under long-term cost-based contracts. And this is really advantageous to us. They're cost-based. They're predictable. They're long-term. And they give us a range to which -- to work from, both on the minimum and the maximum sides.

And more importantly, they base-load our plants, both in Plaquemine and in Freeport. We have a base load of volume on these plants, and therefore they give us a -- both a predictable and a steady stream of EBITDA into the future.

We also buy from The Dow Chemical Company. We have ethylene agreements, we have propylene agreements, and we have benzene agreements, to mention just a few of the many. They also -- there's a symmetry in the arrangements that we have. They're long-term, they're cost-based, and therefore we have the stability of a good, stable supply from The Dow Chemical Company.

Importantly, we have the logistics of integration and pipelines. All the pipes are still there. We -- and through these contracts, we've maintained the integration and the optimization that comes from running low cost sites. And importantly, The Dow Chemical Company is probably the best manufacturing company in the world. They have operational excellence, and we're very fortunate to have them as a supplier of materials to us, and as a customer, and that provides a lot of advantage for us, again, into the future.

So, I want to take a -- just a minute to talk a little bit about the ethylene agreement. Everybody that participates in the vinyls chain -- EDC and VCM, and on into PVC -- strives to put a low cost chlorine molecule together with a low cost ethylene molecule. And with the acquired business and the ethylene contract that we now have, we're putting together that low cost chlorine that I just talked about -- lowest in North America, which is the lowest in the world -- together with producer economics on the ethylene side. And

this gives us a tremendous combination to (ph) participate into the vinyl chain.

We have a series of three different agreements with The Dow Chemical Company. They're in three different tranches over time. And importantly, this takes care of 100% of our ethylene requirements now and for two decades into the future. We have pipeline agreements, and it's very critical. We're working with The Dow Chemical Company, who's the leading ethylene producer in the world. We (ph) know how to operate plants, and we're tied in with The Dow Chemical Company, and we're doing that without any startup or with any operational risk associated with our ethylene needs. So, it's a very important combination of the low cost chlorine and low cost ethylene.

So, now I want to shift gears over to our chlorinated organics business. As John mentioned, the chlorinated organics business holds a very unique position in the integration of the acquired asset.

First of all, we're the largest chlorinated organics producer in the world. They have low cost positions. And, like I said, they have a unique value proposition for us in the integration and the operation of our business.

The chlorinated organics business provides a lot of diversity in terms of the outlets for chlorine. But what makes it very unique is that it adds value in three different ways.

First of all, we take a low cost ECU and we combine it with chlorinated by-products. In the production of our -- of many of our products, there are by-products, as John Sampson mentioned. And these chlorinated by-products are difficult to dispose of, and sometimes they have to be dealt with.

So, what we do is, we're -- we use those as raw materials. Both hydrochloric acid and chlorinated by-products -- we use those as raw materials. So, we avoid disposal costs; and we're actually paid by The Dow Chemical Company and others -- we're actually paid to take those chlorinated by-products and use them. So, we have a negative raw material cost for those portions that we use.

So, you combine them -- the pull-through of virgin chlorine that liberates caustics, together with the chlorinated by-products and some hydrocarbons. Then you make a very saleable high-technology product in chlorinated organics. You move that forward into a variety of end uses, like refrigeration; dry cleaning; nonstick coatings; and infrastructure and agriculture. So, this business provides a very unique value proposition for our business.

The chlorinated organics business is the only company in the world -- we're the only company in the world that has assets on more than one continent. And that gives us the advantage of sitting at the integrated sites in Plaquemine, Freeport, and also at Dow's integrated site in Stade, Germany, and as a result of that -- that integration play, as I mentioned, comes into play at all three different sites. Only player on two different continents, gives us access to markets both in Europe and in North America, and gives us very nice export capability into Latin America and into the Pacific.

So, I'll just sum this up by going back to the value proposition of the chlorinated organics

business. First of all, we make and sell high-technology products to the marketplace in a variety of different end markets. Second, we pull through chlorine and generate caustic that feeds our caustic soda franchise. And third, we use chlorinated by-products that reduce our costs or actually have a negative raw material cost, and provide another way for us to make margin on these products. So, very nice value proposition from a commercial standpoint, and very nice from an integration standpoint of our assets.

So, now let's take a step back and not talk about the acquired assets, but talk about the new Olin and the positions that we hold in the marketplace. Joe mentioned these earlier.

We're the number one chlorine and chlorine chemistry company in the world. We have 6.2 million tons of chlor alkali capacity. We hold the number one selling position of membrane caustic; number one in chlorinated organics; number one globally in epoxy materials. And in North America, very strong position -- number one position in merchant chlorine, bleach, and hydrochloric acid. That's a leading company. Every position that we have is leading in the area that they compete.

But it's not just holding these position that's important. The overall -- it's the combination. Not the positions that you hold; it's how you operate; how you make money with it -- with the positions that you hold.

And we believe that with the scale that we now have, combined with the portfolio and the breadth of chlorine and chlorine outlets that we have, utilizing the integration and a low cost position to get access to markets around the world, puts us in an excellent position going forward, and will certainly give us the capability to grow this business -- really deliver that \$1.5 billion of EBITDA that John outlined earlier.

So, with that, I think everybody probably could use a break. So, what I think we'll do is, we'll take a quick break until about 2:45 'til 3:00. And then we'll come back, and Pat Dawson will cover the epoxy business (ph). Thank you.

Pat Dawson:

We'll get restarted here by getting the feed (ph). Start up again. My name's Pat Dawson, and I'm the President of Olin Epoxy and Olin International. And day one of the new Olin was October 6 of last year, and that was also my 35<sup>th</sup> anniversary with Dow. So, I actually was allowed to celebrate 35 years with Dow as I went into the new Olin.

And prior to that, I spent the last 10 years or so running different global businesses for Dow in the performance materials area -- amines; polyurethanes; glycol ethers. And then was over in Asia Pacific and was President of Asia Pacific up until two and a half years ago, when I came back to work in Epoxy, and to lead the Epoxy business for Dow.

And that's what I'd like to do now, is give you a little bit of overview on these prior presentations that have been made by John and Joe -- two Johns; and actually we've got three Johns -- and build on the strength. And really, the first point I want to make here about Epoxy is it's absolutely critical in terms of its integration into chlorine and the chlorine envelope. It's a critical aspect of our competitive advantage on the cost side. And I'll build on that theme.

But also, as you heard from John Sampson, we have a variety of assets in (ph) different



parts of the world that are aligned to our markets, that are also integrated into our low cost manufacturing sites, and I'll build a little bit more on that.

And then another aspect of Epoxy that's very important to our success is the innovation side, and continuing to drive further downstream of how we take epoxy and turn it into systems; different solutions for the downstream applications, is another component and priority for the Epoxy business.

I think it's probably best to start a little bit about how we, the new Olin, define the Epoxy value chain. And I'm going to start from the right, around our markets. And the largest end use for epoxy resin is in the coatings market in a variety of different types of coatings, and that's over 50% of where epoxy resin gets consumed out in the market.

We also have a lot of big end use in composites, the electrical laminates, and between electrical laminates to a variety of composite applications. That comprises another 30% between those two segments. And then once you get into the adhesives side of things, that's a smaller niche play.

But at the end of the day, epoxy is there for thermal stability, like in printed circuit boards that go into your cell phones; your iPads; your computers. It's also there for good adhesion properties. It's also there for great chemical resistance properties that, at its price point -- cost point -- is very unique in those types of application.

When you go back to the front end of this value chain, we really run Epoxy from an upstream, midstream and downstream perspective, and that upstream integration that you've heard everyone talk about here so far is where our competitive advantage starts with our cost position. And I'll talk a little bit more about that.

But at the end of the day, you take the epichlorohydrin and the BPA, which is bisphenol A, and you combine that to make a liquid epoxy resin. And that's really the midstream part. And once you make that liquid epoxy resin, you can convert it into converted epoxy resins. And not only can you convert it further downstream to give it different types of functionality around its structural integrity properties, its chemical resistance, et cetera; you can combine it with hardeners; you can make different blends; you can add different tougheners to really formulate the specific properties that a customer's looking for.

So, we create value in all parts of this chain: the upstream, the midstream, and the downstream. And when you look at the markets, there's a variety of mix that we have a lot of flexibility with -- mix around the geographic mix of where the different geographies grow; the mix of applications; and you can see that different parts of the world grow faster than other parts of the world. We participate in 85 countries. So, we have great market access all over the world.

We find a lot of unique applications in this composites area, like wind energy, where it's - - epoxy's not just in the windmill blade, and as these blades go longer and the efficiency improves; we also are in the adhesive system of that windmill blade, to add value. And then, of course, printed circuit boards; different types of pipe materials; and then a lot of what I call infrastructure projects that use epoxy for its excellent chemical resistance properties, whether it be -- you know, everything from manhole covers to cured-in-place

pipings, where you don't have to dig the pipes up. A lot of great applications that we have access into.

Back to the assets and how they're aligned to these markets -- really, if you look at North America -- actually, the Americas -- a real fortress of where we have our integration and our cost position really starts, is in Freeport, Texas, where we're fully integrated with the chlor alkali assets. We have all of our assets in epoxy in the upstream, the midstream and downstream in Freeport.

But we also have smaller plants in places like Roberta, Georgia. We have a plant down in Guaruja in Brazil, where local content -- very important in certain applications by law. And so, we have access, then, to take that liquid epoxy and convert it into these smaller plants.

In Europe the fortress is really in Stade. You heard from John Sampson, Stade is fully integrated. While we do not own the chlor alkali at Stade, we have a great cost position and we feel that, quite frankly, our cost positions on our epi and our liquid epoxy resins in Freeport and Stade are best-in-class. We have the low cost position. Using that low cost position to run those assets hard, is critical.

But in Europe we bought a hardeners plant in Baltringen, Germany. The securing part of epoxy resin is to have a hardener. We also have a facility in Pisticci, Italy. We have a cumene plant that's a critical part of our integrated aromatics, in improving our cost position in the options we have with making low cost bisphenol A. That's in Terneuzen.

And then, as we go to Asia, the critical thing here is that in Gumi, Korea, and Zhangjiagang, those are converted resin plants, and there we're focused on wind energy, electrical laminates, and the high-value-add niche markets. And those plants serve those high-value-added markets, where we have a lot of success in drawing our position in Asia Pacific. Quite frankly, our exposure in that part of the world is very minimal, because a lot of these converted epoxy resin plants are not big capital investments. They're more on the know-how and the formulation expertise that you put around them to move further downstream and to provide more value to those customers.

I wanted to mention this integrated position with aromatics. We are not strategically in the merchant market with our aromatics business. We're in this aromatics business to be a utility for our upstream and to provide our -- a better cost position than any other epoxy producer in the world when it comes to that integrated aromatics around you're cumene-phenol and acetone.

So, that gives us options to make versus buy, which we take advantage of in (ph) today's environment between Europe and North America. We have long-term contracts in these facilities that really allow us to run these assets hard, to keep them stable, and they do generate value. But the most important point here -- it's critical to our integrated low cost position of having this capability.

If you look at North America and Europe, the markets have really consolidated over the last five to seven years. You see that Olin has -- is the leader when it comes to capacity share, in both North America and Europe. And we take that low cost advantage --

competitive advantage that we have, to drive higher shares of market.

And over the past two years, that's been a big aspect of improving the performance of Epoxy, is reconnecting Epoxy back into the chlorine envelope using our low cost chlorine, bringing back some of the markets that were managed other places in legacy Dow, putting that back together with epoxy and driving that competitive advantage to keep improving our share and quality of business in North America and in Europe.

As I mentioned earlier, in Asia Pacific we're a niche player, and we're a niche player around the electrical laminates, wind energy, and other adhesive applications where we use our know-how and we use those local facilities in (ph) China and Korea.

Another critical aspect to epoxy, and it's really a third key area of priority and focus, is to continue innovating -- continue to tweak the molecules; continue to look at new product offerings where customers will pay us for that R&D investment. So, this whole area of infrastructure is a major trend, whether you're in US, Western Europe, emerging parts of the world -- there's a lot of infrastructure opportunities that we take advantage of with epoxy. And then you have the whole electrical laminate area that continues to grow nicely. And you (ph) participate; upgrade the quality of our products there; provide halogen-free-type products that are more environmentally friendly.

And then, in the wind energy market, as mentioned earlier, it's a market that has ongoing great growth potential, mainly because the levelized cost of wind energy is as competitive as any other raw material with the exception of shale, turning turbines to generate lower cost electricity.

And then another area that's very important in R&D for us is process R&D. And so, as we run our plants harder, more reliably, we've got hidden opportunities of additional capacity available to us. So, yield improvements; reliability, is also a great payback to our process R&D efforts in Epoxy.

So, if you really want to break this down for Epoxy and what we're trying to do, it really centers around three key priorities. First of all, we will continue to drive productivity and continue to improve our cost position in the upstream, the midstream and downstream. And what these circles depict is, the black portion depicts the progress that we've made here in the last two years, and the white portion shows you that we still have more upside in continuing to drive productivity and self-help, especially in today's environment.

You'll see that the second priority is to run these assets hard and to sell these assets out. And again, using that low cost position to drive improved utilization, efficiency, and share of market -- very important. We've made great progress on that in the midstream. We will continue to sell out our upstream, and we still have opportunity there.

And then these smaller downstream plants -- really, selling out is not as critical because you can -- you don't need a lot of capital to expand that capability of a system. Again, it's back to expanding your innovation capability in those markets that will pay you for innovation.

And then the third key aspect of this strategy is selling up -- selling up to improving

where we send that liquid epoxy resin in the world, from a geographic mix standpoint. Very dynamic, with the issues that go on in the world today. So, every month we look at our opportunities on how we can upgrade the value of that liquid epoxy resin from a geographic mix standpoint. And, of course, ongoing opportunities for you to innovate and bring more value -- still more value in that downstream part of our business.

So, over the past two years -- I (ph) came into Epoxy, as I said, about two and a half years ago -- we're building back, getting back to the basics, reconnecting our structure of how we drive our competitive advantage from a low cost position standpoint, and been proving that we can improve the business of where it was in 2013, and getting back to levels where were in '11 and '12 timeframe to the priorities that I just spoke to you about.

So, we are very confident and optimistic on what we've been doing over the past two years. We feel we've got a lot of upside to continuing on with those priorities here in the coming years.

Lastly, let me just say that, when you look at the players in the epoxy business and you look at this value chain, why not? Why not Olin? Why not the new Olin, as the clear leader here? We've got the right cost position. We've got the right assets in the right places in the world. We've got the right opportunities to pursue in the market from an innovation standpoint.

I think the most important thing that's very motivating is, we've got the best team of epoxy people that I'll match up against anyone out there in the industry. And it was really a great opportunity.

The timing couldn't have been better, to go from where we had been in the legacy Dow to the new Olin. I think the timing was great in terms of priority. The timing was great in terms of how we add more value to the chlorine envelope. Because also, everyone here has mentioned that we also liberate more caustic soda when we make more allyl chloride, before we make that epichlorohydrin. So, make no mistake, it's critical to the success of our chlorine envelope, and that's the way we've been running the business here the past two years. We'll continue to keep these -- this focus priority around what we've talked about here today in Epoxy. So, thank you.

What I would like to do now is to introduce Tom O'Keefe, who will tell you about our Winchester Division. Tom.

Thomas O'Keefe:

Well, good afternoon. My name is Tom O'Keefe. I'm President of Winchester Ammunition, and I've been with Olin for 35 years, the last 10 years of which have been with Winchester. And as the leading supplier of high-quality small-caliber ammunition, Winchester delivers not only the very popular high-volume rounds, but we also are the leader in introducing new and innovative products to our end customers.

We continue to pride ourselves on being the low cost producer, and strive for that each and every day. And I'll talk a little bit more about that later in the presentation as we talk about our relocation efforts over the last 10 years.

And finally, there's the Winchester brand -- one of the most recognized brands in the

shooting sports industry, and in this year we are celebrating our 150<sup>th</sup> year. So, Winchester is the number one supplier to many of the major big box retailers. And for the ones that we're not, we have the number two position.

And again, in this 150<sup>th</sup> year of Winchester, we've got a lot of exciting events going on throughout the year at all the major shows and events. We've got classy commemorative packaging that's going to be coming out. And we also have some nostalgic film footage that we'll be showing on the Winchester-sponsored TV series.

But behind all that are really the market dynamics that are going on in our business. One of the main strengths of Winchester, besides our great brand, is the fact that we deliver to all trade channels; and where commercial is our major emphasis, we also have a very meaningful presence in the US military as well as law enforcement.

And we provide all of the ammunition in caliber to each of those trade channels. So, centerfire pistols, centerfire rifles, rimfire, and shotshell, are all produced and supplied. And later on this evening, I'd be more than happy to talk about some of those differences in end uses of each of those types of ammunition.

Every time a firearm is purchased, there is a NICS background check that's performed, and that's the National Instant Criminal background check. And you can see, back in the 2006, 2008, 2010 timeframe, there were 6, 7, 8 million background checks done each year. But a significant increase has occurred over the last three or four years, and you can see that that's increased to 12, 13, 14 million background checks per year.

And to no surprise, with that increase in the firearm purchases, sales of commercial ammunition has also increased. And what we're showing is the commercial rounds sold in billions of rimfire, centerfire pistol and rifle, and shotshell. And what was 6, 7, 8 billion rounds, is now up to that 11, 12, 13, 14 billion. So, certainly, our data shows that it goes hand in hand with the background checks that have been performed.

Back before 2009, there were about 34 million who participated in target shooting, and from 2009 to 2014 we saw a 50% increase in the amount of participants: 17 million new shooters paying to enjoy our sport. The handgun was certainly the most popular that was purchased, almost 66%, 67%.

But probably even more important was, we saw a real diversification in our demographic. Back before 2009, about 25% of those 34 million shooters were female. But 50% of the 17 million are now female. And what do we love about that? Females go to the shooting range. They practice, practice, practice. They want to know how to do it. They want to know how to do it right. And they're grabbing their husbands. They're grabbing their boyfriends. "Let's go to the range. Let's go pop some rounds off." And that's feeding these industry dynamics.

Not only that, there's a youth movement. The shooters between the ages of 18 and 34 represent over two-thirds of these new shooters as well. So, a lot of great dynamics are happening to support our business and our industry.

Winchester is the leader in introducing new products, and we have far out-distanced our

competition over the last five years. And it's done so by a very rigorous process, where our marketing and sales people go out; they talk with the end user; they find out what they like; they find out what they'd like to see improvements in, or where there's a niche where a product could be offered that they would use. Our folks bring that back. They work with new product engineers, the manufacturing folks, and from that are born our new products.

And if we take a look at two of them, Deer Season XP -- that came to support the 11 million deer hunters, where they said, "Boy, it'd be nice to have a round that had the stopping power farther downrange but still kept very good accuracy." Deer Season XP was a new product of the year.

Duck hunters said, "Yes, you get about 140, 150 round pellets into a shotshell load. Be nice to get more in there, to get more on target." Our new products engineer said, "Sure. We'll take it from a spherical to a cube. We'll take it from 145 -- put 172 pellets in there." Again, Blind Side -- new product of the year.

But it's just not product. Our marketing sales group recognized years ago that females were joining our sports, and so they came up with Train & Defend. The Train round is a lighter recoil, lower cost round, such that you can shoot a lot more of it at the target range. But for those personal defense situations, the Defend round is there. It has the same ballistic characteristics as what they've been training on, but would be used for those situations in a personal defense need.

And then our Shot-Lok technology, where we add a substance to be able to hold shot together, that will hold the pattern further downrange for turkey hunters. Typical turkeys hunting -- 30, 40 yards is about as far out as a turkey round would go. With Shot-Lok technology, we've had reports of people being able to take their turkey at 50, 60, 65 yards. And again, two products that were new products of the year.

Winchester is also introducing a brand new line of ammunition under the Browning name. And Browning, of course -- very recognized name in our industry, as they supply firearms, accessories, and really a lifestyle, in the shooting sports industry. And by doing this, we're going to be able to leverage that new products process that I talked about, along with our manufacturing capables, and increased shelf space, all the while improving our mix. So, the Browning ammunition line certainly is going to be a very good initiative for us.

People of Winchester are very proud to be able to supply and support the US military, and in January of this year we were awarded our second second-source contract, which will begin at the end of this year and continue for five years. A week later, we were also awarded the pistol 9mm NATO contract -- again, another five-year contract, and one that Winchester has been the supplier of since 1985. But we're also very proud that we support law enforcement agencies: FBI; DHS; and many state and local law agencies, and we'll always be proud to do so.

From a manufacturing perspective we have three facilities. Our headquarters are in East Alton, Illinois, where we have just under 1,000 employees. Our other facility in Oxford, Mississippi -- about 1,300 employees. And I'll be talking a little bit more about Oxford

here shortly. And then we do have an operation in Geelong, Australia.

About 10 years ago we recognized that we have become somewhat inefficient in East Alton. And so, a decision was made to relocate our rimfire operations -- about 250 employees -- into an existing facility in Oxford, Mississippi. Took a little while to get going, but after a while we saw efficiencies and a very motivated, energized workforce.

And so, a decision was made in 2008 to fill up the rest of that building with our military packing operation. And what we saw was cost reductions and efficiencies that resulted in almost two times of what we expected to achieve. That ultimately led to the decision in 2010 to build a new 500,000 square-foot facility that would have 1,000 employees and would be home to our centerfire pistol and rifle manufacturing. And we would do that transition over a five-year period, such that there would be no interruptions during the relocation, to our customers.

And so, by the end of 2013, we had successfully moved all pistols operations, and just at the end of last year completed the rifle moves. We have a few more moves left to go, and then that will complete the relocation.

And what has that relocation done for us? Well, at the end of 2015 we're going to have \$35 million of annual savings. And by the end of 2016 we're going to add another \$5 million, giving us \$40 million in annual savings a year, \$10 million over what we had originally estimated. Not only that. Those new products -- those are being developed and produced down in Oxford. So, we truly have made the whole relocation process work for us. And of course, the return on cost of capital has more exceeded our expectations.

Well, it's only a good story if it has a good ending. And from 2006 'til 2010, Winchester EBITDA margins were around 10%. But because of the things I've (ph) talked about today -- increased participation; increased target shooting; personal defense; combine that with diversification of demographics and our cost reduction efforts, Winchester has now doubled those EBITDA margins to almost 20% over the last couple of years.

And the only thing that could match ending on that slide, would be to leave you with the Winchester short video, highlighting the Blind Side for duck hunters, new product of the year.

(video plays)

It's now my pleasure to introduce Todd Slater, Chief Financial Officer.

Todd Slater:

I have the short straw to get to follow Tom's act, and there'll be no videos during the financial presentation. So, I'll just warn you of that now. Heard about the high-quality, low cost assets that we (ph) have at Olin. The new Olin now has many levers that we can pull to enable us to be a less cyclical, value-driven company as we move forward. I want to provide you an overview of the 2016 outlook as well as our financial profile going forward.

Olin is committed to maintaining a prudent capital structure. We have historically

operated a (ph) very conservative financial metric. That has enabled us (inaudible) history of cyclicity that Olin does experience at times, but that also does allow us to have the opportunity to seize opportunities as they present themselves.

Due to our financial strength, Olin has an unbroken record of paying 357 consecutive quarterly dividend -- so, over 89 years. Even during the financial crisis our dividend was uncut (ph) and maintained (ph). We are committed as we move forward within the next two years to reduce our net debt/EBITDA ratio to 2½ times by the end of 2017.

Earlier today, John walked you through this bridge slide. And again, this goes from the 2014 S-4 EBITDA of \$962 million to the -- I'll just use the midpoint -- \$950 million of our guidance that we've provided this year. Again, in 2016, we're facing headwinds associated with caustic soda and EDC pricing compared to 2014. We also have lower profitability in our hydrochloric acid business, as John discussed, as well as a little less volume on global chlorinated organics. Having said that, we are going to realize between \$50 million -- between \$40 million and \$60 million of synergies.

And just as an aside, you know, based on the synergy meetings and the synergy discussions that I see, you know, the \$250 million -- as you heard, 130 different projects -- these aren't a, we're shooting for the moon with one grand slam home run; these are blocking and tackling items to generate \$250 million of cost synergies from this transaction. Also, we had lower natural gas prices.

You know, the strength of this business is really demonstrated in this slide. You can see headwinds in a part of our portfolio, but you can also see the improvement in epoxies as well as the offset with synergies and natural gas. We'll talk about, you know, a slight increase in corporate and other in a moment.

I understand from some conversations that I had last week, there was a little bit of confusion or -- want to just clarify the turnaround cost associated with our Chemical business. You know, as we move forward, our Gulf Coast assets are colocated, as you heard from John Sampson, with, I'll say, a large customer -- I think it's The Dow Chemical Company, if I heard that mentioned a few times today.

As a result, our turnaround cost will be coordinated with them, and typically you will see, for the new Olin, turnaround costs be front-loaded in the first half of the year. I think this year we're projecting that two-thirds of our turnaround cost will occur in the first half, and as we said on our call, \$20 million of additional turnaround expense will be in the first quarter as compared to what we saw in the fourth quarter.

Corporate and other costs. If you look at Olin over the last five years, Corporate and other costs has averaged about \$50 million. You know, as a result, we -- as a result of the transaction and the buildout of our corporate capabilities, we're expecting 2016 corporate and other costs to be \$65 million to \$85 million. You know, that -- the primary driver of that increase is the buildout of our Corporate infrastructure.

Having said that, we are expecting about \$10 million of favorability in pension cost -- pension income from 2015 to 2016, and our legacy environmental costs, we view, will be comparable to 2015's.



But let me just pause a second on this slide and remind everyone of the transaction that we just went through. The transaction between Olin and Dow, associated with litigation and environmental -- those two legacy costs that did not come over from Dow. Dow retained all those legacy liabilities prior to the transaction.

So -- but when I talk about environmental here, I'm talking about the legacy Olin environmental costs. As you can see, our debt structure and interest expense -- you know, at the end of the year we had net debt of \$3.5 billion. In 2016, \$205 million of debt will come due, and we will expect to pay that from cash -- available cash -- and we'll show you a slide in a moment -- and that will be -- easily be able to do that. And we do have \$2.2 billion of prepayable term loans that allow us to repay debt as we generate excess cash flow.

As I said earlier, and I'll say again, we are targeting reducing net debt to EBITDA to 2½ to 3x by the end of 2017. A big portion, 60%, of our debt is variable rate. So, in the first quarter we'd expect our interest rate to be approximately 4½%.

Now, this is a modeling slide for those of you who want to take this home and fill in your models. You heard all this information on the call last week. I'll just highlight a couple of items. Olin's going to spend \$300 to \$340 million of capital in 2016, of which \$60 million relates to synergies, primarily relating to chlorine loading, to evaporator expansion, as well as the bleach capacity that we talked about putting in Freeport. We will have \$490 million to \$500 million of depreciation and amortization. That includes step-up of approximately \$145 million. And you can see the tax rate, most important of which is the cash tax rate of 25% to 30%, at the bottom.

I wanted to do a cash flow bridge for you for 2016. You know, starting with the mid-point of our adjusted EBITDA of \$950 million, we just talked about the key assumptions that drive the middle part. For 2016, Olin will generate \$404 million of free cash flow.

And let me just pause a second to talk about cash taxes. We talked about 25% to 30% cash tax rate; but in addition to that we add net operating loss associated with all the transaction costs that we incurred in 2015. That will get carried forward as well as some refunds.

So, basically, 2016 is a cash-free tax year for Olin and will allow us to generate over \$400 million of free cash flow. After we pay our dividend, which is a key value proposition to our shareholders, we will be left with \$272 million for debt reduction in 2016.

Finally, I'd like to leave you with three key takeaways. First, despite tough conditions in the chlor alkali products businesses, we generate over \$400 million in free cash flow. Secondly, we will retain our conservative approach to financial policy and we're committed to reducing our net debt to EBITDA to 2½ to 3x within two years.

And finally, Olin is committed to the quarterly dividend. We have paid this historically through thick and thin, and it's a key value proposition to our Olin shareholder.

Now I'd like to turn it over to Joe Rupp for a few comments, and then I know you guys have been holding questions all day, so we can start questions and answers.

Joseph Rupp:

Thanks, Todd. I'd just like to conclude here fairly quickly. I'd like to just give you my observations. Number one, I'm excited about the new Olin. I'm excited about the business that we acquired. I'm excited about the management team that has joined us. I'm excited about the 2,300 employees that have joined us. And I'm extremely excited and pleased with the cooperation that has gone on between the Olin teams and the Dow teams as we've become really Olin -- one group. And they're -- I wish that I could take each and every one of you to some of our sites where you have the opportunity to see that cooperation going on.

We have not uncovered -- we originally said any black holes; I'd say any smoking guns. We've not uncovered any smoking guns as we have looked at this business. There have - - you know, obviously, there's some things that move, and we've tried to show you those sensitivities. Caustic is important to us. EDC's important to us. So, we've tried to identify what those impacts are to us.

I think the uniqueness of this transaction is, you had Olin -- what we've talked about many, many times -- Olin over here making three products; Dow over here making 16 products, pushing those together with 19; really, very minimal overlaps except in the caustic soda area, where we believe we have strength and we can capitalize on that strength with our KA Steel assets.

It's a company that today is going to produce \$950 million of EBITDA in a trough, and one that has upside, as we've talked to you today about. One that has upside with chlorine demand; it has upside from a caustic pricing perspective; it has upside obviously if hydrochloric acid were to return; it has upside in epoxies; it has upside from an EDC perspective. So, we believe that there is significant value to be created here with this company. And the other major upside naturally is the achievement of the \$250 million of synergy.

I'm going to ask the management team to come up here and sit up along the stage here, and we'll be prepared to be able to answer questions that you may have.

I think we have some ability to get some microphones out onto the floor, and so we'll go ahead and -- Frank.

Frank Mitsch:

Hi. Frank Mitsch, Wells Fargo Securities. Hey, Tom. I appreciate your discretion in that video that you chose. I had thought maybe you guys would pull out the old one with the turkey. That would have went over really well, I think, but --

Thomas O'Keefe:

I'm more humane.

Frank Mitsch:

My question actually is for the Dow gentlemen. Joe just said that there was no smoking guns that had been uncovered from their perspective -- from Joe's perspective, looking from that side of the aisle. So, I was wondering if the Dow gentlemen could talk about how the company, or their divisions, are doing now under the new Olin versus under Dow. If you could offer some perspectives there, that would be very helpful.

Joseph Rupp:

Jim, why don't you lead it off?

James Varilek:

Well, I can tell you, the -- from a Chlor Alkali and Vinyls perspective, the teams are working together exceptionally. And Dow -- when we were part of Dow, there was a utility-type of mindset. That's been unleashed with Olin, and I'll run this as a business. Our teams combined are unleashing all of the synergies.

And John mentioned earlier that, literally the day after close, we were loading chlorine rail cars, shipping them all over the country, and within five days teams were working together exceptionally well, identifying new opportunities, coordinating marketplace movements and things that we're doing. I've been very, very pleased with everything I've seen. I think our teams are working together exceptionally well.

Joseph Rupp:

Pat, on the Epoxy side.

Pat Dawson:

I would say, from an Epoxy standpoint -- again, back into how we work for the chlorine envelope, Jim and I have started working on that a couple of years ago. And coming into Olin, it's just easier. It's just easier to make things happen.

I think, from a speed standpoint, the speed in making decisions, once we decide, you know, around these priorities that we talked about, we go do it. And so, I think speed, cooperation -- most importantly, our people. The guys out there who make it happen in the plants, in front of the customers -- they also sense this speed issue. And it's very motivating when you can take decisions much quicker, better, and our people feel a hell of a lot more ownership to the business.

Joseph Rupp:

John Sampson.

John Sampson:

Sure. I think in the plants there are about 1,800 people that -- who operate (ph) at 56 different plants that came over as part of this transaction. And I can tell you, on day one we saw a lot of Olin logo all over the plants. There's a lot of pride in being a part of Olin -- a lot of pride in being a strategic part of a company that really wants to be in these chemistries. And you really feel that. I invite you down to our Freeport asset, where you'll see a lot of Olin flags being flown.

Joseph Rupp:

One of my favorite stories is, when we went to Freeport after we closed, we had a town hall meeting, so we had a room about this big, and there was people hanging from the rafters. And we made our presentation, and it went very, very well. You could feel the enthusiasm. At the end I just said, shoot red (ph). And I got a standing ovation. So, it was a very good reception, and certainly I think people were pleased. Don, I think you had a question.

Don Carson:

It's Don Carson with Susquehanna. Got a question on caustic pricing. You know, one of the bear cases is that the domestic contract price is going to arbitrage down to the export level. Just wonder if you could comment on that. Then also, how do you see East Coast pricing and the domestic pricing dynamics changing as some of this European material is backed out of the US market?

Joseph Rupp: John?

John Fischer: I think the notion that export pricing and the domestic contract price are going to come together, is just wrong from our perspective. That completely ignores the logistics issues that goes to supplying the vast majority of the North American market, be it on the upper Midwest, to the river system, through the Northeast, and even out on the West Coast.

To be successful selling caustic in North America requires a significant logistics investment. I think it's one of the strengths that Olin has. And I don't see the scenario where someone who is exporting caustic under the spot market can get into the market without significant investment and significant time.

And maybe John -- do you have anything you wanted to add to that?

John McIntosh: I guess I would comment that I think there will be a pretty significant difference along the East Coast, as an example, when the European situation of being partially an exporter versus an importer gets straightened out and manifests itself. Because right now, caustic shows up on the East Coast of the US from Europe and it's arbitrated by somebody who just has tank space.

And if they've got tank space and they can buy and turn the caustic over real quick and make just a slight margin, they'll do it. If that caustic isn't coming and isn't landing because Western Europe is an importer, that will have a difference. And the people who will have the ability to sell into those markets will be the people who have the logistic advantage that John just talked about. And we match (ph) the American producers.

Joseph Rupp: Yes. We think the East Coast will get better as the mercury gets moved out of Europe. Any other questions? John?

John Roberts: John Roberts, UBS. The two additional tranches of ethylene -- under what scenarios do you think you might not execute on that, and where is that ethylene going to go if you do execute on it?

Joseph Rupp: Go ahead.

John Fischer: I would say that the likelihood that none of that gets executed is the limit (ph) approaching zero. We have an ability to export or to produce more EDC than our current ethylene would allow, so we have the ability to expand that and do it in a cost-advantaged manner.

And then, as you know, the third tranche is associated with the long-term contract Dow has that expires. It is clearly our goal to step into Dow's shoes going forward, and we've actually had some conversations to that effect, and used that ethylene there.

John Roberts: Thank you.

Aleksey Yefremov : Alex Yefremov from Nomura. Just a follow-up on the EDC point. What was your -- what is your level of utilization in EDC? Why wouldn't you run it harder, given how cheap merchant ethylene is in the US? Also, what are your thoughts on integrating

further into PVC? What are the economics of a project like that now?

Joseph Rupp:

Jim. Jim Varilek.

James Varilek:

Yes. The first question is, why don't we run harder? We are running harder. We are running hard. We have the capability to run harder, and that's something that John alluded to in the future. But right now we are running hard. We move chlorine through EDC, and it frees up the caustic for a profitable EDCU.

And the second part of your question, about looking further into the chain and so forth -- I think right now what we're trying to do is bring everything together; get ourselves stable. We'll look at our vinyls change strategy. As John mentioned, we're in -- we're having discussions right now in terms of long-term VCM and then we'll see where we go from there.

Arun Viswanathan:

Yes. Arun Viswanathan, RBC. I just wanted to ask a couple of questions again on Don's point about caustic soda prices. Are there any structural reasons why we wouldn't get back to your mid-cycle target, i.e. lower oil prices globally, or stronger dollar? And then maybe you can help us also understand what drives downstream derivative pricing, and in a lower caustic or chlorine environment, why those prices wouldn't fall commensurately.

Joseph Rupp:

(Inaudible) cover the first one.

John Fischer:

I don't see any scenario that says -- that would overwhelm the structural issues that we think are going to support higher caustic prices over the long run. I think, you know, Joe talked a lot about capacity, both in North America, and I think it's our view that we're going to take capacity out. There's some other high cost capacity, older capacity, in North America, that's a candidate to be taken out. And obviously, with Europe doing what they're doing, we think caustic structurally is going to become tighter over time in North America. And I don't think whether oil is \$30 or \$50 has a lot of impact on that.

Your second question had to do with -- do you want to answer (inaudible) EDC price?

Joseph Rupp:

Yes. Jim can answer. I think he's all derivative pricing.

James Varilek:

Yes. I think, you know, just -- your -- the question, if I understand it, is about oil and impact on derivative prices, or the caustic or chlorine and caustic movement. To be honest with you, I think the low cost -- the derivatives are going to move independent of the chlorine or chlorine costs, to be honest with you. There's a lot of -- the EDC market is moving -- moves with PVC and PVC demand. The chlorinated organics movement is moving with refrigerants market primarily, and that demand. And then Pat described all the dynamics associated with it. That's the positive of this new portfolio, is the fact that one influence isn't going to impact the overall portfolio. We have that portfolio effect, and they're going to move somewhat based on their own dynamics.

Joseph Rupp:

Other questions.

Herb Hardt:

Herb Hardt, Monness, Crespi & Hardt. What is your new level of maintenance CapEx now that the companies are together?

- Joseph Rupp: I think the number that we've given is \$225 million to \$275 million, Herb, is really the number that we've been using. So, in that \$250 million range. \$250 million.
- Jeff Zekauskas: Jeff Zekauskas from JPMorgan. Can you talk about the level of -- your expected level of caustic demand domestically over the next, I don't know, one to five years? And how do you think about the relationship of caustic production to PVC production domestically (ph)?
- Joseph Rupp: Go ahead.
- John McIntosh: Take a stab at that. When we look at caustic segments, we see GDP or slightly less growth in several of those segments, looking -- you know, looking forward. Pulp and paper, we see growth in. We see growth in absorbents. We see growth in the segment that goes along with chlorine into urethanes. So, you know, caustic is consumed as such a big part of everything that is produced in an industrial economy. And we don't see a scenario where caustic demand in the future just unwinds, you know, to a greater extent than we've seen some, you know, demand reductions in the last couple of years. So, from that standpoint, that's not an issue that we're afraid of.
- And we think, as John mentioned, as capacity rationalizes, we're going to see opportunities as the US becomes an exporter to geographies that it wasn't previously, as demand in China for caustic that will be consumed internally increases, further reducing caustic on the export market across the world, as demand in, you know -- in South America returns to a more normal level, we see the global trade flows for caustic returning to, you know, a situation that we think would benefit a caustic producer in North America, which -- who will have, and continue to have the lowest-cost manufacturing asset and logistic capability to put that product anywhere in the world.
- Jeff Zekauskas: If I can just ask a naïve question, in that I'm not as familiar with your business as I might be -- so, if PVC demand in the United States grows, I don't know, 5%, doesn't that lead to caustic production being, I don't know, 2% or 3%? And isn't caustic demand at some level that's below that? And so, when you talk about getting to a supply/demand squeeze, or better pricing, how do you actually imagine that in terms of the growth rates of caustic production and utilization rates?
- Joseph Rupp: Yes. I'd say a couple of things, Jeff.
- Jeff Zekauskas: Yes.
- Joseph Rupp: And we don't want to underestimate the chart that I was showing. There's no question capacity's got to come out. There's too much capacity in North America. In the short run, capacity needs to come out to tighten it. I think you're -- what you're proposing is correct, is that there will be more caustic that's created in North America as industrial production picks up.
- And ideally, from our perspective, you know, we're going to have to be, as low cost producer, to be able to place some of that in North America, but other pieces of it are going to have to go outside the United States. One opportunity will be Europe. Other

opportunities hopefully would be, as things straighten out from a Brazil perspective, that there would be some needs with regard to that.

But I don't want to mistake, you know, really what happened in the United States, in North America -- there was a big block of capacity that came -- we had a great industry, running a big block of capacity. There was not enough demand for that capacity, and that's what we're saying, is that some of that capacity has to come out. We're taking the first step, as we've announced.

Jeff Zekauskas: Thank you.

Joseph Rupp: You're welcome. John?

Unidentified Participant: I'm intrigued by the Browning relationship that you have with Winchester now. I think many of us think, a few years from now, maybe you spin off Winchester. But valuations of gun companies and things like that may make that problematic as a valuation. But can you increase, you know, Winchester's value by having more alliances, without actually having it as a separate, stand-alone company, and somehow create value that way instead of being a stand-alone ammo business, and make it tainted by the valuation of gun companies (ph)?

Joseph Rupp: Yes. I -- let's (ph) be clear. We'll explain the relationship with Olin and with Browning. Browning makes -- licensed the Winchester name, and they make guns as we speak, and have since 1980, Winchester brand. We don't own it. We don't have any liabilities. We don't have legal liabilities, et cetera. But we have a -- we license the name.

I think what Tom talked about was the fact that the realities with these big box guys is that you only get so much shelf space. So, if you really want to grow your -- you can only grow your brand so much, so you can only sell so much Budweiser, and now you've got to have Bud Lite, or you've got to have Mich light (ph) -- have something else.

And that's what we're trying to capitalize with the relationship with Browning. We're licensing their name, making the ammunition, making a higher quality, trying to place it a little different segment. And so, that's the deal going forward. I don't think it will harm anything in the future if we wanted to do something in the future. I think it'll -- actually might enhance it. Frank.

Frank Mitsch: Thank you, Sir. During the -- during -- I think it was Jim -- you talked about the global chlorinated organics business, replacement value of \$1 billion. I'm just curious -- how do you guys size the overall replacement value of Olin's assets? And another question -- Pat, you showed the chart with Epoxy's earnings being very strong in '11 and '12. What went right? What went right during those years?

John Fischer: Frank, let me answer the replacement value. When Olin looked at the Dow businesses, we assessed that the replacement value of the Dow assets we acquired was about \$10 billion. And then when we look at our Chlor Alkali assets and our Winchester business, we estimate that that replacement value is about \$4 billion.

Joseph Rupp: \$14 billion total.

John McIntosh: So, \$14 billion in total.

Unidentified Participant: Thank you (ph).

Pat Dawson: Yes. Frank, on Epoxy, I think a couple of things that were favorable is, you had some favorable supply/demand conditions on the upstream part of the business. But at the same time, part of what caused that dramatic decline into '13 was really losing focus and not -- and separating our low cost position in chlorine from the Epoxy value chain. And a big part of Epoxy was running a totally different division of Dow at the time, and we really separated the market from the assets. So, that's a little bit of the perspective of '11 to '12 to '13.

Joseph Rupp: Other questions.

Aleksey Yefremov: (Inaudible) in one of your slides that alumina sector represents 11% of your caustic soda demands. What is your assessment of your customers there? Do you expect them to keep running at the same rate over the next 12 months? And if not, what is your ability to export caustic?

Joseph Rupp: I'll have Jim talk about it, but we do export for alumina now. Go ahead, Jim.

James Varilek: Yes. The -- I think that we have to look at the fundamentals of the industry. And actually, the end product, aluminum, is actually growing at a reasonable rate around the world. There's been some restructuring in the -- within the supply chain in terms of where the locations are, where they're going to actually manufacture the alumina. So, there is some dislocation and there is a bit of what I call churn in the marketplace.  
  
But at the end of the day, the end product demand is going to pull through the amount of caustic that's ultimately used in the production process, and it's just a matter of where that caustic is going to be sold. And we're very well-positioned to service the world market. We service alumina in Latin America and into Australia already. So, it's just a matter of that demand finding a home.

Aleksey Yefremov: So, as a clarification, you had a separate export piece of the pie. 11% includes both exported alumina customers and domestic? Is that right?

James Varilek: Yes.

Joseph Rupp: I wouldn't take -- all the export isn't for alumina, if that was the question. All that 11% -- there is export. A piece of that export is alumina. Right. Other questions.

Roger Spitz: Hi. Roger Spitz, BofA Merrill Lynch. First, could you speak to the drivers that's pushing epoxy (ph) (inaudible) up over the next year -- '16?

Pat Dawson: Sure. And I think we outlined that it's really priority number one, is going to (inaudible) a lot of self-help on the productivity and taking costs out, and running those assets harder, both in the upstream and midstream especially. Also, you know, there hasn't been any capacity that has been added in this industry for quite some time. And so, that -- some of



the excess capacity that was built in Asia is working itself off. So, I think in the coming years you're going to get some improvement in supply/demand fundamentals. But make no mistake, using that low cost position to drive full utilization of these assets, we've still got a lot of upside on that here in the next couple of years.

Roger Spitz: Okay. The second question -- during the road show, we talked about -- I think it was \$250 million of Dow corporate overheads that you were leaving behind. Now that you own the assets, is it possible to give more detail of the breakdown of what those buckets might have been, as well as how it might have broken down -- the Chlor Alkali, Vinyls, as well as the Epoxy (ph) business? Thank you.

Joseph Rupp: Yes. I think the key to that, Roger, was that there was x amount of costs that was not coming from Dow. We know what some of those buckets were. I think that was really the point that Todd was trying to make as he looked at our corporate and other -- tried to point out to you where our corporate and other has gone. So, there's costs in a whole bunch of different buckets that they had, you know, on corporate research, and sponsoring the Olympics, and the EH&S that they had, which is massive across all the different facilities, et cetera.

So, as you stack all that up, that was cost that wasn't coming, that was being allocated. We've not given out the allocation, and I'm not quite sure that even we have access to the allocation, to be quite honest with you.

What I can tell you is that we don't have -- we really don't have that \$250 million sitting on top of our back, which is really important. That's how we can deliver \$950 million.

Okay. Other questions? Frank.

Frank Mitsch: So, four months after the deal is announced, you up your synergy targets from \$200 million to \$250 million. And I know that Dow had done an analysis of what they expected the synergies might be if -- with this combination. I believe they hired McKinsey as well, to do an analysis of what the synergies might be. Obviously you guys came out with \$200 million out of the box. And I believe, John, you made the comment that every single manufacturing meeting that takes place, come out with more.

So, are you guys on track for announcing \$300 million in June? How should we think about, you know, where the synergy numbers may go?

Joseph Rupp: I think the good news about it, Frank, is that we feel very confident about the number that we've got out there. And we felt good about the \$200 million number, as we had talked about, I think, on the road show, and at six months after we made the announcement we knew that as -- what you just talked about, that McKinsey had done some homework. We always had this great hope that McKinsey had a sheet of paper, Dow had a sheet of paper, and we had a sheet of paper, and we add them all up and we had \$600 million.

As it turns out, we've got the \$250 million, and obviously we're going to keep working. To the extent that we could exceed that, that would be great. But we're committing to the \$250 million. But thank you. Other questions? Roger.

- Roger Spitz: Within Epoxy, can you provide a sense of your balance -- long/short balance in each of LER, BPA and phenol, please? Thank you.
- Joseph Rupp: From a balance -- no, operating rates -- is that what you're asking for? Operating rates?
- Roger Spitz: I'm sorry. For instance, in LER, are you balanced? Are you selling half of your LER merchantly? Are you buying LER -- same with phenol; same with BPA?
- Joseph Rupp: What I would say is, we're integrated up on the heavy end. You know, we come all the way through to LER. We saw some of the LER out into the market. We take the rest of it and put it into our CER, is what happens. And it's a good question. I think we ought to just give some thought to that, as to how we want to respond to that. That's a good question. Thank you. Got to get a mic back there.
- Owen Douglas: Hi. Owen Douglas from Robert W. Baird. A bit of a question on Winchester. So, the comment was made that \$125 million of EBITDA -- sort of viewing that as the floor. I'm just trying to get a sense for, if I were to look at what 2015 was, \$134 million of EBITDA, you talked about realizing about \$35 million as synergies from the transition over to the Oxford, Mississippi plant. Can you just help me better understand, what sort of shooting conditions are you envisioning in terms of getting to that \$125 million number? And how much additional, I guess, reliance is there on any particular shell types or anything, helping the margin profile?
- Joseph Rupp: I think -- just take a step back. I think, you know, what we've said is that we think that the floor, as you've said, is \$125 million. That \$125 million is really based upon a slight decrease, as we showed the chart with the NICS checks; we showed what ammunition demand was. That envisions a little bit of a decrease in that demand, I think probably in the 10% range, with the addition of more cost reduction that comes out of Oxford. And I think that's really kind of how we get into that \$125 million floor, to where we think it will get, is where we are.
- Owen Douglas: Okay. So, a 10% decrease, and that's what you guys view as being floor conditions.
- Joseph Rupp: Yes. I would rather give you a little bit more detailed answer on that; but basically, you know, each year as we go through it from a strategic plan perspective, we try to take a look. We've never even shared with you what we think the ammunition demand is. I think we just showed that to you for the very first time.
- From an ammunition demand perspective, we try to -- we do outside studies with an outside group that helps us assess where we think, when demand picks -- drops off, how far that will drop. What we try to do is assimilate where we think demand would drop off. I think that number's in the 10% range. We certainly can clarify that.
- But that's really what takes you down into the \$125 million range. It's the back-off in demand from an ammunition perspective. In other words, assuming that you're not going to keep running at surge type (ph) of levels. The surge we -- the last surge, we -- I think we announced that that last surge ended in the summer of 2013 -- '14, rather. We tapered off. 2015 was a non-surge year, which has started to pick back up now as we've gotten into the November/December timeframe.

Owen Douglas: Okay. And can -- finally, can you provide any color in terms of ammunition types and better understanding what the margin profiles, or at least (ph) --

Joseph Rupp: No. We don't do that.

Owen Douglas: -- which one might be better?

Joseph Rupp: No. I understand the question, but we have not given margin on ammunition types to (inaudible). What I can tell you is, the lowest-margin business is the rimfire business, which is the .22-caliber.

Owen Douglas: Okay. Thank you.

Joseph Rupp: You're welcome.

Dmitry Silversteyn: Longbow (ph) Research. A couple of questions. First of all, on the epoxy part of the business, I've noticed in the slides of growth rates that you projected there for various geographies, that you expect Europe to grow faster than the US over the next three, four years. Can you explain a little bit of the driver of that? You know, it's unusual to see a European market expected to (inaudible) than North American.

Joseph Rupp: Yes.

Pat Dawson: Sure. First of all, the epoxy market -- it's a bigger market in Europe, number one. It's a bigger powder coatings market, for example, being a bigger market. I think Europe also, with what's happening with the exchange rates, what's happened to the -- you know, some of the export opportunities with epoxy -- those all bode well for Europe.

And I think the other thing that -- again, that's very consistent, whether it be in Europe or North America, is really, again, using that integrated cost position that we have, with chlorine, our integrated aromatics, and pushing that much harder to take more than our fair share going forward.

Dmitry Silversteyn: So, the growth rates were for Olin specific, not for the industry or the markets that you're serving?

Pat Dawson: Those were industry growth rates that I showed. And what I'm -- so, I was just saying, the reason we're going to grow faster than that, is based on our cost position advantage and being more aggressive, going forward, with that cost advantage in Europe.

Dmitry Silversteyn: Thank you. And then the second question on the Chlor/Vinyls segments, you mentioned the -- or, there's a chart showing quarterly turnaround costs over the next six quarters or so, and I noticed that you're planning on spending more money on turnarounds in the fourth quarter of 2016 than you did in 2015. And assuming that you're going to have fewer facilities at that time than you do now, I'm just wondering why the turnaround costs were higher this year than they were last (inaudible).

Joseph Rupp: And -- for the full year, or are you -- fourth quarter?

Unidentified Participant: I'm talking about for the fourth quarter.

Joseph Rupp: Fourth quarter. Were you trying to compare new -- the new Olin to the new Olin?

Unidentified Participant: Correct. Yes.

Joseph Rupp: I'll just take it at a very high level. I think a lot of that, Dmitry, depends upon what you're working on. Depends -- you know, what happens is, a lot of these turnarounds come on 18, 36 -- you know, different month schedules. So, you can get into a turnaround of a piece of equipment that is a lot more complicated, it costs a lot more money than when you get into turnarounds on smaller pieces of equipment.

So, I -- you know, I'm sure that that's what it is. Because if we didn't have to spend it, we wouldn't want to, I can guarantee you that.

Other questions? Alex.

Aleksey Yefremov (ph): Thank you. Could you talk about your outlook for supply and demand on chlorinated organics? There's been some news about potential shutdowns in that market in Europe. Do you think that would be a meaningful driver? And also, could you advise (ph) chlorinated organics' contribution to (inaudible) somehow -- maybe as a percent of total, or an actual number?

Joseph Rupp: Yes. I think we can talk about your first question. Why don't you talk about that, Jim? Not going to -- I'm not sure we can.

James Varilek: Yes. As far as the drivers for the market, we've got the refrigerants market, and that's really driven by two factors: the transportation, or auto refrigeration, or auto air conditioning; and also the air conditioning of -- for -- it's what we call stationary air conditioning. So, that's a big driver of the market in chlorinated organics. But actually, there's a -- quite a diversity of markets, when you say chlorinated organics, because we do everything from ag, to pharma, to refrigeration, to blowing agents. And so, there's not a single driver there. But refrigerants is one of the larger drivers. So, there is an aspect of transportation. So, new car sales and things that are high, is a good thing. And so -- and then construction, obviously. So, construction here in the US is a driver.

Joseph Rupp: Yes. He had a question about -- there is capacity that was announced, that's coming out in Europe. It was a question -- one of our competitors that announced that they're taking some chlorinated organics capacity out, which we think actually will be helpful in that region. Okay. Other questions? Jason.

Jason Freuchtel: (Inaudible), SunTrust. I think you have an expectation of achieving your synergies by 2019. Do you have an expectation of when you can maybe get to mid-cycle of your end segments? And then, secondarily, do you think it's possible that European legislation for mercury cell conversion gets pushed out beyond 2017?

Joseph Rupp: I'll answer the last one. I don't really think that'll happen. Because I think you've got the mindset going now, where everybody's either making the conversions or shutting down.

I don't -- I really don't see them backing off of that, over in Europe. So, I think that will continue.

I think the question about, when do you think that we could get to mid-cycle -- you know, certainly, 30 different people in here might have 30 different opinions. We'd like it. We wish it was soon. But I think probably fair mid-cycle -- you might give your view.

John Fischer: I think if you looked at the chart on EDC and you looked at the V pattern that you're seeing, I think we would be more comfortable saying we would expect to get to mid-cycle maybe on EDC before we got there on caustic. We've had some discussion around the need for capacity and some structural changes in caustic soda. Those are likely to take longer than EDC, which is much more supply/demand driven.

Joseph Rupp: Yes. But I think you could start to see the turn in this year going into '17. Sure.

Jeff Zekauskas: What's your cash tax rate for '17 and '18, if you can tell?

Joseph Rupp: Todd.

Todd Slater: We've not provided --

Joseph Rupp: You get to answer.

Todd Slater: We've not provided that information.

Jeff Zekauskas: I understand that. That's why I asked (laughter).

Joseph Rupp: Yes. A good question, Jeff. Okay. No more questions?

So, I guess I'm supposed to wrap up, and I'm -- the only thing -- there is cocktails. Management will be here for about an hour, for -- if you want to join us for cocktails. And those are at 5:00 -- is that when those are? Starts now? Wow. (Laughter). Then I'll make my remarks very quick.

I want to first thank you for joining us today. I hope that our presentation has provided more clarity to the new Olin. I'm sure that it will -- has generated more questions, and I know you'll continue to ask excellent questions as time marches on.

I hope you share with me the fact that we believe that we've created an outstanding world-leading company. We believe that the integration is going very, very well, and I think it's evidenced by the fact that we have the confidence of taking that synergy number up, as Frank had pointed out, only four months after us taking ownership. I think that the cooperation, as I mentioned, is going extremely well within the company. And I would just -- would state one more time, in a weaker Chlor Alkali and Vinyls segment, the new Olin is able to deliver \$915 million to \$985 million of EBITDA. We are well-positioned to benefit from an upside in the economy.

Again, I want to thank you for joining us and allowing us to discuss new Olin with you. I think that the cocktail hour is up the escalator, so if you go down over -- up the

escalators, up on the second floor. If you'd like to join us, management, as I mentioned, will be there for about an hour. And we'll look forward to visiting with you. Thank you.

(Applause)