Kraton Performance Polymers, Inc.

Credit Suisse Basic Materials Conference

September 17, 2015

Forward- Looking Statement Disclaimer

This presentation includes forward-looking statements that reflect our plans, beliefs, expectations and current views with respect to, among other things, future events and financial performance. Forward-looking statements are often characterized by the use of words such as “outlook,” “believes,” “estimates,” “expects,” “projects,” “may,” “intends,” “plans” or “anticipates,” or by discussions of strategy, plans or intentions, including the matters described under the captions "On Track to Deliver $18 million in 2015 Cost Reductions" and “Selected 2015 Estimates.”

All forward-looking statements in this presentation are made based on management's current expectations and estimates, which involve known and unknown risks, uncertainties and other important factors that could cause actual results to differ materially from those expressed in forward-looking statements. These risks and uncertainties are more fully described in our latest Annual Report on Form 10-K, including but not limited to “Part I, Item 1A. Risk Factors” and “Part II, Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations” therein, and in our other filings with the Securities and Exchange Commission, and include, but are not limited to, risks related to: conditions in the global economy and capital markets; declines in raw material costs; our reliance on LyondellBasell Industries for the provision of significant operating and other services; the failure of our raw materials suppliers to perform their obligations under long-term supply agreements, or our inability to replace or renew these agreements when they expire; limitations in the availability of raw materials we need to produce our products in the amounts or at the prices necessary for us to effectively and profitably operate our business; competition from other producers of SBCs and from producers of products that can be substituted for our products; our ability to produce and commercialize technological innovations; our ability to protect our intellectual property, on which our business is substantially dependent; hazards inherent to the chemical manufacturing business; other risks, factors and uncertainties described in this presentation and our other reports and documents; and other factors of which we are currently unaware or deem immaterial. Readers are cautioned not to place undue reliance on our forward-looking statements. Forward-looking statements speak only as of the date they are made, and we undertake no obligation to update such information in light of new information or future events.

GAAP Disclaimer

This presentation includes the use of both GAAP and non-GAAP financial measures. The non-GAAP financial measures are EBITDA, Adjusted EBITDA, Adjusted Gross Profit and Adjusted Net Income attributable to Kraton (or earnings per share). Tables included in this presentation and our earnings release reconcile each of these non-GAAP financial measures with the most directly comparable GAAP financial measure. For additional information on the impact of the spread between the FIFO basis of accounting and estimated current replacement cost ("ECRC"), see Management's Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K for the fiscal year ended December 31, 2014.

We consider these non-GAAP financial measures to be important supplemental measures of our performance and believe they are frequently used by investors, securities analysts and other interested parties in the evaluation of our performance including period-to-period comparisons and/or that of other companies in our industry. Further, management uses these measures to evaluate operating performance, and our incentive compensation plan bases incentive compensation payments on our Adjusted EBITDA performance, along with other factors. These non-GAAP financial measures have limitations as analytical tools and in some cases can vary substantially from other measures of our performance. You should not consider them in isolation, or as a substitute for analysis of our results under GAAP in the United States. For EBITDA, these limitations include: EBITDA does not reflect the significant interest expense on our debt; EBITDA does not reflect the significant depreciation and amortization expense associated with our long-lived assets; EBITDA included herein should not be used for purposes of assessing compliance or non-compliance with financial covenants under our debt agreements. The calculation of EBITDA in our debt agreements includes adjustments, such as extraordinary, non-recurring or one-time charges, proforma cost savings, certain non-cash items, turnaround costs, and other items included in the definition of EBITDA in our debt agreements; and other companies in our industry may calculate EBITDA differently than we do, limiting its usefulness as a comparative measure. As an analytical tool, Adjusted EBITDA is subject to all the limitations applicable to EBITDA. We prepare Adjusted EBITDA by eliminating from EBITDA the impact of a number of items we do not consider indicative of our on-going performance, including the spread between FIFO and ECRC, but you should be aware that in the future we may incur expenses similar to the adjustments in this presentation. Our presentation of Adjusted EBITDA should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items. In addition, due to volatility in raw material prices, Adjusted EBITDA may, and often does, vary substantially from EBITDA and other performance measures, including net income calculated in accordance with U.S. GAAP; and Adjusted EBITDA may, and often will, vary significantly from EBITDA calculations under the terms of our debt agreements and should not be used for assessing compliance or non-compliance with financial covenants under our debt agreements. Because of these and other limitations, EBITDA and Adjusted EBITDA should not be considered as a measure of discretionary cash available to us to invest in the growth of our business. As a measure of our performance, Adjusted Gross Profit is limited because it often will vary substantially from gross profit calculated in accordance with U.S. GAAP due to volatility in raw material prices. Finally, we prepare Adjusted Net Income attributable to Kraton by eliminating from net income the impact of a number of items we do not consider indicative of our on-going performance, including the spread between FIFO and ECRC. Our presentation of non-GAAP financial measures and the adjustments made therein should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items, and in the future we may incur expenses or charges similar to the adjustments made in the presentation of our non-GAAP financial measures.

Kraton is the global leader in the SBC industry

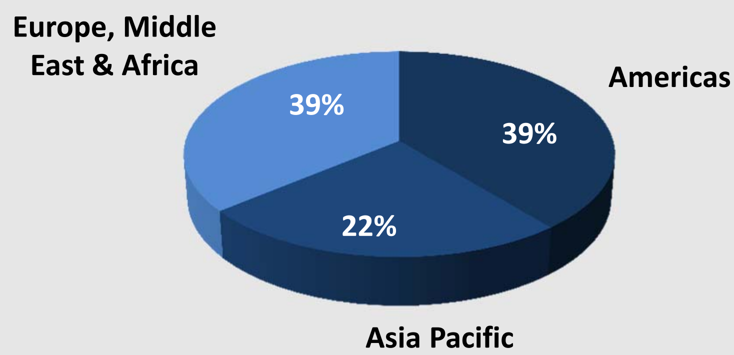
- Original inventor of SBC chemistry 50 years ago, with leading market share positions in the end use markets we serve
  - Designer and manufacturer of custom SBC and compound solutions with the broadest portfolio offering in the industry
  - Only SBC producer with true worldwide manufacturing footprint (U.S., Europe, South America, Asia Pacific)
  - Unmatched commitment to customer service and R&D, with 1,440 patents granted or applied for
- Kraton has a portfolio of recently commercialized products and a pipeline of technologies under commercialization

2014 Financial Highlights

($ in millions)

- Sales Revenue - $1,230.4
- Adjusted EBITDA [(1)] - $147.2
- Operating Cash Flow - $29.9

2014 Revenue by Geography



Our business is comprised of three product families

Cariflex^{TM}
(13% of revenues)

Polyisoprene rubber &
Polyisoprene rubber latex

Key markets:
Surgical gloves, condoms,
medical components

Data for TTM 6/30/2015

Our business is comprised of three product families

Cariflex™
(13% of revenues)

Polyisoprene rubber &
Polyisoprene rubber latex

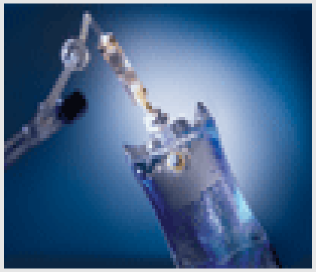
Key markets:
Surgical gloves, condoms, medical components

Specialty Polymers
(33% of revenues)

Hydrogenated SBCs

Key markets:
Oil gels, medical, lubricant additives, personal care, automotive





Data for TTM 6/30/2015

Our business is comprised of three product families

Cariflex™ (13% of revenues)

Polyisoprene rubber & Polyisoprene rubber latex

Key markets:
Surgical gloves, condoms, medical components

Specialty Polymers (33% of revenues)

Hydrogenated SBCs

Key markets:
Oil gels, medical, lubricant additives, personal care, automotive

Performance Products (54% of revenues)

Unhydrogenated SBCs

Key markets:
Paving and roofing, labels, tapes, printing plates, personal care

Data for TTM 6/30/2015

Our business is comprised of three product families

Cariflex™ (13% of revenues)

Polyisoprene rubber & Polyisoprene rubber latex

Key markets:
Surgical gloves, condoms, medical components

Specialty Polymers (33% of revenues)

Hydrogenated SBCs

Key markets:
Oil gels, medical, lubricant additives, personal care, automotive

Performance Products (54% of revenues)

Unhydrogenated SBCs

Key markets:
Paving and roofing, labels, tapes, printing plates, personal care

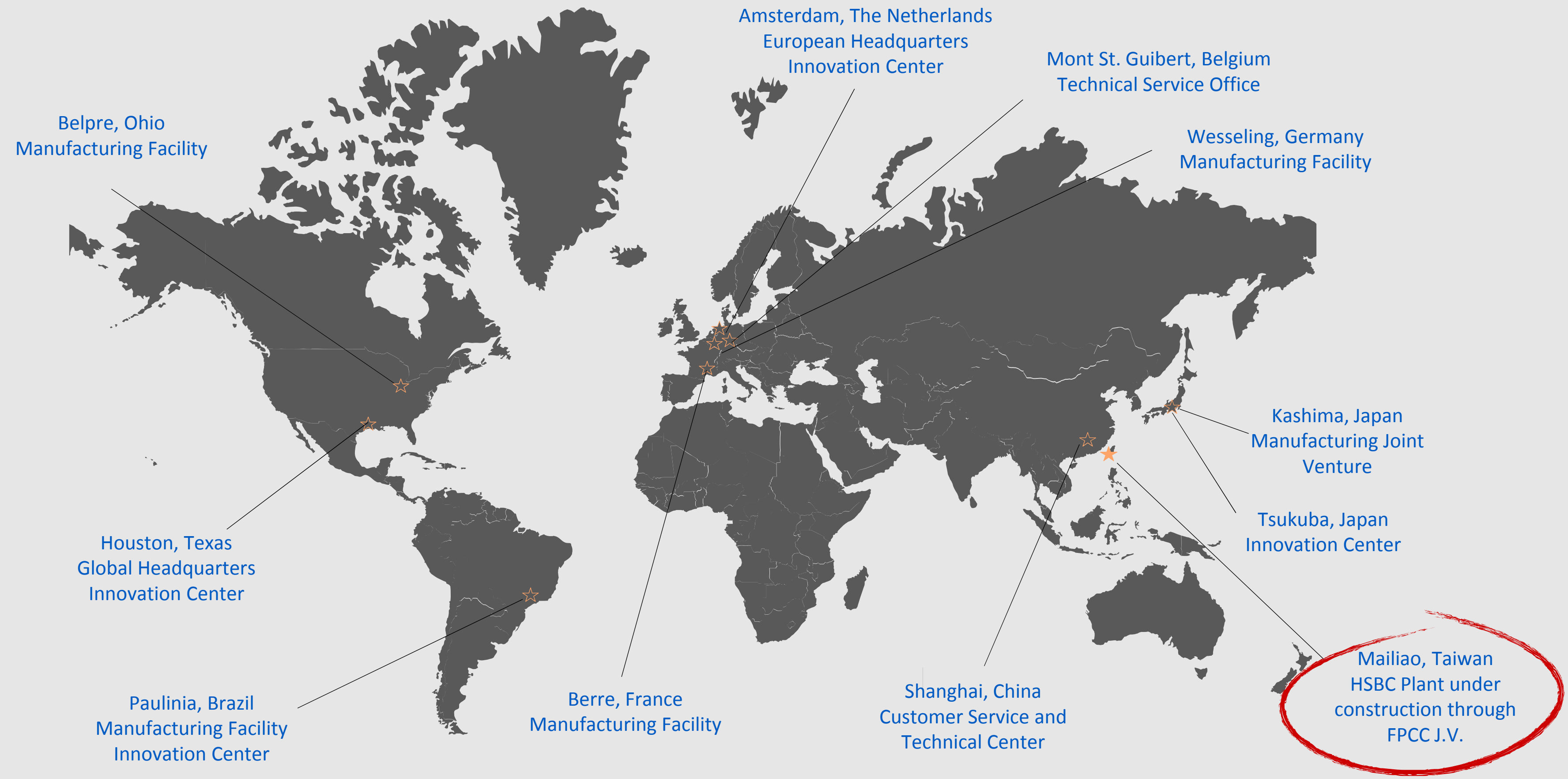
Exceptional breadth: The broadest product portfolio in the industry

High end focus: 57% of sales are differentiated, with premium margins

Excellent IP Protection: 1,440 patents granted or pending underpin our global differentiated market position

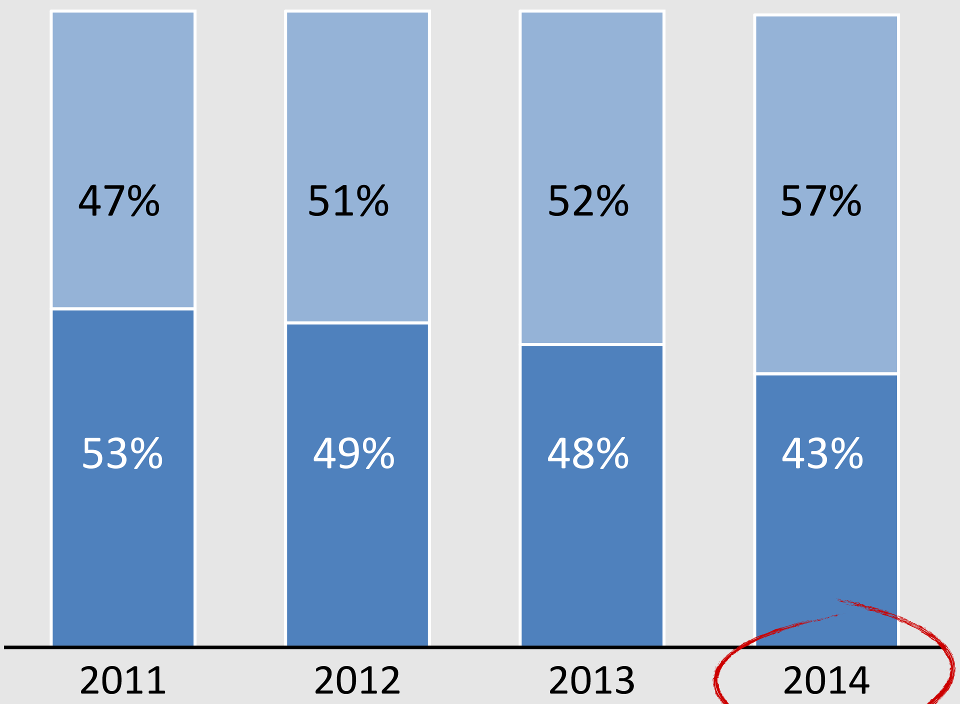
Data for TTM 6/30/2015

We serve our customers through a global footprint

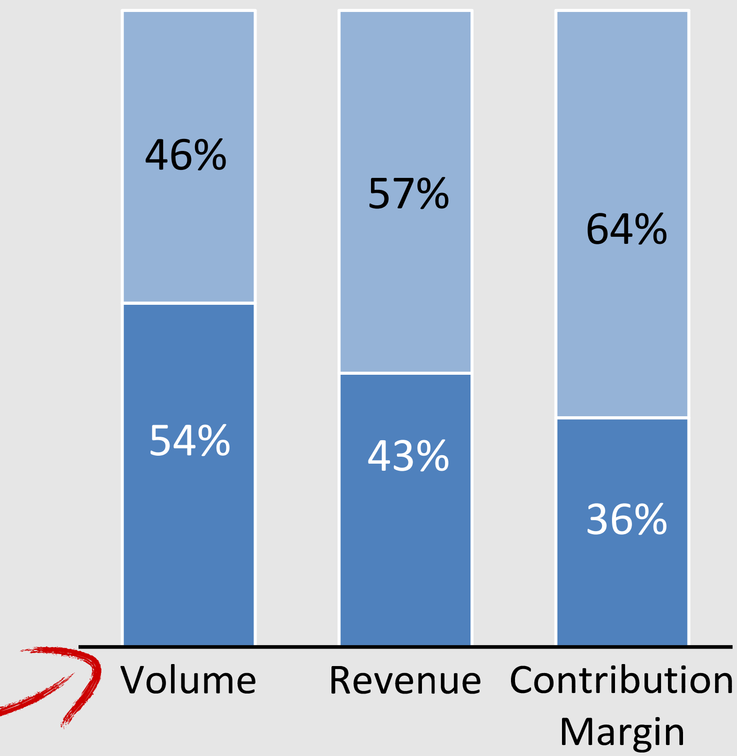


We are delivering a portfolio shift driven by innovation…

Historical share of revenue by type of grade (%)



2014 share of volume, revenue and contribution margin by type of grade (%)



Standard Differentiated

… And we are implementing a three-part strategy focused on growth and improved profitability

- Manufacturing optimization and investments in asset productivity
- Broad complexity reduction and overhead efficiency effort

- Revised approach to the market
- Rebalanced R&D strategy and portfolio

- Compelling and strategic acquisitions to improve cost position and access new markets

Multiple initiatives are underway to improve our cost competitiveness…

Manufacturing Optimization	▪ Expand USBC at Berre and leverage Mailiao to optimize global HSBC
Asset Productivity	▪ Belpre boilers and over 20 other operation cost out projects
Complexity Reduction	▪ Integrated Cariflex™ manufacturing, SKU reduction and new customer fulfillment practices
Overhead Efficiency	▪ 110 basis point reduction in selling, administrative and research cost as share of revenue in 2018

By 2018 we expect:
<u>$70M</u>
in annual run rate cost savings
and
<u>$50M</u>
of working capital reduction

…And we have a revised market approach and a rebalanced innovation strategy

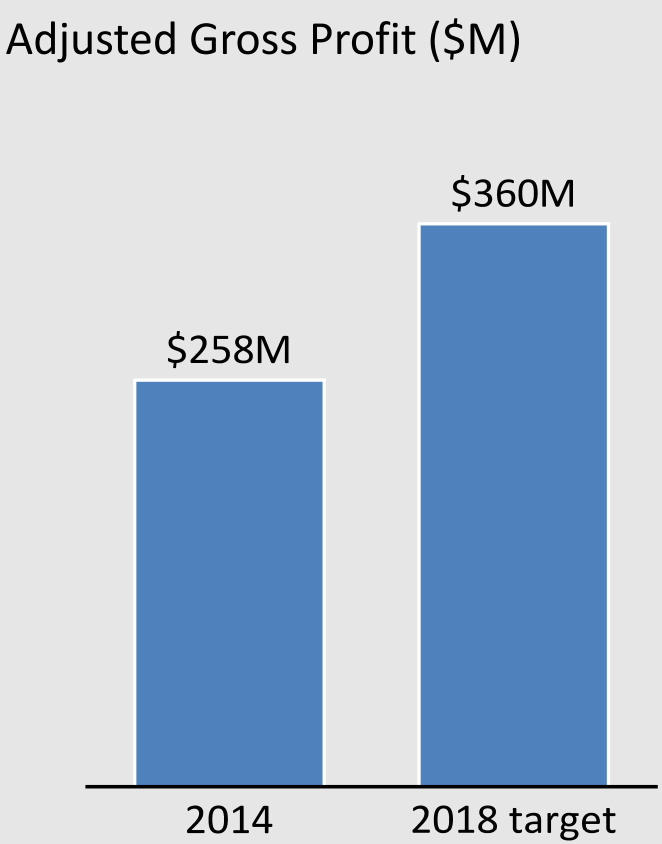
Revised Market Approach:

Realigned organization expected to drive growth by better meeting customer needs

Rebalanced Innovation Strategy:

Rebalanced innovation portfolio expected to deliver robust returns

Our plan is expected to drive margin expansion…

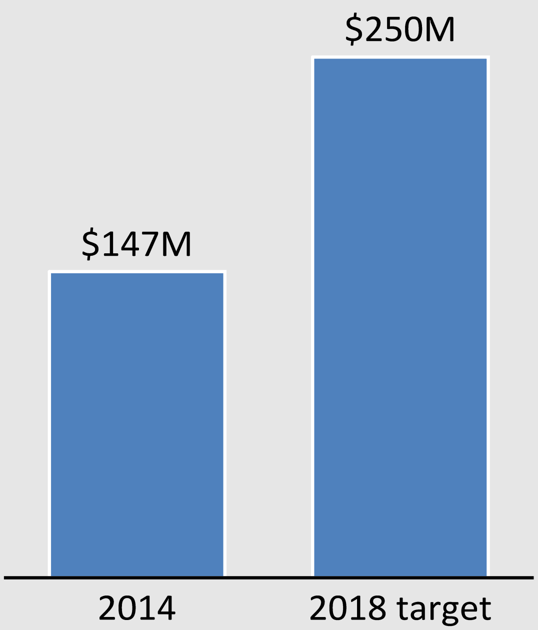


- We are targeting a balanced improvement from organic growth and cost reset
- Of the projected $70M of total cost reset initiatives, $60M are included in gross profit
- We anticipate a steady improvement in adjusted gross profit per ton from $844 per ton in 2014 to $1,025 per ton in 2018

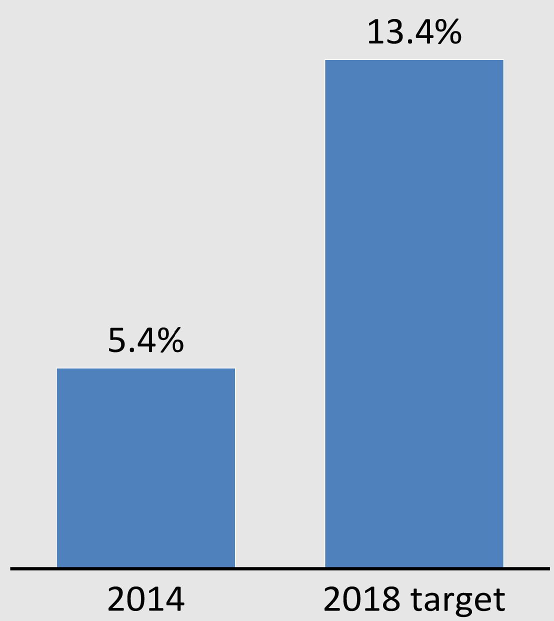
Note: See the appendix for a reconciliation of GAAP to non-GAAP financial measures. 2018 target excludes 700k of non-cash compensation expenses

…and deliver growth in adjusted EBITDA and improved ROCE

Adjusted EBITDA ($M)



ROCE (%)



- Adjusted EBITDA to grow at a 14% CAGR
- EBITDA margin improves to 18%, up 600 basis points over 2014
- 2018 EPS at $3.75, more than 3x improvement over $1.16 in 2014

Note: See appendix for reconciliation of GAAP to non-GAAP measures

We Believe Our Current Strategy Will Transform Our Business

Continued portfolio shift…	Share of revenue from differentiated grades expected to increase from 57% to 61%
… Combines with cost reset for greater profitability…	Adjusted gross profit/ton expected to increase from $844 to $1,025 and adjusted EBITDA up from $147M to $250M
… Resulting in compelling financial outcomes	EPS projected to increase from $1.16 to $3.75 and ROCE increases from 5.4% to 13.4%

Appendix

September 17, 2015

Adjusted Net Income and Adjusted Earnings per Share

($ thousands, except per share amounts)	Twelve months ended December 31, 2014			
	Income Before Income Tax	Income Taxes	Noncontrolling Interest	Diluted EPS
GAAP Earnings (Loss)	$ 6,328	$ 5,118	$ (1,209)	$ 0.07
Retirement plan charges [a]	399	8	-	0.01
Restructuring and other charges [b]	2,953	204	-	0.08
Transaction and acquisition related costs [c]	9,585	192	-	0.29
Impairment of long-lived assets [d]	4,731	95	-	0.14
Impairment of spare parts inventory [e]	430	9	-	0.01
Production downtime [f]	10,291	135	-	0.31
KFPC startup costs [g]	1,911	325	793	0.02
Change in valuation allowance [h]	-	1,769	-	(0.05)
Spread between FIFO and ECRC	9,255	64	-	0.28
Adjusted Earnings (Loss)	$ 45,883	$ 7,919	$ (416)	$ 1.16

a) Charges associated with the termination of the defined benefit restoration pension plan, which are primarily recorded in selling, general and administrative expenses.
b) Severance expenses and other charges which are primarily recorded in selling, general and administrative expenses.
c) Primarily professional fees related to the terminated Combination Agreement with LCY, which are recorded in selling, general and administrative expenses.
d) $2.4 million was related to engineering and design assets for projects we determined were no longer economically viable; $1.4 million was related to information technology and office assets associated with fourth quarter restructuring activities; and $0.9 million was related to other long-lived assets.
e) Impairment of spare parts inventory associated with the coal-burning boilers which are planned for decommissioning in 2015, which is recorded in cost of goods sold.
f) Weather-related production downtime at our Belpre, Ohio, facility and an operating disruption from a small fire at our Berre, France, facility, of which $9.9 million is recorded in cost of goods sold and $0.4 million is recorded in selling general and administrative expenses.
g) Startup costs related to the joint venture company, KFPC, which are recorded in selling, general and administrative expenses.
h) Income tax benefit related to a portion of the change in our valuation allowance for deferred tax assets.

Reconciliation of Consolidated Net Income (Loss) to EBITDA and Adjusted EBITDA

($ in Thousands)	Twelve months ended 12/31/2011	Twelve months ended 12/31/2012	Twelve months ended 12/31/2013	Twelve months ended 12/31/2014	Twelve months ended 12/31/2018 (FORECAST)
Consolidated net income (loss)	90,925	(16,191)	(975)	1,210	126,669
Add:					
Interest expense, net	29,884	29,303	30,470	24,594	23,488
Income tax expense (benefit)	584	19,306	(3,887)	5,118	8,937
Depreciation and amortization expenses	62,735	64,554	63,182	66,242	79,906
EBITDA	184,128	96,972	88,790	97,164	239,000
Add (deduct):					
Settlement gain [a]	-	(6,819)	-	-	-
Property tax dispute [b]	-	6,211	-	-	-
Retirement plan charges [c]	-	1,100	-	399	-
Restructuring and other charges [d]	1,755	1,359	815	2,953	-
Transaction and acquisition related costs [e]	-	-	9,164	9,585	-
Impairment of long-lived assets [f]	-	5,434	-	4,731	-
Impairment of spare parts inventory [g]	-	-	-	430	-
Production downtime [h]	-	2,481	3,506	10,291	-
KFPC startup costs [i]	-	-	-	1,911	-
Non-cash compensation expense [j]	5,459	6,571	7,894	10,475	11,000
Loss on extinguishment of debt [k]	2,985	-	-	-	-
Spread between FIFO and ECRC	(66,332)	30,533	30,737	9,255	-
Adjusted EBITDA	$ 127,995	$ 143,842	$ 140,906	$ 147,194	$ 250,000

a) Receipt from LyondellBasell in settlement of disputed charges, which is recorded in cost of goods sold.
b) Charge associated with resolution of a property tax dispute in France, of which $5.6 million is recorded in cost of goods sold and $0.6 million is recorded in selling, general and administrative expenses.
c) In 2014, charges associated with the termination of the defined benefit restoration pension plan, which are primarily recorded in selling, general and administrative expenses. In 2012, retirement plan settlement charge associated with a disbursement from a benefit plan upon the retirement of an employee, which is recorded in selling, general and administrative expenses.
d) Restructuring and other charges which are primarily recorded in selling, general and administrative expenses in 2014, 2013, and 2011 and primarily in cost of goods sold in 2012.
e) Primarily professional fees related to the terminated Combination Agreement with LCY, which are recorded in selling, general and administrative expenses.
f) In 2014, $2.4 million related to engineering and design assets for projects we determined were no longer economically viable; $1.4 million related to information technology and office assets associated with fourth quarter restructuring activities; and $0.9 million related to other long-lived assets. In 2012, $3.4 million related to the Asia HSBC facility and $2.0 million related to other long-lived assets.
g) Impairment of spare parts inventory associated with the coal-burning boilers which are planned for decommissioning in 2015 which is recorded in cost of goods sold.
h) In 2014, weather-related production downtime at our Belpre, Ohio, facility and an operating disruption from a small fire at our Berre, France, facility, of which $9.9 million is recorded in cost of goods sold and $0.4 million is recorded in selling general and administrative expenses. In 2013, production downtime at our Belpre, Ohio facility, in preparation for the installation of natural gas boilers to replace the coal-burning boilers required by the MACT legislation, which is recorded in cost of goods sold. In 2012, storm related charges at our Belpre, Ohio, facility, which are recorded in cost of goods sold.
i) Startup costs related to the joint venture company, KFPC, which are recorded in selling, general and administrative expenses.
j) We had historically recorded these costs in selling, general and administrative expenses; however, beginning in the second quarter of 2013, a portion of these costs were recorded in cost of goods sold and research and development expenses. In 2014, $9.0 million, $0.9 million, and $0.6 million and in 2013, $7.1 million, $0.5 million and $0.3 million is recorded in selling, general and administrative, research and development expenses and cost of goods sold, respectively.
k) Loss on extinguishment of debt associated with the 2011 debt refinancing

Reconciliation of Gross Profit to Adjusted Gross Profit

($ millions)	FY 2011	FY 2012	FY 2013	FY 2014
Gross Profit	$316.2	$231.4	$225.8	$237.1
FIFO to ECRC	($66.3)	$30.5	$30.7	$9.3
Non-cash compensation expense	-	-	$0.4	$0.6
Restructuring and other charges	-	$1.0	$0.2	$0.6
Production downtime	-	$2.5	$3.5	$9.9
Impairment of spare parts inventory	-	-	-	$0.4
Property tax dispute	-	$5.7	-	-
Settlement gain	-	($6.8)	-	-
Adjusted Gross Profit	$249.9	$264.3	$260.6	$257.9
Sales Volume (Kilotons)	303.0	313.4	313.5	305.6
Adjusted Gross Profit per ton	$825	$843	$831	$844

Legal Disclaimer

Kraton Performance Polymers, Inc. believes the information set forth herein with respect to its products to be true and accurate, but any recommendations, presentations, statements or suggestions that may be made with respect to Kraton's products are without any warranty or guarantee whatsoever, and shall establish no legal duty on the part of any Kraton Polymers affiliated entity. **The legal responsibilities of any Kraton Polymers affiliate with respect to the products described herein are limited to those set forth in Kraton's conditions of sale or any effective sales contract. Kraton does not warrant that the products described herein are suitable for any particular uses, including, without limitation, cosmetics and/or medical uses. Persons using the products must rely on their own independent technical and legal judgment, and must conduct their own studies, registrations, and other related activities, to establish the safety and efficacy of their end products incorporating any Kraton products for any application.** Nothing set forth herein shall be construed as a recommendation to use any Kraton product in any specific application or in conflict with any existing patent rights. Kraton reserves the right to withdraw any product from commercial availability and to make any changes to any existing commercial or developmental polymer. **Kraton expressly disclaims, on behalf of all Kraton affiliates, any and all liability for any damages or injuries arising out of any activities relating to the use of any information set forth in this publication with respect to Kraton products, or the use of any Kraton products.**

Kraton maintains a Cosmetics, Drugs and Medical Device Policy that restricts the use of Kraton's products in certain end use applications without Kraton's prior written consent. Accordingly, Kraton does not guarantee that Kraton's products will be available for use in all potential end use applications. Kraton's Cosmetics, Drugs and Medical Device Policy is available on Kraton's website at www.kraton.com.

Kraton Performance Polymers, Inc.

Credit Suisse Basic Materials Conference

September 17, 2015