

AXIALL CORP/DE/
Form 10-Q
August 07, 2015

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended June 30, 2015

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____
Commission File Number 1-9753

AXIALL CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

1000 Abernathy Road; Suite 1200, Atlanta, Georgia

(Address of principal executive offices)

58-1563799

(I.R.S. Employer Identification No.)

30328

(Zip Code)

(770) 395-4500

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, non-accelerated filer, or a smaller reporting company. See definition of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

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Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

| Class | Outstanding as of August 5, 2015 |
|--------------------------------|---|
| Common Stock, \$0.01 par value | 70,572,027 |

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FORM 10-Q
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Table of Contents**PART I. FINANCIAL INFORMATION.****Item 1. FINANCIAL STATEMENTS.**

AXIALL CORPORATION
Condensed Consolidated Balance Sheets
(Unaudited)

| <i>(In millions, except share data)</i> | June 30, 2015 | December 31, 2014 |
|--|--------------------------|------------------------------|
| Assets: | | |
| Cash and cash equivalents | \$ 131.4 | \$ 166.8 |
| Receivables, net of allowance for doubtful accounts of \$6.7 million at June 30, 2015 and \$5.6 million at December 31, 2014 | 542.5 | 467.0 |
| Inventories | 383.2 | 353.7 |
| Prepaid expenses and other | 39.2 | 89.7 |
| Deferred income taxes | 32.0 | 28.0 |
| | | |
| Total current assets | 1,128.3 | 1,105.2 |
| Property, plant and equipment, net | 1,641.4 | 1,665.7 |
| Goodwill | 1,735.2 | 1,741.0 |
| Customer relationships, net | 992.6 | 1,024.5 |
| Other intangible assets, net | 65.8 | 68.1 |
| Other assets, net | 70.7 | 69.8 |
| | | |
| Total assets | \$ 5,634.0 | \$ 5,674.3 |
| | | |
| Liabilities and Equity: | | |
| Current portion of long-term debt | \$ 2.5 | \$ 2.8 |
| Accounts payable | 302.6 | 295.5 |
| Interest payable | 15.2 | 15.2 |
| Income taxes payable | 4.6 | 3.1 |
| Accrued compensation | 38.4 | 33.6 |
| Other accrued liabilities | 109.9 | 133.9 |
| | | |
| Total current liabilities | 473.2 | 484.1 |
| Long-term debt, excluding the current portion of long-term debt | 1,381.5 | 1,327.8 |
| Lease financing obligation | 88.2 | 94.2 |
| Deferred income taxes | 742.5 | 767.5 |
| Pensions and other post-retirement benefits | 242.4 | 250.5 |
| Other non-current liabilities | 151.6 | 161.2 |
| | | |
| Total liabilities | 3,079.4 | 3,085.3 |
| | | |
| Commitments and contingencies | | |
| | | |
| Equity: | | |
| Preferred stock \$0.01 par value; 75,000,000 shares authorized; no shares issued | - | - |
| Common stock \$0.01 par value; shares authorized: 200,000,000 at June 30, 2015 and December 31, 2014; issued and outstanding: 70,557,719 at June 30, 2015 and 70,196,116 at December 31, 2014 | 0.7 | 0.7 |

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| | | |
|--|-------------------|------------|
| Additional paid-in capital | 2,284.5 | 2,284.3 |
| Retained earnings | 257.0 | 269.8 |
| Accumulated other comprehensive loss, net of tax | (93.1) | (73.7) |
| Total Axiall stockholders' equity | 2,449.1 | 2,481.1 |
| Noncontrolling interest | 105.5 | 107.9 |
| Total equity | 2,554.6 | 2,589.0 |
| Total liabilities and equity | \$ 5,634.0 | \$ 5,674.3 |

See accompanying notes to unaudited condensed consolidated financial statements.

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AXIALL CORPORATION

Condensed Consolidated Statements of Operations

(Unaudited)

| <i>(In millions, except per share data)</i> | Three Months Ended June 30, | | Six Months Ended June 30, | |
|--|-----------------------------|------------|---------------------------|------------|
| | 2015 | 2014 | 2015 | 2014 |
| Net sales | \$ 1,058.4 | \$ 1,236.9 | \$ 2,006.0 | \$ 2,230.6 |
| Operating costs and expenses: | | | | |
| Cost of sales | 929.8 | 1,090.0 | 1,774.4 | 2,003.3 |
| Selling, general and administrative expenses | 81.2 | 79.0 | 162.5 | 152.6 |
| Transaction-related costs and other, net | 4.6 | 9.4 | 10.4 | 16.0 |
| Long-lived asset impairment charges, net | - | 0.1 | 0.3 | 0.7 |
| Total operating costs and expenses | 1,015.6 | 1,178.5 | 1,947.6 | 2,172.6 |
| Operating income | 42.8 | 58.4 | 58.4 | 58.0 |
| Interest expense, net | (19.5) | (19.1) | (38.3) | (37.4) |
| Debt refinancing costs | - | - | (3.2) | - |
| Foreign exchange gain (loss) | (0.3) | (0.3) | (0.5) | 0.1 |
| Consolidated income before income taxes | 23.0 | 39.0 | 16.4 | 20.7 |
| Provision for income taxes | 1.1 | 10.9 | 3.3 | 3.2 |
| Consolidated net income | 21.9 | 28.1 | 13.1 | 17.5 |
| Less: net income attributable to noncontrolling interest | 1.3 | 0.9 | 3.1 | 1.9 |
| Net income attributable to Axiall | \$ 20.6 | \$ 27.2 | \$ 10.0 | \$ 15.6 |
| Earnings per share attributable to Axiall: | | | | |
| Basic | \$ 0.29 | \$ 0.39 | \$ 0.14 | \$ 0.22 |
| Diluted | \$ 0.29 | \$ 0.38 | \$ 0.14 | \$ 0.22 |
| Weighted average common shares outstanding: | | | | |
| Basic | 70.4 | 70.0 | 70.3 | 70.0 |
| Diluted | 70.9 | 70.6 | 70.9 | 70.6 |
| Dividends per common share | \$ 0.16 | \$ 0.16 | \$ 0.32 | \$ 0.32 |

See accompanying notes to unaudited condensed consolidated financial statements.

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AXIALL CORPORATION

Condensed Consolidated Statements of Comprehensive Income (Loss)

(Unaudited)

| <i>(In millions)</i> | Three Months Ended June 30, | | Six Months Ended June 30, | |
|--|-----------------------------|---------|---------------------------|---------|
| | 2015 | 2014 | 2015 | 2014 |
| Consolidated net income | \$ 21.9 | \$ 28.1 | \$ 13.1 | \$ 17.5 |
| Less: net income attributable to noncontrolling interest | 1.3 | 0.9 | 3.1 | 1.9 |
| Net income attributable to Axiall | 20.6 | 27.2 | 10.0 | 15.6 |
| Other comprehensive income (loss): | | | | |
| Foreign currency translation adjustments | 11.5 | 22.5 | (23.5) | (1.9) |
| Derivative cash flow hedges | 2.0 | (0.3) | 11.1 | (0.6) |
| Pension and OPEB plan liability adjustments | (1.6) | (2.3) | (2.8) | (4.8) |
| Other comprehensive income (loss), before income taxes | 11.9 | 19.9 | (15.2) | (7.3) |
| Provision for (benefit from) income taxes related to other comprehensive income (loss) items | 1.8 | 7.7 | 1.2 | (2.6) |
| Other comprehensive income (loss), net of tax | 10.1 | 12.2 | (16.4) | (4.7) |
| Other comprehensive income (loss) attributable to noncontrolling interest, net of tax | 1.7 | 2.3 | 3.0 | (1.3) |
| Other comprehensive income (loss) attributable to Axiall, net of tax | 8.4 | 9.9 | (19.4) | (3.4) |
| Comprehensive income (loss), net of income taxes | 32.0 | 40.3 | (3.3) | 12.8 |
| Less: comprehensive income attributable to noncontrolling interest | 3.0 | 3.2 | 6.1 | 0.6 |
| Comprehensive income (loss) attributable to Axiall | \$ 29.0 | \$ 37.1 | \$ (9.4) | \$ 12.2 |

See accompanying notes to unaudited condensed consolidated financial statements.

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AXIALL CORPORATION

Condensed Consolidated Statements of Cash Flows

(Unaudited)

| <i>(In millions)</i> | Six Months Ended June 30, | |
|--|---------------------------|---------------|
| | 2015 | 2014 |
| Cash flows from operating activities: | | |
| Consolidated net income | \$ 13.1 | \$ 17.5 |
| Adjustments to reconcile consolidated net income to net cash provided by operating activities: | | |
| Depreciation | 89.8 | 86.8 |
| Amortization | 36.8 | 37.4 |
| Long-lived asset impairment charges, net | 0.3 | 0.7 |
| Other | 6.9 | 9.6 |
| Deferred income taxes | (30.0) | (24.8) |
| Change in operating assets and liabilities | (80.7) | (111.0) |
| Net cash provided by operating activities | 36.2 | 16.2 |
| Cash flows from investing activities: | | |
| Capital expenditures | (77.5) | (87.7) |
| Acquisitions, net of cash acquired | - | (5.8) |
| Proceeds from sale of assets and other | 9.0 | 1.7 |
| Net cash used in investing activities | (68.5) | (91.8) |
| Cash flows from financing activities: | | |
| Borrowings on ABL revolver | - | 148.9 |
| Repayments on ABL revolver | - | (135.2) |
| Issuance of long-term debt | 248.8 | - |
| Long-term debt payments | (196.1) | (1.7) |
| Deferred acquisition payments | (10.0) | - |
| Lease financing obligation payment | - | (2.3) |
| Fees paid relating to financing activities | (3.5) | (0.6) |
| Dividends paid | (23.1) | (22.6) |
| Distribution to noncontrolling interest | (8.4) | (7.7) |
| Share-based compensation plan activity | (6.2) | (4.7) |
| Net cash provided by (used in) financing activities | 1.5 | (25.9) |
| Effect of exchange rate changes on cash and cash equivalents | (4.6) | (2.3) |
| Net change in cash and cash equivalents | (35.4) | (103.8) |
| Cash and cash equivalents at beginning of period | 166.8 | 166.5 |
| Cash and cash equivalents at end of period | \$ 131.4 | \$ 62.7 |

See accompanying notes to unaudited condensed consolidated financial statements.

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AXIALL CORPORATION
Notes to Unaudited Condensed Consolidated Financial Statements

1. BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. The accompanying unaudited condensed consolidated financial statements reflect all adjustments that, in the opinion of management, are necessary to present fairly the financial position, results of operations and cash flows for the interim periods reported. Such adjustments are of a normal, recurring nature.

Our financial condition as of, and our operating results for, the three and six month periods ended June 30, 2015 are not necessarily indicative of the financial condition and results that may be expected for the full year ending December 31, 2015 or any other interim period. Certain prior period amounts have been reclassified to conform to the current period's presentation. These reclassifications are of a normal recurring nature and did not impact the Company's operating income or consolidated net income.

The accompanying unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes to the audited consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2014 (the "2014 Annual Report"). There has been no material change in the significant accounting policies followed by us during the three and six month periods ended June 30, 2015 from those disclosed in the 2014 Annual Report. Unless the context otherwise requires, references to "Axiall," the "Company," "we," "our" or "us," means Axiall Corporation and its consolidated subsidiaries.

2. NEW ACCOUNTING PRONOUNCEMENTS

In July 2015, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU" or "Update") 2015-11 *Inventory (Topic 330)*. The amendments in this update apply to entities that measure inventory using the first-in, first-out or average cost methods. Under this guidance, such entities are required to measure inventory at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the reasonably predictable costs of completion, disposal and transportation. Subsequent measurement is unchanged for inventory valued using the last-in, first-out and the retail inventory methods. The amendments in this Update are effective for annual periods, including interim periods, beginning after December 15, 2016, and early adoption is permitted. We are evaluating the amendments in this Update and have not yet determined the impact on our condensed consolidated financial statements.

In April 2015, the FASB issued ASU 2015-05 *Intangibles-Goodwill and Other-Internal-Use Software (Subtopic 350-40)*. The amendments in this Update provide explicit guidance to companies about fees paid in cloud-based computing arrangements for various hosting services. Previous GAAP guidance did not include such explicit direction. Specifically, the Update stipulates that if a cloud-based computing arrangement includes a software license, the company should account for the software license element of the arrangement consistent with the acquisition of other software licenses. If a cloud-based computing arrangement does not include a software license, the company should account for the arrangement as a service contract. The guidance does not change the accounting treatment for service contracts. However, all software licenses within the scope of this Update should be accounted for

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consistent with other licenses of intangible assets. The amendments in this Update are effective for annual periods, including interim periods, beginning after December 15, 2015, and early adoption is permitted. We are evaluating the amendments in this Update and have not yet determined the impact on our condensed consolidated financial statements.

In April 2015, the FASB issued ASU 2015-03 *Interest-Imputation of Interest (Subtopic 835-30)*. The amendments in this Update simplifies the presentation of debt issuance costs by requiring debt issuance costs related to a recognized debt liability to be presented on the balance sheet as a direct deduction from the carrying amount of the related debt liability, similar to the accounting treatment for debt discounts. Previous GAAP guidance was different from International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board, which requires transactions to be deducted from the carrying value of the financial liability and not recorded as a separate asset, and conflicted with other FASB standards, specifically FASB Concept Statement 6. The recognition and measurement guidance for debt issuance costs are not affected by the amendments in this Update. The amendments in this Update are effective for financial statements issued for fiscal years beginning after December 15, 2015, and early adoption is permitted. We are evaluating the amendments in this Update and do not expect a material impact to the presentation of our condensed consolidated financial statements.

In February 2015, the FASB issued ASU 2015-02 *Consolidation (Topic 810)-Amendments to the Consolidation Analysis* to assist companies in evaluating whether certain legal entities should be consolidated. The ASU stipulates that all legal entities are subject to reevaluation under the revised consolidation model in the guidance. This Update reduces the number of consolidation models, simplifies the FASB Accounting Standards Codification and improves current GAAP by placing more emphasis on risk of loss when determining a controlling financial interest. A reporting organization may no longer have to consolidate a legal entity under certain circumstances based solely on its fee arrangement when certain criteria are met. This reduces the frequency of the application of related-party guidance when determining a controlling financial interest in a variable interest entity ("VIE"). The Update changes the consolidation conclusions for public and private companies in several industries that typically make use of limited partnerships or VIEs. The amendments in this Update are effective for annual periods, including interim periods, beginning after December 15, 2015. We are evaluating the amendments in this Update and have not yet determined the impact on our condensed consolidated financial statements.

In June 2014, FASB issued ASU 2014-12 *Compensation-Stock Compensation (Topic 718)*. Under this Update *Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved after the Requisite Service Period* (a consensus of the FASB Emerging Issues Task Force), a performance target that affects vesting, and that could be achieved after the requisite service period, would be treated as a performance condition. GAAP did not address these issues. The Update states that a reporting entity should apply existing guidance in Topic 718 to account for awards with performance conditions that affect the vesting of such awards. As such, the performance target should not be reflected in estimating the grant-date fair value of the award. Compensation cost should be recognized in the period in which it becomes probable that the performance target will be achieved and should represent the compensation cost attributable to the periods for which the requisite service has already been rendered. If the performance target becomes probable of being achieved before the end of the requisite service period, the remaining unrecognized compensation cost should be recognized prospectively over the remaining requisite service period. The total amount of compensation cost recognized during and after the requisite service period should reflect the number of awards that are expected to vest and should be adjusted to reflect those awards that ultimately vest. The requisite service period ends when the employee can cease rendering service and still be eligible to vest in the award if the performance target is achieved. The stated vesting period (which includes the period in which the performance target could be achieved) may differ from the requisite service period. The

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amendments in this Update are effective for annual reporting periods beginning after December 15, 2015. Earlier adoption is permitted. We are evaluating the amendments in this Update and have not yet determined the impact on our condensed consolidated financial statements.

In May 2014, the FASB issued ASU 2014-09 *Revenue from Contracts with Customers*. The Update outlines a single, comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance issued by the FASB, including industry specific guidance. The Update provides accounting guidance for all revenue arising from contracts with customers and affects all entities that enter into contracts with customers to provide goods and services. The guidance also provides a model for the measurement and recognition of gains and losses on the sale of certain nonfinancial assets, such as property and equipment, including real estate. On July 9, 2015, the FASB voted to approve a one year deferral of the effective date of this ASU. As a result, the Company expects that it will apply the new revenue standard to annual and interim reporting periods beginning after December 15, 2017. The new standard must be adopted using either a full retrospective approach for all periods presented in the period of adoption or a modified retrospective approach. The modified retrospective approach requires that the new standard be applied to all new and existing contracts as of the date of adoption, with a cumulative catch-up adjustment recorded to the opening balance of retained earnings at the effective date for existing contracts that still require performance by the entity. Under the modified retrospective approach, amounts reported prior to the date of adoption will be presented under existing guidance. The Update also requires entities to disclose both quantitative and qualitative information to enable users of the financial statements to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. We have not yet determined the impact of adopting the standard on our condensed consolidated financial statements, nor have we determined whether we will utilize the full retrospective or modified retrospective approach.

3. INVENTORIES

As of June 30, 2015 and December 31, 2014, the major classes of inventories were as follows:

| <i>(In millions)</i> | June 30, 2015 | December 31, 2014 |
|----------------------|--------------------------|------------------------------|
| Raw materials | \$ 137.7 | \$ 125.8 |
| Work-in-progress | 5.3 | 4.8 |
| Finished goods | 240.2 | 223.1 |
| Inventories | \$ 383.2 | \$ 353.7 |

Table of Contents**4. PROPERTY, PLANT AND EQUIPMENT, NET**

As of June 30, 2015 and December 31, 2014, property, plant and equipment consisted of the following:

| <i>(In millions)</i> | June 30, 2015 | December 31, 2014 |
|--|--------------------------|------------------------------|
| Chemical manufacturing plants | \$ 1,408.1 | \$ 1,398.5 |
| Machinery and equipment | 1,246.9 | 1,198.7 |
| Buildings | 197.3 | 202.8 |
| Land and land improvements | 178.2 | 185.7 |
| Construction-in-progress | 88.8 | 84.7 |
| Property, plant and equipment, at cost | 3,119.3 | 3,070.4 |
| Less: accumulated depreciation | 1,477.9 | 1,404.7 |
| Property, plant and equipment, net | \$ 1,641.4 | \$ 1,665.7 |

5. GOODWILL AND OTHER INTANGIBLE ASSETS

Our intangible assets consist of goodwill, customer relationships, supply contracts, technology and trade names. Goodwill is the excess of the cost of an acquired entity over the fair value of tangible and intangible assets (including, but not limited to, customer relationships, supply contracts, technology and trade names) acquired and liabilities assumed under acquisition accounting for business combinations.

Goodwill. As of June 30, 2015, we have two segments that contain reporting units with goodwill and intangible assets: our chlorovinyls segment includes goodwill in its chlor-alkali and derivatives and compound reporting units and our building products segment includes goodwill primarily in its siding reporting unit. The following table provides the detail of the changes made to goodwill during the six months ended June 30, 2015.

| <i>(In millions)</i> | Chlorovinyls | Building Products | Total |
|--|---------------------|------------------------------|-------------------|
| Gross goodwill at December 31, 2014 | \$ 1,790.8 | \$ 160.2 | \$ 1,951.0 |
| Accumulated impairment losses | (59.6) | (150.4) | (210.0) |
| Net goodwill at December 31, 2014 | \$ 1,731.2 | \$ 9.8 | \$ 1,741.0 |
| Gross goodwill at December 31, 2014 | \$ 1,790.8 | \$ 160.2 | \$ 1,951.0 |
| Foreign currency translation adjustment | (5.8) | - | (5.8) |
| Gross goodwill at June 30, 2015 | 1,785.0 | 160.2 | 1,945.2 |
| Accumulated impairment losses | (59.6) | (150.4) | (210.0) |
| Net goodwill at June 30, 2015 | \$ 1,725.4 | \$ 9.8 | \$ 1,735.2 |

Indefinite-lived intangible assets. As of June 30, 2015 and December 31, 2014, our indefinite-lived intangible assets consisted of certain trade names with a carrying value of \$5.9 million and \$6.0 million, respectively, net of cumulative translation adjustment.

Definite-lived intangible assets. As of June 30, 2015 and December 31, 2014, we had definite-lived intangible assets related to: (i) customer relationships, supply contracts, technology and trade names in our chlorovinyls segment; and (ii) customer relationships and technology in our

building products

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segment. The following table provides the definite-lived intangible assets, by reportable segment, as of June 30, 2015 and December 31, 2014.

| <i>(In millions)</i> | Chlorovinyls | | Building Products | | Total | |
|--|-------------------|----------------------|-------------------|----------------------|-------------------|----------------------|
| | June 30, 2015 | December 31, 2014 | June 30, 2015 | December 31, 2014 | June 30, 2015 | December 31, 2014 |
| Gross carrying amounts: | | | | | | |
| Customer relationships | \$ 1,142.3 | \$ 1,142.3 | \$ 32.2 | \$ 32.2 | \$ 1,174.5 | \$ 1,174.5 |
| Supply contracts | 42.6 | 42.6 | - | - | 42.6 | 42.6 |
| Technology | 14.9 | 14.9 | 17.4 | 17.4 | 32.3 | 32.3 |
| Trade names | 6.0 | 6.0 | - | - | 6.0 | 6.0 |
| Total | 1,205.8 | 1,205.8 | 49.6 | 49.6 | 1,255.4 | 1,255.4 |
| Accumulated impairment charges: | | | | | | |
| Customer relationships | (2.9) | (2.6) | - | - | (2.9) | (2.6) |
| Total | (2.9) | (2.6) | - | - | (2.9) | (2.6) |
| Accumulated amortization: | | | | | | |
| Customer relationships | (151.9) | (121.1) | (12.9) | (12.1) | (164.8) | (133.2) |
| Supply contracts | (5.1) | (4.1) | - | - | (5.1) | (4.1) |
| Technology | (1.6) | (1.3) | (13.4) | (12.7) | (15.0) | (14.0) |
| Trade names | (0.9) | (0.7) | - | - | (0.9) | (0.7) |
| Total | (159.5) | (127.2) | (26.3) | (24.8) | (185.8) | (152.0) |
| Foreign currency translation adjustment: | | | | | | |
| Customer relationships | (14.2) | (14.2) | - | - | (14.2) | (14.2) |
| Total | (14.2) | (14.2) | - | - | (14.2) | (14.2) |
| Net carrying amounts: | | | | | | |
| Customer relationships | 973.3 | 1,004.4 | 19.3 | 20.1 | 992.6 | 1,024.5 |
| Supply contracts | 37.5 | 38.5 | - | - | 37.5 | 38.5 |
| Technology | 13.3 | 13.6 | 4.0 | 4.7 | 17.3 | 18.3 |
| Trade names | 5.1 | 5.3 | - | - | 5.1 | 5.3 |
| Total | \$ 1,029.2 | \$ 1,061.8 | \$ 23.3 | \$ 24.8 | \$ 1,052.5 | \$ 1,086.6 |

The weighted average estimated useful lives remaining for customer relationships, supply contracts, technology and definite-lived trade names are approximately 16 years, 18 years, 16 years and 15 years, respectively, as of June 30, 2015. Amortization expense for the definite-lived intangible assets was \$16.7 million and \$16.8 million for the three months ended June 30, 2015 and 2014, respectively, and \$33.3 million and \$33.6 million for the six months ended June 30, 2015 and 2014, respectively. The estimated annual amortization expense for definite-lived intangible assets for the next five fiscal years is approximately \$66.4 million per year.

Valuation of Goodwill and Indefinite-Lived Intangible Assets. The carrying values of our goodwill and indefinite-lived intangible assets are tested for impairment annually in the fourth quarter, using a measurement date of October 1. In addition, we evaluate the carrying values of these assets for impairment between annual impairment tests if an event occurs or circumstances change that would indicate the carrying amounts may be impaired. Such events and indicators may include, without limitation, significant declines in the industries in which our products are used, significant changes in the estimated future cash flows of our reporting units, significant changes in capital market conditions and significant changes in our market capitalization. During the quarter ended June 30, 2015 we determined there were circumstances that required us to perform an interim impairment test in our reporting units that carry goodwill and indefinite-lived intangible assets. These factors include, but are

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not limited to the operating results during the six months ended June 30, 2015, the sustained deterioration of our industry market conditions and the resulting decline in our market capitalization.

Impairment testing for goodwill is a two-step test performed at the reporting unit level. The first step of the impairment analysis involves comparing the fair value of the reporting unit to its book value, including goodwill. If the fair value of the reporting unit exceeds the book value, goodwill is not considered impaired. If the book value exceeds the fair value, the second step of the impairment analysis is performed, in which we measure the amount of impairment. Our goodwill evaluations utilize discounted cash flow analyses and market multiple analyses in estimating fair value. The weighting of the discounted cash flow and market approaches vary by each reporting unit based on factors specific to each reporting unit. Inherent in our fair value determinations are certain judgments and estimates relating to future cash flows, including our interpretation of current economic indicators and market conditions, overall economic conditions and our strategic operational plans with regard to our business units. In addition, to the extent significant changes occur in market conditions, overall economic conditions or our strategic operational plan, it is possible that goodwill not currently impaired, may become impaired in the future. Based on our analysis, the estimated fair values of our compound and siding, reporting units exceeded the carrying values in each respective unit by more than 10 percent. The estimated fair value of our chlor-alkali and derivatives unit exceeded its carrying value at an amount that was less than 10 percent. Management does not believe the reporting unit is impaired and has not recorded an impairment charge. Management will continue to monitor the reporting unit for any future indicators of impairment.

6. OTHER ASSETS, NET

As of June 30, 2015 and December 31, 2014, other assets, net of accumulated amortization, consisted of the following:

| <i>(In millions)</i> | June 30, 2015 | December 31, 2014 |
|--|--------------------------|------------------------------|
| Deferred financing costs, net | \$ 24.3 | \$ 26.2 |
| Deferred income taxes | 21.1 | 21.1 |
| Advances to and investments in joint ventures, net | 18.6 | 14.7 |
| Other | 6.7 | 7.8 |
| Total other assets, net | \$ 70.7 | \$ 69.8 |

7. LONG-TERM DEBT AND LEASE FINANCING OBLIGATION

As of June 30, 2015 and December 31, 2014, our long-term debt consisted of the following:

| <i>(In millions)</i> | Maturity Date | June 30, 2015 | December 31, 2014 |
|--|----------------------|--------------------------|------------------------------|
| 4.625 Notes | February 15, 2021 | \$ 688.0 | \$ 688.0 |
| 4.875 Notes | May 15, 2023 | 450.0 | 450.0 |
| Term Loan (net of debt issuance costs totaling \$1.8 million at December 31, 2014) | January 28, 2017 | - | 192.6 |
| Term Loan (net of debt issuance costs and discounts totaling \$2.8 million at June 30, 2015) | February 27, 2022 | 246.0 | - |
| ABL Revolver | December 17, 2019 | - | - |
| Total debt | | 1,384.0 | 1,330.6 |
| Less: current portion of long-term debt | | (2.5) | (2.8) |
| Long-term debt, net | | \$ 1,381.5 | \$ 1,327.8 |

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4.625 Notes

Axiall Corporation and certain of its subsidiaries guarantee \$688.0 million in aggregate principal amount of senior unsecured notes due 2021 bearing interest at a rate of 4.625 percent per annum (the "4.625 Notes") that were issued by Eagle Spinco Inc. ("Spinco"). Interest payments on the 4.625 Notes commenced on August 15, 2013 and interest is payable semi-annually in arrears on February 15 and August 15 of each year. The 4.625 Notes are fully and unconditionally guaranteed, jointly and severally, on a senior unsecured basis by Axiall Corporation and by its existing and future domestic subsidiaries, other than certain excluded subsidiaries.

4.875 Notes

On February 1, 2013, Axiall Corporation issued \$450.0 million in aggregate principal amount of senior unsecured notes due 2023 which bear interest at a rate of 4.875 percent per annum (the "4.875 Notes"). Interest payments on the 4.875 Notes commenced on May 15, 2013 and interest is payable semi-annually in arrears on May 15 and November 15 of each year. The 4.875 Notes are fully and unconditionally guaranteed, jointly and severally, on a senior unsecured basis by each of our existing and future domestic subsidiaries, other than certain excluded subsidiaries.

Term Loan

On February 27, 2015, Axiall Holdco, Inc., a wholly-owned subsidiary of the Company ("Axiall Holdco"), entered into a credit agreement with a syndicate of financial institutions (the "Term Loan Agreement") for a new \$250 million term loan facility (the "New Term Loan Facility") to refinance the principal amount outstanding under the Company's existing term loan facility, to pay related fees and expenses, and for general corporate purposes. Obligations under the New Term Loan Facility are fully and unconditionally guaranteed, on a senior secured basis, by the Company and by each of the Company's existing and future wholly-owned domestic subsidiaries, other than certain excluded subsidiaries. The obligations under the New Term Loan Facility are secured by substantially all of the assets of Axiall Holdco, Axiall Corporation and the subsidiary guarantors.

The New Term Loan Facility contains an accordion feature that permits Axiall Holdco, subject to certain conditions and to obtaining lender commitments, to incur additional term loans under the New Term Loan Facility in an amount up to the greater of: (i) \$250 million; and (ii) an amount that would not result in the Company's consolidated secured debt ratio being greater than 2.50 to 1.00.

At the election of Axiall Holdco, the New Term Loan Facility bears interest at a rate equal to: (i) the Base Rate (as defined in the Term Loan Agreement) plus 1.50 percent per annum; or (ii) LIBOR (as defined in the Term Loan Agreement) plus 3.25 percent per annum; provided that at no time will the Base Rate be deemed to be less than 2.00 percent per annum or LIBOR be deemed to be less than 0.75 percent per annum. As of June 30, 2015, outstanding borrowings under the Company's New Term Loan Facility had a stated interest rate of 4.00 percent per annum.

The Term Loan Agreement contains customary covenants (subject to exceptions), including certain restrictions on the Company and its subsidiaries to pay dividends.

ABL Revolver

The Company's second amended and restated asset based revolving credit facility (the "ABL Revolver"), which the Company entered into in December 2014, provides for a maximum of \$600.0 million of revolving credit, subject to applicable borrowing base limitations and certain other conditions. The credit agreement governing the ABL Revolver (the "ABL Credit Agreement") contains

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customary covenants, including certain restrictions on the Company and its subsidiaries to pay dividends and repurchase shares of Company stock. These covenants are subject to certain exceptions and qualifications. Under the ABL Revolver, dividend payments and repurchases of our common stock in an aggregate amount not to exceed \$150 million in any fiscal year may be made if both borrowing availability under the ABL Revolver would have exceeded \$75 million at all times during the thirty days immediately preceding any such restricted payment and our consolidated fixed charge coverage ratio (as defined in the ABL Revolver) is equal to or exceeds 1.00 to 1.00, each on a pro forma basis after giving effect to any such proposed restricted payment. In addition, under the ABL Revolver, additional cash dividend payments may be made if both borrowing availability under the ABL Revolver then exceeds \$100 million and our consolidated fixed charge coverage ratio (as defined in the ABL Revolver) is equal to or exceeds 1.10 to 1.00, each on a pro forma basis after giving effect to the proposed cash dividend payment.

As of June 30, 2015 and December 31, 2014, we had no outstanding balance under our ABL Revolver. Our availability under the ABL Revolver at June 30, 2015 was approximately \$489.4 million, net of outstanding letters of credit totaling \$82.0 million.

As of June 30, 2015, we were in compliance with the covenants under our ABL Credit Agreement, the Term Loan Agreement and the indentures governing the 4.625 Notes and the 4.875 Notes.

Lease Financing Obligation

As of June 30, 2015 and December 31, 2014, we had a lease financing obligation of \$88.2 million and \$94.2 million, respectively. The change from the December 31, 2014 balance is due to the change in the Canadian dollar exchange rate as of June 30, 2015. The lease financing obligation is the result of the sale and concurrent leaseback of certain land and buildings in Canada in 2007 for a term of ten years. In connection with this transaction, certain terms and conditions, including the requirement to execute a collateralized letter of credit in favor of the buyer-lessor, resulted in the transaction being recorded as a financing transaction rather than a sale for GAAP purposes. As a result, the land, building and related accounts continue to be recognized in the unaudited condensed consolidated balance sheets. The collateralized letter of credit expired on February 2, 2015 and is no longer required. We are not obligated to repay the lease financing obligation amount of \$88.2 million. Our obligation is for the future minimum lease payments under the terms of the related lease agreements. The future minimum lease payments under the terms of the related lease agreements as of June 30, 2015 are \$2.6 million in 2015, \$5.1 million in 2016, and \$1.3 million in 2017, the final year of the lease agreements. The change in the future minimum lease payments from such amounts disclosed as of December 31, 2014 is due to current period payments and the change in the Canadian dollar exchange rate as of June 30, 2015.

8. FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments consist primarily of cash and cash equivalents, accounts receivable, accounts payable, accrued expenses and long-term debt. The carrying amounts of cash and cash equivalents, accounts receivable, accounts payable and accrued expenses approximate their fair values because of the nature of such instruments. The fair values of our outstanding notes, as shown in the table below, are based on quoted market values. The fair value of our New Term Loan Facility is based on present rates for indebtedness with similar amounts, durations and credit risk. Our commodity purchase contracts are fair valued with Level 2 inputs based on quoted market values for similar but not identical financial instruments. When computed for the purposes of impairment testing, the fair values of our goodwill and other acquired intangible assets are determined using Level 3 inputs. For further details concerning the fair value of goodwill and other intangible assets, see Note 5 of the notes to the unaudited condensed consolidated financial statements.

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The FASB ASC 820-10 establishes a fair value hierarchy that prioritizes observable and unobservable inputs to valuation techniques used to measure fair value. These levels, in order of highest to lowest priority are described below:

- Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities at the measurement date.
 Level 2 Observable prices that are based on inputs not quoted on active markets, but corroborated by market data.
 Level 3 Prices that are unobservable for the asset or liability and are developed based on the best information available under the circumstances, which might include the Company's own data.

The following is a summary of the carrying amounts and estimated fair values of our long-term debt as of June 30, 2015 and December 31, 2014:

| <i>(In millions)</i> | June 30, 2015 | | December 31, 2014 | |
|--|----------------|------------|-------------------|------------|
| | Carrying Value | Fair Value | Carrying Value | Fair Value |
| Level 1: | | | | |
| <i>Long-term debt:</i> | | | | |
| 4.625 Notes | \$ 688.0 | \$ 675.1 | \$ 688.0 | \$ 651.9 |
| 4.875 Notes | \$ 450.0 | \$ 436.8 | \$ 450.0 | \$ 426.7 |
| Level 2: | | | | |
| <i>Long-term debt:</i> | | | | |
| Term Loan (net of debt issuance costs totaling \$1.8 million at December 31, 2014) | \$ - | \$ - | \$ 192.6 | \$ 194.4 |
| Term Loan (net of debt issuance costs and discounts totaling \$2.8 million at June 30, 2015) | \$ 246.0 | \$ 250.9 | \$ - | \$ - |
| <i>Derivative instruments:</i> | | | | |
| Commodity purchase contracts | \$ (3.4) | \$ (3.4) | \$ (12.9) | \$ (12.9) |

Derivative Financial Instruments. The Company is directly and indirectly affected by changes in certain market conditions and market risks. When deemed appropriate, we use derivatives as a risk management tool to mitigate the potential impact of certain market risks. The primary market risks that may be managed by the Company through the use of derivative instruments are foreign currency exchange rate risk, commodity price risk and interest rate risk. As an integral part of our risk management program, we may manage our financial exposures to reduce the potentially adverse effect that the volatility of the commodity markets may have on our operating results. We do not engage in speculative transactions nor do we hold or issue financial instruments for trading purposes.

All derivative financial instruments are carried at fair value in our consolidated balance sheets. If the derivative financial instrument qualifies for hedge accounting treatment, changes in the fair value are either offset against the change in fair value of assets, liabilities or firm commitments through earnings or recognized in other comprehensive income (loss) until the hedged item is recognized in earnings.

We also enter into derivative financial instruments that are designed to hedge risks but are not designated as hedging instruments. Changes in the fair values of these non-designated hedging instruments are adjusted to fair values through earnings in our consolidated statements of operations.

We formally document hedging instruments and hedging transactions, as well as our risk management objective and strategy for undertaking hedged transactions. This process includes linking derivative financial instruments that are designated as cash flow hedges to specific assets or liabilities on the consolidated balance sheets or linking derivatives to forecasted transactions. We also formally assess,

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both at inception and on an ongoing basis, whether the derivative financial instruments used in hedging transactions are highly effective in offsetting changes in the fair values or cash flows of hedged transactions. When it is determined that a derivative is not highly effective or the derivative is expired, sold, terminated, exercised, discontinued, or otherwise settled because it is unlikely that a forecasted transaction will occur, we discontinue the use of hedge accounting for that specific hedge derivative financial instrument.

9. COMMITMENTS AND CONTINGENCIES

Legal Proceedings. We are involved in a number of contingencies incidental to the normal conduct of our business including lawsuits, claims and environmental contingencies. The outcome of these contingencies is inherently unpredictable. We believe that, in the aggregate, the outcome of all known contingencies including lawsuits, claims and environmental contingencies will not have a material adverse effect on our financial statements; however, specific outcomes with respect to such contingencies may be material to the financial statements of any particular period in which costs, if any, are recognized. Our assessment of the potential impact of environmental contingencies is subject to uncertainty due to the complex, ongoing and evolving process of investigation and remediation of such environmental contingencies, and the potential for technological and regulatory developments. In addition, the impact of evolving programs, such as natural resource damage claims, industrial site reuse initiatives and state remediation programs creates further uncertainty of the ultimate resolution of these environmental contingencies. We anticipate that the resolution of many contingencies, and in particular environmental contingencies, will occur over an extended period of time.

On December 20, 2013, a fire occurred at our PHH vinyl chloride monomer ("VCM") manufacturing plant in Lake Charles, Louisiana. As of June 30, 2015, approximately 2,615 individuals had filed lawsuits against the Company alleging personal injury or property damage related to the incident. We do not expect any other individuals to file lawsuits regarding this matter, as the prescribed deadline for doing so has expired. We have not recorded an accrual in connection with any of these lawsuits because, at this time, we are unable to reasonably determine whether any potential loss is probable or estimable. In addition, we currently are unable to provide a reasonable estimate of the potential loss or range of loss, if any, expected to result from this contingency. We are unable to make these determinations due to a number of variables, including without limitation, uncertainties related to: (i) the fact that no written or oral discovery has been conducted by the Company in any of these lawsuits; (ii) the procedural status and jurisdictions in which these lawsuits may be adjudicated; (iii) the parties' respective litigation strategies; (iv) the fact that none of the complaints have alleged specific injuries or a specific amount of damages; (v) any symptoms experienced by any of the plaintiffs, and whether there will be any reliable information, documentation or other discovery related thereto; (vi) the pre-and-post fire medical or physical condition of the plaintiffs, and whether there will be any reliable information, documentation or other discovery related thereto; and (vii) the location of any plaintiff at the time of the fire, and the duration of any exposure related thereto, and whether there will be any reliable information, documentation or other discovery related thereto.

Environmental Remediation. Our operations and assets are subject to extensive environmental, health and safety regulations, including laws and regulations related to air emissions, water discharges, waste disposal and remediation of contaminated sites, at both the national and local levels in the United States. We are also subject to similar laws and regulations in Canada and other jurisdictions in which we operate. The nature of the chemical and building products industries exposes us to risks of liability under these laws and regulations due to the production, storage, use, transportation and sale of materials that can cause contamination or personal injury, including, in the case of chemicals, potential releases into the environment. Environmental laws may have a significant effect on the costs of use, transportation and storage of raw materials and finished products, as well as the costs of the storage and disposal of wastes. We have incurred and will continue to incur substantial operating and capital

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costs to comply with environmental laws and regulations. In addition, we may incur substantial costs, including fines, damages, criminal or civil sanctions and remediation costs, or experience interruptions in our operations for violations arising under these laws and regulations.

As of June 30, 2015 and December 31, 2014, we had reserves for environmental contingencies totaling approximately \$48 million and \$54 million, respectively, of which approximately \$6 million and \$12 million, respectively, were classified as current liabilities. Our assessment of the potential impact of these environmental contingencies is subject to considerable uncertainty due to the complex, ongoing and evolving process of investigation and remediation, if necessary, of such environmental contingencies, and the potential for technological and regulatory developments.

Some of our significant environmental contingencies include the following matters:

We have entered into a Cooperative Agreement with the Louisiana Department of Environmental Quality ("LDEQ") and various other parties for the environmental remediation of a portion of the Bayou d'Inde area of the Calcasieu River Estuary in Lake Charles, Louisiana. Remedy implementation began in the fourth quarter of 2014 and is expected to be completed during 2016 with a period of monitoring for remedy effectiveness to follow remediation. As of June 30, 2015 and December 31, 2014, we have reserved approximately \$10 million and \$18 million, respectively, for the costs associated with this matter.

As of June 30, 2015 and December 31, 2014, we had reserved approximately \$15 million for environmental contingencies related to on-site remediation at the Lake Charles South Facility, principally for ongoing remediation of groundwater and soil in connection with our corrective action permit issued pursuant to the Hazardous and Solid Waste Amendments of the Resource Conservation and Recovery Act. The remedial activity is primarily related to the operation of a series of well water treatment systems across the Lake Charles South Facility. In addition, remediation of possible soil contamination will be conducted in certain areas. These remedial activities are expected to continue for an extended period of time.

As of June 30, 2015 and December 31, 2014, we had reserved approximately \$15 million for environmental contingencies related to remediation activities at our Natrium, West Virginia facility (the "Natrium Facility"). The remedial actions address National Pollutant Discharge Elimination System permit requirements related primarily to hexachlorocyclohexane, (commonly referred to as BHC) and mercury. We expect that these remedial actions will be in place for an extended period of time.

Environmental Laws and Regulations

Due to the nature of environmental laws, regulations and liabilities, it is possible that we may not have identified all potentially adverse conditions. Such conditions may not currently exist or be detectable through reasonable methods, or may not be estimable. For example, our Natrium Facility and Lake Charles South Facility have both been in operation for over 65 years. There may be significant latent liabilities or future claims arising from the operation of facilities of this age, and we may be required to incur material future remediation or other costs in connection with future actions or developments at these or other facilities.

We expect to be continually subjected to increasingly stringent environmental and health and safety laws and regulations, and that continued compliance will require increased capital expenditures and increased operating costs or may impose restrictions on our present or future operations. It is difficult to predict the future interpretation and development of these laws and regulations or their impact on our future earnings and operations. Any increase in these costs, or any material restrictions on our ability to operate or the manner in which we operate, could materially adversely affect our liquidity,

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financial condition and results of operations. However, estimated costs for future environmental compliance and remediation may be materially lower than actual costs, or we may not be able to quantify potential costs in advance. Actual costs related to any environmental compliance in excess of estimated costs could have a material adverse effect on our financial condition in one or more future periods.

Heightened interest in environmental regulation, such as climate change issues, has the potential to materially impact our costs and present and future operations. We, and other chemical companies, are currently required to file certain governmental reports relating to greenhouse gas ("GHG") emissions. The U.S. Government has considered, and may in the future implement, restrictions or other controls on GHG emissions, any of which could require us to incur significant capital expenditures or further restrict our present or future operations.

In addition to GHG regulations, the United States Environmental Protection Agency (the "EPA") has recently taken certain actions to limit or control certain pollutants created by companies such as ours. For example:

In January 2013, the EPA issued Clean Air Act emission standards for boilers and incinerators (the "Boiler MACT regulations"), which are aimed at controlling emissions of toxic air contaminants at covered facilities. The coal fired power plant at our Natrium Facility is our source most significantly impacted by the Boiler MACT regulations. Pursuant to these regulations, we must satisfy certain requirements by January 2016, and other requirements by March 2016. We expect to achieve compliance with all of these requirements by these deadlines.

In April 2012, the EPA issued final regulations to update emissions limits for polyvinyl chloride ("PVC") and copolymer production (the "PVC MACT regulation"). The PVC MACT regulation sets standards for major sources of PVC production and establishes certain working practices, as well as monitoring, reporting and record-keeping requirements. We have complied with certain requirements of the PVC MACT regulation by the April 2015 deadline. Due to extensions we received from the relevant governmental agencies, we have until April 2016 to come into compliance with other requirements of the PVC MACT regulation, and we expect to achieve compliance with those requirements by that deadline. Following the issuance of the PVC MACT regulation, legal challenges were filed by the vinyl industry's trade organization, several vinyl manufacturers and several environmental groups, which will likely impact provisions of the PVC MACT regulation. However, there could be significant changes from the currently existing PVC MACT regulation after all legal challenges have been exhausted, which could require us to incur further capital expenditures, or increase our operating costs, to levels significantly higher than what we have previously estimated.

In March 2011, the EPA proposed amendments to the emission standards for hazardous air pollutants for mercury emissions from mercury cell chlor-alkali plants. These proposed amendments would require improvements in work practices to reduce fugitive mercury emissions and would result in reduced levels of mercury emissions while still allowing the mercury cell facilities to continue to operate. We operate a mercury cell production unit at our Natrium Facility. No assurances as to the timing or content of the final regulation, or its ultimate cost to, or impact on us, can be provided.

The potential impact of these and/or unrelated future, legislative or regulatory actions on our current or future operations cannot be predicted at this time but could be significant. Such impacts could include the potential for significant compliance costs, including capital expenditures, could result in operating restrictions or could require us to incur significant legal or other costs related to compliance or other activities. Any increase in the costs related to these initiatives, or restrictions on our operations, could materially adversely affect our liquidity, financial condition or results of operations.

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Environmental Remediation: Reasonably Possible Matters. Our assessment of the potential impact of environmental contingencies is subject to considerable uncertainty due to the complex, ongoing and evolving process of investigation and remediation, if necessary, of such environmental contingencies, and the potential for technological and regulatory developments. As such, in addition to the amounts currently reserved, we may be subject to reasonably possible loss contingencies related to environmental matters in the range of \$52 million to \$89 million. Initial remedial actions are occurring with respect to these matters at two plant sites: the Lake Charles South Facility and the Natrium Facility.

10. EMPLOYEE RETIREMENT PLANS*Defined Benefit Pension and OPEB Welfare Plans*

The Company sponsors and/or contributes to pension plans ("Pension Plans") and other post-retirement benefit ("OPEB") plans covering many of our United States employees, in whole or in part based on meeting certain eligibility criteria. In addition, the Company and its subsidiaries have various pension plans and other forms of post-retirement arrangements outside the United States, namely in Canada and Taiwan.

The Pension Plans provide benefits to certain employees and retirees and are closed to new hires. Effective January 31, 2014, amendments to the Pension Plans for United States non-bargained employees froze all future benefit accruals for non-bargained employees who were not already frozen. The financial impact of these amendments to the Pension Plans was recognized in the fourth quarter of 2013.

The OPEB plans are unfunded and provide medical and life insurance benefits for certain employees and their dependents. The OPEB plans require retiree contributions based on retiree-selected coverage levels for certain retirees and their dependents and provide for the sharing of future benefit cost increases between the Company and participants.

Modifications to the OPEB plans were made with respect to certain participants, to deliver retiree medical benefits through health reimbursement account contributions. For the impacted participants, these retiree medical changes became effective on January 1, 2014 for Medicare eligible retirees and January 1, 2015 for non-Medicare eligible retirees. In addition, life insurance benefits for non-bargained future retirees were eliminated effective January 1, 2014.

Components of net periodic benefit income for the three months ended June 30, 2015 and 2014 includes the following:

| <i>(In millions)</i> | Pensions | | OPEB Benefits | |
|---|--|-------------|------------------------------------|-------------|
| | Three Months Ended June 30, | | Three Months Ended June 30, | |
| | 2015 | 2014 | 2015 | 2014 |
| Components of net periodic benefit income: | | | | |
| Interest cost | \$ (7.7) | \$ (7.9) | \$ (1.1) | \$ (1.1) |
| Service cost | (1.1) | (0.9) | (0.2) | (0.2) |
| Expected return on assets | 11.4 | 11.8 | - | - |
| Amortization of: | | | | |
| Prior service credit | - | - | 2.3 | 2.2 |
| Actuarial gain (loss) | (0.7) | 0.1 | - | - |
| Total net periodic benefit income | \$ 1.9 | \$ 3.1 | \$ 1.0 | \$ 0.9 |

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Components of net periodic benefit income for the six months ended June 30, 2015 and 2014 includes the following:

| <i>(In millions)</i> | Pensions | | OPEB Benefits | |
|---|-------------------------|-------------|-------------------------|-------------|
| | Six Months Ended | | Six Months Ended | |
| | June 30, | | June 30, | |
| | 2015 | 2014 | 2015 | 2014 |
| Components of net periodic benefit income: | | | | |
| Interest cost | \$ (15.4) | \$ (15.8) | \$ (2.2) | \$ (2.2) |
| Service cost | (2.2) | (1.8) | (0.4) | (0.4) |
| Expected return on assets | 22.8 | 23.6 | - | - |
| Amortization of: | | | | |
| Prior service credit | - | - | 4.6 | 4.6 |
| Actuarial gain (loss) | (1.4) | 0.2 | - | - |
| Total net periodic benefit income | \$ 3.8 | \$ 6.2 | \$ 2.0 | \$ 2.0 |

Contributions

There were no significant contributions to the pension plan trusts during the three and six months ended June 30, 2015 and 2014. We estimate that we will make payments of approximately \$1.9 million for benefit payments and contributions related to our Pension Plans and \$8.9 million for benefit payments related to OPEB plans for the year ending December 31, 2015.

Defined Contribution Plans

Most of our employees are covered by defined contribution plans under which we make contributions to individual employee accounts. Our expense related to our defined contribution plans was approximately \$3.4 million and \$3.2 million for the three months ended June 30, 2015 and 2014, respectively, and \$7.3 million and \$7.5 million during the six months ended June 30, 2015 and 2014, respectively.

11. SHARE-BASED COMPENSATION

We have granted various types of share-based payment awards to participants in the form of time based restricted stock units ("RSUs"), performance-based restricted stock units ("PRSUs") and stock option grants. The key terms of our RSUs, PRSUs and our stock option grants, including all financial disclosures, are set forth in our 2014 Annual Report.

Time-based Restricted Stock Units and Performance-based Restricted Stock Units

In May 2015, we granted PRSUs to our executive officers, for which the number of shares ultimately earned depends on our Company's relative total shareholder return ("TSR"), as compared to a group of peer companies. The number of shares of our common stock to be awarded in connection with the vesting of those PRSUs ranges from 0 percent to 200 percent, with the percentage to be used in such vesting calculation based on the TSR performance metric. All of those PRSUs are expected to vest on the third anniversary of the grant date. Also, in May 2015, we granted PRSUs to certain of our executive officers, for which the vesting depends on the Company having a positive Adjusted EBITDA for the prescribed performance period. Those PRSUs are scheduled to vest in three equal installments on each of the first, second and third anniversaries of the grant date. In addition, in May 2015, we granted RSUs to certain of our executive officers and non-officer employees, the majority of which are

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scheduled to vest in three equal installments on each of the first, second and third anniversaries of the grant date, and for which there is no performance metric.

Share-based Compensation Expense

Information regarding our share-based compensation expense for the three and six month periods ended June 30, 2015 and 2014 are as follows:

| <i>(In millions)</i> | Three Months Ended | | | Six Months Ended | | |
|--|--------------------|------------------|--------|------------------|------|------|
| | 2015 | June 30, 2014 | 2015 | June 30, 2014 | 2015 | 2014 |
| Share-based compensation expense | \$ 3.8 | \$ 4.3 | \$ 7.7 | \$ 7.1 | | |
| Income tax provision related to share-based compensation expense | (1.1) | (1.5) | (2.4) | (2.5) | | |
| After tax share-based compensation expense | \$ 2.7 | \$ 2.8 | \$ 5.3 | \$ 4.6 | | |

12. ACCUMULATED OTHER COMPREHENSIVE LOSS AND OTHER COMPREHENSIVE INCOME (LOSS)*Accumulated Other Comprehensive Loss*

Accumulated other comprehensive loss includes: (i) foreign currency translation of assets and liabilities of foreign subsidiaries and the effects of exchange rate changes on intercompany balances of a long-term nature; (ii) unrealized gains or losses on derivative financial instruments designated as cash flow hedges; (iii) equity investee's other comprehensive income or loss items; and (iv) adjustments to pension and OPEB plan liabilities. Amounts recorded in accumulated other comprehensive loss, net of tax, as of June 30, 2015 and December 31, 2014, and changes within those periods are as follows:

| <i>(In millions)</i> | Foreign Currency Items | Derivative Cash Flow Hedges | Accrued Pension and OPEB Plan Liabilities | Accumulated Other Comprehensive Loss |
|--|------------------------------|-----------------------------------|--|---|
| Balance at January 1, 2015 | \$ (20.4) | \$ (8.3) | \$ (45.0) | \$ (73.7) |
| Other comprehensive income (loss) before reclassifications | (24.6) | 1.5 | 0.3 | (22.8) |
| Amounts reclassified from accumulated other comprehensive loss, net of tax | - | 5.4 | (2.0) | 3.4 |
| Net current period other comprehensive income (loss) | (24.6) | 6.9 | (1.7) | (19.4) |
| Balance at June 30, 2015 | \$ (45.0) | \$ (1.4) | \$ (46.7) | \$ (93.1) |

Other Comprehensive Income (Loss)

Other comprehensive income (loss) is derived from adjustments to reflect: (i) changes in foreign currency translation adjustments; (ii) the unrealized gains or losses on derivative financial instruments designated as cash flow hedges; (iii) changes in equity investee's other comprehensive income or loss;

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and (iv) adjustments to pension and OPEB plan liabilities. The components of other comprehensive income (loss) for the three and six month periods ended June 30, 2015 and 2014 are as follows:

| <i>(In millions)</i> | Three Months Ended | | Six Months Ended | |
|---|--------------------|----------------|------------------|-----------------|
| | June 30, | | June 30, | |
| | 2015 | 2014 | 2015 | 2014 |
| Change in foreign currency translation adjustment: | | | | |
| Foreign currency translation adjustments | \$ 11.5 | \$ 22.5 | \$ (23.5) | \$ (1.9) |
| Tax expense (benefit) | 1.7 | 8.7 | (1.9) | (0.6) |
| Foreign currency translation adjustments, net of tax | \$ 9.8 | \$ 13.8 | \$ (21.6) | \$ (1.3) |
| Change in derivative cash flow hedges: | | | | |
| Commodity hedge contracts | \$ 2.0 | \$ (0.1) | \$ 7.2 | \$ (0.1) |
| Equity interest in investee's other comprehensive income (loss) | - | (0.2) | 3.9 | (0.5) |
| Pre-tax amount | 2.0 | (0.3) | 11.1 | (0.6) |
| Tax expense (benefit) | 0.7 | (0.1) | 4.2 | (0.2) |
| Derivative cash flow hedges, net of tax | \$ 1.3 | \$ (0.2) | \$ 6.9 | \$ (0.4) |
| Change in pension and OPEB liability adjustments: | | | | |
| Amortization of actuarial gain (loss) and prior service credit | \$ (1.6) | \$ (2.3) | \$ (3.2) | \$ (4.8) |
| Other pension and OPEB plan adjustments | - | - | 0.4 | - |
| Pre-tax amount | (1.6) | (2.3) | (2.8) | (4.8) |
| Tax benefit | (0.6) | (0.9) | (1.1) | (1.8) |
| Pension and OPEB liability adjustments, net of tax | \$ (1.0) | \$ (1.4) | \$ (1.7) | \$ (3.0) |
| Other comprehensive income (loss), before income taxes | \$ 11.9 | \$ 19.9 | \$ (15.2) | \$ (7.3) |
| Tax expense (benefit) for the period | 1.8 | 7.7 | 1.2 | (2.6) |
| Other comprehensive income (loss), net of tax | \$ 10.1 | \$ 12.2 | \$ (16.4) | \$ (4.7) |

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The components of other comprehensive income (loss) that have been reclassified during the three and six month periods ended June 30, 2015 and 2014 are as follows:

| <i>(In millions)</i> | Three Months Ended June 30, | | Six Months Ended June 30, | | Affected Line Items on the Unaudited Condensed Consolidated Statements of Operations |
|--|--------------------------------|-----------------|------------------------------|-----------------|---|
| | 2015 | 2014 | 2015 | 2014 | |
| Details about other comprehensive loss components: | | | | | |
| Change in derivative cash flow hedges: | | | | | |
| Loss on derivative cash flow hedges | \$ (1.3) | \$ - | \$ (8.7) | \$ - | - Cost of sales |
| Tax benefit | (0.5) | - | (3.3) | - | - Provision for income taxes |
| Reclassifications for the period, net of tax | \$ (0.8) | \$ - | \$ (5.4) | \$ - | |
| | | | | | |
| Change in pension and OPEB liability adjustments: | | | | | |
| Amortization of actuarial gain (loss) and prior service credit | \$ (1.6) | \$ (2.3) | \$ (3.2) | \$ (4.8) | Cost of sales and selling, general and administrative expenses |
| Tax benefit | (0.6) | (0.9) | (1.2) | (1.8) | Provision for income taxes |
| Reclassifications for the period, net of tax | \$ (1.0) | \$ (1.4) | \$ (2.0) | \$ (3.0) | |

13. INCOME TAXES

Our effective income tax rates for the three and six months ended June 30, 2015 were 4.9 percent and 20.3 percent, respectively, compared to our effective income tax rates of 27.9 percent and 15.3 percent, respectively, for the three and six months ended June 30, 2014. The effective income tax rates were determined using the estimated annual effective tax rate after considering discrete income tax items for each respective period. The effective income tax rates for the three and six months ended June 30, 2015 were lower than the United States statutory federal income tax rate primarily due to various favorable permanent differences including deductions for depletion and manufacturing activities. The effective income tax rates for the three and six months ended June 30, 2014 were lower than the United States statutory federal income tax rate primarily due to various permanent differences including deductions for manufacturing activities and the cumulative \$3.5 million favorable impact of changes in uncertain tax positions.

14. INVESTMENTS

We own a 50 percent interest in several manufacturing joint ventures in both our building products and chlorovinyls segments. In addition, we have a 50 percent ownership interest in RS Cogen, LLC ("RS Cogen"), which produces electricity and steam that are primarily sold to Axiall and its joint venture partner under take-or-pay contracts with terms that extend to 2022 and is reported in our chlorovinyls segment. The joint venture was formed with a wholly-owned subsidiary of Entergy Corporation ("Entergy") in 2000 for the construction and operation of a 425 megawatt combined cycle, natural gas-fired cogeneration facility in Lake Charles, Louisiana, the majority of which was financed by loans having terms that extend to 2022 from a syndicate of banks. Axiall's future commitment to purchase electricity and steam from the joint venture per the take-or-pay contracts approximates \$23.5 million per year subject to contractually defined inflation adjustments. As of June 30, 2015, our future commitment under the take-or-pay arrangement approximates \$173.6 million in the aggregate, with

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purchases during the three and six months ended June 30, 2015 totaling \$6.4 million and \$12.9 million, respectively, compared to purchases of \$6.2 million and \$12.4 million during the three and six months ended June 30, 2014, respectively.

RS Cogen is a variable interest entity under GAAP. The daily operations of the cogeneration facility are the activities of RS Cogen that most significantly impact its economic performance. These activities are directed by a management team with oversight by a management committee that has equal representation from Axiall and Entergy. By the terms of the joint venture agreement, all decisions of the management committee require approval by a majority of its members. Accordingly, the power to direct the activities of RS Cogen is equally shared between RS Cogen's two owners and, thus, Axiall does not consider itself to be the joint venture's primary beneficiary. Accordingly, Axiall accounts for its investment in RS Cogen under the equity method of accounting. We have recorded our investment in RS Cogen in other assets in the accompanying unaudited condensed consolidated balance sheets and our share of investee earnings in cost of goods sold in the unaudited condensed consolidated statements of operations.

The following table summarizes our maximum exposure to loss associated with RS Cogen as of June 30, 2015 and December 31, 2014.

| <i>(In millions)</i> | June 30, 2015 | December 31, 2014 |
|--|--------------------------|------------------------------|
| Investment in and net advances to RS Cogen | \$ 8.8 | \$ 4.6 |
| Supply contracts | 37.5 | 38.5 |
| Maximum exposure to loss | \$ 46.3 | \$ 43.1 |

We produce chlorine, caustic soda, hydrogen, hydrochloric acid ("HCL") and sodium hypochlorite (bleach) at our Kaohsiung, Taiwan facility. The Kaohsiung, Taiwan facility is operated by Taiwan Chlorine Industries, Ltd. ("TCI"), a joint venture in which we own a 60 percent interest and consolidate in our financial statements. A reconciliation of our minority partner's ownership, reported as noncontrolling interest follows:

| <i>(In millions)</i> | Six Months Ended June 30, | |
|---|--------------------------------------|-------------|
| | 2015 | 2014 |
| Noncontrolling interest beginning of period | \$ 107.9 | \$ 119.4 |
| Net income attributable to noncontrolling interest | 3.1 | 1.9 |
| Other comprehensive income (loss) attributable to noncontrolling interest | 3.0 | (1.3) |
| Distribution to noncontrolling interest | (8.4) | (7.7) |
| Other | (0.1) | - |
| Noncontrolling interest end of period | \$ 105.5 | \$ 112.3 |

15. SEGMENT INFORMATION

We have three reportable segments through which we manage our operating activities: (i) chlorovinyls; (ii) building products; and (iii) aromatics. These three segments reflect the organization used by our management for internal reporting purposes. Our chlorovinyls segment produces a highly integrated chain of products, including chlor-alkali and derivative products (chlorine, caustic soda, VCM, vinyl

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resins, ethylene dichloride (or 1, 2 dichloroethane) ("EDC"), chlorinated solvents, calcium hypochlorite, HCL and compound products (vinyl compounds, compound additives and plasticizers)). Our building products segment consists of two primary product groups: (i) window and door profiles and trim, mouldings and deck products; and (ii) outdoor building products, which includes siding, exterior accessories, pipe and pipe fittings. Our aromatics segment manufactures cumene products and phenol and acetone products (co-products made from cumene).

Earnings of our segments exclude interest income and expense, unallocated corporate expenses and general plant services and provision for (benefit from) income taxes. Transactions between operating segments are valued at market based prices. The revenues generated by these transfers and reconciliations from consolidated operating income to consolidated income before income taxes for the three and six month periods ended June 30, 2015 and 2014 are provided in the tables below.

| <i>(In millions)</i> | Chlorovinyls | Building Products | Aromatics | Eliminations, Unallocated and Other | Total |
|---|--------------|----------------------|-----------|---|------------|
| Three Months Ended June 30, 2015 | | | | | |
| Net sales | \$ 666.1 | \$ 250.3 | \$ 142.0 | \$ - | \$ 1,058.4 |
| Intersegment revenues | 61.1 | - | - | (61.1) | - |
| Total net sales | \$ 727.2 | 250.3 | 142.0 | (61.1) | \$ 1,058.4 |
| Operating income | \$ 37.8 | 22.6 | 0.4 | (18.0) | \$ 42.8 |
| Interest expense, net | | | | | (19.5) |
| Foreign exchange loss | | | | | (0.3) |
| Consolidated income before income taxes | | | | | \$ 23.0 |
| | | | | | |
| Three Months Ended June 30, 2014 | | | | | |
| Net sales | \$ 777.9 | \$ 243.8 | \$ 215.2 | \$ - | \$ 1,236.9 |
| Intersegment revenues | 67.8 | - | - | (67.8) | - |
| Total net sales | \$ 845.7 | 243.8 | 215.2 | (67.8) | \$ 1,236.9 |
| Operating income (loss) | \$ 66.6 | 14.2 | (7.4) | (15.0) | \$ 58.4 |
| Interest expense, net | | | | | (19.1) |
| Foreign exchange loss | | | | | (0.3) |
| Consolidated income before income taxes | | | | | \$ 39.0 |

Table of Contents**Six Months Ended June 30, 2015**

| <i>(In millions)</i> | | Chlorovinyls | Building Products | Aromatics | Eliminations, Unallocated and Other | Total |
|--|----|---------------------|------------------------------|------------------|--|--------------|
| Six Months Ended June 30, 2015 | | | | | | |
| Net sales | \$ | 1,314.5 | \$ 416.7 | \$ 274.8 | \$ - | \$ 2,006.0 |
| Intersegment revenues | | 117.2 | - | - | (117.2) | - |
| Total net sales | \$ | 1,431.7 | 416.7 | 274.8 | (117.2) | \$ 2,006.0 |
| Operating income | \$ | 81.6 | 12.3 | 0.7 | (36.2) | \$ 58.4 |
| Interest expense, net | | | | | | (38.3) |
| Debt refinancing costs | | | | | | (3.2) |
| Foreign exchange loss | | | | | | (0.5) |
| Consolidated income before income taxes | | | | | | \$ 16.4 |
| Six Months Ended June 30, 2014 | | | | | | |
| Net sales | \$ | 1,460.1 | \$ 398.5 | \$ 372.0 | \$ - | \$ 2,230.6 |
| Intersegment revenues | | 119.7 | - | - | (119.7) | - |
| Total net sales | \$ | 1,579.8 | 398.5 | 372.0 | (119.7) | \$ 2,230.6 |
| Operating income (loss) | \$ | 89.9 | 3.4 | (2.9) | (32.4) | \$ 58.0 |
| Interest expense, net | | | | | | (37.4) |
| Foreign exchange gain | | | | | | 0.1 |
| Consolidated income before income taxes | | | | | | \$ 20.7 |

16. GUARANTOR INFORMATION

Axiall Corporation is primarily a holding company for its 100-percent and majority owned subsidiaries. Payment obligations under the indentures for the 4.875 Notes issued by Axiall Corporation, the 4.625 Notes issued by Spinco and the Term Loan Credit Agreement under which Axiall Holdco is the borrower, as described in Note 7 of the notes to the unaudited condensed consolidated financial statements, are guaranteed by each of Axiall Corporation's 100-percent owned domestic subsidiaries (including Spinco in the case of the 4.875 Notes), other than certain excluded subsidiaries. Axiall Corporation is also a guarantor under the 4.625 Notes issued by Spinco, and the Term Loan Credit Agreement.

As of June 30, 2015, payment obligations under the indenture for the 4.875 Notes issued by Axiall Corporation are guaranteed by Axiall Noteco, Inc., Axiall Holdco, Inc., Axiall, LLC, Georgia Gulf Lake Charles, LLC, Royal Building Products (USA) Inc., Royal Window and Door Profiles Plant 13 Inc., Royal Window and Door Profiles Plant 14 Inc., Plastic Trends, Inc., Royal Group Sales (USA) Limited, Rome Delaware Corporation, Royal Plastics Group (U.S.A.) Limited, PHH Monomers, LLC, Eagle Holdco 3 LLC, Eagle US 2 LLC, Axiall Ohio, Inc., Eagle Natrium LLC, and Eagle Pipeline, Inc. (collectively, the "Guarantor Subsidiaries") and Spinco. As of June 30, 2015, payment obligations under the indenture for the 4.625 percent Notes issued by Spinco are guaranteed by Axiall Corporation and each of the Guarantor Subsidiaries. Royal Mouldings Limited and Exterior Portfolio, LLC, entities that previously were identified as Guarantor Subsidiaries, were merged into Royal Building Products

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(USA) Inc., another of the Guarantor Subsidiaries, during the quarter ended June 30, 2015, and Royal Building Products (USA) Inc. was the surviving entity in those mergers.

Each of Spinco and the Guarantor Subsidiaries is a direct or indirect 100-percent owned subsidiary of Axiall Corporation. The guarantees made by each of Axiall Corporation, Spinco and the other Guarantor Subsidiaries are full, unconditional and joint and several. Except as disclosed in Note 7 of the notes to the unaudited condensed consolidated financial statements, there are no restrictions on the ability of Axiall Corporation, Spinco or any other Guarantor Subsidiary to obtain funds from any of its direct or indirect 100-percent owned subsidiaries through dividends, loans or advances as a result of the issuance of the 4.625 Notes or the 4.875 Notes. Separate financial statements and other disclosures with respect to Spinco or the Guarantor Subsidiaries have not been provided as management believes the following information is sufficient. Investments in subsidiaries in the guarantor financial statements reflect investments in 100-percent owned entities within Axiall under the equity accounting method. This presentation of Spinco, the Guarantor Subsidiaries and the non-guarantor subsidiaries of Axiall Corporation (the "Non-Guarantor Subsidiaries") is not included to present the Company's financial condition, results of operations or cash flows for any purpose other than to comply with the specific requirements for subsidiary issuer and subsidiary guarantor reporting.

The following tables present the (i) guarantor condensed consolidating balance sheets as of June 30, 2015 and December 31, 2014, (ii) guarantor condensed consolidating statements of operations and comprehensive income (loss) for the three and six months ended June 30, 2015 and 2014, and (iii) guarantor condensed consolidating statements of cash flows for the six months ended June 30, 2015 and 2014, of each of Axiall Corporation (as parent issuer), Spinco (as subsidiary issuer), the Guarantor Subsidiaries (which excludes Spinco), the Guarantor Subsidiaries, including Spinco (which also includes entries necessary to eliminate Spinco's investment in such Guarantor Subsidiaries and other intercompany account balances) and the Non-Guarantor Subsidiaries.

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AXIALL CORPORATION
Guarantor Condensed Consolidating Balance Sheet
As of June 30, 2015
(Unaudited)

| <i>(In millions)</i> | Parent Company (a) | Eagle Spinco Inc. | Guarantor Subsidiaries Excluding Eagle Spinco Inc. | Guarantor Subsidiaries Including Eagle Spinco Inc. (b) | Non- Guarantor Subsidiaries (c) | Eliminations (d) | Consolidated (a)+(b)+(c)+(d) |
|---|--------------------------|----------------------|--|---|--|---------------------|---------------------------------|
| Assets: | | | | | | | |
| Cash and cash equivalents | \$ - | \$ - | \$ 81.1 | \$ 81.1 | \$ 50.3 | \$ - | \$ 131.4 |
| Receivables, net of allowance for doubtful accounts | 378.5 | - | 818.5 | 791.4 | 106.4 | (733.8) | 542.5 |
| Inventories | - | - | 277.5 | 277.5 | 105.7 | - | 383.2 |
| Prepaid expenses and other | 0.9 | - | 30.7 | 30.7 | 8.0 | (0.4) | 39.2 |
| Deferred income taxes | 3.1 | 0.6 | 28.9 | 28.9 | - | - | 32.0 |
| Total current assets | 382.5 | 0.6 | 1,236.7 | 1,209.6 | 270.4 | (734.2) | 1,128.3 |
| Property, plant and equipment, net | 11.5 | - | 1,366.8 | 1,366.8 | 263.1 | - | 1,641.4 |
| Long-term receivables affiliates | 900.0 | - | - | - | - | (900.0) | - |
| Goodwill | - | - | 1,493.7 | 1,493.7 | 241.5 | - | 1,735.2 |
| Customer relationships, net | - | - | 850.5 | 850.5 | 142.1 | - | 992.6 |
| Other intangible assets, net | - | - | 65.5 | 65.5 | 0.3 | - | 65.8 |
| Other assets, net | 16.3 | 10.5 | 39.0 | 49.4 | 5.0 | - | 70.7 |
| Investment in subsidiaries | 2,004.8 | 2,846.0 | 580.7 | 580.7 | - | (2,585.5) | - |
| Total assets | \$ 3,315.1 | \$ 2,857.1 | \$ 5,632.9 | \$ 5,616.2 | \$ 922.4 | \$ (4,219.7) | \$ 5,634.0 |
| Liabilities and Equity: | | | | | | | |
| Current portion of long-term debt | \$ - | \$ - | \$ 2.5 | \$ 2.5 | \$ - | \$ - | \$ 2.5 |
| Accounts payable | 349.3 | 405.6 | 253.8 | 632.2 | 54.9 | (733.8) | 302.6 |
| Interest payable | 3.1 | 12.1 | - | 12.1 | - | - | 15.2 |
| Income taxes payable | - | - | 3.3 | 3.3 | 1.7 | (0.4) | 4.6 |
| Accrued compensation | - | - | 27.9 | 27.9 | 10.5 | - | 38.4 |
| Other accrued liabilities | 15.1 | - | 62.5 | 62.5 | 32.3 | - | 109.9 |
| Total current liabilities | 367.5 | 417.7 | 350.0 | 740.5 | 99.4 | (734.2) | 473.2 |
| Long-term debt, excluding the current portion of long-term debt | 450.0 | 688.0 | 243.5 | 931.5 | - | - | 1,381.5 |
| Long-term payables affiliates | - | 900.0 | - | 900.0 | - | (900.0) | - |
| Lease financing obligation | - | - | - | - | 88.2 | - | 88.2 |
| Deferred income taxes | 16.2 | - | 690.7 | 690.1 | 36.2 | - | 742.5 |
| Pension and other post-retirement benefits | 4.1 | - | 228.1 | 228.1 | 10.2 | - | 242.4 |
| Other non-current liabilities | 28.2 | - | 121.8 | 121.8 | 9.8 | (8.2) | 151.6 |
| Total liabilities | 866.0 | 2,005.7 | 1,634.1 | 3,612.0 | 243.8 | (1,642.4) | 3,079.4 |
| Equity: | | | | | | | |
| Total Axiall stockholders' equity | 2,449.1 | 851.4 | 3,998.8 | 2,004.2 | 573.1 | (2,577.3) | 2,449.1 |
| Noncontrolling interest | - | - | - | - | 105.5 | - | 105.5 |
| Total equity | 2,449.1 | 851.4 | 3,998.8 | 2,004.2 | 678.6 | (2,577.3) | 2,554.6 |
| Total liabilities and equity | \$ 3,315.1 | \$ 2,857.1 | \$ 5,632.9 | \$ 5,616.2 | \$ 922.4 | \$ (4,219.7) | \$ 5,634.0 |

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AXIALL CORPORATION
Guarantor Condensed Consolidating Balance Sheet
As of December 31, 2014
(Unaudited)

| <i>(In millions)</i> | Parent Company (a) | Eagle Spinco Inc. | Guarantor Subsidiaries Excluding Eagle Spinco Inc. | Guarantor Subsidiaries Including Eagle Spinco Inc. (b) | Non- Guarantor Subsidiaries (c) | Eliminations (d) | Consolidated (a)+(b)+(c)+(d) |
|---|--------------------------|----------------------|--|---|--|---------------------|---------------------------------|
| Assets: | | | | | | | |
| Cash and cash equivalents | \$ - | \$ - | \$ 78.2 | \$ 78.2 | \$ 88.6 | \$ - | \$ 166.8 |
| Receivables, net of allowance for doubtful accounts | 162.8 | - | 509.7 | 493.9 | 71.4 | (261.1) | 467.0 |
| Inventories | - | - | 257.0 | 257.0 | 96.7 | - | 353.7 |
| Prepaid expenses and other | 0.1 | - | 83.0 | 83.0 | 6.6 | - | 89.7 |
| Deferred income taxes | 3.1 | - | 24.9 | 24.9 | - | - | 28.0 |
| Total current assets | 166.0 | - | 952.8 | 937.0 | 263.3 | (261.1) | 1,105.2 |
| Property, plant and equipment, net | 12.0 | - | 1,367.7 | 1,367.7 | 286.0 | - | 1,665.7 |
| Long-term receivables affiliates | 1,292.9 | - | - | - | - | (1,292.9) | - |
| Goodwill | - | - | 1,493.7 | 1,493.7 | 247.3 | - | 1,741.0 |
| Customer relationships, net | - | - | 877.9 | 877.9 | 146.6 | - | 1,024.5 |
| Other intangible assets, net | - | - | 67.8 | 67.8 | 0.3 | - | 68.1 |
| Other assets, net | 17.0 | 12.4 | 31.7 | 44.0 | 9.4 | (0.6) | 69.8 |
| Investment in subsidiaries | 1,682.7 | 2,831.2 | 290.5 | 290.5 | - | (1,973.2) | - |
| Total assets | \$ 3,170.6 | \$ 2,843.6 | \$ 5,082.1 | \$ 5,078.6 | \$ 952.9 | \$ (3,527.8) | \$ 5,674.3 |
| Liabilities and Equity: | | | | | | | |
| Current portion of long-term debt | \$ - | \$ 2.8 | \$ - | \$ 2.8 | \$ - | \$ - | \$ 2.8 |
| Accounts payable | 97.2 | 178.6 | 249.8 | 412.5 | 46.9 | (261.1) | 295.5 |
| Interest payable | 3.0 | 12.2 | - | 12.2 | - | - | 15.2 |
| Income taxes payable | - | - | 0.9 | 0.9 | 2.2 | - | 3.1 |
| Accrued compensation | - | - | 25.3 | 25.3 | 8.3 | - | 33.6 |
| Other accrued liabilities | 14.3 | - | 90.3 | 90.3 | 29.3 | - | 133.9 |
| Total current liabilities | 114.5 | 193.6 | 366.3 | 544.0 | 86.7 | (261.1) | 484.1 |
| Long-term debt, excluding the current portion of long-term debt | 450.0 | 877.8 | - | 877.8 | - | - | 1,327.8 |
| Long-term payables affiliates | - | 900.0 | - | 900.0 | 392.9 | (1,292.9) | - |
| Lease financing obligation | - | - | - | - | 94.2 | - | 94.2 |
| Deferred income taxes | 10.0 | - | 720.4 | 720.4 | 37.7 | (0.6) | 767.5 |
| Pension and other post-retirement benefits | 4.4 | - | 235.7 | 235.7 | 10.4 | - | 250.5 |
| Other non-current liabilities | 110.6 | - | 118.7 | 118.7 | 9.0 | (77.1) | 161.2 |
| Total liabilities | 689.5 | 1,971.4 | 1,441.1 | 3,396.6 | 630.9 | (1,631.7) | 3,085.3 |
| Equity: | | | | | | | |
| Total Axiall stockholders' equity | 2,481.1 | 872.2 | 3,641.0 | 1,682.0 | 214.1 | (1,896.1) | 2,481.1 |
| Noncontrolling interest | - | - | - | - | 107.9 | - | 107.9 |
| Total equity | 2,481.1 | 872.2 | 3,641.0 | 1,682.0 | 322.0 | (1,896.1) | 2,589.0 |
| Total liabilities and equity | \$ 3,170.6 | \$ 2,843.6 | \$ 5,082.1 | \$ 5,078.6 | \$ 952.9 | \$ (3,527.8) | \$ 5,674.3 |

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AXIALL CORPORATION
Guarantor Condensed Consolidating Statement of Operations and Comprehensive Income (Loss)
For the Three Months Ended June 30, 2015
(Unaudited)

| <i>(In millions)</i> | Parent Company (a) | Eagle Spinco Inc. | Guarantor Subsidiaries Excluding Eagle Spinco Inc. | Guarantor Subsidiaries Including Eagle Spinco Inc. (b) | Non- Guarantor Subsidiaries (c) | Eliminations (d) | Consolidated (a)+(b)+(c)+(d) |
|--|--------------------------|----------------------|--|---|--|---------------------|---------------------------------|
| Net sales | \$ - | \$ - | \$ 911.7 | \$ 911.7 | \$ 202.3 | \$ (55.6) | \$ 1,058.4 |
| Operating costs and expenses: | | | | | | | |
| Cost of sales | - | - | 822.9 | 822.9 | 162.5 | (55.6) | 929.8 |
| Selling, general and administrative expenses | 13.9 | - | 46.3 | 46.3 | 21.0 | - | 81.2 |
| Transaction-related costs and other, net | 2.5 | - | 2.1 | 2.1 | - | - | 4.6 |
| Total operating costs and expenses | 16.4 | - | 871.3 | 871.3 | 183.5 | (55.6) | 1,015.6 |
| Operating income (loss) | (16.4) | - | 40.4 | 40.4 | 18.8 | - | 42.8 |
| Other income (expense): | | | | | | | |
| Interest income (expense), net | 4.5 | (19.8) | (2.3) | (22.2) | (1.8) | - | (19.5) |
| Foreign exchange loss | - | - | - | - | (0.3) | - | (0.3) |
| Equity in income (loss) of subsidiaries | 32.5 | (5.2) | 15.2 | 15.2 | - | (47.7) | - |
| Income (loss) before income taxes | 20.6 | (25.0) | 53.3 | 33.4 | 16.7 | (47.7) | 23.0 |
| Provision for income taxes | - | 0.4 | 0.6 | 0.9 | 0.2 | - | 1.1 |
| Consolidated net income (loss) | 20.6 | (25.4) | 52.7 | 32.5 | 16.5 | (47.7) | 21.9 |
| Less: net income attributable to noncontrolling interest | - | - | - | - | 1.3 | - | 1.3 |
| Net income (loss) attributable to Axiall | \$ 20.6 | \$ (25.4) | \$ 52.7 | \$ 32.5 | \$ 15.2 | \$ (47.7) | \$ 20.6 |
| Comprehensive income (loss) attributable to Axiall | \$ 29.0 | \$ (15.7) | \$ 61.1 | \$ 40.9 | \$ 25.0 | \$ (65.9) | \$ 29.0 |

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AXIALL CORPORATION
Guarantor Condensed Consolidating Statement of Operations and Comprehensive Income (Loss)
For the Three Months Ended June 30, 2014
(Unaudited)

| <i>(In millions)</i> | Parent Company (a) | Eagle Spinco Inc. | Guarantor Subsidiaries Excluding Eagle Spinco Inc. | Guarantor Subsidiaries Including Eagle Spinco Inc. (b) | Non- Guarantor Subsidiaries (c) | Eliminations (d) | Consolidated (a)+(b)+(c)+(d) |
|--|-----------------------------------|------------------------------|---|---|--|-----------------------------|---|
| Net sales | \$ - | \$ - | \$ 1,087.6 | \$ 1,087.6 | \$ 215.3 | \$ (66.0) | \$ 1,236.9 |
| Operating costs and expenses: | | | | | | | |
| Cost of sales | - | - | 981.4 | 981.4 | 174.6 | (66.0) | 1,090.0 |
| Selling, general and administrative expenses | 10.2 | - | 47.6 | 47.6 | 21.2 | - | 79.0 |
| Transaction-related costs and other, net | 4.4 | - | 3.9 | 3.9 | 1.1 | - | 9.4 |
| Long-lived asset impairment charges, net | - | - | 0.1 | 0.1 | - | - | 0.1 |
| Total operating costs and expenses | 14.6 | - | 1,033.0 | 1,033.0 | 196.9 | (66.0) | 1,178.5 |
| Operating income (loss) | (14.6) | - | 54.6 | 54.6 | 18.4 | - | 58.4 |
| Other income (expense): | | | | | | | |
| Interest income (expense), net | 7.8 | (21.8) | 0.4 | (21.6) | (5.3) | - | (19.1) |
| Foreign exchange loss | - | - | (0.1) | (0.1) | (0.2) | - | (0.3) |
| Equity in income (loss) of subsidiaries | 32.4 | (8.4) | 5.5 | 5.5 | - | (37.9) | - |
| Income (loss) before income taxes | 25.6 | (30.2) | 60.4 | 38.4 | 12.9 | (37.9) | 39.0 |
| Provision for (benefit from) income taxes | (1.6) | (5.3) | 14.6 | 9.3 | 3.2 | - | 10.9 |
| Consolidated net income (loss) | 27.2 | (24.9) | 45.8 | 29.1 | 9.7 | (37.9) | 28.1 |
| Less: net income attributable to noncontrolling interest | - | - | - | - | 0.9 | - | 0.9 |
| Net income (loss) attributable to Axiall | \$ 27.2 | \$ (24.9) | \$ 45.8 | \$ 29.1 | \$ 8.8 | \$ (37.9) | \$ 27.2 |
| Comprehensive income (loss) attributable to Axiall | \$ 37.1 | \$ (20.8) | \$ 49.6 | \$ 33.1 | \$ 14.1 | \$ (47.2) | \$ 37.1 |

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AXIALL CORPORATION
Guarantor Condensed Consolidating Statement of Operations and Comprehensive Income (Loss)
For the Six Months Ended June 30, 2015
(Unaudited)

| <i>(In millions)</i> | Parent Company (a) | Eagle Spinco Inc. | Guarantor Subsidiaries Excluding Eagle Spinco Inc. | Guarantor Subsidiaries Including Eagle Spinco Inc. (b) | Non- Guarantor Subsidiaries (c) | Eliminations (d) | Consolidated (a)+(b)+(c)+(d) |
|--|--------------------------|----------------------|--|---|--|---------------------|---------------------------------|
| Net sales | \$ - | \$ - | \$ 1,767.7 | \$ 1,767.7 | \$ 342.2 | \$ (103.9) | \$ 2,006.0 |
| Operating costs and expenses: | | | | | | | |
| Cost of sales | - | - | 1,592.7 | 1,592.7 | 285.6 | (103.9) | 1,774.4 |
| Selling, general and administrative expenses | 26.3 | - | 95.6 | 95.6 | 40.6 | - | 162.5 |
| Transaction-related costs and other, net | 6.5 | - | 3.1 | 3.1 | 0.8 | - | 10.4 |
| Long-lived asset impairment charges, net | - | - | - | - | 0.3 | - | 0.3 |
| Total operating costs and expenses | 32.8 | - | 1,691.4 | 1,691.4 | 327.3 | (103.9) | 1,947.6 |
| Operating income (loss) | (32.8) | - | 76.3 | 76.3 | 14.9 | - | 58.4 |
| Other income (expense): | | | | | | | |
| Interest income (expense), net | 10.5 | (40.7) | (2.8) | (43.5) | (5.3) | - | (38.3) |
| Foreign exchange loss | - | - | (0.2) | (0.2) | (0.3) | - | (0.5) |
| Loss on redemption and other debt costs | - | (0.1) | (3.1) | (3.2) | - | - | (3.2) |
| Equity in income (loss) of subsidiaries | 29.5 | (12.1) | 10.7 | 10.7 | - | (40.2) | - |
| Income (loss) before income taxes | 7.2 | (52.9) | 80.9 | 40.1 | 9.3 | (40.2) | 16.4 |
| Provision for (benefit from) income taxes | (2.8) | (5.2) | 10.2 | 5.0 | 1.1 | - | 3.3 |
| Consolidated net income (loss) | 10.0 | (47.7) | 70.7 | 35.1 | 8.2 | (40.2) | 13.1 |
| Less: net income attributable to noncontrolling interest | - | - | - | - | 3.1 | - | 3.1 |
| Net income (loss) attributable to Axiall | \$ 10.0 | \$ (47.7) | \$ 70.7 | \$ 35.1 | \$ 5.1 | \$ (40.2) | \$ 10.0 |
| Comprehensive income (loss) attributable to Axiall | \$ (9.4) | \$ (22.6) | \$ 49.1 | \$ 13.5 | \$ (31.9) | \$ 18.4 | \$ (9.4) |

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AXIALL CORPORATION
Guarantor Condensed Consolidating Statement of Operations and Comprehensive Income (Loss)
For the Six Months Ended June 30, 2014
(Unaudited)

| <i>(In millions)</i> | Parent Company (a) | Eagle Spinco Inc. | Guarantor Subsidiaries Excluding Eagle Spinco Inc. | Guarantor Subsidiaries Including Eagle Spinco Inc. (b) | Non- Guarantor Subsidiaries (c) | Eliminations (d) | Consolidated (a)+(b)+(c)+(d) |
|--|--------------------------|----------------------|--|---|--|---------------------|---------------------------------|
| Net sales | \$ - | \$ - | \$ 1,992.2 | \$ 1,992.2 | \$ 358.6 | \$ (120.2) | \$ 2,230.6 |
| Operating costs and expenses: | | | | | | | |
| Cost of sales | - | - | 1,826.3 | 1,826.3 | 297.2 | (120.2) | 2,003.3 |
| Selling, general and administrative expenses | 21.2 | - | 90.5 | 90.5 | 40.9 | - | 152.6 |
| Transaction related costs and other, net | 9.0 | - | 5.4 | 5.4 | 1.6 | - | 16.0 |
| Long-lived asset impairment charges, net | - | - | 0.6 | 0.6 | 0.1 | - | 0.7 |
| Total operating costs and expenses | 30.2 | - | 1,922.8 | 1,922.8 | 339.8 | (120.2) | 2,172.6 |
| Operating income (loss) | (30.2) | - | 69.4 | 69.4 | 18.8 | - | 58.0 |
| Other income (expense): | | | | | | | |
| Interest income (expense), net | 15.5 | (43.3) | 1.0 | (42.3) | (10.6) | - | (37.4) |
| Foreign exchange gain (loss) | - | - | (0.1) | (0.1) | 0.2 | - | 0.1 |
| Equity in income (loss) of subsidiaries | 26.4 | (36.6) | 8.6 | 8.6 | - | (35.0) | - |
| Income (loss) before income taxes | 11.7 | (79.9) | 78.9 | 35.6 | 8.4 | (35.0) | 20.7 |
| Provision for (benefit from) income taxes | (3.9) | (11.5) | 16.6 | 5.1 | 2.0 | - | 3.2 |
| Consolidated net income (loss) | 15.6 | (68.4) | 62.3 | 30.5 | 6.4 | (35.0) | 17.5 |
| Less: net income attributable to noncontrolling interest | - | - | - | - | 1.9 | - | 1.9 |
| Net income (loss) attributable to Axiall | \$ 15.6 | \$ (68.4) | \$ 62.3 | \$ 30.5 | \$ 4.5 | \$ (35.0) | \$ 15.6 |
| Comprehensive income (loss) attributable to Axiall | \$ 12.2 | \$ (108.9) | \$ 22.1 | \$ (9.6) | \$ 5.2 | \$ 4.4 | \$ 12.2 |

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AXIALL CORPORATION
Guarantor Condensed Consolidating Statement of Cash Flows
For the Six Months Ended June 30, 2015
(Unaudited)

| <i>(In millions)</i> | Parent Company (a) | Eagle Spinco Inc. | Guarantor Subsidiaries Excluding Eagle Spinco Inc. | Guarantor Subsidiaries Including Eagle Spinco Inc. (b) | Non- Guarantor Subsidiaries (c) | Eliminations (d) | Consolidated (a)+(b)+(c)+(d) |
|--|--------------------------|----------------------|--|---|--|---------------------|---------------------------------|
| Net cash provided by (used in) operating activities | \$ 40.0 | \$ 10.1 | \$ 28.8 | \$ 28.8 | \$ (9.9) | \$ (22.7) | \$ 36.2 |
| Cash flows from investing activities: | | | | | | | |
| Capital expenditures | (0.4) | - | (70.9) | (70.9) | (6.2) | - | (77.5) |
| Proceeds from the sale of assets and other | - | - | 5.6 | 5.6 | 3.4 | - | 9.0 |
| Net cash used in investing activities | (0.4) | - | (65.3) | (65.3) | (2.8) | - | (68.5) |
| Cash flows from financing activities: | | | | | | | |
| Issuance of long-term debt | - | - | 248.8 | 248.8 | - | - | 248.8 |
| Long-term debt payments | - | (194.4) | (1.7) | (196.1) | - | - | (196.1) |
| Intercompany financing | - | 194.4 | (194.4) | - | - | - | - |
| Fees paid relating to financing activities | (0.3) | - | (3.2) | (3.2) | - | - | (3.5) |
| Deferred acquisition payments | (10.0) | - | - | - | - | - | (10.0) |
| Dividends paid | (23.1) | - | - | - | - | - | (23.1) |
| Distribution to noncontrolling interest | - | - | - | - | (8.4) | - | (8.4) |
| Share-based compensation plan activity | (6.2) | - | - | - | - | - | (6.2) |
| Distribution to affiliate | - | (10.1) | (10.1) | (10.1) | (12.6) | 22.7 | - |
| Net cash provided by (used in) financing activities | (39.6) | (10.1) | 39.4 | 39.4 | (21.0) | 22.7 | 1.5 |
| Effect of exchange rate changes on cash and cash equivalents | - | - | - | - | (4.6) | - | (4.6) |
| Net change in cash and cash equivalents | - | - | 2.9 | 2.9 | (38.3) | - | (35.4) |
| Cash and cash equivalents at beginning of period | - | - | 78.2 | 78.2 | 88.6 | - | 166.8 |
| Cash and cash equivalents at end of period | \$ - | \$ - | \$ 81.1 | \$ 81.1 | \$ 50.3 | \$ - | \$ 131.4 |

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AXIALL CORPORATION
Guarantor Condensed Consolidating Statement of Cash Flows
Six Months Ended June 30, 2014
(Unaudited)

| <i>(In millions)</i> | Parent Company (a) | Eagle Spinco Inc. | Guarantor Subsidiaries Excluding Eagle Spinco Inc. | Guarantor Subsidiaries Including Eagle Spinco Inc. (b) | Non- Guarantor Subsidiaries (c) | Eliminations (d) | Consolidated (a)+(b)+(c)+(d) |
|--|--------------------------|----------------------|--|---|--|---------------------|---------------------------------|
| Net cash provided by (used in) operating activities | \$ 17.1 | \$ 10.6 | \$ 42.6 | \$ 44.0 | \$ (24.1) | \$ (20.8) | \$ 16.2 |
| Cash flows from investing activities: | | | | | | | |
| Capital expenditures | (3.4) | - | (74.1) | (74.1) | (10.2) | - | (87.7) |
| Acquisitions, net of cash acquired | - | - | (5.8) | (5.8) | - | - | (5.8) |
| Proceeds from sale of assets and other | - | - | 1.5 | 1.5 | 0.2 | - | 1.7 |
| Net cash used in investing activities | (3.4) | - | (78.4) | (78.4) | (10.0) | - | (91.8) |
| Cash flows from financing activities: | | | | | | | |
| Borrowings on ABL revolver | 148.9 | - | - | - | - | - | 148.9 |
| Repayments on ABL revolver | (135.2) | - | - | - | - | - | (135.2) |
| Long-term debt payments | - | (1.4) | (0.3) | (1.7) | - | - | (1.7) |
| Lease financing obligation payment | - | - | - | - | (2.3) | - | (2.3) |
| Make-whole and other fees paid related to financing activities | (0.3) | - | (0.3) | (0.3) | - | - | (0.6) |
| Dividends paid | (22.6) | - | - | - | - | - | (22.6) |
| Distribution to noncontrolling interest | - | - | - | - | (7.7) | - | (7.7) |
| Share-based compensation plan activity | (4.5) | - | (0.2) | (0.2) | - | - | (4.7) |
| Distribution to affiliate | - | (9.2) | (9.2) | (9.2) | (11.6) | 20.8 | - |
| Net cash used in financing activities | (13.7) | (10.6) | (10.0) | (11.4) | (21.6) | 20.8 | (25.9) |
| Effect of exchange rate changes on cash and cash equivalents | - | - | - | - | (2.3) | - | (2.3) |
| Net change in cash and cash equivalents | - | - | (45.8) | (45.8) | (58.0) | - | (103.8) |
| Cash and cash equivalents at beginning of period | - | - | 76.9 | 76.9 | 89.6 | - | 166.5 |
| Cash and cash equivalents at end of period | \$ - | \$ - | \$ 31.1 | \$ 31.1 | \$ 31.6 | \$ - | \$ 62.7 |

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Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

General

We are a leading North American manufacturer and international marketer of chemicals and building products. Our chlorovinyls and aromatics chemical products are sold for further processing into a wide variety of end-use applications, including plastic pipe and pipe fittings, siding and window frames, bonding agents for wood products, high-quality plastics, acrylic sheeting and coatings for wire and cable, paper, minerals, metals and water treatment industries. Our building products segment manufactures window and door profiles, trim, mouldings and deck products, siding, pipe and pipe fittings.

Joint Venture with Lotte Chemical

On June 17, 2015, Eagle US 2 LLC ("Eagle"), a wholly owned subsidiary of the Company, entered into an amended and restated limited liability company agreement with Lotte Chemical USA Corporation ("Lotte") related to the formation of LACC, LLC (the "JV Company"), which is a joint venture between Eagle and Lotte to design, build and operate a 1.0 million metric tons per annum ethane cracker in Louisiana (the "Plant"). Pursuant to a contribution and subscription agreement, dated as of June 17, 2015, between the Company, Eagle and the JV Company, Eagle has agreed to make a maximum capital commitment to the JV Company of up to \$225 million to fund the construction costs of the Plant, subject to certain conditions, including the boards of directors of both the Company and Lotte reaching a final investment decision with respect to the construction of the Plant. Eagle's investment is expected to represent approximately 10 percent of the interests of the JV Company. Eagle and Lotte also entered into a call option agreement, dated as of June 17, 2015, pursuant to which Eagle has the right, but not the obligation, until the third anniversary of the substantial completion of the Plant, to acquire up to 50 percent of the interests of the JV Company from Lotte. If the boards of directors of both the Company and Lotte reach a final investment decision prior to the end of 2015 with respect to the construction of the Plant, the Plant's anticipated start-up date would be the end of 2018.

Portfolio Initiatives

The Company has initiated a strategic review of its building products business, to include the possible sale of all or part of that business. The Company has engaged financial advisors to assist the Company with this effort, but has not established a timeline for completion of the strategic review.

The Company's previously announced process to divest its Aromatics business continues on schedule. The Company expects to announce the outcome of that process late in the third quarter or early in the fourth quarter of 2015.

Consolidated Overview

For the three months ended June 30, 2015, net sales totaled \$1,058.4 million, a decrease of 14 percent compared to \$1,236.9 million for the three months ended June 30, 2014. Operating income was \$42.8 million and \$58.4 million for the three months ended June 30, 2015 and 2014, respectively. Adjusted EBITDA was \$107.5 million for the three months ended June 30, 2015 compared to \$128.1 million for the three months ended June 30, 2014. In addition, the Company reported net income attributable to Axiall of \$20.6 million, or \$0.29 per diluted share for the three months ended June 30, 2015, compared to net income attributable to Axiall of \$27.2 million, or \$0.38 per diluted share for the three months ended June 30, 2014. Adjusted Net Income was \$23.6 million and Adjusted

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Earnings Per Share was \$0.33 for the three months ended June 30, 2015, compared to Adjusted Net Income of \$33.5 million and Adjusted Earnings Per Share of \$0.48 for the three months ended June 30, 2014. See Reconciliation of Non-GAAP Financial Measures included in this Quarterly Report on Form 10-Q.

The decrease in net sales for the three months ended June 30, 2015 as compared to the three months ended June 30, 2014 was primarily attributable to: (i) a \$111.8 million decrease in the net sales of our chlorovinyls segment due to lower polyvinyl chloride ("PVC"), vinyl chloride monomer ("VCM") and chlorinated derivatives sales prices, as well as lower electrochemical unit ("ECU") values, especially with respect to caustic soda pricing, and lower sales volumes due in part to unplanned outages; and (ii) a \$73.2 million decrease in the net sales of our aromatics segment, which primarily resulted from a significant decline in the sales prices for cumene, phenol and acetone during the three months ended June 30, 2015.

The lower sales prices for PVC, VCM and chlorinated derivatives were driven by: (i) an oversupply of PVC in North America and globally, relative to slower demand; (ii) a significant reduction in global oil prices making many foreign producers of PVC and chlorinated derivatives more competitive (i.e., a reduction in the natural-gas-based cost advantage enjoyed by North American producers), which has reduced pricing and margins on North American-produced PVC and chlorinated derivatives; and (iii) lower average industry costs for natural gas and ethylene. The lower ECU values, especially with respect to caustic soda pricing, have been caused primarily by: (i) the addition of new production capacity in North America in 2014 coupled with slower growth in the demand needed to absorb that capacity; and (ii) a significant reduction in global energy prices, primarily oil and coal, making many foreign ECU producers more competitive.

Lower sales prices for cumene, phenol and acetone have been driven by lower average industry costs for propylene and benzene. Average industry prices for propylene and benzene declined by 49 percent and 45 percent, respectively, for the three months ended June 30, 2015 compared to the three months ended June 30, 2014, according to the July 2015 IHS report. The decrease in sales prices for our aromatics products was also caused by the overall weakening of the domestic and international aromatics markets, which has resulted in part from the addition of significant amounts of new phenol production capacity in Asia in recent years. The decreases in sales prices for cumene, phenol and acetone were partially offset by significant increases in sales volumes for those products caused by: (i) increased phenol sales volumes in the export spot market; and (ii) increased cumene sales volumes in the domestic spot market. The decreases in the net sales of our chlorovinyls and aromatics segments were partially offset by a \$6.5 million increase in the net sales of our building products segment, which was due to higher sales volumes in the United States, partially offset by the impact of a stronger United States dollar against a weaker Canadian dollar and a 2 percent decrease in Canadian sales volumes during the three months ended June 30, 2015.

The decreases in operating income, Adjusted EBITDA, net income attributable to Axiall and Adjusted Net Income were primarily attributable to a \$28.8 million decrease in the operating income of our chlorovinyls segment, principally due to lower PVC, VCM and chlorinated derivatives sales prices and margins, driven by the factors described in the preceding paragraph; lower ECU values, especially with respect to caustic soda pricing; and lower sales volumes in our chlorovinyls segment due in part to unplanned outages. The decreases were partially offset by: (i) an increase of \$8.4 million in the operating income of our building products segment, which was due to lower raw materials costs, higher sales volumes and lower charges related to plant consolidation activities, partially offset by a stronger United States dollar against a weaker Canadian dollar; and (ii) a \$7.8 million increase in the operating income of our aromatics segment. The increase in operating income for the aromatics segment was due primarily to: (i) a \$2.5 million reduction in the amount of the inventory holding loss for that segment, to \$2.1 million for the three months ended June 30, 2015, compared to the same period in 2014, when

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a \$4.6 million inventory holding loss was recognized; (ii) increases in our sales volumes for cumene, phenol and acetone; and (iii) a decline in our cost of natural gas. According to the July 2015 IHS report, average industry natural gas prices decreased by 42 percent for the three months ended June 30, 2015 compared to the three months ended June 30, 2014.

For the six months ended June 30, 2015, net sales totaled \$2,006.0 million, a decrease of 10 percent compared to \$2,230.6 million for the six months ended June 30, 2014. Operating income was \$58.4 million and \$58.0 million for the six months ended June 30, 2015 and 2014, respectively. Adjusted EBITDA was \$190.7 million and \$195.8 million for the six months ended June 30, 2015 and 2014, respectively. In addition, the Company reported net income attributable to Axiall of \$10.0 million, or \$0.14 per diluted share for the six months ended June 30, 2015, compared to net income attributable to Axiall of \$15.6 million, or \$0.22 per diluted share for the six months ended June 30, 2014. Adjusted Net Income was \$19.9 million and Adjusted Earnings Per Share was \$0.28 for the six months ended June 30, 2015, compared to Adjusted Net Income of \$28.2 million and Adjusted Earnings Per Share of \$0.40 for the six months ended June 30, 2014. See Reconciliation of Non-GAAP Financial Measures included in this Quarterly Report on Form 10-Q.

The decrease in net sales for the six months ended June 30, 2015 as compared to the six months ended June 30, 2014 was primarily attributable to: (i) a \$145.6 million decrease in the net sales of our chlorovinyls segment due to lower PVC, VCM and chlorinated derivatives sales prices, along with lower ECU values, especially with respect to caustic soda pricing; and (ii) a \$97.2 million decrease in the net sales of our aromatics segment, which primarily resulted from a significant decline in the sales prices for cumene, phenol and acetone during the six months ended June 30, 2015. The lower sales prices for PVC, VCM and chlorinated derivatives were driven by: (i) an oversupply of PVC in North America and globally, relative to slower demand; (ii) a significant reduction in global oil prices making many foreign producers of PVC and chlorinated derivatives more competitive (i.e., a reduction in the natural-gas-based cost advantage enjoyed by North American producers), which has reduced pricing and margins on North American-produced PVC and chlorinated derivatives; and (iii) lower average industry costs for natural gas and ethylene. The lower ECU values, especially with respect to caustic soda pricing, have been caused primarily by: (i) the addition of new production capacity in North America in 2014 coupled with slower growth in the demand needed to absorb that capacity; and (ii) a significant reduction in global energy prices, primarily oil and coal, making many foreign ECU producers more competitive, partially offset by higher average operating rates and related sales volumes for the six months ended June 30, 2015 compared to the six months ended June 30, 2014.

The lower sales prices for cumene, phenol and acetone were driven by lower average industry costs for benzene and propylene. Average industry prices for benzene and propylene declined by 51 percent and 44 percent, respectively, for the six months ended June 30, 2015 compared to the six months ended June 30, 2014, according to the July 2015 IHS report. The decrease in sales prices for our aromatics products was also caused by the overall weakening of the domestic and international aromatics markets, which has resulted in part from the addition of significant amounts of new phenol production capacity in Asia in recent years. The decreases in sales prices for cumene, phenol and acetone were partially offset by significant increases in the sales volumes for those products, caused by: (i) increased phenol sales volumes in the export spot market; and (ii) increased cumene sales volumes in the domestic spot market. The decreases in the net sales of our chlorovinyls and aromatics segments were partially offset by an \$18.2 million increase in the net sales of our building products segment due to higher sales volumes in the United States and Canada, partially offset by the impact of a stronger United States dollar against a weaker Canadian dollar.

The decreases in net income attributable to Axiall, Adjusted Net Income and Adjusted EBITDA, for the six months ended June 30, 2015, as compared to the six months ended June 30, 2014, were primarily attributable to: (i) lower PVC, VCM and chlorinated derivatives sales prices and margins; and

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(ii) lower ECU values, especially with respect to caustic soda sales prices, all of which were partially offset by improved ECU sales volumes and lower average industry natural gas and ethylene costs.

Chlorovinyls Business Overview

Our chlorovinyls segment produces a highly integrated chain of chlor-alkali and derivative products (chlorine, caustic soda, VCM, vinyl resins, ethylene dichloride, chlorinated solvents, calcium hypochlorite, and muriatic acid) and compound products (vinyl compounds and compound additives and plasticizers). As discussed further below, certain highlights from our chlorovinyls segment's results of operations for the three and six months ended June 30, 2015 compared to the three and six months ended June 30, 2014 were as follows:

Net sales totaled \$666.1 million and \$777.9 million for the three months ended June 30, 2015 and 2014, respectively, decreasing by \$111.8 million or approximately 14 percent.

Net sales totaled \$1,314.5 million and \$1,460.1 million for the six months ended June 30, 2015 and 2014, respectively, decreasing by \$145.6 million or approximately 10 percent.

Operating income and Adjusted EBITDA decreased to \$37.8 million and \$89.0 million, respectively, for the three months ended June 30, 2015 versus operating income and Adjusted EBITDA of \$66.6 million and \$121.6 million, respectively, for the three months ended June 30, 2014.

Operating income and Adjusted EBITDA decreased to \$81.6 million and \$185.7 million, respectively, for the six months ended June 30, 2015 versus operating income and Adjusted EBITDA of \$89.9 million and \$197.8 million, respectively, for the six months ended June 30, 2014.

Our chlorovinyls segment is cyclical in nature and is affected by domestic and worldwide economic conditions. Cyclical price swings, driven by changes in supply and demand, can lead to significant changes in the overall profitability of our chlorovinyls segment. The demand for our chlorovinyls products tends to reflect fluctuations in downstream markets that are affected by consumer spending for durable and non-durable goods as well as construction. Global capacity also materially affects the prices of chlorovinyls products. Historically, in periods of high operating rates, prices rise and margins increase and, as a result, new capacity is announced. Since world scale size plants are generally the most cost-competitive, new increases in capacity tend to be on a large scale and are often undertaken by existing industry participants. Usually, as new capacity is added, prices decline until increases in demand improve operating rates and the new capacity is absorbed or, in some instances, until less efficient producers withdraw capacity from the market. As the additional supply is absorbed, operating rates rise, prices increase and the cycle repeats.

In addition, purchased raw materials and natural gas costs account for the majority of our cost of sales and can also have a material effect on our profitability and margins. Some of the primary raw materials used in our chlorovinyls products are ethylene, crude oil and natural gas derivatives and therefore follow the oil and gas industry price trends.

Building Products Business Overview

Our building products segment consists of two primary product groups: (i) window and door profiles and trim, mouldings and deck products, which include extruded vinyl window and door profiles, interior and exterior trim and mouldings products, as well as deck products; and (ii) outdoor building products, which includes siding, pipe and pipe fittings. As discussed further below, certain highlights from our

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building products segment's results of operations for the three and six months ended June 30, 2015 compared to the three and six months ended June 30, 2014 were as follows:

Net sales totaled \$250.3 million and \$243.8 million for the three months ended June 30, 2015 and 2014, respectively, increasing 3 percent. On a constant currency basis, net sales for the three months ended June 30, 2015 increased by 8 percent.

For the three months ended June 30, 2015, our building products segment's geographical sales to the United States and Canada were 57 percent and 42 percent, respectively, compared with 53 percent and 46 percent, respectively, for the three months ended June 30, 2014.

Net sales totaled \$416.7 million and \$398.5 million for the six months ended June 30, 2015 and 2014, respectively, increasing 5 percent. On a constant currency basis, net sales for the six months ended June 30, 2015 increased by 10 percent.

For the six months ended June 30, 2015, our building products segment's geographical sales to the United States and Canada were 59 percent and 40 percent, respectively, compared with 55 percent and 44 percent, respectively, for the six months ended June 30, 2014.

Operating income was \$22.6 million and Adjusted EBITDA was \$30.4 million for the three months ended June 30, 2015 compared to operating income of \$14.2 million and Adjusted EBITDA of \$24.7 million for the three months ended June 30, 2014.

Operating income was \$12.3 million and Adjusted EBITDA was \$29.6 million for the six months ended June 30, 2015 compared to operating income of \$3.4 million and Adjusted EBITDA of \$24.7 million for the six months ended June 30, 2014.

The building products segment is impacted by changes in the North American home repair and remodeling sectors and the new construction industry, which may be significantly affected by changes in economic and other conditions such as gross domestic product levels, employment levels, demographic trends, consumer confidence, increases in interest rates and availability of consumer financing for home repair and remodeling projects as well as the availability of financing for new home purchases. These factors can lower the demand for, and pricing of our products, while we may not be able to reduce our costs by an equivalent amount.

Aromatics Business Overview

Our aromatics segment manufactures cumene products and phenol and acetone products (co-products made from cumene). As discussed further below, certain highlights of our aromatics segment's results of operations for the three and six months ended June 30, 2015 compared to the three and six months ended June 30, 2014 were as follows:

Net sales were \$142.0 million and \$215.2 million for the three months ended June 30, 2015 and 2014, respectively, decreasing 34 percent.

Net sales were \$274.8 million and \$372.0 million for the six months ended June 30, 2015 and 2014, respectively, decreasing 26 percent.

Operating income was \$0.4 million and Adjusted EBITDA was \$1.1 million for the three months ended June 30, 2015 compared to operating loss of \$7.4 million and Adjusted EBITDA of negative \$7.0 million for the three months ended June 30, 2014.

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Operating income was \$0.7 million and Adjusted EBITDA was \$1.9 million for the six months ended June 30, 2015 compared to operating loss of \$2.9 million and Adjusted EBITDA of negative \$2.1 million for the six months ended June 30, 2014.

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In our aromatics business, significant volatility in raw materials costs can decrease product margins as sales price increases sometimes lag raw materials cost increases. Product margins may also suffer from a sharp decline in raw materials costs due to the time lag between the purchase of raw materials and the sale of the finished goods manufactured using those raw materials.

Results of Operations

The following table sets forth our unaudited condensed consolidated statements of operations data for each of the three and six month periods ended June 30, 2015 and 2014, and the percentage of net sales of each line item for the three and six month periods presented.

| <i>(Dollars in millions)</i> | Three Months Ended June 30, | | | | Six Months Ended June 30, | | | |
|--|-----------------------------|--------|------------|--------|---------------------------|--------|------------|--------|
| | 2015 | | 2014 | | 2015 | | 2014 | |
| Net sales | \$ 1,058.4 | 100.0% | \$ 1,236.9 | 100.0% | \$ 2,006.0 | 100.0% | \$ 2,230.6 | 100.0% |
| Cost of sales | 929.8 | 87.8% | 1,090.0 | 88.1% | 1,774.4 | 88.5% | 2,003.3 | 89.8% |
| Gross margin | 128.6 | 12.2% | 146.9 | 11.9% | 231.6 | 11.5% | 227.3 | 10.2% |
| Selling, general and administrative expenses | 81.2 | 7.7% | 79.0 | 6.4% | 162.5 | 8.1% | 152.6 | 6.8% |
| Transaction-related costs and other, net | 4.6 | 0.4% | 9.4 | 0.8% | 10.4 | 0.5% | 16.0 | 0.7% |
| Long-lived asset impairment charges, net | - | -% | 0.1 | -% | 0.3 | -% | 0.7 | -% |
| Operating income | 42.8 | 4.0% | 58.4 | 4.7% | 58.4 | 2.9% | 58.0 | 2.6% |
| Interest expense, net | (19.5) | (1.8%) | (19.1) | (1.5%) | (38.3) | (1.9%) | (37.4) | (1.7%) |
| Debt refinancing costs | - | -% | - | -% | (3.2) | (0.2%) | - | -% |
| Foreign exchange gain (loss) | (0.3) | -% | (0.3) | -% | (0.5) | -% | 0.1 | -% |
| Consolidated income before income taxes | 23.0 | 2.2% | 39.0 | 3.2% | 16.4 | 0.8% | 20.7 | 0.9% |
| Provision for income taxes | 1.1 | 0.1% | 10.9 | 0.9% | 3.3 | 0.2% | 3.2 | 0.1% |
| Consolidated net income | 21.9 | 2.1% | 28.1 | 2.3% | 13.1 | 0.7% | 17.5 | 0.8% |
| Less: net income attributable to noncontrolling interest | 1.3 | 0.1% | 0.9 | 0.1% | 3.1 | 0.2% | 1.9 | 0.1% |
| Net income attributable to Axiall | \$ 20.6 | 1.9% | \$ 27.2 | 2.2% | \$ 10.0 | 0.5% | \$ 15.6 | 0.7% |

The following table sets forth certain financial data, by reportable segment, for each of the three and six month periods ended June 30, 2015 and 2014.

| <i>(Dollars in millions)</i> | Three Months Ended June 30, | | | | Six Months Ended June 30, | | | |
|------------------------------|-----------------------------|--------|------------|--------|---------------------------|--------|------------|--------|
| | 2015 | | 2014 | | 2015 | | 2014 | |
| Sales | | | | | | | | |
| Chlorovinyls | \$ 666.1 | 63.0% | \$ 777.9 | 62.9% | \$ 1,314.5 | 65.5% | \$ 1,460.1 | 65.4% |
| Building products | 250.3 | 23.6% | 243.8 | 19.7% | 416.7 | 20.8% | 398.5 | 17.9% |
| Aromatics | 142.0 | 13.4% | 215.2 | 17.4% | 274.8 | 13.7% | 372.0 | 16.7% |
| Net sales | \$ 1,058.4 | 100.0% | \$ 1,236.9 | 100.0% | \$ 2,006.0 | 100.0% | \$ 2,230.6 | 100.0% |
| Operating income | | | | | | | | |
| Chlorovinyls | \$ 37.8 | | \$ 66.6 | | \$ 81.6 | | \$ 89.9 | |
| Building products | 22.6 | | 14.2 | | 12.3 | | 3.4 | |
| Aromatics | 0.4 | | (7.4) | | 0.7 | | (2.9) | |
| Unallocated corporate | (18.0) | | (15.0) | | (36.2) | | (32.4) | |
| Total operating income | \$ 42.8 | | \$ 58.4 | | \$ 58.4 | | \$ 58.0 | |

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Three Months Ended June 30, 2015 versus Three Months Ended June 30, 2014

Consolidated Results

Net sales. For the three months ended June 30, 2015, net sales totaled \$1,058.4 million, a decrease of 14 percent compared to \$1,236.9 million for the three months ended June 30, 2014. The decrease in net sales for the three months ended June 30, 2015 as compared to the three months ended June 30, 2014 was primarily attributable to: (i) a \$111.8 million decrease in the net sales of our chlorovinyls segment due to lower PVC, VCM and chlorinated derivatives sales prices, and also due to lower ECU values, especially with respect to caustic soda pricing, as well as lower sales volumes caused in part by unplanned outages; and (ii) a \$73.2 million decrease in the net sales of our aromatics segment, which primarily resulted from a significant decline in the sales prices for cumene, phenol and acetone for the three months ended June 30, 2015, compared to the three months ended June 30, 2014.

The lower sales prices for PVC, VCM and chlorinated derivatives were driven by: (i) an oversupply of PVC in North America and globally, relative to slower demand; (ii) a significant reduction in global oil prices making many foreign producers of PVC and chlorinated derivatives more competitive (i.e., a reduction in the natural-gas-based cost advantage enjoyed by North American producers), which has reduced pricing and margins on North American-produced PVC and chlorinated derivatives; and (iii) lower average industry costs for natural gas and ethylene. The lower ECU values, especially with respect to caustic soda pricing, have been caused primarily by: (i) the addition of new production capacity in North America in 2014 coupled with slower growth in the demand needed to absorb that capacity; and (ii) a significant reduction in global energy prices, primarily oil and coal, making many foreign ECU producers more competitive.

The declines in the sales prices for cumene, phenol and acetone have been driven by lower average industry costs for propylene and benzene. Average industry prices for propylene and benzene declined by 49 percent and 45 percent, respectively, for the three months ended June 30, 2015 compared to the three months ended June 30, 2014, according to the July 2015 IHS report. The decrease in sales prices for our aromatics products was also caused by the overall weakening of the domestic and international aromatics markets, which has resulted in part from the addition of significant amounts of new phenol production capacity in Asia in recent years. The decreases in sales prices for cumene, phenol and acetone were partially offset by significant increases in the sales volumes for those products, caused by: (i) increased sales volumes for phenol in the export spot market; and (ii) increased cumene sales volumes in the domestic spot market. The decreases in net sales of our chlorovinyls and aromatics segments were partially offset by a \$6.5 million increase in the net sales of our building products segment due to higher sales volumes in the United States, partially offset by the impact of a stronger United States dollar against a weaker Canadian dollar and a 2 percent decrease in Canadian sales volumes for the three months ended June 30, 2015, compared to the three months ended June 30, 2014.

Gross margin percentage. Total gross margin percentage was 12 percent for both the three month periods ended June 30, 2015 and 2014.

Selling, general and administrative expenses. Selling, general and administrative expenses totaled \$81.2 million for the three months ended June 30, 2015, an increase of 3 percent from \$79.0 million for the three months ended June 30, 2014. The increase in selling, general and administrative expenses was primarily due to increases in wage and benefit costs partially offset by lower advertising expenses.

Transaction-related costs and other, net. Transaction-related costs and other, net, decreased 51 percent to \$4.6 million for the three months ended June 30, 2015 from \$9.4 million for the three months ended June 30, 2014. For the three months ended June 30, 2014, the Company incurred higher expenses in

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restructuring costs, costs to attain synergies related to its merger with the chemicals business of PPG Industries (the "Merger") and deal-related costs as compared to the three months ended June 30, 2015.

Long-lived asset impairment charges, net. Long-lived asset impairment charges, net, were not significant for both of the three month periods ended June 30, 2015 and 2014.

Operating income. Operating income was \$42.8 million and \$58.4 million for the three months ended June 30, 2015 and 2014, respectively. The decrease in operating income was primarily attributable to a \$28.8 million decrease in the operating income of our chlorovinyls segment, principally due to: (i) lower PVC, VCM and chlorinated derivatives sales prices; (ii) lower ECU values, especially with respect to caustic soda pricing; and (iii) lower overall sales volumes in our chlorovinyls segment due in part by unplanned outages. The overall decrease in operating income was partially offset by: (i) an increase of \$8.4 million in the operating income of our building products segment, due to lower raw materials costs, higher sales volumes and lower charges related to plant consolidation activities, partially offset by a stronger United States dollar against a weaker Canadian dollar; and (ii) a \$7.8 million increase in the operating income of our aromatics segment due primarily to: (a) a \$2.5 million decrease in the amount of the inventory holding loss for the three months ended June 30, 2015, to \$2.1 million, compared to the same period in 2014, when a \$4.6 million inventory holding loss was recognized; (b) increases in our sales volumes for cumene, phenol and acetone; and (c) a decline in our cost of natural gas. According to the July 2015 IHS report, average industry natural gas prices declined by 42 percent for the three month period ended June 30, 2015 when compared to the three months ended June 30, 2014.

Interest expense, net. Interest expense, net, was \$19.5 million and \$19.1 million for the three months ended June 30, 2015 and 2014, respectively. The increase in interest expense, net, was due primarily to the increase in our average principal outstanding debt balances during the three months ended June 30, 2015 when compared to the three months ended June 30, 2014.

Foreign currency exchange gain (loss). Foreign currency exchange loss totaled \$0.3 million for both the three months ended June 30, 2015 and 2014.

Provision for income taxes. The provision for income taxes was \$1.1 million and \$10.9 million for the three months ended June 30, 2015 and 2014, respectively. The decrease was primarily due to a lower income before income taxes during the three months ended June 30, 2015 compared to the three months ended June 30, 2014.

Our effective income tax rates for the three months ended June 30, 2015 and 2014 were 4.9 percent, and 27.9 percent, respectively. The difference in the effective tax rate as compared to the United States statutory federal income tax rate in 2015 and 2014 was primarily due to various favorable permanent differences including deductions for manufacturing activities.

Chlorovinyls Segment

Net sales. Net sales totaled \$666.1 million for the three months ended June 30, 2015, a decrease of 14 percent from net sales of \$777.9 million for the comparable three month period of 2014. The decrease in net sales was primarily due to: (i) lower PVC, VCM and chlorinated derivatives sales prices; (ii) lower ECU values, especially with respect to caustic soda pricing; and (iii) lower overall sales volumes, caused in part by unplanned outages.

The lower sales prices for PVC, VCM and chlorinated derivatives were driven by: (i) an oversupply of PVC in North America and globally, relative to slower demand; (ii) a significant reduction in global oil prices making many foreign producers of PVC and chlorinated derivatives more competitive (i.e., a

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reduction in the natural-gas-based cost advantage enjoyed by North American producers), which has reduced pricing and margins on North American-produced PVC and chlorinated derivatives; and (iii) lower average industry costs for natural gas and ethylene. The lower ECU values, especially with respect to caustic soda pricing, have been caused primarily by: (i) the addition of new production capacity in North America in 2014 coupled with slower growth in the demand needed to absorb that capacity; and (ii) a significant reduction in global energy prices, primarily oil and coal, making many foreign ECU producers more competitive.

Operating income. Operating income decreased by \$28.8 million to \$37.8 million for the three months ended June 30, 2015 from \$66.6 million for the three months ended June 30, 2014. The decrease was principally due to: (i) lower PVC, VCM and chlorinated derivatives sales prices and margins, driven by the factors described in the preceding paragraph; (ii) lower ECU values, especially with respect to caustic soda pricing; and (iii) lower overall sales volumes caused in part by unplanned outages. These unfavorable factors were partially offset by decreases in our cost of natural gas and ethylene and, to a lesser extent, by decreased maintenance expenses. According to the July 2015 IHS report, average industry natural gas prices decreased 42 percent and average industry ethylene prices decreased 28 percent for the three months ended June 30, 2015, compared to the three months ended June 30, 2014. The Adjusted EBITDA decrease of \$32.6 million to \$89.0 million for the three months ended June 30, 2015 from \$121.6 million for the three months ended June 30, 2014 was predominantly due to the same factors discussed above with respect to operating income.

Building Products Segment

Net Sales. Net sales totaled \$250.3 million for the three months ended June 30, 2015, increasing 3 percent from \$243.8 million for the comparable three month period of 2014. The net sales increase was driven by a 7 percent increase in sales volumes, with sales volumes in the United States higher by 14 percent, offset in part by the impact of a stronger United States dollar relative to a weaker Canadian dollar and a 2 percent decrease in sales volumes in Canada. On a constant currency basis, net sales increased by 8 percent. For the three months ended June 30, 2015, our building products segment's geographical sales to the United States and Canada were 57 percent and 42 percent, respectively, compared to 53 percent and 46 percent, respectively, for the three months ended June 30, 2014.

Operating Income. Operating income was \$22.6 million and \$14.2 million for the three months ended June 30, 2015 and 2014, respectively. The increase in operating income was primarily a result of lower raw materials costs, higher sales volumes and lower charges related to plant consolidation activities, offset in part by the impact of a stronger United States dollar relative to a weaker Canadian dollar. Adjusted EBITDA was \$30.4 million and \$24.7 million for the three months ended June 30, 2015 and 2014, respectively. The increase in Adjusted EBITDA was primarily a result of lower raw materials costs and higher sales volumes, offset in part by the impact of a stronger United States dollar relative to a weaker Canadian dollar.

Aromatics Segment

Net Sales. Net sales were \$142.0 million for the three months ended June 30, 2015, a decrease of 34 percent from \$215.2 million for the comparable three month period of 2014. The net sales decrease primarily resulted from a significant decline in the sales prices for cumene, phenol and acetone during the three months ended June 30, 2015, driven primarily by lower average industry costs for feedstocks, and by the overall weakening of the domestic and international aromatics markets, which has resulted in part from the addition of significant amounts of new phenol production capacity in Asia in recent years. Average industry propylene prices declined by 49 percent and average industry benzene prices declined by 45 percent for the three months ended June 30, 2015 compared to the three months ended

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June 30, 2014, according to the July 2015 IHS report. The decreases in sales prices for cumene, phenol and acetone products were partially offset by significant increases in sales volumes for those products. Those increased sales volumes were primarily caused by: (i) increased phenol sales volumes in the export spot market; and (ii) increased cumene sales volumes in the domestic spot market.

Operating income. Operating income increased \$7.8 million to \$0.4 million for the three months ended June 30, 2015 compared to an operating loss of \$7.4 million for the three months ended June 30, 2014. Our operating rates for the aromatics segment were higher in the three months ended June 30, 2015, as compared to the three months ended June 30, 2014, but were lower than the average industry operating rates for the three months ended June 30, 2015, as reported by IHS in its July 2015 report. Adjusted EBITDA increased \$8.1 million to \$1.1 million for the three months ended June 30, 2015 from negative \$7.0 million for the three months ended June 30, 2014. The increases in operating income and Adjusted EBITDA were primarily due to: (i) a \$2.5 million decrease in the amount of the inventory holding loss for the three months ended June 30, 2015, to \$2.1 million, compared to the same period in 2014, when a \$4.6 million inventory holding loss was recognized; (ii) increases in our sales volumes for cumene, phenol and acetone; and (iii) a decline in our cost of natural gas. According to the July 2015 IHS report, average industry natural gas prices decreased 42 percent for the three months ended June 30, 2015 compared to the three months ended June 30, 2014. These favorable factors were partially offset by decreases in the sales prices for cumene, phenol and acetone.

Six Months Ended June 30, 2015 versus Six Months Ended June 30, 2014

Consolidated Results

Net sales. For the six months ended June 30, 2015, net sales totaled \$2,006.0 million, a decrease of 10 percent compared to \$2,230.6 million for the six months ended June 30, 2014. The decrease in net sales for the six months ended June 30, 2015 as compared to the six months ended June 30, 2014 was primarily attributable to: (i) a \$145.6 million decrease in the net sales of our chlorovinyls segment due to lower PVC, VCM and chlorinated derivatives sales prices, and also due to lower ECU values, especially with respect to caustic soda pricing, partially offset by higher operating rates and related sales volumes for the six months ended June 30, 2015 compared to the six months ended June 30, 2014; and (ii) a \$97.2 million decrease in the net sales of our aromatics segment which primarily resulted from a significant decline in the sales prices for cumene, phenol and acetone during the six months ended June 30, 2015.

The lower sales prices for PVC, VCM and chlorinated derivatives were driven by: (i) an oversupply of PVC in North America and globally, relative to slower demand; (ii) a significant reduction in global oil prices making many foreign producers of PVC and chlorinated derivatives more competitive (i.e., a reduction in the natural-gas-based cost advantage enjoyed by North American producers), which has reduced pricing and margins on North American-produced PVC and chlorinated derivatives; and (iii) lower average industry costs for natural gas and ethylene. The lower ECU values, especially with respect to caustic soda pricing, have been caused primarily by: (i) the addition of new production capacity in North America in 2014 coupled with slower growth in the demand needed to absorb that capacity; and (ii) a significant reduction in global energy prices, primarily oil and coal, making many foreign ECU producers more competitive.

The lower sales prices for cumene, phenol and acetone have been driven primarily by lower average industry costs for benzene and propylene. Average industry prices for benzene and propylene declined by 51 percent and 44 percent, respectively, for the six months ended June 30, 2015 compared to the six months ended June 30, 2014, according to the July 2015 IHS report. The decrease in sales prices for our aromatics products was also caused by the overall weakening of the domestic and international aromatics markets, which has resulted in part from the addition of significant amounts of new phenol

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production capacity in Asia in recent years. The decreases in sales prices for cumene, phenol and acetone were partially offset by significant increases in sales volumes for those products, caused by: (i) increased phenol sales volumes in the export spot market; and (ii) increased cumene sales volumes in the domestic spot market. The decreases in the net sales of our chlorovinyls and aromatics segments were partially offset by an \$18.2 million increase in the net sales of our building products segment due to higher sales volumes in the United States and Canada, partially offset by the impact of a stronger United States dollar against a weaker Canadian dollar.

Gross margin percentage. Total gross margin percentage increased to 12 percent for the six months ended June 30, 2015 from 10 percent for the six months ended June 30, 2014. This increase was principally due to a lower cost of sales during the six months ended June 30, 2015, versus the comparable period of 2014, driven by declines in our raw materials costs, including benzene, propylene, natural gas and ethylene in particular. Average industry natural gas prices decreased 40 percent and average industry ethylene prices decreased by 28 percent for the six months ended June 30, 2015 as compared to the six months ended June 30, 2014, according to the IHS July 2015 report. In addition, average industry propylene prices declined by 44 percent and average industry benzene prices declined by 51 percent, for the six months ended June 30, 2015 compared to the six months ended June 30, 2014, according to the same IHS report. In 2014, the chlorovinyls segment's gross margin was negatively impacted by higher cost of sales during the six months ended June 30, 2014, driven by higher energy and maintenance costs, and lower operating rates.

Selling, general and administrative expenses. Selling, general and administrative expenses totaled \$162.5 million for the six months ended June 30, 2015, an increase of 6 percent from \$152.6 million for the six months ended June 30, 2014. The increase in selling, general and administrative expenses was primarily due to increases in wage and benefit costs and professional fees.

Transaction-related costs and other, net. Transaction-related costs and other, net, decreased 35 percent to \$10.4 million for the six months ended June 30, 2015 from \$16.0 million for the six months ended June 30, 2014. For the six months ended June 30, 2014 the Company incurred higher expenses for costs to attain Merger-related synergies, restructuring costs, and deal-related costs as compared to the six months ended June 30, 2015.

Long-lived asset impairment charges, net. Long-lived asset impairment charges, net, totaled \$0.3 million and \$0.7 million for the six month periods ended June 30, 2015 and 2014, respectively, due to the write-down of impaired assets in the window and door and siding reporting units of our building products segment in both years.

Operating income. Operating income was \$58.4 million and \$58.0 million for the six months ended June 30, 2015 and 2014, respectively. The increase in operating income was partly attributable to: (i) an increase of \$8.9 million in the operating income of our building products segment primarily as a result of higher sales volumes, lower raw materials costs and lower charges related to plant consolidation activities, offset in part by the impact of a stronger United States dollar relative to a weaker Canadian dollar and higher selling costs; and (ii) an increase of \$3.6 million in the operating income of our aromatics segment primarily due to increases in our sales volumes for cumene, phenol and acetone, and a decline in our cost of natural gas. The increases in operating income were partially offset by a decrease of \$8.3 million in the operating income of our chlorovinyls segment, principally due to: (i) lower PVC, VCM and chlorinated derivatives sales prices and margins; and (ii) lower ECU values, especially with respect to caustic soda pricing. These unfavorable factors were partially offset by decreases in our average cost of natural gas and ethylene, higher operating rates and, to a lesser extent, by decreased maintenance expenses, as the six months ended June 30, 2014 was impacted by increased maintenance expenses primarily in connection with the extended outage at our PHH VCM facility. Average industry natural gas prices decreased 40 percent and average industry ethylene prices

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decreased 28 percent, for the six months ended June 30, 2015, compared to the six months ended June 30, 2014, according to the July 2015 IHS report.

Interest expense, net. Interest expense, net, was \$38.3 million and \$37.4 million for the six months ended June 30, 2015 and 2014, respectively. The increase in interest expense, net, was due primarily to the increase in our average principal outstanding debt balances during the six months ended June 30, 2015 when compared to the six months ended June 30, 2014, coupled with the higher interest rate on our New Term Loan Facility, as compared to our prior term loan facility.

Foreign currency exchange gain (loss). Foreign currency exchange loss totaled \$0.5 million and foreign currency exchange gain totaled \$0.1 million during the six months ended June 30, 2015 and 2014, respectively. The change from a foreign currency exchange gain to a foreign currency exchange loss was primarily due to the strengthening of the United States dollar against other currencies in which we conduct our businesses, primarily the Canadian dollar.

Provision for income taxes. The provision for income taxes was \$3.3 million and \$3.2 million for the six months ended June 30, 2015 and 2014, respectively.

Our effective income tax rates for the six months ended June 30, 2015 and 2014 were 20.3 percent and 15.3 percent, respectively. The difference in the effective income tax rate as compared to the United States statutory federal income tax rate in 2015 was primarily due to various favorable permanent differences including deductions for depletion and manufacturing activities. The difference in the effective income tax rate as compared to the United States statutory federal income tax rate in 2014 was primarily due to various permanent differences including deductions for manufacturing activities and the cumulative \$3.5 million favorable impact of changes in uncertain tax positions.

Chlorovinyls Segment

Net sales. Net sales totaled \$1,314.5 million for the six months ended June 30, 2015, a decrease of 10 percent from net sales of \$1,460.1 million for the comparable six month period of 2014. This net sales decrease was primarily due to lower PVC, VCM and chlorinated derivatives sales prices, and lower ECU values, especially with respect to caustic soda pricing. These unfavorable factors were partially offset by higher operating rates and sales volumes for PVC, VCM and ECU, as the six months ended June 30, 2014 was impacted by an extended outage at our PHH VCM manufacturing facility, which we did not experience during the six months ended June 30, 2015.

The lower sales prices for PVC, VCM and chlorinated derivatives were driven by: (i) an oversupply of PVC in North America and globally, relative to slower demand; (ii) a significant reduction in global oil prices making many foreign producers of PVC and chlorinated derivatives more competitive (i.e., a reduction in the natural-gas-based cost advantage enjoyed by North American producers), which has reduced pricing and margins on North American-produced PVC and chlorinated derivatives; and (iii) lower average industry costs for natural gas and ethylene. Lower ECU values, especially with respect to caustic soda pricing, were caused primarily by: (i) the addition of new production capacity in North America in 2014 coupled with slower growth in the demand needed to absorb that capacity; and (ii) a significant reduction in global energy prices, primarily oil and coal, making many foreign ECU producers more competitive.

Operating income. Operating income decreased by \$8.3 million to \$81.6 million for the six months ended June 30, 2015 from \$89.9 million for the six months ended June 30, 2014. The decrease was principally due to: (i) lower PVC, VCM and chlorinated derivatives sales prices and margins, driven by the factors described in the preceding paragraph; and (ii) lower ECU values, especially with respect to caustic soda pricing. These unfavorable factors were partially offset by decreases in our average cost of

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natural gas and ethylene, higher operating rates and sales volume increases for PVC, VCM and ECU for the six months ended June 30, 2015 compared to the six months ended June 30, 2014, and to a lesser extent, decreased maintenance expenses, as the six months ended June 30, 2014 was impacted by increased maintenance expenses primarily in connection with the extended outage at our PHH VCM facility. Adjusted EBITDA decreased \$12.1 million to \$185.7 million for the six months ended June 30, 2015 from \$197.8 million for the six months ended June 30, 2014. That decrease was predominantly due to the same factors discussed above with respect to operating income.

Building Products Segment

Net Sales. Net sales totaled \$416.7 million for the six months ended June 30, 2015, increasing 5 percent from \$398.5 million for the comparable six month period of 2014. The net sales increase was driven by an 8 percent increase in sales volumes, with sales volumes in the United States higher by 14 percent and sales volumes in Canada higher by 1 percent, offset in part by the impact of a stronger United States dollar relative to a weaker Canadian dollar. On a constant currency basis, net sales increased by 10 percent. For the six months ended June 30, 2015, our building products segment's geographical sales to the United States and Canada were 59 percent and 40 percent, respectively, compared with 55 percent and 44 percent, respectively, for the six months ended June 30, 2014.

Operating Income. Operating income was \$12.3 million and \$3.4 million for the six months ended June 30, 2015 and 2014, respectively. The increase in operating income was primarily a result of higher sales volumes, lower raw materials costs and lower charges related to plant consolidation activities, offset in part by the impact of a stronger United States dollar relative to a weaker Canadian dollar and higher selling costs. Adjusted EBITDA was \$29.6 million and \$24.7 million for the six months ended June 30, 2015 and 2014, respectively. The increase in Adjusted EBITDA was primarily a result of higher sales volumes and lower raw materials costs, offset in part by the impact of a stronger United States dollar relative to a weaker Canadian dollar and higher selling costs.

Aromatics Segment

Net Sales. Net sales were \$274.8 million for the six months ended June 30, 2015, a decrease of 26 percent from \$372.0 million for the comparable six month period of 2014. The net sales decrease primarily resulted from a significant decline in the sales prices for cumene, phenol and acetone during the six months ended June 30, 2015, driven by lower average industry costs for benzene and propylene, and by the overall weakening of the domestic and international aromatics markets, which has resulted in part from the addition of significant amounts of new phenol production capacity in Asia in recent years. Average industry benzene prices declined by 51 percent and average industry propylene prices declined by 44 percent for the six months ended June 30, 2015 compared to the six months ended June 30, 2014, according to the July 2015 IHS report. The decreases in sales prices for cumene, phenol and acetone were partially offset by significant increases in sales volumes for those products. Those increased sales volumes were primarily caused by: (i) increased sales volumes for phenol in the export spot market; and (ii) increased sales volumes for cumene in the domestic spot market.

Operating income. Operating income increased \$3.6 million to \$0.7 million for the six months ended June 30, 2015 compared to an operating loss of \$2.9 million for the six months ended June 30, 2014. Our operating rates for the aromatics segment were higher in the six months ended June 30, 2015, as compared to the six months ended June 30, 2014, but were lower than the average industry operating rates for the six months ended June 30, 2015, as published by IHS in its July 2015 report. Adjusted EBITDA increased \$4.0 million to \$1.9 million for the six months ended June 30, 2015 from negative \$2.1 million for the six months ended June 30, 2014. The increases in operating income and Adjusted EBITDA were primarily due to: (i) increases in our sales volumes for cumene, phenol and acetone; and (ii) a decline in our cost of natural gas. Average industry natural gas prices decreased by 40 percent

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according to the July 2015 IHS report. These favorable factors were partially offset by the lower sales prices for our aromatics products.

Reconciliation of Non-GAAP Financial Measures

Axiall supplements its financial statements prepared in accordance with GAAP that are set forth in this Quarterly Report on Form 10-Q (the "Financial Statements") with four non-GAAP financial measures: (i) Adjusted Net Income; (ii) Adjusted Earnings Per Share; (iii) Adjusted EBITDA; and (iv) building products net sales on a constant currency basis.

Adjusted Net Income (Loss) is defined as net income (loss) attributable to Axiall excluding adjustments for tax effected restructuring and certain other charges, if any, related to financial restructuring and business improvement initiatives, gains or losses on sales of certain assets, debt refinancing costs, certain acquisition accounting and non-income tax reserve adjustments, certain professional fees associated with various potential and completed mergers and acquisitions, divestitures, joint ventures and other transactions, costs to attain synergies related to the integration of the former chemicals business of PPG Industries (the "Merged Business"), impairment charges for goodwill, intangible assets, and other long-lived assets.

Adjusted Earnings (Loss) Per Share is calculated using Adjusted Net Income (Loss) rather than consolidated net income (loss) attributable to Axiall calculated in accordance with GAAP.

Adjusted EBITDA is defined as Earnings (Loss) Before Interest, Taxes, Depreciation and Amortization, restructuring and certain other charges, if any, related to financial restructuring and business improvement initiatives, gains or losses on sales of certain assets, debt refinancing costs, certain acquisition accounting and non-income tax reserve adjustments, certain professional fees associated with various potential and completed mergers and acquisitions, divestitures, joint ventures and other transactions, costs to attain synergies related to the integration of the Merged Business, impairment charges for goodwill, intangible assets, and other long-lived assets, certain pension and other post-retirement plan curtailment gains and settlement losses and interest expense related to the lease-financing transaction discussed in Note 7 of the notes to the unaudited condensed consolidated financial statements.

Axiall supplements its financial statements with Adjusted Net Income (Loss) and Adjusted Earnings (Loss) Per Share because investors commonly use financial measures such as Adjusted Net Income (Loss) and Adjusted Earnings (Loss) Per Share as a component of performance and valuation analysis for companies, such as Axiall, that recently have engaged in transactions and have incurred expenses such as professional fees related to potential transactions, that result in non-recurring pre-tax charges or benefits that have a significant impact on the calculation of consolidated net income (loss) attributable to Axiall pursuant to GAAP, in order to approximate the amount of net income (loss) that such a company would have achieved absent those non-recurring, transaction-related charges or benefits. In addition, Axiall supplements the financial statements with Adjusted Net Income (Loss) and Adjusted Earnings (Loss) Per Share because we believe these financial measures will be helpful to investors in approximating what our net income (loss) would have been absent the impact of certain non-recurring, pre-tax charges and benefits. We have supplemented the financial statements with Adjusted EBITDA because investors commonly use Adjusted EBITDA as a main component of valuation analysis of cyclical companies such as Axiall.

In addition, we may compare certain financial information, including building products net sales on a constant currency basis. We present such information to provide a framework for investors to assess how our underlying businesses performed, excluding the effect of foreign currency rate fluctuations, primarily fluctuations in the Canadian dollar. To present this information, current and comparative

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prior period financial information for certain businesses reporting in currencies other than United States dollars are converted into United States dollars at the average exchange rate in effect during the base period, rather than the average exchange rates in effect during the respective periods.

Adjusted Earnings (Loss) Per Share, Adjusted Net Income (Loss), Adjusted EBITDA and building products net sales on a constant currency basis, are not measurements of financial performance under GAAP and should not be considered as an alternative to net income (loss), GAAP diluted earnings (loss) per share or net sales, as a measure of performance or to cash provided by (used in) operating activities as a measure of liquidity. In addition, our calculation of these various non-GAAP measurements may be different from the calculations used by other companies and, therefore, comparability may be limited.

Reconciliations of our non-GAAP financial measures to the most comparable GAAP measures are presented in the tables set forth below.

Adjusted Earnings Per Share Reconciliation

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|--------------------------------|---------|------------------------------|---------|
| | 2015 | 2014 | 2015 | 2014 |
| Diluted earnings per share attributable to Axiall | \$ 0.29 | \$ 0.38 | \$ 0.14 | \$ 0.22 |
| Earnings per share related to adjustments between net income attributable to Axiall and Adjusted Net Income | 0.04 | 0.10 | 0.14 | 0.18 |
| Adjusted Earnings Per Share | \$ 0.33 | \$ 0.48 | \$ 0.28 | \$ 0.40 |

Adjusted Net Income Reconciliation

| <i>(In millions, except per share data)</i> | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|--------------------------------|----------|------------------------------|----------|
| | 2015 | 2014 | 2015 | 2014 |
| Net income attributable to Axiall | \$ 20.6 | \$ 27.2 | \$ 10.0 | \$ 15.6 |
| Pre-tax charges: | | | | |
| Transaction-related costs and other, net ⁽¹⁾ | 4.6 | 9.4 | 11.0 | 18.6 |
| Long-lived asset impairment charges, net | - | 0.1 | 0.3 | 0.7 |
| Debt refinancing costs | - | - | 3.2 | - |
| Total pre-tax charges | 4.6 | 9.5 | 14.5 | 19.3 |
| Provision for taxes related to these items | 1.6 | 3.2 | 4.6 | 6.7 |
| After-tax effect of above items | 3.0 | 6.3 | 9.9 | 12.6 |
| Adjusted Net Income | \$ 23.6 | \$ 33.5 | \$ 19.9 | \$ 28.2 |
| | | | | |
| Diluted earnings per share attributable to Axiall | \$ 0.29 | \$ 0.38 | \$ 0.14 | \$ 0.22 |
| Adjusted Earnings Per Share | \$ 0.33 | \$ 0.48 | \$ 0.28 | \$ 0.40 |
| Adjusted EBITDA | \$ 107.5 | \$ 128.1 | \$ 190.7 | \$ 195.8 |

(1) Includes \$0.6 million and \$2.5 million for the six months ended June 30, 2015 and 2014, respectively, of plant reliability improvement initiatives that are included in cost of sales in our consolidated statements of operations.

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2015**

| <i>(In millions)</i> | Chlorovinyls | Building Products | Aromatics | Unallocated Corporate & Non-operating expenses, net | Total |
|---|---------------------|------------------------------|------------------|--|----------------|
| Adjusted EBITDA | \$ 89.0 | \$ 30.4 | \$ 1.1 | \$ (13.0) | \$ 107.5 |
| Transaction-related costs and other, net | 0.4 | - | - | (5.0) | (4.6) |
| Depreciation and amortization | (51.6) | (8.1) | (0.7) | (2.6) | (63.0) |
| Interest expense, net | - | - | - | (19.5) | (19.5) |
| Provision for income taxes | - | - | - | (1.1) | (1.1) |
| Other ⁽¹⁾ | - | - | - | 2.6 | 2.6 |
| Consolidated net income ⁽²⁾ | \$ 37.8 | \$ 22.3 | \$ 0.4 | \$ (38.6) | \$ 21.9 |

⁽¹⁾ Includes \$1.5 million of lease financing obligations interest and \$1.1 million for debt issuance cost amortization.

⁽²⁾ Earnings of our segments exclude interest income and expense, unallocated corporate expenses and general plant services, and provision for income taxes.

**Three Months Ended June 30,
2014**

| <i>(In millions)</i> | Chlorovinyls | Building Products | Aromatics | Unallocated Corporate & Non-operating expenses, net | Total |
|--|---------------------|------------------------------|------------------|--|----------------|
| Adjusted EBITDA | \$ 121.6 | \$ 24.7 | \$ (7.0) | \$ (11.2) | \$ 128.1 |
| Transaction-related costs and other, net | (3.3) | (1.8) | - | (4.3) | (9.4) |
| Long-lived asset impairment charges, net | - | (0.1) | - | - | (0.1) |
| Depreciation and amortization | (51.9) | (8.7) | (0.4) | (2.5) | (63.5) |
| Interest expense, net | - | - | - | (19.1) | (19.1) |
| Provision for income taxes | - | - | - | (10.9) | (10.9) |
| Other ⁽¹⁾ | - | - | - | 3.0 | 3.0 |
| Consolidated net income (loss) ⁽²⁾ | \$ 66.4 | \$ 14.1 | \$ (7.4) | \$ (45.0) | \$ 28.1 |

⁽¹⁾ Includes \$1.6 million of lease financing obligations interest and \$1.4 million for debt issuance cost amortization.

⁽²⁾ Earnings of our segments exclude interest income and expense, unallocated corporate expenses and general plant services, and provision for income taxes.

Six Months Ended June 30, 2015

| <i>(In millions)</i> | Chlorovinyls | Building Products | Aromatics | Unallocated Corporate & Non-operating expenses, net | Total |
|----------------------|---------------------|------------------------------|------------------|--|--------------|
| Adjusted EBITDA | \$ 185.7 | \$ 29.6 | \$ 1.9 | \$ (26.5) | \$ 190.7 |
| | (0.7) | (0.7) | - | (9.6) | (11.0) |

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| | | | | | |
|--|----------------|----------------|---------------|------------------|----------------|
| Transaction-related costs and other, net ⁽¹⁾ | | | | | |
| Long-lived asset impairment charges, net | - | (0.3) | - | - | (0.3) |
| Depreciation and amortization | (104.2) | (15.9) | (1.2) | (5.3) | (126.6) |
| Interest expense, net | - | - | - | (38.3) | (38.3) |
| Debt refinancing costs | - | - | - | (3.2) | (3.2) |
| Provision for income taxes | - | - | - | (3.3) | (3.3) |
| Other ⁽²⁾ | - | - | - | 5.1 | 5.1 |
| Consolidated net income ⁽³⁾ | \$ 80.8 | \$ 12.7 | \$ 0.7 | \$ (81.1) | \$ 13.1 |

⁽¹⁾ Includes \$0.6 million of plant reliability improvement initiatives that are included in cost of sales in our consolidated statements of operations.

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(2) Includes \$2.9 million of lease financing obligations interest and \$2.2 million for debt issuance cost amortization.

(3) Earnings of our segments exclude interest income and expense, unallocated corporate expenses and general plant services, and provision for income taxes.

Six Months Ended June 30, 2014

| <i>(In millions)</i> | Chlorovinyls | Building Products | Aromatics | Unallocated Corporate & Non-operating expenses, net | Total |
|---|---------------------|--------------------------|------------------|--|----------------|
| Adjusted EBITDA | \$ 197.8 | \$ 24.7 | \$ (2.1) | \$ (24.6) | \$ 195.8 |
| Transaction-related costs and other, net ⁽¹⁾ | (6.5) | (3.0) | - | (9.1) | (18.6) |
| Long-lived asset impairment charges, net | - | (0.7) | - | - | (0.7) |
| Depreciation and amortization | (101.5) | (17.4) | (0.8) | (4.5) | (124.2) |
| Interest expense, net | - | - | - | (37.4) | (37.4) |
| Provision for income taxes | - | - | - | (3.2) | (3.2) |
| Other ⁽²⁾ | - | - | - | 5.8 | 5.8 |
| Consolidated net income (loss) ⁽³⁾ | \$ 89.8 | \$ 3.6 | \$ (2.9) | \$ (73.0) | \$ 17.5 |

(1) Includes \$2.5 million of plant reliability improvement initiatives that are included in cost of sales in our condensed consolidated statements of operations.

(2) Includes \$3.3 million of lease financing obligations interest and \$2.5 million for debt issuance cost amortization expense.

(3) Earnings of our segments exclude interest income and expense, unallocated corporate expenses and general plant services, and provision for income taxes.

Building Products Constant Currency Net Sales Reconciliation

| <i>(In millions)</i> | Three Months Ended | | Six Months Ended | |
|---|---------------------------|-----------------|-------------------------|-----------------|
| | 2015 | 2014 | 2015 | 2014 |
| Building products net sales | \$ 250.3 | \$ 243.8 | \$ 416.7 | \$ 398.5 |
| Impact of currency exchange rates | 13.3 | - | 21.1 | - |
| Building products constant currency sales | \$ 263.6 | \$ 243.8 | \$ 437.8 | \$ 398.5 |

Table of Contents**Liquidity and Capital Resources***Overview*

Historically, our primary sources of liquidity and capital resources have included cash provided by operations, the issuance of debt and the use of available borrowing facilities. The net change in cash and cash equivalents for the six months ended June 30, 2015 and 2014 consisted of the following:

| <i>(In millions)</i> | Six Months Ended June 30, | |
|--|----------------------------------|-------------|
| | 2015 | 2014 |
| Net cash provided by operating activities | \$ 36.2 | \$ 16.2 |
| Net cash used in investing activities | (68.5) | (91.8) |
| Net cash provided by (used in) financing activities | 1.5 | (25.9) |
| Effect of exchange rate changes on cash and cash equivalents | (4.6) | (2.3) |
| Net change in cash and cash equivalents | \$ (35.4) | \$ (103.8) |

Operating Activities. In the condensed consolidated statements of cash flows, changes in operating assets and liabilities are presented excluding the effects of changes in foreign currency, non-cash transactions and the effects of acquisitions and divestitures. Accordingly, the amounts in the unaudited condensed consolidated statements of cash flows differ from changes in the operating assets and liabilities that are presented in the unaudited condensed consolidated balance sheets.

As of June 30, 2015, net working capital was \$655.1 million, an increase of \$49.8 million as compared to net working capital of \$605.3 million as of June 30, 2014. Total working capital used in operations for the six month periods ended June 30, 2015 and 2014 was \$76.2 million and \$102.7 million, respectively. The decrease in working capital used during the first six months of 2015 as compared to the first six months of 2014 was primarily due to: (i) a decrease of \$37.2 million in accrued compensation; (ii) a decrease of \$24.9 million in prepaid expenses and other; and (iii) a decrease of \$11.3 million in accrued income taxes; partially offset by: (i) an increase of \$17.1 million in inventory; (ii) an increase of \$16.4 million in other accrued liabilities; and (iii) an increase of \$14.6 million in accounts payable.

Investing Activities. For the six months ended June 30, 2015, net cash used in investing activities decreased \$23.3 million as compared to the six months ended June 30, 2014, primarily due to a reduction in capital expenditures and an increase in proceeds from the sale of assets including: (i) the sale of two properties in Canada in our building products segment for approximately \$3.5 million; and (ii) the sale of our specialty phosgene derivatives business including \$5.5 million in proceeds from the sale of assets reflected in our condensed consolidated statements of cash flows, with the remainder of \$5.1 million included in operating activities as part of the collection of receivables. For the six months ended June 30, 2014, our capital expenditures were higher due to reconstruction and replacement activities at our PHH VCM manufacturing facility located in Lake Charles, Louisiana, undertaken after the fire that occurred at that facility in December 2013.

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Financing Activities. For the six months ended June 30, 2015, net cash provided by financing activities was \$1.5 million as compared to net cash used in financing activities of \$25.9 million during the six months ended June 30, 2014. During the six months ended June 30, 2015, our financing activities included entering into our New Term Loan Facility totaling \$248.8 million, net, partially offset by: (i) \$196.1 million in long-term debt repayments; (ii) \$23.1 million in dividend payments to shareholders; (iii) a \$10.0 million deferred acquisition payment to PPG in connection with the funding status of certain assumed pension plans of the Merged Business; and (iv) \$8.4 million in distributions to noncontrolling interest. For the six months ended June 30, 2014, net cash used in financing activities was primarily comprised of: (i) \$22.6 million in dividend payments to shareholders; (ii) \$7.7 million in distributions to noncontrolling interest; and (iii) \$4.7 million in share-based compensation activity.

As of June 30, 2015 and December 31, 2014, our long-term debt consisted of the following:

| <i>(In millions)</i> | Maturity Date | June 30, 2015 | December 31, 2014 |
|---|----------------------|--------------------------|------------------------------|
| 4.625 Notes | February 15, 2021 | \$ 688.0 | \$ 688.0 |
| 4.875 Notes | May 15, 2023 | 450.0 | 450.0 |
| Term Loan (net of debt issuance costs totaling \$1.8 million at December 31, 2014) | January 28, 2017 | - | 192.6 |
| Term Loan (net of debt issuance costs and discounts totaling \$2.8 million at June 30, 2015) | February 27, 2022 | 246.0 | - |
| ABL Revolver | December 17, 2019 | - | - |
| Total debt | | 1,384.0 | 1,330.6 |
| Less: current portion of long-term debt | | (2.5) | (2.8) |
| Long-term debt, net | | \$ 1,381.5 | \$ 1,327.8 |

4.625 Notes

Axiall Corporation and certain of its subsidiaries guarantee \$688.0 million in aggregate principal amount of senior unsecured notes due 2021 bearing interest at a rate of 4.625 percent per annum (the "4.625 Notes") that were issued by Eagle Spinco Inc. ("Spinco"). Interest payments on the 4.625 Notes commenced on August 15, 2013 and interest is payable semi-annually in arrears on February 15 and August 15 of each year. The 4.625 Notes are fully and unconditionally guaranteed, jointly and severally, on a senior unsecured basis by Axiall Corporation and by its existing and future domestic subsidiaries, other than certain excluded subsidiaries.

4.875 Notes

On February 1, 2013, Axiall Corporation issued \$450.0 million in aggregate principal amount of senior unsecured notes due 2023 which bear interest at a rate of 4.875 percent per annum (the "4.875 Notes"). Interest payments on the 4.875 Notes commenced on May 15, 2013 and interest is payable semi-annually in arrears on May 15 and November 15 of each year. The 4.875 Notes are fully and unconditionally guaranteed, jointly and severally, on a senior unsecured basis by each of our existing and future domestic subsidiaries, other than certain excluded subsidiaries.

Term Loan

On February 27, 2015, Axiall Holdco Inc., a wholly-owned subsidiary of the Company ("Axiall Holdco") entered into a credit agreement with a syndicate of financial institutions (the "Term Loan Agreement") for a new \$250 million term loan facility (the "New Term Loan Facility") to refinance the principal

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amount outstanding under the Company's existing term loan facility, to pay related fees and expenses, and for general corporate purposes. Obligations under the New Term Loan Facility are fully and unconditionally guaranteed, on a senior secured basis, by the Company and by each of the Company's existing and future wholly-owned domestic subsidiaries, other than certain excluded subsidiaries. The obligations under the New Term Loan Facility are secured by substantially all of the assets of Axiall Holdco, Axiall Corporation and the subsidiary guarantors.

The New Term Loan Facility contains an accordion feature that permits Axiall Holdco, subject to certain conditions and to obtaining lender commitments, to incur additional term loans under the New Term Loan Facility in an amount up to the greater of: (i) \$250 million; and (ii) an amount that would not result in the Company's consolidated secured debt ratio being greater than 2.50 to 1.00.

At the election of Axiall Holdco, the New Term Loan Facility bears interest at a rate equal to: (i) the Base Rate (as defined in the Term Loan Agreement) plus 1.50 percent per annum; or (ii) LIBOR (as defined in the Term Loan Agreement) plus 3.25 percent per annum; provided that at no time will the Base Rate be deemed to be less than 2.00 percent per annum or LIBOR be deemed to be less than 0.75 percent per annum. As of June 30, 2015, outstanding borrowings under the Company's New Term Loan Facility had a stated interest rate of 4.00 percent per annum.

The Term Loan Agreement contains customary covenants (subject to exceptions), including certain restrictions on the Company and its subsidiaries to pay dividends.

ABL Revolver

The Company's second amended and restated asset based revolving credit facility (the "ABL Revolver"), which the Company entered into in December 2014, provides for a maximum of \$600.0 million of revolving credit, subject to applicable borrowing base limitations and certain other conditions. The credit agreement governing the ABL Revolver (the "ABL Credit Agreement") contains customary covenants, including certain restrictions on the Company and its subsidiaries to pay dividends and repurchase shares of Company stock. These covenants are subject to certain exceptions and qualifications. Under the ABL Revolver, dividend payments and repurchases of our common stock in an aggregate amount not to exceed \$150 million in any fiscal year may be made if both borrowing availability under the ABL Revolver would have exceeded \$75 million at all times during the thirty days immediately preceding any such restricted payment and our consolidated fixed charge coverage ratio (as defined in the ABL Revolver) is equal to or exceeds 1.00 to 1.00, each on a pro forma basis after giving effect to any such proposed restricted payment. In addition, under the ABL Revolver, additional cash dividend payments may be made if both borrowing availability under the ABL Revolver then exceeds \$100 million and our consolidated fixed charge coverage ratio (as defined in the ABL Revolver) is equal to or exceeds 1.10 to 1.00, each on a pro forma basis after giving effect to the proposed cash dividend payment.

As of June 30, 2015 and December 31, 2014, we had no outstanding balance under our ABL Revolver. Our availability under the ABL Revolver at June 30, 2015 was approximately \$489.4 million, net of outstanding letters of credit totaling \$82.0 million. As of June 30, 2015, the applicable rate for future borrowings would have been 3.35 percent to 3.75 percent based on LIBOR or certain United States index rates, plus the applicable margin under the ABL Revolver.

As of June 30, 2015, we were in compliance with the covenants under our ABL Credit Agreement, the Term Loan Agreement and the indentures governing the 4.625 Notes and the 4.875 Notes.

Table of Contents**Lease Financing Obligation**

As of June 30, 2015 and December 31, 2014, we had a lease financing obligation of \$88.2 million and \$94.2 million, respectively. The change from the December 31, 2014 balance is due to the change in the Canadian dollar exchange rate as of June 30, 2015. The lease financing obligation is the result of the sale and concurrent leaseback of certain land and buildings in Canada in 2007 for a term of ten years. In connection with this transaction, certain terms and conditions, including the requirement to execute a collateralized letter of credit in favor of the buyer-lessor, resulted in the transaction being recorded as a financing transaction rather than a sale for GAAP purposes. As a result, the land, building and related accounts continue to be recognized in the unaudited condensed consolidated balance sheets. The collateralized letter of credit expired on February 2, 2015 and is no longer required. We are not obligated to repay the lease financing obligation amount of \$88.2 million. Our obligation is for the future minimum lease payments under the terms of the related lease agreements. The future minimum lease payments under the terms of the related lease agreements as of June 30, 2015 are \$2.6 million in 2015, \$5.1 million in 2016, and \$1.3 million in 2017, the final year of the lease agreements. The change in the future minimum lease payments from such amounts disclosed as of December 31, 2014 is due to current period payments and the change in the Canadian dollar exchange rate as of June 30, 2015.

Dividends

During the six months ended June 30, 2015, the Company's Board of Directors declared dividends of \$0.32 per share, in equal installments of \$0.16 per share, according to the following record and payment dates:

| Declared Date | Record Date | Payment Date |
|----------------------|--------------------|---------------------|
| March 3, 2015 | March 27, 2015 | April 10, 2015 |
| May 19, 2015 | June 26, 2015 | July 10, 2015 |

Management believes, based on current and projected levels of operations and conditions in our markets and cash flow from operations, together with our cash and cash equivalents on hand and the availability to borrow under our ABL Revolver, we have adequate funding for the foreseeable future to make required payments of interest on our debt, fund our operating needs, working capital and capital expenditure requirements, comply with the financial ratios in our debt agreements, and make any required prepayments of principal under our debt agreements. As of June 30, 2015, we have no significant required payments of principal on our debt until February 2021. To the extent our cash flow and liquidity exceeds the levels necessary for us to make required payments on our debt, fund our working capital and capital expenditure requirements and comply with our ABL Revolver, we may use the excess liquidity to further grow our business through investments or acquisitions, payment of dividends and/or to reduce our debt.

Contractual Obligations. Information related to our contractual obligations as of December 31, 2014 can be found in our 2014 Annual Report on Form 10-K (our "2014 Annual Report") in Part II, Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations. Our contractual obligations at June 30, 2015 have increased by approximately 37 percent since December 31, 2014. The increase from December 31, 2014 is primarily related to an increase in our raw material feedstocks purchase obligations due to a new commodity contractual agreement signed during the six months ended June 30, 2015.

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Our aggregate future payments under contractual obligations by category as of June 30, 2015, were as follows:

| <i>(In millions)</i> | Total | 2015 ⁽¹⁾ | 2016 | 2017 | 2018 | 2019 | 2020 and thereafter |
|--|-------------------|----------------------------|-----------------|-----------------|-----------------|-----------------|----------------------------|
| Contractual obligations: | | | | | | | |
| Purchase obligations | \$ 2,089.7 | \$ 341.7 | \$ 373.2 | \$ 356.6 | \$ 242.0 | \$ 241.0 | \$ 535.2 |
| Long-term debt principal | 1,386.8 | 1.3 | 2.5 | 2.5 | 2.5 | 2.5 | 1,375.5 |
| Long-term debt interest | 409.5 | 32.2 | 63.7 | 63.7 | 63.6 | 63.4 | 122.9 |
| Lease financing obligations | 9.0 | 2.6 | 5.1 | 1.3 | - | - | - |
| Capital lease obligations | 5.3 | 0.6 | 1.1 | 1.1 | 1.0 | 0.8 | 0.7 |
| Operating lease obligations | 176.7 | 21.9 | 38.4 | 32.9 | 23.6 | 18.1 | 41.8 |
| Expected pension and OPEB contributions ⁽²⁾ | 308.6 | 10.8 | 10.2 | 9.8 | 9.7 | 11.0 | 257.1 |
| Acquisition purchase price consideration | 30.0 | - | 15.0 | 15.0 | - | - | - |
| Asset retirement obligation | 188.4 | - | 2.4 | 5.3 | - | 2.2 | 178.5 |
| Total | \$ 4,604.0 | \$ 411.1 | \$ 511.6 | \$ 488.2 | \$ 342.4 | \$ 339.0 | \$ 2,511.7 |

⁽¹⁾ For the six months ending December 31, 2015.

⁽²⁾ Based on assumptions as of December 31, 2014.

Purchase obligations. Purchase obligations primarily include agreements to purchase goods or services that are enforceable, legally binding and specify all significant terms. We have certain long-term raw material supply contracts and energy purchase agreements with various terms extending through the year 2026. These commitments are designed to assure sources of supply for our normal requirements. Amounts are based upon contractual raw material volumes and market rates as of June 30, 2015.

Long-term debt, principal. Long-term debt, principal obligations are listed based on the contractual due dates. On February 27, 2015, we entered into our New Term Loan Facility, which matures on February 27, 2022, to refinance our existing term loan facility, pay related fees and expenses, and for general corporate purposes. See Note 7 of the notes to the unaudited condensed consolidated financial statements.

Long-term debt, interest. Long-term debt, interest payments are based on our contractual rates, or in the case of variable interest rate obligations, the weighted average interest rates as of June 30, 2015.

Lease financing obligations. We lease land and buildings for certain of our Canadian manufacturing facilities under leases with varying maturities through the year 2017.

Capital lease obligations. We lease railcars for our chlorovinyls segment under capital leases with varying maturities through the year 2020.

Operating lease obligations. We lease railcars, storage terminals, computer equipment, automobiles, barges and warehouse and office space under non-cancelable operating leases with varying maturities through the year 2025.

Expected pension and other post-retirement benefit ("OPEB") contributions. Expected pension contributions for the funded obligations represent the projected minimum required contributions based

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on assumptions as of June 30, 2015 and determined in accordance with local requirements such as the Employee Retirement Income Security Act. Also included are contributions for the unfunded OPEB plans which are based on the expected benefit payments estimated as of June 30, 2015.

Deferred acquisition payments. Payments of deferred purchase price represent amounts due to PPG based upon the final funding status of the pension plans assumed in the Merger. During the six months ended June 30, 2015, we made a \$10 million deferred acquisition payment to PPG in connection with the funding status of certain assumed pension plans of the Merged Business. We will make remaining payments in the aggregate amount of \$30 million to PPG over the next two years.

Asset retirement obligations. We have recognized a liability for the present value of cost we estimate we will incur to retire certain assets. The amount reported in the Contractual Obligations table above, represents the undiscounted estimated cost to retire such assets.

Uncertain income tax positions. We have recognized a liability for our uncertain income tax positions of approximately \$10.6 million as of June 30, 2015. We do not believe we are likely to pay any amounts during the year ending December 31, 2015. The ultimate resolution and timing of payment for remaining matters continues to be uncertain and is therefore excluded from the Contractual Obligations table above.

Outlook

Compared sequentially to the second quarter, the Company expects the following factors to impact its third-quarter results:

In the chlorovinyls segment, Axiall expects the ECU pricing environment to remain challenging. The Company expects an increase in caustic soda sales volumes and flat sales volumes for vinyl resins. Maintenance costs are expected to be somewhat lower. Natural gas and ethylene costs are expected to largely track changes in market prices for these products as the Company does not expect any material changes in the components of its ethylene supply portfolio during the third quarter and the impact of natural gas hedges is expected to be similar to the second quarter of 2015. As a result of all these factors the Company expects modest improvement in chlorovinyls Adjusted EBITDA for the third quarter of 2015 compared to the second quarter of 2015.

The Company expects third-quarter 2015 results for its building products and aromatics segments to be similar to the results for the second quarter of 2015, subject to shifts in raw materials pricing that could cause inventory holding losses or gains in the aromatics segment.

Corporate overhead is expected to be similar to second quarter 2015, excluding restructuring and severance costs.

Forward-Looking Statements

This Quarterly Report on Form 10-Q contains certain statements relating to future events and our intentions, beliefs, expectations and predictions for the future. Any such statements other than statements of historical fact are forward-looking statements within the meaning of the Securities Act of 1933 and the Securities Exchange Act of 1934. Words or phrases such as "anticipate," "believe," "plan," "estimate," "project," "may," "will," "intend," "target," "expect," "would" or "could" (including the negative variations thereof) or similar terminology used in connection with any discussion of future plans, actions or events generally identify forward-looking statements. These statements relate to, among other things, our outlook for future periods, supply and demand, pricing trends and market forces within the chemical and building industries, cost reduction strategies and their results, planned

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capital expenditures, long-term objectives of management, expected benefits of acquisitions, divestitures and other transactions; expected cost savings and synergies; expected growth of our businesses and products; our results of operations; our financial and operational performance; our business prospects and opportunities; the nature, timing and outcome of our review of potential strategic alternatives for our Building Products segment; the nature, timing and outcome of our process to divest our Aromatics business; ECU and other product pricing; ECU and vinyl resin sales volumes, as well as the pricing and sales volumes of other products we sell; maintenance costs; natural gas and ethylene costs; the components of our ethylene supply portfolio; natural gas hedging; corporate overhead and other statements of expectations concerning matters that are not historical facts. These statements are based on the current expectations of our management. There are a number of risks and uncertainties that could cause our actual results to differ materially from the forward-looking statements included in this Quarterly Report on Form 10-Q. These risks and uncertainties include, among other things:

changes, seasonality and/or cyclicity in the industries in which our products are sold and changes in demand for our products or increases in overall industry capacity that could affect production volumes and/or pricing;

the costs and operating restrictions associated with compliance with current and future environmental, health and safety laws and regulations;

the availability and pricing of energy and raw materials;

risks, hazards and potential liabilities associated with manufacturing and transporting chemicals and building products, including, among others, explosions and fires, mechanical failures unscheduled downtime and related litigation;

changes in the general economy, including the impacts of the current, and any potential future, economic uncertainties in the housing and construction markets;

our level of indebtedness and debt service obligations and ability to continue to comply with the covenants in the ABL Credit Agreement, the Term Loan agreement and the indentures governing the 4.875 Notes and the 4.625 Notes;

our reliance on a limited number of suppliers for specified feedstock and services and our reliance on third-party transportation;

risks, costs, liabilities, pension and OPEB plans;

competition within our industry;

the integration of any acquisitions with the businesses we operated prior to the acquisitions not being successful;

complications resulting from our multiple enterprise resource planning ("ERP") systems and the implementation of our new ERP systems;

strikes and work stoppages relating to the workforce under collective bargaining agreements;

any impairment of goodwill, indefinite-lived intangible assets or other intangible assets;

the failure to realize the benefits of, and/or disruptions resulting from, any asset dispositions, asset acquisitions, joint ventures, business combinations or other transactions;

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shared control of our joint ventures with unaffiliated third parties, including the ability of such joint venture partners to fulfill their obligations;

fluctuations in foreign currency exchange and interest rates;

the failure to adequately protect our data and technology systems; and

the failure to properly manage our CEO transition and to attract and retain a qualified candidate to become our CEO on a permanent basis.

In light of these risks, uncertainties, assumptions and other factors, the forward-looking statements discussed in this Quarterly Report on Form 10-Q may not occur. Other unknown or unpredictable factors could also have a material adverse effect on our actual future results, performance or achievements. For a further discussion of these and other risks and uncertainties applicable to us and our business, see the section of this Quarterly Report on Form 10-Q entitled "Risk Factors" and in our subsequent periodic filings with the SEC. As a result of the foregoing, readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this report. We do not undertake, and expressly disclaim, any duty to update any forward-looking statement whether as a result of new information, future events or changes in our expectations, except as required by law.

Critical Accounting Policies and Estimates

During the six months ended June 30, 2015, we had no material changes to our critical accounting policies listed in Part II. Item 7. "Management's Discussion and Analysis of Financial Conditions and Results of Operations" in our 2014 Annual Report.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

For a discussion of certain market risks related to Axiall, see Part II. Item 7A. "Quantitative and Qualitative Disclosures About Market Risk," in our 2014 Annual Report. There have been no material changes with respect to our exposure to market risks from those set forth in such report.

Item 4. CONTROLS AND PROCEDURES.

Controls and Procedures. We carried out an evaluation, under the supervision and with the participation of Axiall management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that the Company's disclosure controls and procedures were effective as of June 30, 2015.

Changes in Internal Control. There has been no change in our internal control over financial reporting identified in connection with the evaluation required by paragraph (d) of Rules 13a-15 or 15d-15 under the Securities Exchange Act of 1934 that occurred during the three months ended June 30, 2015 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

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PART II. OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS.

We are involved in a number of contingencies incidental to the normal conduct of our business including lawsuits, claims and environmental contingencies. The outcome of these contingencies is inherently unpredictable. We believe that, in the aggregate, the outcome of all known contingencies including lawsuits, claims and environmental contingencies will not have a material adverse effect on our financial statements; however, specific outcomes with respect to such contingencies may be material to the financial statements of any particular period in which costs, if any, are recognized. Our assessment of the potential impact of environmental contingencies is subject to uncertainty due to the complex, ongoing and evolving process of investigation and remediation of such environmental contingencies, and the potential for technological and regulatory developments. In addition, the impact of evolving programs, such as natural resource damage claims, industrial site reuse initiatives and state remediation programs creates further uncertainty of the ultimate resolution of these environmental contingencies. We anticipate that the resolution of many contingencies, and in particular environmental contingencies, will occur over an extended period of time.

During September 2010, our Lake Charles North and Plaquemine, Louisiana facilities each received a Consolidated Compliance Order and Notice of Potential Penalty, alleging violations of various requirements of those facilities' air permits, based largely on self-reported permit deviations related to record-keeping violations. The Company has been negotiating a possible settlement of these matters with LDEQ. Based upon a communication from LDEQ in September 2014, the Company now believes this matter may require the payment of a monetary sanction in excess of \$100,000, but it does not expect that the resolution of this matter will have a material adverse effect on its financial statements for any period.

On December 20, 2013, a fire occurred at our PHH vinyl chloride monomer ("VCM") manufacturing plant in Lake Charles, Louisiana. As of June 30, 2015, approximately 2,615 individuals have filed lawsuits against the Company alleging personal injury or property damage related to the incident. We do not expect any other individuals to file lawsuits regarding this matter, as the prescribed deadline for doing so has expired. We have not recorded an accrual in connection with any of these lawsuits because, at this time, we are unable to reasonably determine whether any potential loss is probable or reasonably possible. In addition, we currently are unable to provide a reasonable estimate of the potential loss or range of loss, if any, expected to result from this contingency. We are unable to make these determinations due to a number of variables, including without limitation, uncertainties related to: (i) the fact that no written or oral discovery has been conducted by the Company in any of these lawsuits; (ii) the procedural status and jurisdictions in which these lawsuits may be adjudicated; (iii) the parties' respective litigation strategies; (iv) the fact that none of the complaints have alleged specific injuries or a specific amount of damages; (v) any symptoms experienced by any of the plaintiffs, and whether there will be any reliable information, documentation or other discovery related thereto; (vi) the pre-and-post fire medical or physical condition of the plaintiffs, and whether there will be any reliable information, documentation or other discovery related thereto; and (vii) the location of any plaintiff at the time of the fire, and the duration of any exposure related thereto, and whether there will be any reliable information, documentation or other discovery related thereto.

During April 2015, the Company received a communication from the United States Environmental Protection Agency (the "EPA") related to, among other things, the EPA's investigation of the December 2012 and December 2013 fires that occurred at the Company's PHH VCM plant in Lake Charles, Louisiana, and the possible amount of the monetary sanction the Company may be required to pay related thereto. Based upon that communication and subsequent meetings with the EPA, in which the EPA proposed a monetary sanction of \$1.1 million, the Company believes this matter will require

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payment of a monetary sanction by the Company in excess of \$100,000, but it does not expect that the resolution of this matter will have a material adverse effect on its financial statements for any period.

Item 1A. RISK FACTORS.

There have been no material changes to the information set forth in Part I. Item 1A. "Risk Factors" in our 2014 Annual Report, except for the additional risk factor set forth below:

If we do not successfully manage the transition associated with the retirement of our former Chief Executive Officer ("CEO") and the appointment of a new CEO, it could be viewed negatively by our customers and shareholders and could have an adverse impact on our business.

Paul D. Carrico retired from his position as the Company's President and CEO and resigned from the Board effective July 5, 2015. Timothy Mann, Jr., who previously served as the Company's Executive Vice President of Strategy, General Counsel and Secretary, is serving as the Company's interim President and CEO. The Board has an active search process underway to select the next CEO from internal and external candidates. Such leadership transitions can be inherently difficult to manage, and an inadequate transition of our CEO may cause disruption to our business, including to our relationships with customers and employees. In addition, if we are unable to attract and retain a qualified candidate to become our permanent CEO in a timely manner, our ability to meet our financial and operational goals and strategic plans may be adversely impacted, as well as our financial performance. It may also make it more difficult to retain other key employees.

Item 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

The table below sets forth information regarding repurchases by the Company of shares of its common stock on a monthly basis during the three months ended June 30, 2015:

| Period | Total Number Shares Purchased ⁽¹⁾ | Average Price Paid Per Share |
|--------------------------|---|---|
| April 1 - April 30, 2015 | - | \$ - |
| May 1 - May 31, 2015 | 202,537 | \$ 36.25 |
| June 1 - June 30, 2015 | 785 | \$ 35.49 |
| Total | 203,322 | |

(1) The Company did not repurchase any of its equity securities during the period covered by this report pursuant to any publicly announced plan or program, and no such plan or program is presently in effect. All purchases reflected in the table above reflect purchases of common stock by the Company in connection with tax withholding obligations of the Company's employees upon vesting of such employees' restricted stock awards.

Item 4. MINE SAFETY DISCLOSURES.

Not applicable.

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Item 6. EXHIBITS

| | |
|---------|---|
| 10.1 | Amended and Restated Limited Liability Company Agreement of LACC, LLC, dated as of June 17, 2015 (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K, filed with the SEC on June 23, 2015, and incorporated herein by reference.) |
| 10.2 | Contribution and Subscription Agreement, dated as of June 17, 2015, by and among Eagle US 2 LLC, Axiall Corporation and LACC, LLC (filed as Exhibit 10.2 to the Company's Current Report on Form 8-K, filed with the SEC on June 23, 2015, and incorporated herein by reference.) |
| 10.3 | Call Option Agreement, dated as of June 17, 2015, by and between Eagle US 2 LLC and Lotte Chemical USA Corporation (filed as Exhibit 10.3 to the Company's Current Report on Form 8-K, filed with the SEC on June 23, 2015, and incorporated herein by reference.) |
| *10.4 | Separation and Release Agreement, dated as of July 5, 2015, by and between Paul D. Carrico and Axiall Corporation (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K, filed with the SEC on July 6, 2015, and incorporated herein by reference.) |
| 31 | Rule 13a-14(a)/15d-14(a) Certifications |
| 32 | Section 1350 Certifications |
| 101.INS | XBRL Instance Document |
| 101.SCH | XBRL Taxonomy Extension Schema Document |
| 101.CAL | XBRL Taxonomy Extension Calculation Linkbase Document |
| 101.DEF | XBRL Taxonomy Extension Definition Linkbase Document |
| 101.LAB | XBRL Taxonomy Extension Label Linkbase Document |
| 101.PRE | XBRL Taxonomy Extension Presentation Linkbase Document |

* Management Compensation Agreement

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

AXIALL CORPORATION
(Registrant)

Date: August 7, 2015

/s/ TIMOTHY MANN, JR
Timothy Mann, Jr
Interim President and Chief Executive Officer
(Principal Executive Officer)

Date: August 7, 2015

/s/ GREGORY C. THOMPSON
Gregory C. Thompson
Chief Financial Officer
(Principal Financial and Accounting Officer)

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