Platform Specialty Products Corp
Form 10-K
March 11, 2016

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

FORM 10-K

ý ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 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: 001-36272

(Exact name of Registrant as specified in its charter)

Delaware	37-1744899
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1450 Centrepark Boulevard, Suite 210 West Palm Beach, Florida (Address of principal executive offices)	33401 (Zip Code)

Registrant's telephone number, including area code: (561) 207-9600

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on Which Registered
Common Stock, par value $0.01 per share	The New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:
None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ¨ No ý

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes ¨ No ý

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 ý 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 during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ý No ¨

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ý

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

Large accelerated filer x   Accelerated filer o   Non-Accelerated filer o   Smaller reporting company o

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

The number of shares of common stock outstanding as of March 4, 2016 was 229,513,403. The aggregate market value of the common stock held by non-affiliates as of June 30, 2015 was approximately $2.42 billion, based upon the last reported sales price for such date on the NYSE. All (i) executive officers and directors of the registrant and (ii) all persons who hold 10% or more of the registrant's outstanding common stock have been deemed, solely for the purpose of the foregoing calculation, to be "affiliates" of the registrant.

Documents Incorporated By Reference

Portions of the registrant's definitive proxy statement for its 2016 annual meeting of stockholders, which 2016 Proxy Statement will be filed no later than 120 days after the close of the registrant's fiscal year ended December 31, 2015, are hereby incorporated by reference in Part III of this Annual Report on Form 10-K.

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GLOSSARY OF DEFINED TERMS

Terms	Definitions
Platform; Successor; We; Us; Our; the Company	Platform Specialty Products Corporation, a Delaware corporation, and its subsidiaries, collectively, for all periods subsequent to the MacDermid Acquisition.
Acquisitions	Agriphar Acquisition, Alent Acquisition, Arysta Acquisition, CAS Acquisition, MacDermid Acquisition, and OMG Acquisition, collectively.
Agriphar	Percival and its agrochemical business, Agriphar.
Agriphar Acquisition	Acquisition of a 100% interest in Agriphar, completed on October 1, 2014.
AIs	Active ingredients.
Alent	Alent plc (LSE:ALNT), a formerly public limited company registered in England and Wales.
Alent Acquisition	Acquisition of a 100% interest in Alent completed on December 1, 2015 by way of a scheme of arrangement implemented under the U.K. Companies Act and provided to Alent shareholders on August 17, 2015.
Alent EURO Tranche C-2 Term Loan	Tranche C-2 term loans denominated in Euros in an aggregate amount of €300 million borrowed by Platform in connection with the Alent Acquisition.
Alent U.S. Dollar Tranche B-3 Term Loan	Tranche B-3 term loans denominated in U.S. Dollars in an aggregate principal amount of $1.05 billion, borrowed by Platform in connection with the Alent Acquisition.
Amended and Restated Credit Agreement	Platform's credit agreement dated April 12, 2007, as amended and/or restated on June 7, 2013, October 31, 2013 (Amendment No. 1), August 6, 2014 (Second Amended and Restated Credit Agreement and the further amendments pursuant to Amendment No. 2), October 1, 2014 (Incremental Amendment No. 1), February 13, 2015 (Amendment No. 3) and December 3, 2015 (Amendment No.4).
Amendment No. 1	Amendment No. 1, dated as of October 31, 2013, among, inter alia, Platform (formerly Platform Acquisition Holding Limited), MacDermid Holdings, Matrix Acquisition Corp., MacDermid (as successor to Matrix Acquisition Corp., the borrower), the subsidiaries of the borrower from time to time parties thereto, the lenders from time to time parties thereto and Credit Suisse AG, as administrative agent and as collateral agent, entered into in connection with the MacDermid Acquisition.
Amendment No. 2	Amendment No. 2, dated as of August 6, 2014, among Platform, MacDermid Holdings, MacDermid, the subsidiaries of Platform and MacDermid Holdings from time to time parties thereto, the lenders from time to time parties thereto and Barclays Bank PLC, as administrative agent and collateral agent, entered into in connection with the CAS Acquisition, including the further amendments to the Second Amended and Restated Credit Agreement which became effective upon closing of the CAS acquisition (see Note 9. Debt, Financial Guarantees and Factoring Arrangements, to the Consolidated Financial Statements).
Amendment No. 3	Amendment No. 3, dated as of February 13, 2015, among Platform, MacDermid Holdings, MAS Holdings, NAIP and certain subsidiaries of Platform and MacDermid Holdings, the lenders from time to time parties thereto and Barclays Bank PLC, entered into in connection with the Arysta Acquisition.
Amendment No. 4	Amendment No. 4, dated as of December 3, 2015, among Platform, MacDermid, MAS Holdings, NAIP, MacDermid Europe and MacDermid Funding, the subsidiaries of Platform from time to time parties thereto, the lenders from time to time parties thereto, and Barclays Bank PLC, as administrative agent and collateral agent, entered into in connection with the Alent Acquisition.
Annual Report	This annual report on Form 10-K for the fiscal year ended December 31, 2015.

Apollo	Affiliates of Apollo Global Management, LLC, collectively and each individually.
Arysta	Arysta LifeScience Limited, a formerly Irish private limited company.
Arysta Acquisition	Acquisition of a 100% interest in Arysta, completed on February 13, 2015.
Arysta EURO Tranche C-1 Term Loan	Tranche C-1 term loans denominated in Euros in an aggregate amount of €83 million borrowed by Platform in connection with the Arysta Acquisition.
Arysta Seller	Nalozo, L.P., an affiliate of the Original Arysta Seller who became the seller in the Arysta Acquisition pursuant to an amendment to the share purchase agreement dated February 11, 2015.
Arysta Seller Resale Registration Statement	Registration statement on Form S-3 (File No. 333-202287) initially filed on February 25, 2015 to register the resale of a maximum of 22,107,590 shares of common stock issuable upon conversion of the Series B Convertible Preferred Stock pursuant to a registration rights agreement entered into with the Arysta Seller dated February 13, 2015. The Arysta Registration Statement was amended on March 20, 2015 and April 29, 2015, and declared effective by the SEC on May 6, 2015.

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GLOSSARY OF DEFINED TERMS

Terms	Definitions
Arysta U.S. Dollar Tranche B-2 Term Loan	Tranche B-2 term loans denominated in U.S. Dollars in an aggregate principal amount of $500 million borrowed by Platform in connection with the Arysta Acquisition.
ASC	Accounting Standard Codification.
ASU	Accounting Standards Update.
Asset-Lite, High-Touch	Platform’s philosophy and business model focused on dedicating extensive resources to research and development and highly technical customer service teams, while limiting investments in fixed assets and capital expenditures.
Board	Platform’s board of directors.
Bribery Act	The United Kingdom Bribery Act 2010.
CAS	Chemtura Agricultural Solutions business of Chemtura.
CAS Acquisition	Acquisition of a 100% interest in CAS, completed on November 3, 2014.
CAS EURO Tranche C-1 Term Loan	Tranche C-1 term loans denominated in Euros in an aggregate amount of €205 million borrowed by Platform in connection with the CAS Acquisition.
CAS U.S. Dollar Tranche B Term Loan	Tranche B term loans denominated in U.S. Dollars in an aggregate principal amount of $130 million borrowed by Platform in connection with the CAS Acquisition.
Chemtura	Chemtura Corporation, a Delaware corporation.
Credit Facilities	The First Lien Credit Facility and the Revolving Credit Facility, collectively, available under the Amended and Restated Credit Agreement.
C Shares	5,000,000 Class C Junior Shares authorized on January 29, 2013 by the Predecessor for issuance.
Dodd-Frank	Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.
Domestication	Platform’s change of jurisdiction of incorporation from the British Virgin Islands to Delaware on January 22, 2014.
EBITDA	Earnings before interest, taxes, depreciation and amortization.
ESPP	Platform Specialty Products Corporation 2014 Employee Stock Purchase Plan, adopted by the Board on March 6, 2014 and approved by Platform’s stockholders at the annual meeting held on June 12, 2014.
EU	European Union.
Exchange Act	Securities Exchange Act of 1934, as amended.
Exchange Agreement	Exchange Agreement, dated October 25, 2013, between Platform and the fiduciaries of the MacDermid, Incorporated Profit Sharing and Employee Savings Plan.
FASB	Financial Accounting Standard Board.
FCPA	Foreign Corrupt Practices Act of 1977.
February 2015 Notes Offering	Private offering of $1.10 billion aggregate principal amount of 6.50% USD Notes due 2022 and €350 million aggregate principal amount of 6.00% EUR Notes due 2023, completed on February 2, 2015.
First Lien Credit Facility	First lien credit facility available under the Amended and Restated Credit Agreement.
Founder Entities	Mariposa Acquisition, LLC and Berggruen Holdings Ltd. and its affiliates, collectively.
GBP	Platform's Global BioSolutions Portfolio within its Agricultural Solutions segment, which includes biostimulants, innovative nutrition and biocontrol products.
GVAP	Platform’s Global Value Added Portfolio within its Agricultural Solutions segment, which includes products in the herbicides, insecticides, fungicides and seed treatment categories, based on patented or proprietary off-patent AIs.
HSRA Act	Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.
IFRS	International Financial Reporting Standards, as issued by the International Accounting Standards Board.

Incremental Amendment No. 1	Incremental amendment No. 1 to the Amended and Restated Credit Agreement, dated as of October 1, 2014, by and among Platform and MacDermid, as borrowers, MacDermid Holdings, certain subsidiaries of MacDermid Holdings and Platform, Barclays Bank PLC, as collateral agent and administrative agent, and the incremental lender party thereto, entered into in connection with the Agriphar Acquisition.

GLOSSARY OF DEFINED TERMS

Terms	Definitions
Initial Public Offering	Initial public offering of Platform (formerly named “Platform Acquisition Holdings Limited”) completed on the London Stock Exchange on May 22, 2013, raising net proceeds of approximately $881 million.
June 2015 Equity Offering	Underwritten public offering of 18,226,414 shares of its common stock at a public offering price of $26.50 per share, which closed on June 29, 2015, raising gross proceeds of approximately $483 million.
LTCB	Platform's Long Term Cash Bonus plan, established in March 2015.
MacDermid	MacDermid, Incorporated, a Connecticut corporation.
MacDermid Acquisition	Platform’s acquisition on October 31, 2013 of substantially all of the equity of MacDermid Holdings, which, at the time, owned approximately 97% of MacDermid. As a result, Platform became a holding company for the MacDermid business. Platform acquired the remaining 3% of MacDermid on March 4, 2014, pursuant to the terms of the Exchange Agreement.
MacDermid Europe	MacDermid European Holdings, B.V., a company organized under the laws of the Netherlands and a subsidiary of Platform.
MacDermid Funding	MacDermid Funding LLC, a limited liability company organized under the laws of Delaware and a subsidiary of Platform.
MacDermid Holdings	MacDermid Holdings, LLC which, at the time of the MacDermid Acquisition, owned approximately 97% of MacDermid, a subsidiary of MacDermid Holdings.
May 2014 Private Placement	Private placement of an aggregate of 15,800,000 shares of our common stock completed on May 20, 2014 at a purchase price of $19.00 per share, raising gross proceeds of approximately $300 million.
MAS Holdings	MacDermid Agricultural Solutions Holdings B.V., a company organized under the laws of the Netherlands and a subsidiary of Platform.
NAV	Net asset value.
NAIP	Netherlands Agricultural Investment Partners, LLC, a company organized under the laws of the Delaware and a subsidiary of Platform.
November 2014 Public Offering	Underwritten registered public offering of 16,445,000 shares of our common stock completed on November 17, 2014 at a public offering price of $24.50 per share, raising gross proceeds of approximately $403 million.
November 2015 Notes Offering	Private offering of $500 million aggregate principal amount of 10.375% senior notes due 2021, completed on November 10, 2015.
November Resale Registration Statement	Registration statement on Form S-1 (File No. 333-199817) initially filed on November 3, 2014 to register the resale of all of the shares sold in the October/November 2014 Private Placement. The November Resale Registration Statement was amended on November 10, 2014 and declared effective that same day.
NYSE	New York Stock Exchange.
October/November 2014 Private Placement	Private placement of an aggregate of 16,060,960 shares and 9,404,064 shares of our common stock completed on October 8, 2014 and November 6, 2014, respectively, at a price of $25.59 per share, raising gross proceeds of approximately $652 million.
OEM	Original Equipment Manufacturer.
OMG	OM Group, Inc. (NYSE:OMG), a Delaware corporation.
OMG Businesses	OMG's Electronic Chemicals and Photomasks businesses, collectively, other than their Malaysian subsidiary acquired separately by Platform on January 31, 2016.
OMG Acquisition	Platform's acquisition of the OMG Businesses completed on October 28, 2015.
Original Arysta Seller	Nalozo S.à.r.l., a Luxembourg limited liability company and the original seller in the Arysta Acquisition.

PCAOB	Public Company Accounting Oversight Board.
PDH	Platform Delaware Holdings, Inc., a subsidiary of Platform.
PDH Common Stock	Shares of common stock of PDH.
Pension Plan	MacDermid, Incorporated Employees' Pension Plan (as amended and restated, effective January 1, 2009), a non-contributory domestic defined benefit pension plan.
Percival	Percival S.A., a société anonyme incorporated and organized under the laws of Belgium, acquired by Platform on October 1, 2014.

GLOSSARY OF DEFINED TERMS

Terms	Definitions
Pershing Square	Pershing Square Capital Management, L.P.
Predecessor	MacDermid and its subsidiaries, collectively, for all periods prior to the MacDermid Acquisition.
Predecessor 2013 Period	Ten-month period from January 1, 2013 through October 31, 2013.
PSP 401(k) Plan	Platform Specialty Products Corporation Employee Savings & 401(k) Plan, effective January 1, 2014.
REACH	Regulation (EC) No 1907/2006 of the European Parliament and the Council dated December 18, 2006 relating to the Registration, Evaluation, Authorization and Restriction of Chemicals which became effective on June 1, 2007 and requires manufacturers and importers of most chemicals in the EU to register these chemicals and evaluate their potential impact on human health and the environment.
Retaining Holder	Each Holder of an equity interest of MacDermid Holdings immediately prior to the closing of the MacDermid Acquisition, not owned by Platform, who executed a RHSA.
Revolving Credit Facility	Revolving Credit Facility (in U.S. Dollars or multicurrency) available under the Amended and Restated Credit Agreement.
RHSA	Retaining Holder Securityholders' Agreement dated as of October 31, 2013 entered into by and between Platform and each Retaining Holder pursuant to which they agreed to exchange their respective equity interests in MacDermid Holdings for shares of PDH Common Stock, at an exchange rate of $11.00 per share plus (i) a proportionate share of the $100 million contingent consideration and (ii) an interest in certain MacDermid pending litigation.
ROA	Returns on assets.
RSUs	Restricted stock units issued by Platform from time to time under the 2013 Plan.
Sarbanes-Oxley	Sarbanes-Oxley Act of 2002.
SEC	Securities and Exchange Commission.
Security Agreement	Amended and Restated Pledge and Security Agreement, amended and restated as of October 31, 2013, as amended, supplemented and modified from time to time, entered into by Platform, MacDermid and the guarantors listed therein.
Second Amended and Restated Credit Agreement	Second Amended and Restated Credit Agreement, dated as of August 6, 2014, among, inter alia, Platform, MacDermid Holdings, MacDermid, the subsidiaries of Platform and MacDermid Holdings from time to time parties thereto, the lenders from time to time parties thereto and Barclays Bank PLC, as administrative agent and collateral agent.
Securities Act	Securities Act of 1933, as amended.
Senior Notes	Our 6.00% EUR Notes due 2023, 6.50% USD Notes due 2022 and 10.375% USD Notes due 2021, collectively.
Series A Preferred Stock	2,000,000 shares of Platform's Series A convertible preferred stock which were automatically converted from ordinary shares held by the Founder Entities upon the Domestication, and which are convertible into shares of Platform's common stock, on a one-for-one basis, at any time at the option of the Founder Entities.
Series B Convertible Preferred Stock	600,000 shares of Platform's Series B convertible preferred stock issued to the Arysta Seller in connection with the Arysta Acquisition on February 13, 2015, which are convertible into a maximum of 22,107,590 shares of Platform's common stock at the option of the Arysta Seller.
SERP	Supplemental Executive Retirement Plan for executive officers of Platform.
Successor	Platform and its subsidiaries, collectively, for all periods subsequent to the MacDermid Acquisition.
Successor 2013 Period	Period from April 23, 2013 (inception) through December 31, 2013.

Tartan	Tartan Holdings, LLC, a Delaware limited liability company, formed at the time of the MacDermid Acquisition to hold the PDH Common Stock in exchange of MacDermid Holdings equity interests.
U.K. Companies Act	The U.K. Companies Act 2006, as amended.
U.K. Pension Plan	Retirement and death benefit plans covering employees in the U.K.
USD Incremental Loan	Incremental term loans under the Incremental Amendment No. 1 to the Amended and Restated Credit Agreement in an aggregate principal amount of $300 million used to finance the Agriphar Acquisition.
U.S. GAAP	Generally accepted accounting principles in the United States.

GLOSSARY OF DEFINED TERMS

Terms	Definitions
Warrant Exchange Offer	Exchange offer conducted by Platform in order to fund a portion of the cash consideration for the MacDermid Acquisition pursuant to which Platform issued common stock in exchange for $10.50 and 3 warrants, up to a maximum of half of the warrants outstanding.
2013 Plan	Platform Specialty Products Corporation Amended and Restated 2013 Incentive Compensation Plan adopted by the Board on October 31, 2013, as amended on December 16, 2013 and approved by Platform's stockholders at the annual meeting held on June 12, 2014.
2016 Proxy Statement	Platform's definitive proxy statement for its 2016 annual meeting of stockholders, which is expected to be filed no later than 120 days after December 31, 2015.
6.00% EUR Notes due 2023	Platform's 6.00% senior notes due 2023 denominated in Euros issued in the February 2015 Notes Offering.
6.50% USD Notes due 2022	Platform's 6.50% senior notes due 2022 denominated in U.S. Dollars issued in the February 2015 Notes Offering.
10.375% USD Notes due 2021	Platform's 10.375% senior notes due 2021 denominated in U.S. Dollars issued in the November 2015 Notes Offering.

Part I

Item 1. Business

Unless the context otherwise indicates or requires, all product names and trade names used in this Annual Report are our trademarks, some of which may be registered in certain jurisdictions. Although we have omitted the "®" and "TM" trademark designations for some of such marks in this Annual Report, all rights to such trademarks are nevertheless reserved. This Annual Report contains additional trade names of other companies. We do not intend our use or display of other companies' trade names to imply a relationship with, or endorsement or sponsorship of us by, these other companies. Unless otherwise specified in this Annual Report, all references to currency, monetary values and dollars set forth herein shall mean U.S. Dollars.

Business Overview

Platform is a global, diversified producer of high-technology specialty chemical products. Our business involves the formulation of a broad range of solutions-oriented specialty chemicals, which are sold into multiple industries, including agricultural, animal health, electronics, graphic arts, plating, offshore oil and gas production and drilling. We refer to our products as "dynamic chemistries" due to their intricate chemical compositions. Our dynamic chemistries are used in a wide variety of attractive niche markets and we believe that the majority of our operations hold strong positions in the product markets they serve.

As our name "Platform Specialty Products Corporation" implies, we continually seek opportunities to act as an acquirer and consolidator of specialty chemical businesses on a global basis, particularly those meeting Platform's "Asset-Lite, High-Touch" philosophy, which involves the following core elements:

- prioritizing extensive resources to research and development;
- offering highly technical customer service; and
- managing conservatively our investments in fixed assets and capital expenditures.

Our strategy is to acquire and maintain leading positions in niche sectors of high-growth markets. We regularly review acquisition opportunities and may acquire businesses that meet our acquisition criteria when we deem it to be financially and fiscally prudent. In addition, we believe that our global footprint, innovative technology and process know-how, strong commitment to research and development, dedication to customer service, expertise in distribution and registration and a broad range of solution-oriented proprietary and value-added products allow us to maintain strong market share positions. We believe our product innovations and product extensions will continue to drive sales growth in both new and existing markets while also expanding margins. We believe savings from operational efficiencies from supply chain, distribution and production costs synergies will also provide increased cash flow from operations.

We report two business segments: Performance Solutions and Agricultural Solutions, as described below under "Business Segments."

History and Corporate Information

We were initially incorporated with limited liability under the laws of the British Virgin Islands on April 23, 2013 under the name "Platform Acquisition Holdings Limited." We completed our Initial Public Offering in the United Kingdom on May 22, 2013, raising net proceeds of approximately $881 million, and our ordinary shares were listed on the London Stock Exchange.

Concurrently with the closing of the MacDermid Acquisition (see "2013 Activity" below), we changed our name to "Platform Specialty Products Corporation." On January 22, 2014, we completed our Domestication, and on January 23, 2014, our common stock began trading on the NYSE under the ticker symbol "PAH."

Acquisitions

2015 Activity

Alent Acquisition - On December 1, 2015, we completed the Alent Acquisition by acquiring all of the issued shares of Alent for approximately $1.74 billion in cash, net of acquired cash, and 18,419,738 shares of our common stock issued to Alent shareholders, including Cevian Capital II Master Fund LP, the then largest shareholder of Alent. Legacy Alent was a global supplier of specialty chemicals and engineered materials used primarily in electronics, automotive and industrial applications, and a supplier of high performance consumable products and services. Alent's business is included in our Performance Solutions business segment which now combines the legacy MacDermid operations, Alent's Enthone Surface Chemistries and Alpha Assembly Materials businesses, and the OMG Businesses. The segment is expected to pool the experience and resources of each legacy company and unify sales strategies in order to improve processes, drive innovation and deliver high-quality products and services at every stage of the supply chain.

OMG Acquisition - On October 28, 2015, we completed the OMG Acquisition for a total purchase price of approximately $237 million in cash, net of acquired cash, subject to purchase price adjustments. The acquired OMG Businesses are included in our Performance Solutions business segment. We believe the legacy OMG Businesses are in line with our business strategy of growing into niche markets. OMG’s Electronic Chemicals business is similar to the legacy MacDermid electronic chemical and surface treatment businesses, as it develops, produces and supplies chemicals for electronic and industrial applications. OMG’s Photomasks products are used by customers to produce semiconductors and related products.

Arysta Acquisition - On February 13, 2015, we completed the Arysta Acquisition for approximately $3.50 billion, consisting of $2.86 billion in cash, net of acquired cash, subject to working capital and other adjustments, and the issuance of $600 million of Platform’s Series B Convertible Preferred Stock. The legacy Arysta business is included in our Agricultural Solutions business segment. Arysta has a solutions-oriented business model which focuses on product innovation to address grower needs, complementing the legacy Agriphar and CAS businesses. We acquired Arysta to expand our presence in the agrochemical business and our offering of products and solutions utilizing globally managed patented, proprietary off-patent agrochemical AIs and biosolutions, as well as off-patent agrochemical products.

2014 Activity

CAS Acquisition - On November 3, 2014, we completed the CAS Acquisition for $1.04 billion, consisting of $983 million in cash, net of acquired cash, after certain post-closing working capital and other adjustments, and 2,000,000 shares of our common stock. Legacy CAS was a niche provider of seed treatments and agrochemical products for a wide variety of crop protection applications in numerous geographies.

Agriphar Acquisition - On October 1, 2014, we completed the Agriphar Acquisition for a purchase price of approximately €300 million ($370 million), consisting of $350 million in cash, net of acquired cash and certain post-closing working capital and other adjustments, and 711,551 restricted shares of our common stock, which will become unrestricted beginning January 2, 2018 (unless agreed otherwise in accordance with the terms of the acquisition agreement). Legacy Agriphar was a European crop protection group supported by a team of researchers and regulatory experts which provided a wide range of fungicides, herbicides and insecticides with end markets primarily across Europe.

2013 Activity

MacDermid Acquisition - On October 31, 2013, we completed the MacDermid Acquisition for a total consideration of approximately $1.80 billion (including the assumption of $754 million of indebtedness, consisting primarily of MacDermid’s then existing first lien credit facility), plus (i) up to $100 million of contingent consideration tied to achieving certain EBITDA and stock trading price performance metrics over a seven-year period following the closing of the MacDermid Acquisition, and (ii) an interest in certain MacDermid pending litigations, which consideration was paid through a combination of both equity interests and cash.

Business Segments

We generate revenue through the formulation and sale of our dynamic chemistry solutions. In addition, our personnel follow-up with our customers on a regular basis to ensure that the intricate chemical composition and function of our products are maintained as intended and that these products are applied safely and effectively. For example, a customer in our Performance Solutions segment will engage us to manufacture and sell a product consisting of a process composed of eight successive chemical baths, each of which is made up of our specialty chemicals, in order to enhance the overall performance of that customer's circuit boards. A member of our professional service team may then visit that customer’s sites on a regular basis to ensure that the process sold maintains the correct chemical balance and can be used effectively in the manner and for the purpose desired. Another example from our Agricultural Solutions segment is our “Aplique Bem” stewardship program which focuses on teaching growers to apply agrochemicals safely and cost-efficiently. This program started in Brazil in partnership with the Institute of Agriculture, Campinas (IC) and rapidly expanded into Latin America, Africa and Asia. This high quality customer service is also complemented by a close proximity to our global customers' local sites, enabling access to key growth markets. For example, we have developed state-of-the-art facilities in São Paulo, Brazil and Suzhou, China.

In addition, we leverage our close customer relationships to execute our growth strategy by working directly with our customers to identify opportunities for new products. These new products are developed and created by drawing upon our significant intellectual property portfolio and technical expertise. We also have strong collaborative relationships with OEMs who specify to us which specialty materials, chemistries and technologies they need in their products. We leverage these relationships to increase OEM qualification of our products. We believe that our customers place significant value on our brands, which we capitalize on through innovation, product leadership and customer service.

During the first quarter of 2015, we completed certain changes to our organizational structure that resulted in a change to our reportable business segments. As a result, the Performance Materials and Graphic Solutions reportable segments were combined into the Performance Applications reportable segment, and the AgroSolutions reportable segment was re-branded to Agricultural Solutions. In December 2015, the Company further re-branded its Performance Applications segment by changing its name to "Performance Solutions." Platform's segment reporting structure represents businesses for which separate financial information is utilized by our chief operating decision maker, or CODM, for purposes of allocating resources and evaluating performance. Each reportable segment has its own president, who reports to the CODM.

As a result of these organizational and branding changes, Platform manages its business in two reportable segments: Performance Solutions and Agricultural Solutions.

Performance Solutions

Overview

Our Performance Solutions segment formulates and markets dynamic chemistry solutions that are used in electronics, automotive production, oil and gas production, drilling, commercial packaging and printing. Our products include surface and coating materials, functional conversion coatings, electronic assembly materials, water-based hydraulic control fluids and photopolymers. In conjunction with the sale of its products, extensive technical service and support is provided to ensure superior performance. The regional sales mix in this segment has shifted over the past several years from more industrialized nations towards emerging markets, such as Asia and South America. Our Performance Solutions segment employs approximately 4,800 personnel which operate mainly in the Americas, Asia/Pacific region and Europe.

Our Performance Solutions segment provides specialty chemicals to five industries:

Electronics. We are a global supplier of chemical compounds to the printed circuit board fabrication industry. In this industry, we design and formulate a complete line of proprietary “wet” dynamic chemistries that our customers use to process the surface of the printed circuit boards and other electronic components they manufacture. Our product portfolio in this industry is focused on niches such as final finishes, through hole metalization and circuit formation, in which we are a small cost to the overall finished product, but a critical component for maintaining the product’s performance. We believe our growth in this industry will be driven by demand in telecommunication, wireless devices and computers, and the increasing use of electronics in automobiles. Our customer base includes customers in the following end markets: audio visual; automotive; computers; office equipment; telecommunications; and wireless devices.

Electronics Assembly Materials. We are a global leader and large supplier of solder and solder pastes for electronics assembly. We develop, manufacture and sell innovative interconnect materials, primarily in the electronics market, used to assemble printed circuit boards and advanced semiconductor packaging. Within this business, we also offer a small water treatment product line, Fernox, used for the treatment of water in residential boiler systems, and metal reclaim products, primarily for tin used in electronic assembly.

Industrial. We are a global supplier of dynamic chemistries to the industrial metal and plastic finishing industries. In this industry, our dynamic chemistries are used for finishing, cleaning and providing surface coatings for a broad range of metal and non-metal surfaces. These coatings may have functional uses, including improving wear and tear, such as hard chrome plating of shock absorbers for cars and special rotors used for oil and gas exploration, or providing corrosion resistance for appliance parts, or decorative uses, such as gloss finishes to components used in automotive interiors. Our chemical compounds are manufactured for these surface coating applications, including cleaning, activating, polishing, electro and electroless plating, phosphatizing, stripping and coating, anti-tarnishing and rust inhibiting for metal and plastic surfaces. Electroless plating is a method of plating metals onto a variety of base materials using chemical reduction without the application of electrical power. Electro plating, in contrast, involves plating metals with the use of an electrical current. Phosphatizing is the application of phosphates, such as iron and zinc, to prevent corrosion of steel surfaces. Our industrial customer base is highly fragmented and includes customers in the following end markets: appliances and electronics equipment; automotive parts; industrial parts; plumbing goods; and transportation equipment. We believe our growth in this industry will be primarily driven by increased worldwide automobile production with elevated fashion elements and content per vehicle. The combination of MacDermid, Alent and OM is also expected to not only immediately expand our product offerings, geographic footprint and market share position but also to enhance our innovative capability as a technology-driven business serving as a catalyst to drive specification change and to capitalize on adjacent market opportunities in our industry.

Offshore. We produce water-based hydraulic control fluids for major oil and gas companies and drilling contractors for offshore deep water production and drilling applications. Production fluids are used in the control systems that open and close critical valves for the deep water oil extraction and transportation process. Drilling fluids are used in control systems to operate valves on the ocean floor. Our current customer base is primarily in the production area of this business, as opposed to drilling and exploration. Although the recent sharp decline in oil prices has slowed the short-term growth expectations of the oil and gas industry, we believe there is significant long-term growth potential for this business as the industry stabilizes, and as oil is produced from new offshore, sub-sea wells.

Commercial Packaging & Printing. We produce photopolymers through an extensive line of flexographic plates, used to produce printing plates for transferring images onto commercial packaging, including packaging for consumer food products, pet food bags, corrugated boxes, labels and beverage containers. In addition, we produce photopolymer printing plates for the flexographic and letterpress newspaper and publications markets. Our products are used to improve print quality and printing productivity. Flexography is a printing process that utilizes flexible printing plates made of rubber or other flexible plastics. Photopolymers are molecules that change properties upon exposure to light.

Products

We review our portfolio of products regularly to identify and replace low margin products with higher margin products. Accordingly, our product mix may frequently change depending upon customer demand and the cost and selling prices related to any given product. Our Performance Solutions segment offers a wide range of specialty chemicals comprised of surface and coating materials, functional conversion coatings, electronic assembly materials, water-based hydraulic control fluids and photopolymers:

Plating Products:	Plating products are used to plate holes drilled through printed circuit boards to connect opposite sides of the board and the different layers of multi-layer printed circuit boards. Our key products include the CuMac range of products for applications such as plating on aluminum wheels, plastic substrates and zinc-based die castings, and the ChromKlad and ANKOR range of hard chromium plating processes that can be utilized in various applications.
Electroless Nickel:	Electroless nickel is applied to a variety of metal and plastic surfaces to enhance corrosion resistance, wear resistance, solderability and to repair worn or over-machined surfaces in a variety of applications. Legacy MacDermid was among the earliest developers of electroless nickel products, which are safer and more environmentally friendly than the products they replace.
Electronic Assembly Materials:	Our assembly material business is a leader in the development, manufacturing and sales of interconnect materials, primarily in the electronic market. Within this business, we also offer a small water treatment product line, Fernox, used for the treatment of water in residential boiler systems, and metal reclaim products, primarily for tin used in electronic assembly.
Final Finishes:	Final finishes are used on printed circuit boards to preserve the solderability of the finished boards.
Circuit Formation Products:	Circuit formation products represent an assortment of products for surface preparation to promote adhesion and form circuit patterns.
Oxides:	Oxides are conversion coatings used in the fabrication of multilayer circuit boards.
Semiconductor Materials & Packaging:	Our Viaform product family copper damascene chemistry used in semiconductor plating applications is used for applications down to 14 nm. Our Microfab family of plating chemistry is used in wafer level packaging applications, including copper pillar, RDL nickel, tin bump, gold bump and thru-silicon via (TSV) applications.
Pre-treatment and Cleaning Solutions:	Pre-treatment and cleaning solutions are applied to prepare the surfaces of a wide variety of industrial products for additional treatment. We have a complete line of aqueous and semi-aqueous pre-treatment and cleaning products, which are more environmentally friendly than the solvents they replace.
Functional Conversion Coatings:	Functional conversion coatings are applied to metals to enhance corrosion resistance and paint adhesion in a wide spectrum of industrial applications where heavy duty usage and exposure to unfavorable environments are anticipated. Our products plate various parts that are used in automotive and aerospace equipment, appliances, computer hard disks and other electronic products.
Hard-coated Films:	Hard-coated films are used for the membrane switch in the touch screen markets.
Offshore Fluids:	We offer production fluids used to operate valves for the deep water oil extraction and transportation process, and drilling fluids used to operate valves for drilling rigs on the ocean floor. Production and drilling fluids are water-based hydraulic control fluids used in subsea control systems.
Solid Sheet Printing Elements:	Solid sheet printing elements are digital and analog printing sheets, used in the flexographic printing and platemaking processes. Our extensive line of flexographic plates are used in the commercial packaging and letterpress newspaper and publication industries.
Liquid Products:	Liquid products are liquid photopolymers used to produce printing plates for transferring images onto commercial packaging. Our key products are MWH photopolymer, MWB 50 photopolymer, M Stamp 40 photopolymer. We also offer products that are used in the production of liquid photopolymer plates such as substrate, coverfilms and detergents.
Printing Equipment:	We supply letterpress and flexo plates to the newspaper industry. Printing equipment are thermal plate processing systems that allow press-ready printing plates to be created without solvents. Our key products include Accent Plates and DLF dryer for coating plates, and MacDermid NAPPflex plates for newspaper plates.

Seasonality

There is no material portion of our Performance Solutions segment that is subject to seasonality.

Agricultural Solutions

Overview

Our Agricultural Solutions segment is based on a solutions-oriented business model that focuses on product innovation to address an ever-increasing need for higher crop yield and quality. We offer to growers diverse crop protection solutions from weeds (herbicides), insects (insecticides) and diseases (fungicides), in foliar and seed treatment applications. We also offer a wide variety of proven biosolutions, including biostimulants, which stimulate plant growth and reproductive development, innovative nutrition, which optimizes the nutrition of plants, and biocontrol products, such as bioinsecticides and biofungicides, which perform the same task as conventional crop protection products without chemical residues. We emphasize farmer economics and food safety by combining, when possible, biosolutions with crop protection and seed treatment agrochemicals.

In our Agricultural Solutions segment, we have selected key, strategic products to be managed globally. Our global portfolio includes our Global Value Added Portfolio, or GVAP, and our Global BioSolutions Portfolio, or GBP. Our GVAP consists of agrochemicals in the herbicides, insecticides, fungicides and seed treatment categories, based on patented or proprietary off-patent AIs, including products derived from AIs for which we have a strong market position due to differentiated product offerings or supply relationships. Our GBP includes biostimulants, innovative nutrition and biocontrol products. We consider our GVAP and GBP to be key pillars for our sustainable growth.

We manage our global portfolio in five global functional categories: fungicides and biofungicides; herbicides; insecticides, bioinsecticides and acaricides; biostimulants and innovative nutrition; and seed treatments. Our product offering also includes regional off-patent AIs that complement our global portfolio. Our products are developed for use on high-value target crops such as fruits and vegetables, in addition to key row crops such as soybeans, wheat, canola and corn. Our dedicated sales force works with growers and distributors to promote the use of our products throughout a crop's growth cycle and to address selective regional, climate and growth opportunities. We remain focused on expanding our presence in worldwide targeted markets by developing or acquiring crop protection products and obtaining registrations for new products, new uses for existing products and uses of existing products in new countries. Our Agricultural Solutions segment employs approximately 3,700 personnel with a significant presence in high-growth regions such as Africa and the Middle East, South Asia, Latin America and Central and Eastern Europe.

Products

Our Agricultural Solutions segment offers a wide variety of proven crop solutions to growers comprising five major global product lines: fungicides and biofungicides; herbicides; insecticides, bioinsecticides and acaricides; biostimulants and innovative nutrition; and seed treatments:

Fungicides and Biofungicides:	Fungicides are products that prevent the spread of fungi and other diseases in crops. Biofungicides, perform the same task as conventional fungicides, without chemical residues. Our fungicides and biofungicides products include Evito, Fortix, Proplant and Vacciplant.
Herbicides:	Herbicides are products used to control unwanted plants while leaving the crops they are targeted to grow unharmed. We produce total and selective herbicides with a variety of formulations for many temperate and tropical crops such as tomatoes, potatoes, soybeans and onions. Our main herbicide products are Dinamic, Everest, Pantera and Select.
Insecticides, Bioinsecticides and Acaricides:	Our insecticides, such as Cythrin Max, Orthene and Talisma, are products used against insect pests at different stages of the pest life cycle from egg and larvae to nymph and adult. Orthene, for example, is extremely effective in the control of helicoverpa. These products can have both crop and public health applications. Bioinsecticides, such as Carpovirosine, perform the same task as conventional insecticides, without chemical residues. Acaricides or miticides are products that control a variety of mite pests on crops. The products are primarily targeted at tree fruit and nut, vine, ornamental and selected row crop applications for effective mite control programs. Our main miticide products, such as Acramite, Floramite and Omite, are sold globally.
Biostimulants and Innovative Nutrition:	We have a leading position in the high-growth and high-value biostimulants and innovative nutrition segment. Our biostimulants and innovative nutrition portfolio includes a wide range of products, and is often tailored to meet different needs of growers. Our biostimulants stimulate plant growth and reproductive development. Our innovative nutrition products optimize the nutrition of plants. This portfolio is highly differentiated and primarily protected by trade secrets. Our biostimulant products include Biozyme, BM Start and Appetizer. Our innovative nutrition products include Foltron and Poliquel.
Seed Treatments:	We have a leading position in the high-growth and high-value seed treatment industry. Seed treatment products are applied to seed before planting. Our diverse portfolio encompasses pioneer products, such as Rancona and Vitavax. Our seed treatments are used to coat seeds in order to protect the seed during germination and protect the plant during its initial growth

phases. We anticipate growth in seed treatments resulting from the expanded use of higher-value genetically-modified seeds.

In addition, we offer certain non-crop products, including animal health products, such as honey bee protective miticides and certain veterinary vaccines. Apivar, a global miticide for the protection of bees against the Varroa mite, is one of our main honey bee health products.

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Seasonality

The agrochemical business is seasonal in nature and corresponds to agricultural cycles within each region in which we operate. The geographic spread of our products can result in significant variations in earnings and cash flow during such cycles. Agrochemical and biosolutions sales typically begin ahead of the growing season and peak in the middle of the season. In the northern hemisphere, farmers purchase the majority of their agrochemical inputs during the first half of the year. Growers in the southern hemisphere purchase the majority of their products in the second half of the year. As a result, we have historically experienced significant fluctuations in quarterly sales. For example, due to the size of our market in Latin America, we typically generate greater net sales in the second half of the calendar year and our net sales tend to be lower during the first half of each calendar year.

Weather conditions and natural disasters such as heavy rains, hurricanes, hail, floods, tornadoes, freezing conditions, drought, or fire also affect decisions by our customers and end-users about the types and amounts of agrochemical and biosolutions products to purchase and the timing of use of such products. For example, an early spring in Europe can bring forward sales from the second quarter into the first quarter. The high degree of correlation between sales patterns and unpredictable weather conditions makes drawing conclusions from quarterly sales difficult.

Competitive Strengths

We believe the following competitive strengths differentiate us from our competitors and contribute to our ongoing success:

- “Asset-Lite, High-Touch” Business Model. We are building our business through the acquisition and integration of “Asset-Lite, High-Touch” businesses. These are businesses evidenced by high margins and low capital expenditures which translates into high cash flow returns on capital. Over 40% of our employees are in either technological innovation or sales and services areas; hence “high-touch.” Our commitment to technological innovation and our extensive intellectual property portfolio enables us to develop our cutting-edge products. In order to continue to provide innovative products and highly specialized technical service to our customers, we place a premium on maintaining an expert and qualified employee base. Our business involves the formulation of a broad range of specialty chemicals, created by blending raw materials through multi-step technological processes. This model allows us to manage conservatively our growth investments in fixed assets and capital expenditures. Our existing fixed asset base is modern and well-maintained and, accordingly, requires low capital expenditures for maintenance.
- Industry Leading Positions. Our businesses strategically focus on acquiring and maintaining leading positions in niche sectors of high-growth markets by offering high value-added services that are indispensable to our customers. We believe our scale and global reach in product development and marketing provides us with advantages over many of our competitors, allowing us to maintain strong market share positions and drive profitable growth. Our leadership positions contribute to our ability to attract new customers and enter new end-markets.
- Broad Diversified Business. We offer a broad range of products and services to diverse and often unrelated end-markets, ranging from agricultural, electronics, industrial and offshore to packaging and printing. Our key proprietary technology, service-oriented business model, high barriers to entry and significant customer switching costs have allowed us to achieve stable and compelling margins while protecting our market share. We believe the diversity of the niche end-markets we serve will enable us to continue our growth and maintain strong cash flow generation throughout economic cycles. The diversification will also help mitigate the impact of a downturn in any single industry, end-market or region.
- Strong Expertise in Registration and Distribution. Product registration is complex and crucial, particularly in the agrochemical space. Our Agricultural Solutions segment has a team of specialists dedicated to that process across various jurisdictions, and we believe we are well experienced in obtaining the required registrations for our products in each country in which they are sold and for each crop on which they are applied. Once obtained, these registrations provide a right to use the AI upon which the product is based for the specified crop in that country or region for a number of years. In addition, our Agricultural Solutions segment has a strong network of distributors, which currently reaches over 100 countries and jurisdictions. Our large distribution network enables us to focus on profitable niche applications, which we believe are less sensitive to competitive pricing pressures. This distribution network, together with our geographical footprint, also allows us to attract licensing and resale opportunities from partner companies for

new products and technologies.

- Comprehensive Product Offering. We provide our customers in the electronics, automotive, industrial, packaging, offshore and agricultural chemicals end markets with a comprehensive offering of products that meet many of their specialty chemical needs. In many cases we offer a full suite of products with complementary capabilities that provide a complete functional solution to the customer. We believe the ability to provide a “top-to-bottom” product offering is a significant competitive advantage over many of our smaller and regional competitors. Our existing product offerings also offer many opportunities for growth in adjacent end-markets.
- Performance-Driven Culture and Board with Proven Track Record. We believe we have outstanding people who can deliver superior performance under the tutelage and oversight of proven and experienced leadership. Our culture is performance focused and driven by empowering team members and then holding them accountable for their outcomes. We measure people on financial results, safety, customer satisfaction and commitments, legal compliance and environmental stewardship. We measure our performance against benchmarks and metrics using statistical analysis and drive operational excellence through continuous improvement. Our experienced management team is complimented by an experienced Board, which includes individuals with a proven track record of successfully acquiring and managing businesses. Our business segments are also led by executives that we believe have extensive experience in their respective fields.

Business Strategies

Our primary goal is to create value by driving cash flow per share through profitable revenue growth while continuing to manage our costs. We will develop and engineer new products and processes, leverage our global scale to enter new markets and optimally manage our existing portfolio of specialty chemical businesses. Our efforts are directed by the following key business strategies:

- Build a Best-in-Class Specialty Chemical Company. Our goal is to build an integrated best-in-class, global manufacturer, marketer and distributor of specialty chemical products. We anticipate that the fragmented nature of the specialty chemical products market will continue to provide opportunities for growth through strategic acquisitions of complementary businesses. We believe that our combined company provides a strong platform on which to grow our business and expand our market shares in key geographic markets, particularly in emerging markets.
- Expand our Core Businesses. We believe that we can capitalize on our Acquisitions, in particular the Arysta Acquisition in the Agricultural Solutions segment and the Alent Acquisition in the Performance Solutions segment, to further enhance our technical capabilities, sophisticated process know-how, solutions orientation, strong customer relationships and deep industry knowledge. We expect that the Acquisitions will enhance our growth by extending our products breadth, developing higher-margin products and growing internationally. We intend to extend many of our product offerings through the development of new applications for our existing products or through synergistic combinations, and to target those geographies with attractive market fundamentals where our strengths in marketing, portfolio development, registration and customer education can add value for our customers.
- Enhancing Product Innovation. We place a strong emphasis on innovation. New products are developed and created by drawing upon our significant intellectual property portfolio and technical expertise. Building on our core competencies in product innovation, applications development and technical services, we intend to reach new high-growth markets and expand upon our existing technologies to develop new products for new applications in markets that are adjacent to those we currently serve.
- Leverage Customer Relationships. We intend to continue to leverage our close customer relationships to execute our growth strategy by working directly with our customers to identify opportunities for new products. We also have strong collaborative relationships with OEMs who specify which specialty materials, chemistries and technologies they need in their products. Working directly with our customers allows us to increase OEM qualification of our products and identify opportunities for growth. Such close customer relationships also provide a solid barrier to entry for competition.
- Pursue Strategic Acquisitions. Our founder, Martin E. Franklin, and our new Chief Executive Officer, Rakesh Sachdev, have significant experience and expertise, and have been highly successful, in identifying, acquiring and integrating value-added businesses. We intend to pursue acquisitions as a way to enhance our organic

growth. We intend to focus primarily on businesses that share our “Asset-Lite, High-Touch” philosophy, with product offerings that provide geographic or product diversification, or expansion into related categories that can be marketed through our existing distribution channels or provide us with new distribution channels for our existing products, thereby increasing marketing and distribution efficiencies. We plan to only pursue acquisition opportunities that we believe meet our acquisition criteria and when we deem it to be financially prudent.

- Focus on Human Capital. The success of our business depends on our ability to continue to capitalize on our technical capabilities, unique process know-how, strong customer relationships and industry knowledge. Our technical expertise and history of innovation demonstrated by the employees we acquired in the Acquisitions reflect the specialized and highly skilled nature of our research and development personnel. As such we intend to focus on attracting, retaining and developing the best human capital across all levels of our organization, which is key to our ability to successfully operate and grow our business.

Customers

We have a diverse customer base, as we sell our products either directly to end-user customers or through intermediaries, such as independent, third-party distributors (national, regional, or local), agricultural cooperatives, retailers, and government agencies. We also have collaborative relationships with many OEMs, who specify to us which specialty materials, chemistries and technologies are used in their products, and then sell their products to their own suppliers. The majority of our sales are through such intermediaries. A number of customers of our Performance Solutions segment manufacture products for cyclical industries, including electronics and automotive industries. As a result, demand from our customers in such industries is also cyclical.

Within each segment, we rely on independent distributors to distribute our products and to assist us with the marketing and sale of certain of our products. We believe that we are able to attract new customers successfully through our international reach, coupled with our local presence, which enables us to meet the global and local needs of our customers through a global network of 62 manufacturing sites, 13 of which include research centers, 15 stand-alone research centers, and a direct sales force in over 60 countries. Our flexible manufacturing base allows for "just in time" supply chain management. We operate a relatively large number of small and medium-sized facilities located close to our customers throughout the world's major economic regions. This close proximity to our global customers' local sites enables access to all key growth markets.

We believe that our business is not materially dependent upon a single customer. Although no customer or distributor constitutes 10% or more of our consolidated net sales, we do have customers and distributors, the loss of which may impair our results of operations for the affected earnings periods.

Selling & Marketing

Proprietary sales are generated from chemical compounds formulated from our own research and development laboratories and facilities. In many cases, these products are protected with patents, trade secrets or trademarks. Proprietary products have higher gross margins than non-proprietary products, and are perceived by our management to be more critical to our overall performance.

We employ a large customer-centric sales and marketing force of professionals worldwide. These professionals have strong technical expertise, local market knowledge and intimate customer relationships. Our local sales and marketing teams closely monitor local market trends and maintain active dialogue with our customers to assess and understand their constantly evolving challenges. We use this feedback from our local sales teams to anticipate future needs, respond rapidly to changing market conditions, and deliver customized, value-added solutions for our customers. This feedback loop is an important source of new product ideas and helps guide our capital allocation decisions. We leverage local market intelligence to develop new and innovative products that are then marketed by our local sales and marketing teams throughout the markets we serve.

Performance Solutions

In our Performance Solutions segment, methods for selling and marketing our proprietary products vary slightly by geographic region. In total, we generate business through the efforts of sales and service personnel and regional distributors. In the Americas, we employ sales, administrative and service personnel to market our entire line of proprietary products. In certain areas of the Americas, distributors also sell and service many of our products. We also market our products through subsidiaries in Brazil, Canada and Mexico. In Europe, sales, administrative and service representatives, who are employed by our subsidiaries located in Belgium, Czech Republic, France, Germany, Great Britain, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden and Turkey, market our proprietary products. In the Asia-Pacific region, our local subsidiaries employ sales, administrative and service representatives to market our proprietary products through either subsidiaries or branches in Australia, mainland China, Hong Kong, India, Japan, Malaysia, Singapore, South Korea, Taiwan and Thailand. In addition to the countries where we have wholly owned subsidiaries, some of our proprietary chemistries are sold in other countries throughout Asia, Europe and South America through distributors.

Agricultural Solutions

In our Agricultural Solutions segment, our products are sold in over 100 countries globally and reach our grower-customers and the ultimate end-users through a wide variety of market channels. Our sales, marketing, and go-to-market strategies vary significantly by region and depend to a large extent on the existing distribution infrastructure and market practices in each particular country. Depending upon the customer's location, we work with national and regional distributors, retailers, co-ops, government entities, and growers to promote our solutions. We also have loyalty programs in place for distributors and engage in active grower education to promote our products and brands. Because of our global presence and local capabilities, other agrochemical and crop protection companies enter into exclusive distribution rights agreements with us. Such agreements give us the exclusive right to distribute their products in, or with respect to, specified territories, crops, applications, channels, and formulations.

In the larger and more mature North American market, we rely more heavily on an extensive existing distribution network. The North American distributor landscape is one of the most consolidated. In Asia, Europe and Latin America, sales and marketing are conducted through a mix of national and regional distributors, retailers, co-ops, and growers (primarily large farmers).

Africa and Middle East represent our most unique region from a sales and marketing perspective due to relatively lower levels of existing distribution infrastructure. In many cases, growers in this region require additional customer outreach and education as our products and the agronomic techniques to apply them are relatively new to this market. In order to address these challenges, we have developed an extensive regional distribution network to enable us to efficiently deliver our products and products of our distribution partners to the growers.

Employees

In order to ensure that we are able to continue to provide innovative products and highly technical service to our customers, we place a premium on maintaining a highly specialized and qualified employee base. As of December 31, 2015, we employed approximately 8,200 full-time employees across over 67 countries, including approximately 3,600 research and development chemists and experienced technical service and sales personnel.

In addition, many of our full-time employees are employed outside the United States. In certain countries where we operate, our employees are also members of unions or are represented by works councils as required by law. We are often required to consult and seek the consent or advice of these unions and/or works councils.

Our management believes that our relationships with our employees and collective bargaining unions are satisfactory.

Research and Development

Continued investment in research and development ensures that we remain ahead of emerging trends, delivering solutions to strengthen our leadership positions in terms of innovation and product development in our market niches. Our research and development activities are also focused on developing products and improving formulations and processes that will drive growth or otherwise add value to our core business operations. We accelerate market introductions and increase the impact of our product offerings through collaboration with partners in the commercial sector (customers and value chain partners) and by working with distributors, OEMs, governments and local communities around the world. We plan to continue to make significant investments in a broad range of research and development efforts.

Performance Solutions

With respect to our Performance Solutions segment, research in connection with proprietary products is performed principally in Germany, Great Britain, India, Japan and the United States. During 2015, the segment's research and development expenses totaled $25.4 million. Substantially all research and development activity was performed internally. Alent, which we acquired on December 1, 2015, recorded historical research and development expenditures of $25.4 million for the 2015 pre-acquisition period. The OMG Businesses, which we acquired on October 28, 2015, recorded historical research and development expenditures of $5.2 million for the 2015 pre-acquisition period.

Agricultural Solutions

Within our Agricultural Solutions segment, our global and regional marketing teams conduct a rigorous process for identifying key AIs with proven technical efficacy, which can be brought to market through our formulation, marketing, and distribution capabilities, in order to address strategic gaps in our portfolio. During 2015, the segment's research and development expenses totaled $37.4 million. Arysta, which we acquired on February 13, 2015, recorded research and development expenditures of $3.5 million for the 2015 pre-acquisition period.

Competitive Environment

Our markets are consolidating, highly competitive, and subject to rapid changes in technology. Broadly speaking, we compete in the specialty chemicals market. On a more narrow scale, we compete in markets for specialty chemicals for agrochemicals, electronic applications, general metal and plastic finishing, oil and gas exploration and production, and printing. Some of our competitors may have greater financial, technical and marketing resources than we do and may be able to devote greater resources to promoting and selling certain products. Some large competitors operate globally, as we do, but most operate only locally or regionally. We also face competition from many smaller companies that specialize in particular segments of the markets in which we compete.

The competitive environments for each segment are described below:

Performance Solutions

Our Performance Solutions segment provides a broad line of proprietary chemical compounds and supporting services, and broadly compete within the specialty chemicals industry. Although competition varies by end-market and geography, our most significant competitors are Atotech Inc. (a division of Total S.A.), The Dow Chemical Company, across its industrial and electronics chemicals businesses, as well as Asahi, Senju, Tamura, E.I. du Pont de Nemours and Company and Flint Group. We compete primarily on the basis of quality, technology, performance, reliability, brand, reputation, range of products and services, and service and support. We maintain extensive support, technical and testing services for our customers, and are continuously developing new products. Further consolidation within our industry or other changes in the competitive environment, such as the merger of E.I. du Pont de Nemours and Company and The Dow Chemical Company, could result in larger competitors that compete with us on several levels. However, we believe that our combined abilities to manufacture, sell, service and develop new products and applications, enable us to compete successfully both locally and internationally.

Agricultural Solutions

The agrochemical sector is a highly developed and competitive industry with a wide range of established competitors that offer a broad variety of competing products. Our main competitors include major multinational agrochemical companies which engage in basic research for AI discovery, such as BASF, Bayer CropScience Pty Ltd and Syngenta AG, as well as a number of Japanese participants. We also face competition from a variety of off-patent agrochemical companies worldwide, including FMC Corporation, ADAMA Agricultural Solutions Ltd., United Phosphorus Ltd., and Nufarm Limited, among others.

The biosolutions sector is a newer and less mature industry than agrochemicals. There is significantly less direct competition among providers given the highly differentiated, proprietary nature of biosolutions products. However, we do compete with biosolutions providers that have similar product claims and offer potential functional substitutes for our products. Customer education and corresponding demand creation is a critical element of competing in the biosolutions sector. Customer acceptance and adoption levels may vary widely. It is a very fragmented market, with the participation of companies that do not necessarily compete in the agrochemical space. Our current competitors include Stoller S.A., Novozymes Biopharma A/S, Verdesian LifeSciences, LLC, Bayer CropScience Pty Ltd (AgraQuest, Inc.), Valagro SpA, BASF SE (Becker Underwood Inc.), Plant Health Care plc and various others.

Product Backlog

Due to the relatively short cycle times in our business, our product backlog levels are minimal. In general, we do not formulate our products against a backlog of orders and do not consider backlog to be a significant indicator of the level of future sales activity. Production and inventory levels are based on the level of incoming orders as well as projections of future demand. Therefore, we believe that backlog information is not material to understanding our overall business and should not be considered a reliable indicator of our ability to achieve any particular level of revenue or financial performance.

Raw Materials and Sourcing of Products

In our Performance Solutions segment, we use a variety of specialty and commodity chemicals in our manufacturing processes. Our manufacturing operations depend upon obtaining adequate supplies of raw materials on a timely basis. We typically purchase our major raw materials on an as-needed basis from outside sources.

In our Agricultural Solutions segment, we rely on unaffiliated contract manufacturers, both domestically and internationally, to produce certain products or key components or products. There is limited available manufacturing capacity that meets our quality standards and regulatory requirements. With one minor exception, we engage in no direct agrochemical AI manufacturing. We source virtually all of our AIs from third-party manufacturers, which represent a limited number of key suppliers for AIs. We strive to maintain multiple supply sources for each AI; however, in limited instances, there is only a single registered source of AIs for certain important products where there is currently no viable alternative source. Our goal is to maximize our sourcing of raw materials, especially AIs, from quality suppliers in countries with generally low manufacturing costs, such as China, eastern Europe and India.

We formulate and package our products in-house or through tolling and other third-party manufacturing and formulation arrangements. We balance our in-house formulation with third-party arrangements to limit our exposure to utilization drop-offs, facility closures, and certain manufacturing-related environmental risks which helps us to optimize our cost position.

Within certain portions of our biosolutions portfolio, we manage an end-to-end supply chain. We purchase natural raw materials, such as plant extracts and seaweed, to extract AIs for our biosolutions products.

Patents, Trademarks and Proprietary Products

Our intellectual property and other proprietary rights are important to our business and are protected by a combination of patents, trade secrets, trademarks, data exclusivity, and other marketing exclusivity rights, exclusive or semi-exclusive manufacturing arrangements, and other non-patent strategies. We seek intellectual property and other proprietary rights in major markets and other commercially-relevant jurisdictions worldwide. We implement confidentiality procedures and contractual exclusivity and seek other rights necessary to protect our intellectual property, proprietary formulations, processes, and other product-related rights. We rely on trade secrets and know-how confidentiality agreements to protect our processes, natural product composition/origin, and formulations. We also enter into invention or patent assignment agreements, when applicable, with our employees, consultants, contractors, and other third-parties who may be engaged in discovery or development of intellectual property and other proprietary rights. Finally, we seek to include provisions in our material transfer agreements, license and development agreements, and other agreements that provide for the transfer of intellectual property rights back to us to the greatest extent possible under the circumstances of any specific transaction and development project.

Performance Solutions

In our Performance Solutions segment, as of December 31, 2015, we owned or licensed the rights to more than 2,300 domestic and foreign patents. The patents we hold are important to our business and have remaining lives of varying duration. Although certain of these patents are becoming increasingly more important, we believe that our ability to provide technical and testing services to our customers and meet their rapid delivery requirements is equally, if not, more important to our business. No specific group or groups of intellectual property rights are material to our business. However, we have many proprietary products which are not covered by patents and which are responsible for a large component of our total sales. Further, we hold a number of domestic and foreign trade names and trademark registrations and applications for registration, which we consider to be of value in identifying our products. We do not hold nor have we granted any franchises or concessions.

Agricultural Solutions

In our Agricultural Solutions segment, as of December 31, 2015, we owned, licensed or had freedom-to-operate rights under, approximately 300 domestic and foreign patents, and over 7,000 product registrations. As part of our intellectual property strategy, we in-license patents from other agrochemical and biosolutions companies and we pursue other patents not related to composition of matter, such as use extensions, formulations, mixtures and manufacturing processes. We also differentiate our AIs with value-added mixtures and novel formulations, with launches prior to the expiration of the AIs' patent protection, in order to avoid a potential price erosion and loss of share. A significant portion of our patent portfolio consists of patents relating to amicarbazone, flucarbazone and fluoxastrobin, three of our key GVAP AIs. Our patents covering manufacturing processes, methods of use, and combinations with other AIs, safeners, or other adjuvants of these three GVAP AIs are scheduled to expire in commercially relevant markets at various times before the end of 2020 for amicarbazone; 2022 for flucarbazone; and 2024 for fluoxastrobin. With respect to fluoxastrobin, we have a pending application in the United States covering a manufacturing process which we intend to file in other countries as well, which, if granted, will expire no sooner than 2036. We believe this new process will contribute to lower costs for the manufacture of fluoxastrobin, which would represent a significant competitive advantage over potential generic entrants.

Other property rights protection

Some products that have already lost patent protection but have originally been registered by a company are often referred to as proprietary off-patent products, especially if the company holds a significant share of the AI. These are often characterized by a substantial degree of differentiation through formulation and product package offerings responsive to grower needs. Proprietary off-patent products enable providers to maintain a stronger market position and a differentiated margin profile, which may be further enhanced by specialized market access, a strong brand, or a competitive cost position. In addition, while they are not protected by patents, proprietary off-patent products require registrations in every country for every crop and AI that will be sold. Our strong registration capabilities provide us with the ability to effectively maintain and defend our existing registrations as well as to acquire new registrations in a cost effective and timely manner.

Proprietary off-patent products can benefit from other barriers to entry, designed to reward the company which first registers an AI in a certain geography, following significant investments in regulatory data to support that initial registration, with an exclusive period of sales ("exclusive use") and, after the exclusive use period has expired, an additional period of financial compensation from other companies which request access to the data developed by the original company ("data compensation") to obtain a registration of that same AI in that geography. These barriers to entry are established in multiple countries, including Brazil, Canada, the EU and the United States.

Our global portfolio is composed of multiple proprietary off-patent products including: acephate; amitraz; ipconazole; diflubenzuron; bifenazate; clethodim; and propargite and cypermethrin for the EU. Many of our proprietary off-patent AIs are currently benefiting from exclusive use and data compensation provisions.

Government and Environmental Regulation

We are subject to numerous federal, state and local laws and regulations in the countries in which we operate, including tax and other laws that govern the way we conduct our business. However, no portion of our business is subject to re-negotiation of profits or termination of material contracts or subcontracts at the election of the governments in the countries in which we operate.

We are subject to the FCPA, which prohibits companies and their intermediaries from making payments in violation of law to non-U.S. government officials for the purpose of obtaining or retaining business or securing any other improper advantage. Our reliance on independent distributors to sell some of our proprietary chemicals internationally demands a high degree of vigilance in maintaining our policy against participation in corrupt activity, because these distributors could be deemed to be our agents, and we could be held responsible for their actions. Other U.S. companies have faced criminal penalties under the FCPA for allowing their agents to deviate from appropriate practices in doing business with these individuals. We are also subject to similar anti-bribery laws in the jurisdictions in which we operate, including the Bribery Act, which went into effect in the third quarter of 2011, which also prohibits commercial bribery and makes it a crime for companies to fail to prevent bribery. These laws are complex and far-reaching in nature, and, as a result, we cannot assure you that we would not be required in the future to alter one or more of our practices to be in compliance with these laws or any changes in these laws or the interpretation thereof. Any violations of these laws, or allegations of such violations, could disrupt our operations, involve significant management distraction, involve significant costs and expenses, including legal fees, and could result in a material adverse effect on our business, prospects, financial condition, or results of operations. In recent years, several jurisdictions have enhanced their laws and regulations in this area, increased their enforcement activities, and increased the level of cross-border coordination and information sharing. We could also suffer severe penalties, including criminal and civil penalties, disgorgement, and other remedial measures.

We maintain a Business Conduct and Ethics Policy, applicable to all our directors and employees. In addition, our CEO, CFO and CAO are bound by the provisions of a Code of Ethics for Senior Financial Officers. These Policy and Code of Ethics were both approved by our Board and cover compliance with the FCPA and similar anti-corruption laws, as well as other legal areas applicable to our operations. The Business Conduct and Ethics Policy establishes a duty to report non-compliance and provides avenues for making such reports, including a reporting hotline. The Code of Ethics for Senior Financial Officers provides for additional specific policies for our senior financial officers, including the duty to conduct themselves with the highest degree of honesty and ethics when acting on behalf of the Company. We also maintain a system for auditing compliance with applicable laws.

As a manufacturer and distributor of specialty chemicals and systems, we are subject to extensive U.S. and foreign laws and regulations relating to environmental protection and worker health and safety, including those governing discharges of pollutants into the air and water, the management and disposal of hazardous substances and wastes, the cleanup of contaminated properties and occupational safety and health matters. We have and may in the future incur significant costs, including cleanup costs, fines and sanctions and third-party claims for property or natural resource damage or personal injuries as a result of past or future violations of, or liabilities under, such laws and regulations. As of December 31, 2015, we believe we had appropriate reserves for our various environmental matters.

Domestic and international laws regulate the production and marketing of chemical substances. Almost every country has its own legal procedures for registration, transportation, export and import. Of these, the laws and regulations in Brazil, Canada, China, the EU, India, Japan, Mexico, South Africa, Taiwan, the United Kingdom and the United States are the most significant, in particular to our Agricultural Solutions segment. The European Union Commission for example has established procedures whereby all existing crop protection active ingredient chemicals commercially available in the EU are to be reviewed. REACH, adopted in December 2006, requires manufacturers and importers of most chemicals in the EU to register these chemicals and evaluate their potential impact on human health and the environment. The effective date of the legislation was June 1, 2007 and it required all covered substances to be pre-registered by November 30, 2008. Since December 1, 2008, no product containing covered substances can be manufactured in or imported into the EU unless the substances therein have been pre-registered. Active substances and co-formulants used in plant protection products (pesticides) are generally exempt from REACH as they are considered as already registered under the Plant Protection Products Directive 91/414/EEC. However, there are certain exceptions that may apply that require the active substance or co-formulant to be registered under REACH, particularly if the substance has a non-plant protection use. While we have registered and continue to register substances as necessary in accordance with applicable registration review deadlines, the registration process is lengthy and registration of certain of our substances may not be immediately effective. The cost estimates could vary based on the number of substances requiring registration, data availability and cost. The implementation of the REACH registration process may affect our ability to manufacture and sell certain products in the future. Additionally, other laws and regulations regulate and may limit our business in other countries. We incur, and will incur, substantial costs to register and maintain the registrations of our products in the jurisdictions in which we do business.

In response to increased government attention to environmental matters worldwide, we continue to develop proprietary products designed to reduce the discharge of pollutant materials into the environment and eliminate the use of certain targeted raw materials while enhancing the efficiency of customer chemical processes.

In addition, many of our full-time employees are employed outside the United States. In certain jurisdictions where we operate, particularly Brazil, France, Germany, Italy and Japan, labor and employment laws are relatively stringent and, in many cases, grant significant job protection to certain employees, including rights on termination of employment. In certain countries where we operate, our employees are also members of unions or are represented by works councils as required by law. We are often required to consult and seek the consent or advice of these unions and/or works councils. These laws, coupled with the requirement to consult with the relevant unions or works councils, could adversely affect our flexibility in managing costs and responding to market changes and could limit our ability to access the skilled employees on which our business depends.

Available Information

Our internet website address is www.platformspecialtyproducts.com. We make available free of charge, through our website, our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and all amendments to those reports filed pursuant to Section 13(a) or 15(d) of the Exchange Act, and proxy statements for our annual meeting of stockholders, as soon as reasonably practicable after each such material is electronically filed with or furnished to the SEC. In addition, information concerning purchases and sales of our equity securities by our executive officers and directors is posted on our website by the end of the business day after filing with the SEC. The previously filed quarterly report on Form 10-Q for the quarter ended September 30, 2015 affected by the restatement discussed herein has not been amended. Accordingly, investors should no longer rely upon this quarterly report on Form 10-Q and refer instead to the restated information included in Note 26, Restatement of Unaudited Condensed Consolidated Financial Statements (unaudited), to the Consolidated Financial Statements included in this Annual Report.

You may also read and copy any document that we file, including this Annual Report, at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Call the SEC at 1-800-SEC-0330 for information on the operation of the Public Reference Room. In addition, the SEC maintains an Internet site at www.sec.gov that contains reports, proxy and information statements, and other information regarding issuers, including Platform, that are electronically filed with the SEC.

Our website includes the following corporate governance materials under the tab "Investor Relations—Corporate Governance:" our Board of Directors Governance Principles and Code of Conduct; our Insider Trading Policy; our Stock Ownership Guidelines; our Business Conduct and Ethics Policy; our Code of Ethics for Senior Financial Officers; our Foreign Corrupt Practices Act/Anti-Corruption Policy; our Incident Response & Whistleblower Policy; our Conflict Minerals Policy and the related Form SD;

our Platform Data Protection and Privacy Policy; our Management, Board of Directors and Committee Composition; and the charters of our Board of Directors committees. These corporate governance materials are also available in print upon request by any stockholder to our Investor Relations department.

The information included on our website does not constitute part of this Annual Report.

In addition to the information included in this Item 1, see Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations, and Item 8, Note 1, Basis of Presentation and Summary of Significant Accounting Policies, and Note 23, Segment Information, for financial and other information concerning our reporting business segments and geographic areas.

Corporate Information

Our principal executive offices are located at 1450 Centrepark Boulevard, Suite 210, West Palm Beach, Florida 33401 and our telephone number is (561) 207-9600.

Senior Management of Platform

Set forth below is certain information concerning our senior management:

Name	Title
Rakesh Sachdev	Chief Executive Officer
Sanjiv Khattri	Executive Vice President and Chief Financial Officer
Benjamin Gliklich	Chief Operating Officer
Scot R. Benson	President - Performance Solutions
Diego Lopez Casanello	President - Agricultural Solutions

Rakesh Sachdev, age 60, is Chief Executive Officer of Platform. Prior to joining Platform, Mr. Sachdev served as President and Chief Executive Officer of Sigma-Aldrich Corporation, or Sigma-Aldrich, beginning in 2010. Mr. Sachdev joined Sigma-Aldrich in 2008 as Chief Financial Officer and took on the additional role of Chief Administrative Officer with direct oversight of Sigma-Aldrich's international business in 2009. He was Senior Vice President and President Asia Pacific of ArvinMeritor, Inc., or ArvinMeritor, a global supplier of engineered systems to the automotive industry, from 2007 to 2008. At ArvinMeritor, Mr. Sachdev also served in other leadership roles, including Interim Chief Financial Officer, Senior Vice President Strategy and Corporate Development and Vice President and General Manager of several of ArvinMeritor's global businesses from 1999 to 2007. Prior to joining ArvinMeritor, he worked for Cummins Inc., a global manufacturer of engines and other industrial products in various leadership roles, including Chief Financial Officer for one of its largest business units, and as Managing Director of its Mexican operations. Mr. Sachdev holds a M.B.A. from Indiana University, a Masters in Mechanical Engineering from the University of Illinois and a Bachelor's degree in Mechanical Engineering from the Indian Institute of Technology in New Delhi. Mr. Sachdev is also a director of Regal-Beloit Corporation, Edgewell Personal Care Company and the Federal Reserve Bank of St. Louis and serves on the Board of Trustees of Washington University in St. Louis.

Sanjiv Khattri, age 51, is Executive Vice President and Chief Financial Officer of Platform. Mr. Khattri joined Platform in September 2015. Prior to joining Platform, Mr. Khattri served as the Chief Financial Officer and Executive Vice President at Covanta Holding Corporation ("Covanta") from August 2010 to November 2013. Prior to joining Covanta, Mr. Khattri had a lengthy career with General Motors ("GM") and GMAC Financial Services ("GMAC"), aka Ally Financial, from 1989 until 2008, where he had significant leadership assignments in treasury, business development, controller, and special project functions, both in the U.S. and overseas. He was appointed Chief Financial Officer of GMAC in February 2004, and was instrumental in guiding GMAC to its evolution from a wholly-owned subsidiary of GM to a standalone diversified global financial services company, controlled by a consortium of investors led by Cerberus. Mr. Khattri also serves as an Advisory Director of Silver Lane Advisors LLC since 2009. Mr. Khattri is also active in philanthropic activities and most recently, he retired after nine years from the board of The Global Fund for Children, a DC-based global charity focused on creating awareness and providing support to address the needs of vulnerable children and youth. Mr. Khattri has a M.B.A. from the University of Michigan and Bachelor of Engineering from Punjab University in India.

Benjamin Gliklich, age 31, is Chief Operating Officer of Platform. Mr. Gliklich was appointed in this role in October 2015. Mr. Gliklich served previously as Vice President – Corporate Development, Finance and Investor Relations of

Platform from January 2015 to October 2015 and as Director of Corporate Development from May 2014 to January 2015. Prior to joining Platform, Mr. Gliklich was a senior associate at General Atlantic, a global growth-oriented private equity firm. Earlier in his career, Mr. Gliklich

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was an associate in the investment banking division of Goldman Sachs & Co. Mr. Gliklich holds an A.B. Cum Laude from Princeton University and a M.B.A with distinction from Columbia Business School.

Scot R. Benson, age 54 is President of the Performance Solutions segment of Platform. Mr. Benson joined MacDermid in 1999. His previous positions at MacDermid included President of MacDermid Advanced Surface Finishes and Graphics Solutions from January 2013 until February 2015. Mr. Benson also served as President of MacDermid Graphics Solutions from 2010 to 2013. Mr. Benson attended the University of Wisconsin Steven Point.

Diego Lopez Casanello, age 42, is President of the Agricultural Solutions segment of Platform. Prior to joining Platform, Mr. Casanello served as Senior Vice President and head of the Agricultural Products Division, Asia Pacific at BASF from February 2015 to January 2016. His previous positions at BASF included Senior Vice President of the Performance Chemicals Division, North America from April 2012 to January 2015 as well as CEO and Managing Director of BASF Argentina from November 2008 to March 2012. Mr. Casanello has held numerous other roles within the Agricultural Products Division of BASF, including Head of Global Marketing for Seed Treatment, Global Manager of New Business Development and Business Director for South Europe. Mr. Casanello holds a Bachelor's degree in Business Administration from the University of Hagen, Hagen, Germany.

Item 1A. Risk Factors

The ownership of our common stock involves a number of risks and uncertainties. Potential investors should carefully consider the risks and uncertainties described below and the other information in this Annual Report before deciding whether to invest in our securities. Our business, financial condition or results of operations could be materially adversely affected by any of these risks. The risks described below are not the only ones facing us. Additional risks that are currently unknown to us or that we currently consider to be immaterial may also impair our business or adversely affect our financial condition or results of operations.

Risks Relating to our Business

We may not be able to finance and/or consummate any future acquisitions or successfully integrate acquisitions into our business.

Part of our key strategy is to grow through acquisitions. Failure to consummate any future acquisitions or our failure to integrate successfully or realize the anticipated business opportunities and growth prospects from our acquisitions, including the Acquisitions, could result in unanticipated expenses and losses and may require significant financial resources that would otherwise be available for the ongoing development or expansion of our existing operations. Our management may have its attention diverted while trying to integrate operations and infrastructures and the cost of integration may exceed our initial estimates. In addition, the integration process may result in the disruption of our businesses, tax costs or inefficiencies, or inconsistencies in standards, controls, information technology systems, procedures and policies, any of which could adversely affect our ability to achieve the anticipated benefits of any acquisition, including the Acquisitions, and could harm our financial performance. Business relationships may also be subject to disruption as customers, suppliers and others may attempt to negotiate changes to the terms of their existing business relationships or consider entering into business relationships with parties other than us, including our competitors. Finally, realization of any benefits and cost synergies which we hope to achieve could be affected by the other risk factors described in this Annual Report and a number of factors beyond our control, including, without limitation, general economic conditions, increased operating costs, the response of competitors and suppliers and regulatory developments. Accordingly, there can be no assurance as to whether or when any benefits or cost synergies we hope to achieve will occur, or the extent to which they actually will be achieved.

In addition, we expect to finance any future acquisitions through a combination of available cash on hand, operating cash flow, availability under our Amended and Restated Credit Agreement, as well as with the proceeds from equity or debt offerings. We may not be successful in completing any equity or debt offering, and therefore we may be required to seek a number of alternative financings. If new debt is added to current debt levels, or if we incur other liabilities, including contingent liabilities, in connection with an acquisition, the debt or liabilities could impose additional constraints and requirements on our business and financial performance, which could materially adversely affect our financial condition and operations.

Our substantial indebtedness may adversely affect our cash flow and our ability to operate our business and fulfill our obligations under our indebtedness.

Our substantial indebtedness could have important consequences. As of December 31, 2015, our total indebtedness was approximately $5.23 billion. Such substantial indebtedness could:

- require us to dedicate a substantial portion of our cash flow from operations to payments on our indebtedness, thereby reducing the availability of our cash flow to fund working capital, capital expenditures, dividends, research and development efforts and other general corporate purposes;
- increase the amount of our interest expense, because our borrowings include instruments with variable rates of interest, which, if interest rates increase, would result in higher interest expense;
- increase our vulnerability to general adverse economic and industry conditions;
- limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;
- limit our ability to make strategic acquisitions, introduce new technologies or exploit business opportunities; and
- place us at a competitive disadvantage compared to our competitors that have less indebtedness.

In addition, our Credit Facilities and other agreements governing our outstanding debt contain covenants that restrict, among other things, our ability to incur additional debt, grant liens, pay cash dividends, enter new lines of business, repurchase our shares of common stock, make certain investments and engage in certain merger, consolidation or asset sale transactions. These restrictions could limit our ability to plan for or react to market conditions, meet extraordinary capital needs or otherwise take actions that we believe are in the best interest of our business.

Our ability to satisfy our debt obligations and to fund any planned capital expenditures, dividends and other cash needs will depend in part upon the future financial and operating performance of our subsidiaries and upon our ability to renew or refinance borrowings. Prevailing economic conditions and financial, business, competitive, legislative, regulatory and other factors, many of which are beyond our control, will affect our ability to make these payments. If we are unable to generate sufficient cash flow or are otherwise unable to obtain funds necessary to meet required payments of principal, premium, if any, and interest on our indebtedness, or if we otherwise fail to comply with the various covenants in the instruments governing our indebtedness, we could be in default under the terms of the agreements governing such indebtedness and could be required to seek waivers or amendments to our covenants, alternative sources of financing or reductions in expenditures. We may not be able to obtain such waivers, amendments or alternative financings, or if we obtain them, they may not be on terms favorable to us. If we are unable to make payments or refinance our debt or obtain waivers or new financing under these circumstances, we may consider other options, which, if necessary, may not be effected on commercially reasonable terms or at all, including:

- sales of assets;
- sales of equity;
- reduction or delay of capital expenditures, strategic acquisitions, investments and alliances; or
- negotiations with our lenders to restructure the applicable debt.

If we are unable to make payments or refinance our debt, obtain waivers or new financing, or if holders of indebtedness elect to declare all borrowed funds due and/or to terminate their commitments for future funding, those holders could exercise their rights, including assuming control over our deposit accounts and/or commencing foreclosure proceedings against our assets, and we could be forced into bankruptcy or liquidation.

We may need to record a significant charge to earnings if our goodwill or intangible assets arising from acquisitions become impaired, which would materially adversely affect our net income.

In accordance with U.S. GAAP, we account for our acquisitions using the purchase method of accounting, and the Acquisitions have resulted in significant goodwill and intangible assets being recognized in our Consolidated Financial Statements. These assets may become impaired in the future, which could have a material adverse effect on our future results of operations. We are required under U.S. GAAP to review our amortizable intangible assets for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. Goodwill is required to be tested for impairment annually, or more frequently, if facts and circumstances warrant a review. Factors that may be considered a change in circumstances, indicating that the carrying value of our amortizable intangible assets may not be recoverable, include a decline in stock price and market capitalization and slower or declining growth rates in our industry. We may be required to record a significant charge to earnings in our financial statements during the period in which any impairment of our goodwill or amortizable intangible assets occurs, which could have a material adverse effect on our results of operations. There was no impairment of goodwill in 2015, 2014, or during the Successor 2013 period.

The failure to attract and retain key personnel, including our executive officers, or effectively manage succession, could have an adverse impact on our business, results of operations and financial condition.

Our business involves complex operations and therefore demands a leadership team and employee workforce that is knowledgeable and expert in many areas necessary for our operations. The failure to attract and retain key personnel, or effectively manage succession, could have an adverse material impact on our result of operations. In addition, we are highly dependent on the experience and track records of our management, particularly Martin E. Franklin and Rakesh Sachdev, in successfully acquiring and managing businesses. If one or more of our executive officers were to cease to be employed by us, or if we were unable to replace them in a timely manner, our business and operating results could be adversely affected. At the end of fiscal 2015 and beginning of fiscal 2016, there were several changes made to the members of our senior leadership team, including our Chief Executive Officer and Chief Financial Officer. The effectiveness of the new leaders in these roles, and any further transition as a result of these changes, could have a significant impact on our results of operations.

In addition, as a company focused on manufacturing and highly technical customer service, we rely on our ability to attract and retain skilled employees, including our specialized research and development and sales and service personnel, in order to maintain our efficient production processes, drive innovation in our product offerings and maintain our deep customer relationships. The departure of a significant number of our highly skilled employees or of one or more employees who hold key management positions could have an adverse impact on our operations, including customers choosing to follow an employee or manager to one of our competitors.

Compliance with changing regulation of corporate governance and public disclosure may result in additional expenses.

Changing laws, regulations and standards relating to corporate governance and public disclosure, including Sarbanes-Oxley, Dodd-Frank, new SEC regulations and NYSE market rules, are creating uncertainty for public companies such as ours. These new or changed laws, regulations and standards are subject to varying interpretations, in many cases due to their lack of specificity. As a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies, which could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. We are committed to maintaining high standards of corporate governance and public disclosure. As a result, our efforts to comply with evolving laws, regulations and standards have resulted in, and are likely to continue to result in, increased general and administrative expenses and a diversion of managements' time and attention from revenue-generating activities to compliance activities. If our efforts to comply with new or changed laws, regulations and standards differ from the activities intended by regulatory or governing bodies due to ambiguities related to practice, our reputation may also be harmed.

If we fail to establish and maintain adequate internal controls over financial reporting, we may not be able to report our financial results in a timely and reliable manner, which could harm our business and impact the value of our securities.

We are required by the SEC to establish and maintain adequate internal control over financial reporting that provides reasonable assurance regarding the reliability of our financial reporting and the preparation of financial statements in accordance with U.S. GAAP. We are likewise required, on a quarterly basis, to evaluate the effectiveness of our internal controls and to disclose any changes and material weaknesses in those internal controls.

As discussed in this Annual Report in Part II, Item 9A, we have identified material weaknesses in our internal control over financial reporting, and as a result we concluded, based on management's assessment, that our internal control was ineffective as of December 31, 2015. Effective internal controls are necessary for us to provide reliable and timely financial reports and to effectively prevent fraud. If we cannot provide reliable financial reports and effectively prevent fraud, our reputation and operating results could be harmed. Likewise, if our financial statements are not filed on a timely basis as required by the SEC and the NYSE, we could face severe consequences from those authorities. Inferior internal controls could also cause investors to lose confidence in our reported financial information, which could affect our stock price.

Even effective internal controls have inherent limitations including the possibility of human error, the circumvention or overriding of controls, or fraud. Therefore, even effective internal controls can provide only reasonable assurance with respect to the preparation and fair presentation of financial statements. In addition, projections of any evaluation of effectiveness of internal control over financial reporting in future periods are subject to the risk that the control may become inadequate because of changes in conditions or a deterioration in the degree of compliance with the policies or procedures.

In addition, our business strategy contemplates the acquisition of businesses and the operation of subsidiaries whose financial results are consolidated into our financial statements and operating reporting. As a result of these combination activities, the scope of our internal control over financial reporting is expected to expand, which will subject us to increased internal control risks, especially as newly acquired businesses are integrated into our processes. Effective internal control over financial reporting must be established and maintained in connection with these acquisitions, if any, in order for us to produce accurate and timely financial reports. Failure to do so could result in our inability to report our financial results accurately and on a timely basis, and possibly lead to other deficiencies, which could also likely have a negative impact on our stock price.

We have identified material weaknesses in our internal control over financial reporting which, if not remediated, could affect the accuracy and timeliness of our financial reporting.

Our management is responsible for establishing and maintaining adequate internal control over our financial reporting, as defined in Rule 13a-15(f) under the Exchange Act. In connection with this Annual Report, our management has performed an evaluation of our internal control over financial reporting, and concluded that our internal control and procedures were ineffective as of December 31, 2015 as a result of the following material weaknesses relating to:

- the accounting for acquired businesses;
- the completeness, existence and accuracy related to the accounting of income taxes; and
- the financial close process for the Agricultural Solutions segment to ensure the timely and complete reconciliation of accounts for the CAS business, which is part of the Agricultural Solutions segment.

A material weakness is defined as a deficiency, or combination of deficiencies, in internal controls over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis.

As discussed in this Annual Report in Part II, Item 9A, we have taken, and continue to take, numerous steps to remediate these material weaknesses and improve our internal controls over financial reporting. However, we cannot assure you that the measures we have taken to date, and are continuing to take, will be sufficient to remediate these material weaknesses or avoid potential future material weaknesses. If our remedial measures are insufficient to address these material weaknesses, or if additional material weaknesses or significant deficiencies in our internal controls are discovered or occur in the future or we are not able to comply with the requirements of Section 404 of Sarbanes-Oxley in a timely manner, our financial statements for one or more periods may contain material misstatements and we could be required to restate previously issued financial statements for additional periods, which may have a material adverse effect on our stock price and our ability to access the capital and lending markets.

We have restated our unaudited condensed consolidated financial statements previously issued in our quarterly report on Form 10-Q for the quarter ended September 30, 2015.

As further described in Note 26, Restatement of Unaudited Condensed Consolidated Financial Statements (unaudited), to the Consolidated Financial Statements included in this Annual Report, during the preparation of our annual financial statements for the fiscal year ended December 31, 2015, we discovered an error related to our income tax provision for the quarter ended September 30, 2015. The error is the result of recording an unrealized loss associated with foreign currency hedges entered into in connection with the Alent Acquisition as a temporary rather than permanent difference for income tax accounting purposes. As a result, our management concluded, after discussion with Platform's independent registered public accounting firm, PricewaterhouseCoopers LLP, that we were required to restate our unaudited financial information for our third quarter ended September 30, 2015, which our Audit Committee concluded should no longer be relied upon. This Annual Report includes the restatement of our unaudited financial statements for the third quarter ended September 30, 2015 in the aforementioned Note 26. If we are required to restate previously issued financial statements for any additional periods, our reputation could be impaired which could cause a loss of investor confidence and adversely materially affect our business, operating results and financial condition.

Our substantial international operations subject us to risks not faced by domestic competitors.

Sales from international markets represent a significant portion of our net sales. Accordingly, our business is subject to increasing risks related to the different legal, political, social and regulatory requirements and economic conditions of many jurisdictions. Risks inherent to our international operations include the following:

- foreign customers and distributors may have increased credit risk and different financial conditions, which may necessitate longer payment cycles of accounts receivable or result in increased bad debt write-offs (including due to bankruptcy) or additions to reserves;
- foreign countries may impose additional withholding taxes or otherwise tax our foreign income, impose tariffs, duties, export controls, import restrictions or adopt other restrictions on foreign trade or investment, including currency exchange controls;
- foreign exchange controls may delay, restrict or prohibit the repatriation of funds, and any restrictions on the repatriation of funds may result in adverse tax consequences and tax inefficiencies;
- export licenses may be difficult to obtain, and the transportation of our products may be delayed or interrupted;
- general economic and political conditions in the countries in which we operate, including fluctuations in gross domestic product, interest rates, market demand, labor costs and other factors beyond our control, could have an adverse effect on our net sales in those countries; and
- unexpected adverse changes in foreign laws or in foreign regulatory requirements may occur, including in laws or regulatory requirements pertaining to employee benefits, the environment and health and safety.

Furthermore, some of our international operations are conducted in parts of the world that experience corruption to some degree. Although we have policies and procedures in place that are designed to promote legal and regulatory compliance (including with respect to the FCPA and the Bribery Act as further described below), our employees, distributors and wholesalers could take actions that violate applicable anti-corruption laws or regulations. Violations of these laws, or allegations of such violations, could have an adverse impact on our reputation, our results of operations and our financial position.

We also may face difficulties managing and administering an internationally dispersed business. In particular, the management of our personnel across many countries can present legal, logistical and managerial challenges. Additionally, international operations present challenges related to operating under different business cultures and languages. Our overall success as a global business depends, in part, upon our ability to succeed in different legal, regulatory, economic, social and political conditions.

We are exposed to fluctuations in currency exchange rates, which may adversely affect our operating results and may significantly affect the comparability of our results between financial periods.

Our consolidated financial statements are reported in U.S. Dollars while a significant proportion of our assets, liabilities and earnings are denominated in non-U.S. Dollar currencies. As a result, we are exposed to foreign currency exchange rate fluctuations from translating certain of our foreign subsidiaries' financial statements. Fluctuations in the value of local currencies in which we derive significant net sales may also impact the U.S. Dollar amounts reflected in our financial statements. Such U.S. Dollar amounts may obscure underlying financial trends that would be apparent in financial statements prepared on a constant currency basis or affect the comparability of our results between financial periods.

Besides currency translation risks, we incur currency transaction risk whenever one of our operating subsidiaries enters into either a purchase or a sales transaction using a different currency from their functional currency. Our foreign subsidiaries enter into foreign exchange hedges from time to time and on an on-going basis to protect against such transaction exposures. We also periodically enter into deal specific foreign exchange hedges to mitigate our acquisition-related foreign exchange exposure. However, we may not be able to hedge any risk completely or at an acceptable cost, which may adversely affect our results of operations, financial condition and cash flows in any given future reporting periods. Given the volatility of exchange rates, there can be no assurance that we will be able to effectively manage our currency transaction or translation risks or that any volatility in currency exchange rates will not have an adverse effect on our financial condition or results of operations.

We have made investments in, and are expanding our business into, emerging markets and biosolutions, which exposes us to certain risks.

Our markets continue to shift from more industrialized markets towards emerging markets which require us to respond to rapid changes in market conditions in these countries. As a result, we may be subject to a variety of risks including economies that may be dependent on only a few products (and therefore subject to significant fluctuations), consumers with limited or fluctuating discretionary spending on which the end users of our products depend, weak legal systems which may affect our ability to enforce our intellectual property and contractual rights, exchange controls, unstable governments and privatization, changes in customs or tax regimes, or other government actions affecting the flow of goods and currency. Accordingly, changes in any of those areas may have significant negative impacts on our financial condition and operating results.

In addition, our investments in biosolutions are risky and may not be profitable. While certain biosolutions products have been in the market for years, biosolutions as a whole is a new and evolving area without a history against which to measure growth and without an established presence in most markets. Biosolutions products work most effectively when used in combination with agrochemicals and have been used as standalone applications in areas of low pest pressure. The demand for biosolutions products is increasingly driven by the desire to increase agricultural yield and quality, coupled with heightened public concern relating to residue on crops for human consumption and feed for animals as well as public demand for new and innovative ways to address crop risks. As with any growing, evolving industry, there is a risk that adoption will not be as robust as we expect. In such circumstances, we may not achieve the anticipated level of returns on our investment in biosolutions, which could materially adversely affect our reputation, financial condition and results of operations.

The loss of independent distributors, contract manufacturers or key customers or suppliers could adversely affect our overall sales and profitability.

In our Performance Solutions segment, we have key customers, the loss of which may impair our results of operations for the affected earnings periods. The principal products purchased by such customers are surface finishing chemicals and solid sheet printing elements. In addition, we use a variety of specialty and commodity chemicals in our manufacturing processes. Our manufacturing operations depend upon obtaining adequate supplies of raw materials on a timely basis. We typically purchase our major raw materials on a contract or as needed basis from outside sources.

The availability and prices of raw materials may be subject to curtailment or change due to, among other things, the financial stability of our suppliers, suppliers' allocations to other purchasers, interruptions in production by suppliers, new laws or regulations, changes in exchange rates and worldwide price levels (especially for raw materials derived from petrochemical based feedstocks). In some cases, we are limited in our ability to purchase certain raw materials from other suppliers by our supply agreements which contain certain minimum purchase requirements. Additionally, as our supply contracts expire, we may not be able to renew such contracts on terms favorable to us. Our results of operations could be adversely affected if we are unable to obtain adequate supplies of raw materials in a timely manner or if the costs of raw materials increase significantly.

In our Agricultural Solutions segment, we rely on unaffiliated contract manufacturers, both domestically and internationally, to produce certain products or key components of products. There is limited available manufacturing capacity that meets our quality standards and regulatory requirements. If we are unable to arrange for sufficient production capacity among our contract manufacturers or if our contract manufacturers encounter production, quality, financial, or other difficulties (including labor or geopolitical disturbances), we may encounter difficulty in meeting customer demands as the manufacture of our products may not be easily transferable to other sites. In addition, many of our products are developed or distributed through strategic partnerships. Some of our existing formulated products and others currently under development include combinations of proprietary AIs or combinations of AIs with proprietary safeners or adjuvants. Some of these proprietary AIs, safeners, and adjuvants are owned by third parties, and the development and commercialization of such products are carried out through contractual strategic arrangements with such third parties. We may also be dependent on a limited number of key suppliers for AIs. In addition, we generally do not have long-term supply contracts with AI suppliers for our regional portfolio. If our sources of AI supplies are terminated or affected by adverse prices or other concerns, we may not be able to identify alternate sources of AI supplies to sustain our sales volumes on commercially reasonable terms, or at all.

We also rely on independent distributors within each segment to distribute our products and to assist us with the marketing and sale of certain of our products. There can be no assurance that our distributors will focus adequate resources on selling our products to end users, or will be successful in selling our products, which could materially adversely affect our business.

If we are unable to protect our intellectual property rights, our business and results of operations could be adversely affected.

Our success depends to a significant degree upon our ability to protect and preserve our intellectual property rights and the rights to our proprietary processes, methods, compounds and other technology. Failure to protect our existing intellectual property rights may result in the loss of valuable technologies. We rely on commonly used legal and business protections, but we may be unable to prevent third-parties from using our intellectual property and other proprietary information without our authorization, particularly in countries where the laws do not protect our proprietary rights to the same degree as in the United States. In addition, a vigorous prosecution of an infringement claim is not always cost effective or practical.

In some cases, we rely upon unpatented proprietary manufacturing expertise, continuing technological innovation and other trade secrets to develop and maintain our competitive position. While we generally enter into confidentiality agreements with our employees and third parties to protect our intellectual property, our confidentiality agreements could be breached and may not provide meaningful protection for our trade secrets or proprietary manufacturing expertise.

In addition, we rely on both registered and unregistered trademarks to protect our name and brands. Failure to adequately maintain the quality of our products and services associated with our trademarks or any loss to the distinctiveness of our trademarks may cause us to lose certain trademark protection. Further, competitors may infringe our trademarks, potentially resulting in litigation.

Finally, the failure to protect our intellectual property and other proprietary information (including unsuccessful enforcement proceedings) could have a material adverse effect on our competitive advantages and/or our business, results of operations and share price.

We may experience claims that our products infringe the intellectual property rights of others, which may cause us to incur unexpected costs or prevent us from selling our products.

We seek to improve our business processes and develop new products and applications. Many of our competitors have a substantial amount of intellectual property that we must continually monitor to avoid infringement. We may experience claims that our processes and products infringe issued patents (whether present or future) or other intellectual property rights belonging to others. From time to time, we oppose patent applications that we consider overbroad or otherwise invalid in order to maintain the ability to operate freely in our various business lines without the risk of being sued for patent infringement. If, however, patents are subsequently issued on any such applications by other parties, or if patents belonging to others already exist that cover our products, processes or technologies, we could experience claims of infringement or have to take other remedial or curative actions to continue our production and sales activities with respect to one or more products. Further, intellectual property litigation is expensive and time-consuming, regardless of the merits of any claim, and could divert our management's attention from operating our business.

In addition, many of our products directly or indirectly are offered as presenting critical performance attributes, which expose us to a greater risk of product liability claims. If a person were to bring a product liability suit against one of our customers, that customer may in turn attempt to seek damage compensation from us. A person may also bring a product liability claim directly against us. A successful product liability claim or series of claims against us in excess of our insurance coverage for payments could have a material adverse effect on our financial condition or results of operations. While we endeavor to protect ourselves from such claims and exposures in our contractual negotiations (including through indemnification provisions), we cannot assure you that our efforts in this regard will ultimately protect us from any such claims.

We depend upon our information technology systems, which if they do not perform adequately may disrupt our business operations.

Our business operations could be disrupted if our information technology systems fail to perform adequately. The efficient operation of our business depends on our information technology systems, some of which are managed by third-party service providers. We rely on our information technology systems to effectively manage our business data, communications, supply chain, order entry and fulfillment, and other business processes. The failure of our information technology systems to perform as we anticipate could disrupt our business and could result in transaction errors, processing inefficiencies, and the loss of sales and customers, causing our business and results of operations to suffer. In addition, our information technology systems may be vulnerable to damage or interruption from circumstances beyond our control, including fire, natural disasters, power outages, systems failures, security breaches, cyber-attacks and viruses. Any such damage or interruption could have a material adverse effect on our business.

Our net sales and gross profit have varied depending on our product, customer and geographic mix for any given period, which makes it difficult to forecast future operating results.

Our net sales and gross profit vary among our products, customers and markets, and therefore may be different in future periods from historic or current periods. Overall gross profit margins in any given period are dependent in large part on the product, customer and geographic mix reflected in that period’s net sales. Market trends, competitive pressures, commoditization of products, increased component or shipping costs, regulatory conditions, severe weather and other factors may also result in reductions in revenue or pressure on the gross profit margins of certain segments in a given period.

The varying nature of our product, customer and geographic mix between periods, including the historically seasonable nature of our agrochemical operations, has materially impacted our net sales and gross profit between periods during certain recessionary times and may lead to difficulties in measuring the potential impact of market, regulatory and other factors on our business. As a result, we may be challenged in our ability to forecast our future operating results.

Further, potential future business acquisitions can compound the difficulty in making comparisons between prior, current and future periods because acquisitions, which are not ordinary course events, also affect our gross profit margins and our overall operating results.

Adverse weather conditions, as well as seasonality, may cause fluctuations in the revenue and operating results of our Agricultural Solutions business.

Sales volumes for agrochemical products, like all agricultural products, are subject to the sector’s dependency on weather and disease and pest infestation conditions. Adverse weather conditions and natural disasters such as storms, hurricanes, tsunamis, hail, tornadoes, freezing conditions, extreme heat, drought and floods in a particular region could have a material adverse effect on our Agricultural Solutions business. The agricultural industry, including our Agricultural Solutions business, may also be adversely affected by global climate change and its impact on weather conditions such as changes in precipitation patterns and the increased frequency of extreme weather events.

In addition, our agrochemical operations are seasonal, with a greater portion of total net revenue and operating income occurring in the second and fourth quarters. As a result of seasonality, any factors that would negatively affect our second and fourth quarter results in any year, including severe weather conditions and natural disasters that affect decisions by our customers and end-users about the types and amounts of agrochemicals and biosolutions products to purchase and the timing of use of such products, could have an adverse impact on the results of operations, financial condition and results of operations of our Agricultural Solutions business for the entire year.

Global economic conditions may adversely affect our net sales, gross profit and financial condition and result in delays or reductions in our spending, which could have a material adverse effect on us.

Our products are sold in industries that are sensitive to changes in general economic conditions, including agricultural, animal health, electronics, graphic arts, plating, and offshore oil and gas production and drilling industries. Accordingly, our net sales, gross profit and financial condition depend significantly on general economic conditions and the demand for our products and services in the markets in which we compete. In particular, weak economic conditions in parts of China and South America may have an adverse effect on our results. A delay or a reduction in customer spending due to an economic downturn would reduce

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demand for our products and services and, consequently, could have a material adverse effect on our business, financial condition and results of operations.

Industry trends and characteristics may cause significant fluctuations in our results of operations and cash flows and have a material adverse effect on our financial condition.

We believe that the specialty chemical industry in general, and the printing industry in particular, are cyclical and subject to constant and rapid technological change, product obsolescence, price erosion, evolving standards, short product lifecycles, raw material price fluctuations and changes in product supply and demand. The specialty chemical industry is currently being affected by globalization and a shift in customers' businesses while the printing industry is currently shrinking. The trends and characteristics in these industries may cause significant fluctuations in our results of operations and cash flows and have a material adverse effect on our financial condition.

Our specialty chemicals are used for a broad range of applications by our customers. Changes, including technological changes, in our customers' products or processes may make our specialty chemicals unnecessary, which would reduce the demand for those chemicals. We have had, and may continue to have, customers that find alternative materials or processes and therefore no longer require our products, which had and may continue to have a material adverse effect on our business, financial condition and results of operations.

We face intense competition, and our failure to compete successfully may have an adverse effect on our net sales, gross profit and financial condition.

We operate in intensely competitive markets that experience rapid technological developments, changes in industry standards, changes in customer requirements, and frequent new product introductions and improvements. We also encounter competition from numerous and varied competitors in all areas of our business. Many of our competitors have longer operating histories, significantly greater resources, greater brand recognition, and a larger base of customers than us in one or more of the markets in which we sell our products. As a result, such competitors may be able to devote greater resources to the research and development, manufacturing, formulation, promotion, or sale of their products, receive greater resources and support from independent distributors, initiate or withstand substantial price competition, or more readily take advantage of acquisition or other opportunities. Further consolidation within our industry or other changes in the competitive environment, such as the merger of E.I. du Pont de Nemours and Company and The Dow Chemical Company, could result in larger competitors that compete with us on several levels. We compete primarily on the basis of quality, technology, performance, reliability, brand, reputation, range of products, and service and support. The competitive landscape for biosolutions is less well-established than for agrochemicals because it is a newer and less mature area that remains in development. We compete with biosolutions providers that have similar product claims and offer potential functional substitutes for our products. Customer education and corresponding demand creation is a critical element of competing within the biosolutions sector. We expect our competitors to continue to develop and introduce new products and to enhance their existing products, which may cause a decline in market acceptance of our products. Our competitors may also improve their manufacturing processes or expand their manufacturing capacity, which could make it more difficult or expensive for us to compete successfully. In addition, our competitors could enter into exclusive arrangements with our existing or potential customers or suppliers, which could limit our ability, or significantly increase costs, to acquire necessary raw materials or to generate sales. At the same time, an increasing number of our products are coming off patent and are thus available to generic manufacturers to produce. As a result, we anticipate that we will continue to face new and different competitive challenges.

In addition, our operating results are influenced in part by our ability to introduce new products and services that offer distinct value to our customers. We seek to provide tailored products for our customers' often unique problems, which require an ongoing level of innovation. Even where we devote significant human and financial resources to develop new technologically advanced products and services, we may not be successful in these efforts. If we are not able to continue technological innovation and successful commercial introduction of new products, our customers may turn to other producers to meet their requirements, which may impact our business, financial condition and results of operations.

Chemical manufacturing is inherently hazardous and may result in accidents, which may disrupt our operations or expose us to significant losses or liabilities.

The hazards associated with chemical manufacturing and the related storage and transportation of raw materials, products and wastes are inherent in our operations.

Our research and development, manufacturing, formulating and packaging activities involve the use of hazardous materials and the generation of hazardous waste. We cannot eliminate the risk of accidental contamination, discharge or injury resulting from those materials. Also, our suppliers or contract manufacturers may use and/or generate hazardous materials in connection with producing our products. We may be required to indemnify our suppliers, contract manufacturers or waste disposal contractors against damages and other liabilities arising out of the production, handling or storage of our products or raw materials or the disposal of related wastes. Potential risks include explosions and fires, chemical spills and other discharges or releases of toxic or hazardous substances or gases, and pipeline and storage tank leaks and ruptures. Those hazards may result in personal injury and loss of life, damage to property and contamination of the environment, which may result in a suspension of operations and the imposition of civil or criminal fines, penalties and other sanctions, cleanup costs, and claims by governmental entities or third-parties. We are dependent on the continued operation of our production facilities (including third-party manufacturing on a tolling basis), and the loss or shutdown of operations over an extended period could have a material adverse effect on our financial condition and results of operations.

Our operations currently use, and have historically used, hazardous materials and generate, and have historically generated, quantities of hazardous waste. Alent, for example, is subject to regulatory oversight and investigation, remediation, and monitoring obligations at its current and former Superfund sites, as well as third-party disposal sites, under federal laws and their state and local analogues, including the Resource Conservation and Recovery Act (RCRA), the Clean Water Act, the Clean Air Act, and the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), as well as analogous foreign laws. In particular, Alent is subject to ongoing obligations at active sites in the U.S. and is conducting closure activities pursuant to the RCRA at several sites in the U.S. The costs and liabilities associated with these issues may be substantial and may materially impact the financial health of our company.

We may incur material costs relating to environmental and health and safety requirements or liabilities, which could have a negative impact on our results of operations and cash flows.

We are subject to extensive federal, state, local and foreign environmental, health and safety laws and regulations concerning the environment and the generation, use, handling, storage, transportation, treatment and disposal of hazardous waste and other materials. Our operations bear the risk of violations of those laws and sanctions for violations such as clean-up and removal costs, long-term monitoring and maintenance costs, costs of waste disposal, fines for natural resource damage, and payments for property damage and personal injury. Additionally, those requirements, and enforcement of those requirements, may become more stringent in the future. The ultimate cost of compliance with any such requirements could be material. We have incurred, are incurring and will in the future incur, costs and capital expenditures in complying with environmental, health and safety laws and regulations. Although it is our policy to comply with such laws and regulations, it is possible that we have not been or may not be at all times in compliance with all of those requirements.

At any given time, we may be involved in claims, litigation, administrative proceedings, settlements and investigations of various types in a number of jurisdictions involving potential environmental liabilities. In particular, we are currently involved in various investigations due to historic operations. Liability under some environmental laws relating to contaminated sites can be joint and several and imposed retroactively, regardless of fault or the legality of the activities that gave rise to the contamination. Some of our formulating and manufacturing facilities have an extended history of chemical formulating and manufacturing operations or other industrial activities, and contaminants have been detected at some of our sites and offsite disposal locations. Ultimate environmental costs are difficult to predict and may vary from current estimates and reserves. The discovery of additional contaminants, the inability or failure of other liable parties to satisfy their obligations, the imposition of additional cleanup obligations, or the commencement of related third-party claims could result in significant additional costs.

Our offshore oil industry products are subject to the hazards inherent in the offshore oil production and drilling industry, and we may incur substantial liabilities or losses as a result of these hazards.

We produce water-based hydraulic control fluids for major oil companies and drilling contractors to be used for potentially hazardous offshore deep water production and drilling applications. Offshore deep water oil production and drilling are subject to hazards that include blowouts, explosions, fires, collisions, capsizing, sinking and damage or loss to pipeline, subsea or other facilities from severe weather conditions. Those hazards could result in personal injury and loss of life, severe damage to or destruction of property and equipment, pollution or environmental damage and suspension of operations. A catastrophic occurrence at a location where our products are used may expose us to substantial liability for personal injury, wrongful death, product liability or commercial claims. To the extent available, we maintain insurance coverage that we believe is customary in our industry. Such insurance does not, however, provide coverage for all liabilities, and we cannot assure you that our insurance coverage will be adequate to cover claims that may arise or that we will be able to maintain adequate insurance at rates we consider reasonable. The occurrence of a significant offshore deep water oil production or drilling event that results in liability to us that is not fully insured could materially and adversely affect our results of operations and financial condition.

Certain of our products may be subject to various export control regulations and exports may require a license from the U.S. Department of State or the U.S. Department of Commerce.

Companies must comply with various laws and regulations relating to the export of products, services, and technology. In the United States, these laws include, among others, the U.S. Export Administration Regulations (EAR) administered by the U.S. Department of Commerce's Bureau of Industry and Security and the International Traffic in Arms Regulations (ITAR), administered by the U.S. Department of State's Directorate of Defense Trade Controls. Some of our products or technology may have military or strategic applications governed by the ITAR or represent so-called "dual use" items governed by the EAR. As a result, these products may require government licenses to be exported to certain jurisdictions or persons. Any failure to comply with these laws and regulations could result in civil or criminal penalties, fines, investigations, adverse publicity and restrictions on our ability to export our products, which could result in a material adverse effect on our results of operations and financial conditions.

Historically, we have contested significant tax assessments and we are likely to contest additional tax assessments in the future.

We have a large and complex international tax profile. From time to time, certain of our subsidiaries have received tax assessments for significant amounts from the tax authorities of the countries in which they operate, especially in Brazil. We are currently contesting tax assessments in several administrative and legal proceedings, and our challenges are at various stages. If determined adversely, these proceedings may have an adverse impact on our business, results of operations or financial condition. In addition, in some jurisdictions, challenges to tax assessments require the posting of a bond or security for the contested amount, which may reduce our flexibility in operating our agrochemicals business.

In addition, we are subject to income taxes in numerous jurisdictions. Significant judgment is required in determining our worldwide provision for income taxes, income taxes payable, and net deferred tax position. There are many transactions where the ultimate tax determination is uncertain. Although we believe our tax estimates are reasonable, the final determination of tax audits and any related litigation could be materially different from that which is reflected in our historical financial statements. An audit or litigation can result in significant additional income taxes payable in the jurisdictions in which we operate which could have an adverse impact on our financial condition and results of operations.

Failure to comply with the FCPA and other similar anti-corruption laws could subject us to penalties and damage our reputation.

We are subject to the FCPA, the Bribery Act, and other anti-corruption laws that generally prohibit companies, directors, officers, employees, and their intermediaries from making corrupt payments to foreign officials for the purpose of obtaining or retaining business or securing an improper advantage. Under many of these laws, companies may also be held liable for actions taken by third-parties acting on their behalf, such as strategic or local partners or representatives. Certain anti-corruption laws, including the Bribery Act, also prohibit commercial bribery and the receipt of bribes, while others, such as the FCPA, require companies to maintain accurate books and records and adequate internal controls. Certain of the jurisdictions in which we conduct business are perceived to have a heightened risk for corruption, extortion, bribery, pay-offs, theft and other improper practices. We also count governments among our customers, which increases our risks under the FCPA, the Bribery Act and other laws. Our businesses prohibit bribery and unethical conduct, but these policies may not prevent our employees or agents from violating these laws. Failure by us or our intermediaries to comply with applicable anti-corruption laws, governmental authorities in the United States or elsewhere, as applicable, may result in civil and/or criminal penalties against us, our officers or our employees, prohibition on the conduct of our business, which could all damage our reputation and have a material adverse effect on our business, financial condition and results of operations.

Our products are subject to numerous, complex government regulations dealing with the production and sale of chemicals and compliance with these regulations could require us to incur additional costs or to reformulate or discontinue certain of our products.

We, our business, our products and our customers' products are subject to regulation by many U.S. and non-U.S. supranational, national, federal, state and local governmental authorities. Regulations include customs, imports and international trade laws, export control, antitrust laws, environmental, global climate change, health and safety requirements and zoning and occupancy laws that regulate manufacturers generally or govern the importation, promotion and sale of our products, the operation of factories and warehouse facilities and our relationship with our customers, suppliers and competitors. Our products and manufacturing processes are also subject to ongoing reviews by certain governmental authorities.

Numerous laws regulating the production and marketing of chemical substances govern us. Dozens of substances manufactured, imported, and used by us are regulated under the European Union REACH (Registration, Evaluation, Authorization, and Restriction of Chemicals) regulation and similar laws in other jurisdictions. We will need to submit a registration for many of these substances between now and June 1, 2018, and the costs associated with these registrations could be substantial. Moreover, if a registration application was, or in the future is, not submitted by any applicable deadline, our ability to sell those products may be negatively impacted until the registration process has been completed. In addition, we manufacture, process and/or use substances regulated under the REACH regulation's Substances of Very High Concern (SVHC) program. Impacts of regulation under this program could include requirements to discontinue certain product lines and to reformulate others, which could materially alter our marketplace position or otherwise have a material financial effect on our revenues. We also have several product lines that currently rely on lead-based solder and many others that historically did so. Legal claims have been brought alleging harmful exposures or contamination as a result of lead-based solder, and it is possible that we may face additional claims in the future. Some of the laws and regulations applicable to us have changed in recent years to impose new obligations that could also force us to reformulate or discontinue certain of our products. As one example, European Union laws are now requiring a regulatory assessment of plant protection products which contain an active ingredient listed as a "candidate for substitution"; based on this assessment, the European Commission or an individual member state may decide not to authorize the product for continued sale. To comply with these laws, we may need to alter our product lines, which could lead to a material adverse effect on our results of operations.

Our agrochemical and biosolutions products are subject to technical review and approval by government authorities in each country where we wish to sell our products. The regulatory requirements are complex and vary from country to country. They are also subject to frequent changes as new data requirements arise in response to scientific developments. Although the approval process, referred to as "registration," varies from country to country, all processes generally mandate periodic product reviews, referred to as "re-registration," which can often result in the requirement to generate new data and could result in either restrictions being placed on the permissible uses of the product going forward or in a refusal by the relevant government authority to grant a re-registration for the product altogether. Notably, scientific developments often result in new data requirements under these regulatory directives, laws and/or regulations, thereby impacting both the scope and timing of the process as well as the likelihood of a registration or re-registration being granted by the relevant government authority. Globally, a large number of AIs in our agrochemical products are currently or will soon be subject to such re-registration processes which may result in products having their approval for sale withdrawn in some countries. We cannot assure you that registrations will be granted to us on a timely basis, or at all. Any delay in obtaining, or any failure to obtain or maintain those registrations, would adversely affect our ability to generate revenue from those products.

Compliance with government regulations regarding the use of "conflict minerals" may result in increased costs and risks.

As part of Dodd-Frank, the SEC has promulgated disclosure requirements regarding the use of certain minerals, which are mined from the Democratic Republic of Congo and adjoining countries, known as conflict minerals. The EU and other foreign jurisdictions may in the future also enact rules regarding conflict minerals, which could potentially cover additional minerals and locations where minerals originate. We are currently in the process of evaluating the use of conflict minerals in the products formulated by the legacy Arysta, Alent and the OMG Businesses, and could incur significant costs related to implementing a process that will meet the mandates of Dodd-Frank. Our material sourcing is broad-based and multi-tiered, and due to the complexity of our supply chain we may not be able to easily verify the origins of conflict minerals used in the products we sell. Any non-compliance with the applicable standards or regulations may result in reputational challenges and affect our financial condition, operations or future operating results.

We may be unable to ensure compliance with international trade restrictions and economic sanctions laws and regulations, which could adversely affect our business, results of operations, and financial condition.

We have operations, assets and/or make sales in countries all over the world, including countries that are or may become the target of the United States and other countries' trade restrictions, including economic sanctions, which we refer to collectively as "Economic Sanctions Laws." Economic Sanctions Laws are complex and change with time as international relationships and confrontations between and among nations evolve. For example, the U.S. Department of the Treasury's Office of Foreign Assets Control and the U.S. State Department administer certain laws and regulations that impose penalties upon U.S. persons and entities and, in some instances, non-U.S. entities, for conducting activities or transacting business with certain countries, governments, entities, or individuals subject to U.S. Economic Sanctions Laws. Given the breadth of our international operations and the scope of our sales globally, including via third party distributors over whom we may have limited or no control, coupled with the complexity and ever-changing nature of Economic Sanctions Laws, there can be no assurance that we have been in the past or will at all times in the future be in full compliance. If we fail to comply with Economic Sanctions Laws, investigations and/or actions could be taken against us that could materially and adversely affect our reputation or have a material and adverse effect on our business, results of operations and financial condition.

Risks Relating to Ownership of our Common Stock

We have numerous equity instruments outstanding that could require us to issue additional shares of common stock. Therefore, you may experience significant dilution of your ownership interests and the future issuance of additional shares of our common stock, or the anticipation of such issuances, could have an adverse effect on our stock price.

We have numerous equity instruments outstanding that could require us to issue additional shares of our common stock. Depending on the equity instrument, these additional shares may either be issued for no additional consideration or based on a fixed amount of additional consideration. Specifically, as of December 31, 2015, we had outstanding the following:

- 2,000,000 shares of Series A Preferred Stock which are convertible into shares of our common stock, on a one-for-one basis, at any time at the option of the holder;
- 600,000 shares of Series B Convertible Preferred Stock, issued in connection with the Arysta Acquisition, which are convertible into 22,107,590 shares of our common stock at any time at the option of the Arysta Seller. Each share of Series B Convertible Preferred Stock that has not previously been converted into shares of common stock will be automatically redeemed in connection with certain mergers or consolidations, the sale of all or substantially all of the assets of Platform and its subsidiaries, the sale of certain subsidiaries of Platform or a dissolution, liquidation or termination of Platform. On April 20, 2017, we will be required to repurchase each share of Series B Convertible Preferred Stock that has not been converted into shares of common stock of Platform, or automatically redeemed as described above;
- 8,061,609 exchange rights which require us to issue shares of our common stock in exchange for shares of common stock of PDH, on a one-for-one basis, at any time at the option of the holder;
- 175,000 options which are exercisable to purchase shares of our common stock, on a one-for-one basis, at any time at the option of the holder; and
- 831,436 RSUs which were granted to employees under our 2013 Plan. Each RSU represents a contingent right to receive one (1) share of our common stock.

We have approximately 14,302,772 shares of our common stock currently available under the 2013 Plan, net of the RSUs noted above (subject to increase in accordance with the terms of such plan) and an additional 5,123,315 shares of our common stock currently available under the ESPP.

In addition, the holders of our Series A Preferred Stock are entitled to receive an annual dividend on their Series A Preferred Stock in the form of shares of our common stock. For 2015, no stock dividend was declared with respect to their Series A Preferred Stock. Since December 31, 2014, the dividend amount is calculated based on the appreciated stock price compared to the highest dividend price (calculated based upon the average of the last ten trading days of the year's volume weighted average share prices) previously used in calculating the Series A Preferred Stock dividends. In 2014, the dividend price was $22.85. Such issuance of common stock as stock dividend in the future could have a dilutive impact on, and reduce the value of, our outstanding common stock.

We may issue preferred stock in the future, and the terms of the preferred stock may reduce the value of our common stock.

Our Board is authorized to create and issue one or more additional series of preferred stock, and, with respect to each series, to determine the number of shares constituting the series and the designations and the powers, preferences and rights, and the qualifications, limitations and restrictions thereof, which may include dividend rights, conversion or exchange rights, voting rights, redemption rights and terms and liquidation preferences, without stockholder approval. If we create and issue one or more additional series of preferred stock, it could affect your rights or reduce the value of our outstanding common stock. Our Board could, without stockholder approval, issue preferred stock with voting and other rights that could adversely affect the voting power of the holders of our common stock and which could have certain anti-takeover effects.

We cannot assure you that we will declare dividends or have the available cash to make dividend payments.

To the extent we intend to pay dividends on our common stock, we will pay such dividends at such times (if any) and in such amounts (if any) as our Board determines appropriate and in accordance with applicable law. We are also subject to certain restrictions in our financing arrangements which may prohibit or limit our ability to pay dividends.

Additionally, for so long as any shares of Series B Convertible Preferred Stock are outstanding, no dividend or distribution may be declared or paid or set aside for payment on all or substantially all the outstanding shares of any other series of preferred stock, other than the Series A Preferred Stock, or common stock without the prior vote or written consent of the holders of at least a majority of the shares of

Series B Convertible Preferred Stock then outstanding, voting separately as a single class. We therefore can give no assurance that we will be able to pay dividends going forward or as to the amount of such dividends, if any.

We operate as a holding company and our principal source of operating cash is income received from our subsidiaries.

We are a holding company and do not have any material assets or operations other than ownership of equity interests of our subsidiaries. Our operations are conducted almost entirely through our subsidiaries, and our ability to generate cash to meet our obligations or to pay dividends is highly dependent on the earnings of, and receipt of funds from, our subsidiaries through dividends or intercompany loans. As a result, we are dependent on the income generated by our subsidiaries to meet our expenses and operating cash requirements. The amount of distributions and dividends, if any, which may be paid to us from each of our subsidiaries will depend on many factors, including the results of operations and financial condition, limits on dividends under applicable law, such subsidiary's constitutional documents, documents governing any indebtedness of such subsidiary, and other factors which may be outside our control. If our subsidiaries are unable to generate sufficient cash flow, we may be unable to pay our expenses or make distributions and dividends on our shares of common stock.

We are governed by Delaware law, which has anti-takeover implications.

We are governed by Delaware law. The application of Delaware law to us may have the effect of deterring hostile takeover attempts or a change in control. In particular, Section 203 of the Delaware General Corporation Law imposes certain restrictions on merger, business combinations and other transactions between us and holders of 15% or more of our common stock. A Delaware corporation may opt out of that provision either with an express provision in its original certificate of incorporation or in an amendment to its certificate of incorporation or by-laws approved by its stockholders. We have not opted out of this provision. Section 203 could prohibit or delay mergers or other takeover or change in control attempts and, accordingly, may discourage attempts to acquire us.

Volatility of our stock price could adversely affect our stockholders.

The market price of our common stock could fluctuate significantly as a result of:

- quarterly variations in our operating results;
- changes in the market's expectations about our operating results;
- our operating results failing to meet the expectation of management, securities analysts or investors in a particular period;
- the failure to remediate identified material weaknesses;
- changes in financial estimates and recommendations by securities analysts concerning our Company or our industry in general;
- operating and securities price performance of companies that investors deem comparable to us;
- news reports and publication of research reports relating to our business or trends in our markets;
- changes in laws and regulations affecting our businesses;
- announcements or strategic developments, acquisitions and other material events by us or our competitors;
- sales of substantial amounts of common stock by our directors, executive officers or significant stockholders or the perception that such sales could occur;
- adverse market reaction to any additional debt we incur in the future;
- the failure to identify and complete acquisitions in the future or unexpected difficulties or developments related to the integration of recently completed, pending or future acquisitions;
- actions by institutional stockholders;
- general economic and political conditions such as recessions and acts of war or terrorism; and
- the risk factors set forth in this Annual Report and other matters discussed herein.

Fluctuations in the price of our common stock could contribute to the loss of all or part of a stockholder's investment in our Company. Many of the factors listed above are beyond our control. These factors may cause the market price of our common stock to decline, regardless of the financial condition, results of operations, business or prospects of us and our subsidiaries. There can be no assurance that the market price of our common stock will not fall in the future.

Future sales, or the perception of future sales, of our common stock may depress the price of our common stock.

If we or any of our stockholders sell a large number of shares of our common stock, or if we issue a large number of shares of common stock in connection with future acquisitions, financings or other circumstances, the market price of our common stock could decline significantly. Moreover, the perception in the public market that we or our stockholders might sell shares of common stock could depress the market price of those shares.

We cannot predict the size of future issuances of our shares of common stock or the effect, if any, that future issuances or sales of our shares will have on the market price of such shares. Sales of substantial amounts of our shares, including sales by significant stockholders, and shares issued in connection with any pending or future acquisition, or the perception that such sales could occur, may adversely affect prevailing market prices for our shares of common stock. Possible sales also may make it more difficult for us to sell equity or equity-related securities in the future at a time and price we deem necessary or appropriate.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

Our corporate offices are located in a leased facility in West Palm Beach, Florida. At December 31, 2015, our global footprint totaled approximately 8.2 million square feet, of which approximately 6.2 million was owned and 2.0 million was leased. Out of our total global footprint, approximately 1.3 million square feet is located in the United States, and the remaining 6.9 million square feet represents our international locations, primarily in Asia, Europe and South America. Our physical presence includes 62 manufacturing sites, 13 of which include research facilities, and 15 stand-alone research centers. Among our two business segments, Performance Solutions utilizes approximately 66% of the global footprint and Agricultural Solutions utilizes approximately 34%.

We believe that all of our facilities and equipment are in good condition, well-maintained, adequate for our present operations and utilized for their intended purposes. See Note 4, Property, Plant and Equipment, to the Consolidated Financial Statements, which discloses amounts invested in land, buildings and machinery equipment, and Note 15, Operating Lease Commitments, to the Consolidated Financial Statements, which discloses the Company's operating lease commitments.

Item 3. Legal Proceedings

In the ordinary course of our business, we are subject to periodic lawsuits, investigations and claims, including, but not limited to, product liability claims, contractual disputes, premises claims, and employment, and environmental, health and safety matters. Although we cannot predict with certainty the ultimate resolution of lawsuits, investigations and claims asserted against us, we believe that the resolution of these claims, to the extent not covered by insurance, will not individually or in the aggregate, have a material adverse effect on our consolidated financial position, results of operations or cash flows.

For more information regarding certain proceedings and their possible effects on our business, see Note 16, Contingencies, Environmental and Legal Matters, to the Consolidated Financial Statements included in this Annual Report, under the headings Environmental Liabilities and Legal Proceedings, which are incorporated herein by reference.

Item 4. Mine Safety Disclosure

Not applicable.

Part II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market for our Common Stock

Our common stock is traded on the NYSE under the symbol "PAH" since January 23, 2014. As of March 4, 2016, there were approximately 385 registered holders of record of our common stock, par value $0.01 per share. On March 4, 2016, the last recorded sales price of our common stock was $7.94.

The following table sets forth the closing high and low sales prices of our common stock as reported on the NYSE for the periods indicated:

	2015		2014	
Period	High	Low	High	Low
First Quarter [1]	$27.05	$20.71	$21.82	$13.83
Second Quarter	28.35	24.90	28.70	19.38
Third Quarter	26.00	12.06	27.85	24.71
Fourth Quarter	14.84	10.12	27.74	20.97

[1] First quarter 2014 represents the period of January 23, 2014 (our first day of trading on the NYSE) to March 31, 2014.

Prior to our Domestication, our ordinary shares (which were converted into shares of common stock upon the Domestication) were listed on the London Stock Exchange under the ticker symbol "PAH" in U.S. Dollars. Our shares began trading on the London Stock Exchange on May 17, 2013 and were traded until October 10, 2013 when trading was halted due to the announcement of the then-pending MacDermid Acquisition. The following table sets forth the closing high and low sales prices of our ordinary shares as reported on the London Stock Exchange for the periods indicated:

	2013	
Period	High	Low
Second Quarter 2013 (May 17, 2013 to June 30, 2013)	$11.00	$10.05
Third Quarter 2013	10.80	10.13
Fourth Quarter 2013 (through October 10, 2013)	10.60	10.46

Dividends

We have never declared or paid any cash dividends on our common stock and do not intend to pay cash dividends on our common stock in the foreseeable future. We anticipate that we will retain all of our future earnings, if any, for use in the development and expansion of our business and for general corporate purposes. Our Amended and Restated Credit Agreement and the indentures governing our Senior Notes also contain restrictions which may prohibit or limit our ability to pay dividends. As a holding company, our ability to pay dividends is highly dependent on receipts of funds from our subsidiaries. See Part I, Item 1A.—Risk Factors— "We operate as a holding company and our principal source of operating cash is income received from our subsidiaries."

The holders of our Series A Preferred Stock are entitled to receive an annual dividend on their Series A Preferred Stock in the form of shares of our common stock. For 2015, no stock dividend was declared with respect to the Series A Preferred Stock. Since December 31, 2014, the dividend amount is calculated based on the appreciated stock price compared to the highest dividend price (calculated based upon the average of the last ten trading days of the year's volume weighted average share prices) previously used in calculating the Series A Preferred Stock dividends. In 2014, the dividend price, which was the only dividend price used to date, was $22.85.

Other than with respect to our Series A Preferred Stock, no dividend or distribution may be declared or paid or set aside for payment on all or substantially all the outstanding shares of any other series of preferred stock or common stock without the prior vote or written consent of the holders of at least a majority of the shares of Series B Convertible Preferred Stock then outstanding, voting separately as a single class, for as long as any shares of Series B Convertible Preferred Stock are outstanding.

On October 27, 2015, we further amended the Arysta share purchase agreement, dated October 20, 2014, and agreed with the Original Arysta Seller and the Arysta Seller (as holders of at least a majority of shares of Series B Convertible Preferred Stock) to extend the maturity date of the Series B Convertible Preferred Stock from October 20, 2016 to April 20, 2017 (or such earlier date after October 20, 2016 that the then outstanding shares of Series B Convertible Preferred Stock are redeemed by Platform). We also agreed to pay the Original Arysta Seller and the Arysta Seller an incremental payment of $4.0 million per month from the original maturity date (October 20, 2016) to the extended maturity date (April 20, 2017, or such earlier date after October 20, 2016 that the then outstanding shares of Series B Convertible Preferred Stock are redeemed by Platform).

In addition to the restrictions described above, we may become subject to additional covenants should we incur any additional indebtedness, which may prohibit or further limit our ability to pay dividends.

Performance Graph

The following performance graph and related information shall not be deemed "soliciting material" or to be "filed" with the SEC, nor shall such information be incorporated by reference into any future filing under the Securities Act or Exchange Act, except to the extent that the Company specifically incorporates it by reference into such filing.

This graph compares cumulative total stockholder return on our common stock from January 23, 2014 (first day of trading on the NYSE) through December 31, 2015 with the cumulative total return of (i) the Standard and Poor's 500 Index, and (ii) the S&P 500 Specialty Chemicals Index, assuming a $100 investment made on January 23, 2014 (our first day of trading on the NYSE). The stock performance shown on this graph is based on historical data and is not indicative of, or intended to forecast, possible future performance of our common stock.

Equity Compensation Plan Information

Information regarding our equity compensation plans, including both stockholder approved plans and plans not approved by stockholders, is incorporated by reference in Item 12 of Part III of this Annual Report.

Recent Sales of Unregistered Securities

On December 2, 2015, we issued 18,419,738 shares of Platform's common stock to Alent shareholders in connection with the consummation of the Alent Acquisition. These shares were issued in reliance upon an exemption from the registration requirements of the Securities Act set forth in Section 3(a)(10) thereof, and were previously reported by Platform in reports filed with the SEC.

Recent Purchases of our Registered Equity Securities by the Issuer and Affiliated Purchases

None.

Item 6. Selected Financial Data

Platform's Selected Consolidated Financial Information

The following table presents selected consolidated historical financial data for us and our Predecessor as of the dates and for each of the periods indicated. The selected consolidated historical data as of and for the years ended December 31, 2015 and 2014, and the Successor 2013 Period have been derived from our audited consolidated financial statements. The selected consolidated historical data as of and for the Predecessor 2013, 2012 and 2011 Periods have been derived from audited consolidated financial statements of our Predecessor. The selected consolidated historical financial data presented below contain all normal recurring adjustments that, in the opinion of management, are necessary to present fairly our financial position and results of operations as of and for the periods presented. The selected historical consolidated financial data included below and elsewhere in this Annual Report are not necessarily indicative of future results and should be read in conjunction with the section entitled "Financial Statements and Supplementary Data" included in Part II, Item 8 of this Annual Report, and the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in Part II, Item 7 of this Annual Report.

(amounts in millions, except per share data)	Year Ended December 31, 2015 (Successor)	Year Ended December 31, 2014 (Successor)	Period from Inception (April 23, 2013) to December 31, 2013 (Successor)	Period from January 1, 2013 to October 31, 2013 (Predecessor)	Year Ended December 31, 2012 (Predecessor)	Year Ended December 31, 2011 (Predecessor)
Statement of Operations Data						
Net sales	$ 2,542.3	$ 843.2	$ 118.2	$ 627.7	$ 731.2	$ 728.8
Gross profit	991.9	396.6	35.7	322.8	355.1	340.5
Operating profit (loss)	71.6 [1]	9.5 [2]	(195.6) [3]	91.7 [4]	115.1	55.9
(Loss) income before income taxes, non-controlling interests and dividends on preferred shares	(229.3) [1]	(30.9) [2]	(201.4) [3]	26.5 [4]	71.0	11.3
Income tax (expense) benefit	(75.1)	6.7	5.8	(13.0)	(24.7)	(10.0)
Net (loss) income	(304.4) [1]	(24.2) [2]	(195.6) [3]	13.5 [4]	46.3	1.4
Basic loss per share	$ (1.52) [1]	$ (1.94) [2]	$ (2.10) [3]	n/a	n/a	n/a
Diluted loss per share	$ (1.52) [1]	$ (1.94) [2]	$ (2.10) [3]	n/a	n/a	n/a
	December 31, 2015 (Successor)	December 31, 2014 (Successor)	December 31, 2013 (Successor)	October 31, 2013 (Predecessor)	December 31, 2012 (Predecessor)	December 31, 2011 (Predecessor)
Balance Sheet Data						
Cash & cash equivalents	$ 432.2	$ 397.3	$ 123.0	$ 87.1	$ 143.4	$ 113.5
Working capital [5]	1,208.1	1,335.8	263.8	170.1	246.4	214.5
Total assets	10,190.2	4,547.3	2,258.5	1,172.0	1,225.9	1,209.4
Total debt	5,228.3	1,405.6	750.6	1,107.4	712.6	732.3
Total equity (deficit)	2,273.3	2,552.6	1,115.1	(200.0)	272.4	241.8

Comparability of the table above is affected by the following acquisitions: Alent in December 2015, the OMG Businesses in October 2015, Arysta in February 2015, CAS in November 2014, Agriphar in October 2014, and MacDermid in October 2013. See Note 2, Acquisitions of Businesses, to the Consolidated Financial Statements for additional disclosure.

[1] In addition to the consolidation impact of the 2015 acquisitions and related valuation of intangible assets, the results presented include the following significant items affecting comparability for the year ended December 31, 2015:

- Purchase accounting adjustment of $76.5 million charged to cost of sales for the manufacturer's profit in inventory;
- Transaction related costs, primarily comprised of professional fees, of $92.9 million;
- Acquisition integration costs of $54.8 million primarily related to severance, professional and consulting fees.
- Interest expense of $223 million primarily related to interest charges resulting from incremental debt facilities, including term loans, bonds and revolving credit borrowings, used to fund the acquisitions; and
-

Fair value loss on foreign exchange forward contract related to the Alent Acquisition of $73.7 million charged to other expenses.

(2) In addition to the consolidation impact of the 2014 acquisitions and related valuation of intangible assets, the results presented include the following significant items affecting comparability for the year ended December 31, 2014:

- Purchase accounting adjustment of $35.5 million charged to cost of sales for the manufacturer's profit in inventory;
- Transaction related costs, primarily comprised of professional fees, of $47.8 million;
- Interest expense of $38.7 million primarily related to interest charges resulting from incremental debt facilities, including term loans, bonds and revolving credit borrowings, used to fund acquisitions; and
- Non-cash mark-to-market charge related to the contingent consideration in connection with the MacDermid acquisition of $29.1 million.

(3) The results presented include the following significant items affecting comparability in the Successor 2013 Period:

- Non-cash charge related to the preferred share dividend rights of the Founders entities of $172 million;

- Purchase accounting adjustment of $23.9 million charged to cost of sales for the manufacturer’s profit in inventory; and
- Transaction related costs, primarily comprised of professional fees, of $15.2 million.

(4) The results presented include the following significant items affecting comparability in the Predecessor 2013 Period:

- Transaction related costs primarily for professional fees and fees paid to Predecessor stockholders resulting from management fees payable in conjunction with consummation of the MacDermid Acquisition of $16.9 million; and
- Deemed compensation expense related to pre-acquisition share awards of approximately $9.3 million.

(5) Working capital is defined as current assets less current liabilities.

Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations

The following is a discussion of our financial condition and results of operations during the periods ended December 31, 2015, and 2014, and the Successor and Predecessor 2013 Periods. We did not own MacDermid during the Predecessor 2013 Period. This discussion should be read in conjunction with“Financial Statements and Supplementary Data,” included in Part II, Item 8 of this Annual Report,“Selected Financial Data” included in Part II, Item 6 of this Annual Report, and our audited consolidated financial statements and notes thereto included elsewhere in this Annual Report. In addition to historical information, this discussion contains forward-looking statements that involve risks, uncertainties and assumptions that could cause actual results to differ materially from management’s expectations. For this purpose, any statements contained herein that are not statements of historical fact may be deemed to be forward-looking statements. We generally identify forward-looking statements by words such as “anticipate,” “estimate,” “expect,” “intend,” “project,” “plan,” “predict,” “believe,” “seek,” “continue,” “outlook,” “may,” “might,” “will,” “should,” “c negative version of these words or comparable words. Factors that can cause actual results to differ materially from those reflected in the forward-looking statements include, among others, those discussed in Part I, Item 1A.—Risk Factors and elsewhere in this Annual Report. We urge you not to place undue reliance on these forward-looking statements, which reflect management’s analysis, judgment, belief or expectation only as of the date hereof. We expressly disclaim any obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by applicable securities laws and regulations. Historical results are not necessarily indicative of the results expected for any future period.

In this Management’s Discussion and Analysis of Financial Condition and Results of Operations section, we present certain financial measures related to our business that are “non-U.S. GAAP financial measures” within the meaning of Item 10 of Regulation S-K. Such non-U.S. GAAP financial measures include adjusted net sales change, adjusted cost of sales change, adjusted gross profit change, adjusted selling, technical, general and administrative expense change, adjusted research and development expense change and adjusted operating profit change, in each case adjusted for the Alent, OMG, Arysta, CAS and Agriphar Acquisitions from all periods presented and foreign currency translations. We have presented both U.S. GAAP and adjusted financial information to better provide investors with measures that allow them to more readily compare our performance, including, among other things, giving investors additional information regarding our organic performance without giving effect to the Alent, OMG, Arysta, CAS and Agriphar Acquisitions. However, investors should not consider these non-U.S. GAAP financial measures as a substitute for the financial information that we report in accordance with U.S. GAAP. This section contains a reconciliation of each such non-U.S. GAAP financial measure to the unadjusted financial measure based on U.S. GAAP.

Overview

We are a global, diversified producer of high technology specialty chemical products. Our business involves the formulation of a broad range of solutions-oriented specialty chemicals, which are sold into multiple industries, including agricultural, animal health, electronics, graphic arts, plating, and offshore oil and gas production and drilling. We refer to our products as “dynamic chemistries” due to their intricate chemical compositions. Our dynamic chemistries are used in a wide variety of attractive niche markets and we believe that the majority of our operations hold strong positions in the product markets they serve.

As our name “Platform Specialty Products Corporation” implies, we continually seek opportunities to act as an acquirer and consolidator of specialty chemical businesses on a global basis, particularly those meeting Platform’s “Asset-Lite, High-Touch" philosophy, which involves prioritizing extensive resources to research and development and highly technical customer service, while managing conservatively our investments in fixed assets and capital expenditures. As of December 31, 2015, we have completed the following acquisitions: the MacDermid Acquisition on October 31, 2013, the Agriphar Acquisition on October 1, 2014, the CAS Acquisition on November 3, 2014, the Arysta Acquisition on February 13, 2015, the OMG Acquisition on October 28, 2015, and the Alent Acquisition on December 1, 2015.

Summary of Significant 2015 Activities

- In December 2015, we completed the Alent Acquisition by acquiring all the issued shares of Alent for approximately \$1.74 billion in cash and 18,419,738 shares of our common stock to Alent shareholders, including Cevian Capital II Master Fund LP, the then largest shareholder of Alent. Alent is a global supplier of specialty chemicals and engineered materials used primarily in automotive and industrial applications, electronics and a supplier of high performance consumable products and services.
- In December 2015, we entered into Amendment No. 4, which further amended our Amended and Restated Credit Agreement in order to (i) borrow approximately \$1.05 billion (less original issue discount of 2%) through the establishment of the Alent U.S. Dollar Tranche B-3 Term Loan and approximately €300 million (less original issue discount of 2%) through the establishment of the Alent EURO Tranche C-2 Term Loan, and (ii) increase our Revolving Credit Facility from \$325 million to \$500 million, which borrowings were used to fund a portion of the cash consideration for the Alent Acquisition.
- In November 2015, we completed the November 2015 Notes Offering of \$500 million in aggregate principal amount of 10.375% USD Notes due 2021 to qualified institutional buyers pursuant to Rule 144A under the Securities Act and to certain persons outside of the United States pursuant to Regulation S under the Securities Act. The proceeds of this offering were used to fund a portion of the cash consideration for the Alent Acquisition.
- In October 2015, we completed the OMG Acquisition for a total purchase price of approximately \$237 million, net of acquired cash and subject to purchase price adjustments. OMG's Electronic Chemicals business is similar to the legacy MacDermid electronic chemical and surface treatment businesses, as it develops, produces and supplies chemicals for electronic and industrial applications. OMG's Photomasks products are used by customers to produce semiconductors and related products.
- In June 2015, we completed the June 2015 Equity Offering of 18,226,414 shares of our common stock, which resulted in gross proceeds of approximately \$483 million, before deducting underwriting discounts and commission and offering expenses. The June 2015 Equity Offering was a registered offering with the SEC. All of the shares sold in this offering were sold by Platform, and the proceeds were used to fund working capital and acquisition activity, including the consideration and fees paid for the OMG Acquisition.
- In February 2015, we completed the Arysta Acquisition for approximately \$3.50 billion, consisting of \$2.86 billion in net cash and the issuance of \$600 million of Series B Convertible Preferred Stock. Arysta is a leading global provider of crop solutions with expertise in agrochemical and biological products.
- In February 2015, we entered into Amendment No. 3, which further amended our Amended and Restated Credit Agreement in order to borrow an additional \$500 million (less original issue discount of 1%) through the establishment of the Arysta U.S. Dollar Tranche B-2 Term Loan, €83.0 million (less original issue discount of 2%) through the establishment of the Arysta EURO Tranche C-1 Term Loan, and \$160 million through an increase to our Revolving Credit facility, which borrowings were used to fund a portion of the cash consideration for the Arysta Acquisition.
- In February 2015, we completed the February 2015 Notes Offering of \$1.10 billion aggregate principal amount of 6.50% USD Notes due 2022 (plus original issue premium of \$1.0 million) and €350 million aggregate principal amount of 6.00% EUR Notes due 2023 to qualified institutional buyers pursuant to Rule 144A under the Securities Act and to certain persons outside of the United States pursuant to Regulation S under the Securities Act. The proceeds of this offering were used to fund a portion of the cash consideration for the Arysta Acquisition.

Recent Developments

Rakesh Sachdev joined Platform on January 5, 2016 as our new Chief Executive Officer. The Board also appointed Mr. Sachdev to serve as a Director on Platform's Board. Mr. Sachdev joins Platform with more than 28 years of management experience at leading public companies having most recently served as President and Chief Executive Officer of Sigma-Aldrich Corporation since 2010 through its recent acquisition by Merck KGaA. His previous positions at Sigma Aldrich included Vice President and

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Chief Financial Officer as well as Chief Administrative Officer. Earlier in his career, Mr. Sachdev held numerous senior management positions at ArvinMeritor, Inc. and Cummins Inc.

In addition, Diego Lopez Casanello joined Platform on February 1, 2016 as President of our Agricultural Solutions segment. Mr. Casanello joins Platform with over 20 years of experience at global diversified chemicals manufacturer BASF, having most recently served as Senior Vice President and head of the Agricultural Products Division, Asia Pacific. His previous positions at BASF included Senior Vice President of the Performance Chemicals Division, North America, as well as CEO and Managing Director of BASF Argentina. Mr. Casanello has held numerous other roles within the Agricultural Products Division of BASF, including Head of Global Marketing for Seed Treatment, Global Manager of New Business Development and Business Director for South Europe.

On January 31, 2016, we completed the acquisition from Apollo of a subsidiary of OMG located in Malaysia for an aggregate purchase price of approximately $125 million, subject to purchase price adjustments. The acquired entity will be included in the Company's Performance Solutions business segment.

On March 10, 2016, the Audit Committee of the Board and our management concluded, after discussion with Platform's independent registered public accounting firm, PricewaterhouseCoopers LLP, that our unaudited financial information for the quarter ended September 30, 2015 should no longer be relied upon as a result of an error related to our income tax provision for the quarter ended September 30, 2015. This Annual Report includes the restatement of our unaudited Condensed Consolidated Statement of Operations for the three and nine months ended September 30, 2015 and the unaudited Condensed Consolidated Balance Sheet as of September 30, 2015. See Note 26, Restatement of Unaudited Condensed Consolidated Financial Statements (unaudited), to the Consolidated Financial Statements included in this Annual Report.

In connection with the implementation of internal controls at Arysta, a newly acquired subsidiary, we discovered certain payments made to third-party agents in connection with Arysta’s government tender business in West Africa which may be illegal or otherwise inappropriate. We have engaged outside counsel and an outside accounting firm to conduct an internal investigation to review the legality of these and other payments made in Arysta’s West Africa tender business, including Arysta’s compliance with the FCPA. We contacted the SEC and the U.S. Department of Justice to voluntarily inform them of this matter and we are fully cooperating with these governmental authorities as the investigation continues and as they review the matter. Although the internal investigation is ongoing, based on the results to date, management does not currently believe that the amount of the payments in question, or any revenue or operating income related to those payments, are material to our business, results of operations, financial condition or liquidity.

Acquisitions

Consistent with our historical acquisition strategy, to the extent we pursue future acquisitions, we intend to focus on businesses with product offerings that provide geographic or product diversification, or expansion into related categories that can be marketed through our existing distribution channels or provide us with new distribution channels for our existing products, thereby increasing marketing and distribution efficiencies. Furthermore, we expect that acquisition candidates would demonstrate a combination of attractive margins, strong cash flow characteristics, niche leading positions and products that generate recurring revenue. We believe the diversity of the niche-end markets we serve will enable us to continue our growth and maintain strong cash flow generation throughout economic cycles and mitigate the impact of a downturn in any single market. However, there can be no assurance that we will complete an acquisition in any given year or that any such acquisition will be significant or successful. We will only pursue a candidate when it is deemed to be fiscally prudent and that meets our acquisition criteria. We anticipate that any future acquisitions would be financed through a combination of cash on hand, operating cash flow, availability under our Amended and Restated Credit Agreement and/or new debt or equity offerings.

2015 Activity

Alent Acquisition -- On December 1, 2015, we completed the Alent Acquisition by acquiring all the issued shares of Alent for approximately $1.74 billion in cash and 18,419,738 shares of our common stock issued to Alent shareholders, including Cevian Capital II Master Fund LP, the then largest shareholder of Alent. Alent is a global supplier of specialty chemicals and engineered materials used primarily in electronics, automotive and industrial applications, and a supplier of high performance consumable products and services. Alent's business is included in our Performance Solutions business segment, which now combines the legacy MacDermid operations, Alent's Enthone Surface Chemistries and Alpha Assembly Materials businesses, and the OMG Businesses. This business combination is expected to pool the experience and resources of each legacy company and unify sales strategies in order to improve processes, drive innovation and deliver high-quality products and services at every stage of the supply chain.

We financed the Alent Acquisition with (i) available cash on hand, (ii) the proceeds from the November 2015 Notes Offering of $500 million aggregate principal amount of 10.375% USD Notes due 2021, and (iii) additional borrowings of $1.05 billion (less original issue discount of 2%) through the establishment of the Alent U.S. Dollar Tranche B-3 Term Loan, approximately €300 million (less original discount of 2%) through the establishment of the Alent EURO Tranche C-2 Term Loan, and $115 million under our increased U.S. Dollar Revolving Credit Facility.

OMG Acquisition -- On October 28, 2015, we completed the OMG Acquisition for a total purchase price of approximately $237 million in cash, net of acquired cash, subject to purchase price adjustments. The acquired OMG Businesses are included in our Performance Solutions business segment. We believe the OMG Businesses are in line with our business strategy of growing into niche markets. OMG’s Electronic Chemicals business is similar to the legacy MacDermid electronic chemical and surface treatment businesses, as it develops, produces and supplies chemicals for electronic and industrial applications. OMG’s Photomasks products are used by customers to produce semiconductors and related products.

We financed the OMG Acquisition with the proceeds from the June 2015 Equity Offering.

Arysta Acquisition -- On February 13, 2015, we completed the Arysta Acquisition for approximately $3.50 billion, consisting of $2.86 billion in cash, net of acquired cash and certain post-closing working capital and other adjustments, and the issuance of $600 million of Series B Convertible Preferred Stock. The legacy Arysta business is included in our Agricultural Solutions business segment. Arysta has a solutions-oriented business model which focuses on product innovation to address grower needs, complementing the legacy Agriphar's and CAS businesses. We acquired Arysta to expand our presence in the agrochemical business and our offering of products and solutions utilizing globally managed patented, proprietary off-patent agrochemical AIs and biosolutions, as well as off-patent agrochemical products.

We financed the Arysta Acquisition with (i) available cash on hand, (ii) the proceeds from the February 2015 Notes Offering of $1.10 billion aggregate principal amount of 6.50% USD Notes due 2022 and €350 million aggregate principal amount of 6.00% EUR Notes due 2023, and (iii) additional borrowings of $500 million (less original issue discount of 1%) through the establishment of the Arysta U.S. Dollar Tranche B-2 Term Loan, €83.0 million (less original discount of 2%) through the establishment of the Arysta EURO Tranche C-1 Term Loan, and $160 million under our increased U.S. Dollar Revolving Credit Facility.

2014 Activity

CAS Acquisition -- On November 3, 2014, we completed the CAS Acquisition for $1.04 billion, consisting of $983 million in cash, net of acquired cash and certain post-closing working capital and other adjustments, 2,000,000 shares of our common stock and the assumption of certain liabilities by Platform. Legacy CAS was a niche provider of seed treatments and agrochemical products for a wide variety of crop protection applications in numerous geographies.

We financed the CAS Acquisition with a combination of available cash on hand and borrowings under an increase in term loans of approximately $389 million ($256 million of which is denominated in Euro), $60.0 million under our U.S. Dollar Revolving Credit Facility and €55.0 million ($68.7 million) under our multicurrency Revolving Credit Facility pursuant to our Amended and Restated Credit Agreement.

Agriphar Acquisition -- On October 1, 2014, we completed the Agriphar Acquisition for a purchase price of approximately €300 million ($370 million), consisting of $350 million in cash, net of acquired cash and certain post-closing working capital and other adjustments, and 711,551 restricted shares of our common stock, which will become unrestricted beginning January 2, 2018, unless agreed otherwise in accordance with the terms of the acquisition agreement. Legacy Agriphar was a European crop protection group supported by a team of researchers and regulatory experts which provided a wide range of fungicides, herbicides and insecticides with end markets primarily across Europe.

We financed the Agriphar Acquisition with proceeds from the Incremental Amendment No. 1 and available cash on hand.

2013 Activity

MacDermid Acquisition -- On October 31, 2013, we completed the MacDermid Acquisition, and concurrently changed our name to “Platform Specialty Products Corporation.” The total consideration for the MacDermid Acquisition and the Exchange Agreement was approximately $1.80 billion (including the assumption of $754 million of indebtedness, consisting primarily of MacDermid’s then existing first lien credit facility), plus (i) up to $100 million of contingent consideration tied to achieving certain EBITDA and stock trading price performance metrics over a seven-year period following the closing of the MacDermid Acquisition and (ii) an interest in certain MacDermid pending litigation, which consideration was paid through a combination of both equity interests and cash.

We financed the MacDermid Acquisition with proceeds from our Initial Public Offering and the Warrant Exchange Offer, as well as borrowings under Amendment No.1 to our Amended and Restated Credit Agreement.

Our Business

Our business involves the formulation of a broad range of solutions-oriented specialty chemicals which are sold into multiple industries including agricultural, animal health, electronics, graphic arts, plating, and offshore oil and gas production and drilling. We refer to our products as “dynamic chemistries” due to their intricate chemical compositions. Our dynamic chemistries are used in a wide variety of attractive niche markets and we believe that the majority of our operations hold strong positions in the product markets they serve.

We generate revenue through the formulation and sale of our dynamic chemistries and by providing highly technical service to our customers through our extensive global network of specially trained service personnel. Our personnel work closely with our customers to ensure that the intricate chemical composition and function of our products are maintained as intended while ensuring that these products are applied safely and effectively by users globally. For example, a customer in our Performance Solutions segment will engage us to manufacture and sell a product consisting of a process composed of eight successive chemical baths, each of which is made up of our specialty chemicals, in order to enhance the overall performance of that customer’s circuit boards. In our Agricultural Solutions segment, our “Aplique Bem” stewardship program focuses on teaching growers to apply agrochemicals safely and cost-efficiently. This program started in Brazil in partnership with the Institute of Agriculture, Campinas (IC) and rapidly expended into Latin America, Africa and Asia. This high quality customer service is also complemented by a close proximity to our global customers' local sites, enabling access to key growth markets. For example, we have developed state-of-the-art facilities in São Paulo, Brazil and Suzhou, China.

In addition, we leverage our close customer relationships to execute our growth strategy by working directly with our customers to identify opportunities for new products. These new products are developed and created by drawing upon our significant intellectual property portfolio and technical expertise. We believe that our customers place significant value on our brands, which we capitalize on through innovation, product leadership and customer service.

While our dynamic chemistries typically represent only a small portion of our customers’ costs, we believe that they are critical to our customers’ manufacturing processes and overall product performance. Further, operational risks and switching costs make it difficult for our customers to change suppliers and allow us to retain customers and maintain our market positions.

During the first quarter of 2015, we completed certain changes to our organizational structure that resulted in a change to our reportable business segments. As a result, the Performance Materials and Graphic Solutions reportable segments were combined into the Performance Applications reportable segment, and the AgroSolutions reportable segment was re-branded to Agricultural Solutions. In December 2015, the Company further re-branded its Performance Applications segment by changing its name to "Performance Solutions." Platform's segment reporting structure represents businesses for which separate financial information is utilized by our chief operating decision maker, or CODM, for purpose of allocating resources and evaluating performance. Each reportable segment has its own president, who reports to the CODM.

As a result of these organizational and branding changes, Platform manages its business in two reportable segments: Performance Solutions and Agricultural Solutions.

Performance Solutions – Our Performance Solutions segment formulates and markets dynamic chemistry solutions that are used in electronics, automotive production, oil and gas production, drilling, and commercial packaging and printing. Our products include surface and coating materials, water-based hydraulic control fluids and photopolymers. In conjunction with the sale of these products, we provide extensive technical service and support when necessary to ensure superior performance of their application. The regional sales mix in this segment has shifted over the past several years from more industrialized nations towards emerging markets, such as Asia and South America. We have 16 manufacturing facilities in Asia and remain focused on further increasing our presence in the region.

Agricultural Solutions – Our Agricultural Solutions segment is based on a solutions-oriented business model that focuses on product innovation to address an ever-increasing need for higher crop yield and quality. We offer to growers diverse crop protection solutions from weeds (herbicides), insects (insecticides) and diseases (fungicides), in foliar and seed treatment applications. We also offer a wide variety of proven biosolutions, including biostimulants, innovative nutrition and biocontrol products. We emphasize farmer economics and food safety by combining, when possible, biosolutions with crop protection and seed treatment agrochemicals. Our Global Value Added Portfolio, or GVAP, consists of agrochemicals in the herbicides, insecticides, fungicides and seed treatment categories, based on patented or proprietary off-patent AIs. Our Global BioSolutions Portfolio, or GBP, includes biostimulants, innovative nutrition and biocontrol products. We consider our GVAP and GBP to be key pillars for our sustainable growth. In addition, we offer regional off-patent AIs and certain non-crop products, including animal health products, such as honey bee protective miticides and certain veterinary vaccines. We employ approximately 3,700 personnel with a significant presence on high-growth regions such as Africa and the Middle East, South Asia, Latin America and Central and Eastern Europe.

Our operating segments include significant foreign operations. There are certain risks associated with our foreign operations. See Part I, Item 1A. Risk Factors— "Our substantial international operations subject us to risks not faced by domestic competitors." and "We are exposed to fluctuations in currency exchange rates, which may adversely affect our operating results and may significantly affect the comparability of our results between financial periods."

Global Economic and Industry Conditions

Our products are sold in industries that we believe are sensitive to changes in general economic conditions. Accordingly, net sales, gross profit and financial condition depend significantly on general economic conditions and the impact of these conditions on demand for our dynamic chemistries and services in the markets in which we compete. In particular, weak economic conditions in parts of China and South America may have an adverse effect on our results. Our business is also particularly impacted by demand for chemistry products utilized in the automotive, printed circuit board, offshore oil and gas production, commercial packaging and crop protection industries. Our business may further be influenced by trends and characteristics in the specialty chemical industry. We believe that these industries are cyclical and subject to constant and rapid technological change, product obsolescence, price erosion, evolving standards, short product life-cycles, raw material price fluctuations and changes in product supply and demand.

Performance Solutions - Our Performance Solutions segment is currently being affected by globalization and a shift in customers' businesses out of traditional geographic markets and into high-growth, emerging markets. The increased use of electronics, particularly in automotive and industrial applications, is expected to drive the need for new product development and demand for faster electronic processing. Continued growth in the consumption of consumer packaged goods is expected to drive increased demand for liquid plate and other packaging technologies. However, the traditional printing industry is currently shrinking, which is reflected in the recent newspaper closures and consolidations as well as the decreased sales of newspaper plates. While demand in offshore oil production has remained stable, it may be impacted by global economic activity and geopolitical tensions in future periods, particularly if these result in sustained low oil prices.

Net sales in future periods will depend, among other factors, upon a continued general improvement in global economic conditions, our continued ability to meet unscheduled or temporary changes in demand, and our continued ability to penetrate new markets with strategic product initiatives in specific targeted markets.

Agricultural Solutions - Our Agricultural Solutions segment is supported by strong global fundamentals such as the need to feed a growing population, with limited land and competition from biofuels, in addition to a change in dietary standards in emerging markets, that create a critical need to increase yields. These needs are met through the use of agrochemicals, including seed treatment, to protect the crop, and biosolutions offerings (especially biostimulants and innovative nutrition), among other technologies, for crop enhancement. The expansion of the middle class is a particularly strong catalyst for growth, particularly in Brazil, China, India, Russia and South Africa. In addition, rapid urbanization, leading to a continual decrease in land available per capita for production, and increased commodity prices create strong incentives for farmers to invest in high technology inputs (agrochemicals, seed) and equipment to maximize yields, increase productivity and protect harvests.

Despite improving macro trends for the industry, net sales in future periods can depend, among other factors, on general economic conditions, commodity prices, foreign exchange volatility, climate conditions and the development of new technologies, such as GM seeds, that can partially substitute the need for agrochemicals. Disruptions in the Agrochemicals market may create additional opportunities for high value, niche applications that many of our products provide.

Foreign Currency Exposure

For the year ended December 31, 2015, approximately 77% of net sales were denominated in currencies other than the U.S. Dollar - predominantly the Euro, Brazil Real, British Pound Sterling, Chinese Yuan and Japanese Yen. For the year ended December 31, 2014, the Successor 2013 Period and the Predecessor 2013 Period, approximately 70%, 68% and 67% of net sales, respectively, were non-U.S. Dollar denominated. Therefore, changes in foreign exchange rates in any given reporting period may positively or negatively impact our financial performance.

Our foreign subsidiaries enter into foreign exchange hedges from time to time and on an on-going basis to protect against transaction exposures. We actively assess our hedging programs in order to mitigate foreign exchange risk exposures. This includes programs to hedge our foreign currency denominated balance sheet exposures as well as foreign currency anticipated cash flows. Periodically, we also enter into deal specific foreign exchange hedges to mitigate our acquisition-related foreign exchange exposure. For example, in connection with the Alent Acquisition, we entered into a zero-cost, deal-contingent forward purchase contract which we supplemented with a series of foreign currency call and put options, the combination of which synthetically created a forward purchase contract.

Results of Operations

The following table summarizes the results of operations for the years ended December 31, 2015 and 2014, as well as the Successor and Predecessor 2013 Periods:

(amounts in millions)	Year Ended December 31, 2015 (Successor)	Year Ended December 31, 2014 (Successor)	Period from Inception (April 23, 2013) through December 31, 2013 (Successor)	January 1, 2013 through October 31, 2013 (Predecessor)
Net sales	$2,542.3	$843.2	$118.2	$627.7
Cost of sales	1,550.4	446.6	82.5	304.9
Gross profit	991.9	396.6	35.7	322.8
Selling, technical, general and administrative	857.5	360.9	55.3	211.2
Non-cash charge related to preferred stock dividend rights	—	—	172.0	—
Research and development	62.8	26.2	4.0	19.9
Operating profit (loss)	71.6	9.5	(195.6)	91.7
Interest, net	(213.9)	(37.9)	(5.4)	(45.9)
Loss on extinguishment of debt	—	—	—	(18.8)
Other expense	(87.0)	(2.5)	(0.4)	(0.5)
Income tax (expense) benefit	(75.1)	6.7	5.8	(13.0)
Net (loss) income	$(304.4)	$(24.2)	$(195.6)	$13.5

Year Ended December 31, 2015 Compared to the Year Ended December 31, 2014

For comparability purposes, changes in net sales, cost of sales, gross profit, selling, technical, general and administrative expenses, research and development expense and operating profit are being presented exclusive of the Alent, OMG and Arysta Acquisitions in 2015, and the CAS and Agriphar Acquisitions in 2015 and 2014, since we either had not owned these business in 2014, or, in the case of CAS and Agriphar, only owned them for a period of 2 to 3 months, respectively.

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The adjustments were as follows:

(amounts in millions)	Year Ended December 31, 2015	Year Ended December 31, 2014	$ Change
Net sales	$1,832.9	$88.0	$1,744.9
Cost of sales	1,210.6	76.9	1,133.7
Gross profit	622.3	11.1	611.2
Selling, technical, general and administrative	508.7	31.4	477.3
Research and development	40.2	2.1	38.1
Operating profit (loss)	73.4	(22.4)	95.8

In addition, we have also adjusted net sales, cost of sales, gross profit, selling, technical, general and administrative expenses, research and development expense and operating profit for changes in foreign currency translations. We believe that the effect of these adjustments provides a more meaningful basis of comparing our results on a year-over-year basis.

Net Sales

	Year Ended December 31,	
(amounts in millions)	2015	2014
Net sales	$2,542.3	$843.2

Net sales for the year ended December 31, 2015 totaled $2.54 billion, representing an increase of $1.70 billion, or 202%, as compared to the year ended December 31, 2014.

	Year Ended December 31, 2015	
(amounts in millions)	$ Change	% Change
Change, adjusted for acquisitions and foreign currency translation	$11.8	1.4%
- Acquisitions	1,744.9	207%
- Foreign Currency Translation	(57.6)	(6.8)%
Total Change	$1,699.1	202%

For the year ended December 31, 2015, adjusted for acquisitions and foreign currency translation, net sales increased by $11.8 million, or 1.4%. The increase in net sales was almost exclusively driven by higher demand for MacDermid's offshore production control fluids used in subsea drilling and higher umbilical fills in all regions. Demand for functional and decorative product offerings sold to customers serving automotive end markets further contributed to net sales growth and was offset by weakness in other areas; namely, volume declines in polyethylene terephthalate (or PET) recycling and the onshore oil & gas space coupled with reduced demand for electronics chemistry technologies in Asia.

At the regional level, adjusted for acquisitions and foreign currency translation, sales within MacDermid's Americas, Asia and Europe regions totaled $262 million, $244 million and $204 million, respectively, for the year ended December 31, 2015, compared to $256 million, $245 million and $197 million, respectively, for the year ended December 31, 2014. The $6.7 million increase in net sales in the Americas was driven by demand for offshore fluids used in subsea drilling both in the U.S. and Brazil coupled with year-over-year growth in product offerings sold into the automotive supply chain in the U.S. and demand for sheet photopolymer used in flexographic printing for commercial packaging in Brazil. These gains were offset, in part, by reduced demand for chemistry products used in PET recycling for plastics and anti-corrosion applications in the onshore oil & gas space. In the Asia region, net sales decreased by $1.7 million due to macroeconomic factors adversely impacting printed circuit board chemistry sales in Greater China and reduced demand for sheet & liquid photopolymer used in flexographic printing. European sales increased by $6.7 million, which was driven by higher sales volume of offshore fluids in addition to functional and decorative coating core industrial chemistry products sold to customers in the automotive supply chain. The gains in Europe were partially offset by reduced demand for printing plates.

Changes in the average selling prices of MacDermid's products did not have a material impact on net sales for the year ended December 31, 2015 compared to the year ended December 31, 2014.

Cost of Sales

	Year Ended December 31,	
(amounts in millions)	2015	2014
Cost of sales	$1,550.4	$446.6

Cost of sales for the year ended December 31, 2015 totaled $1.55 billion, or 61.0% of net sales, as compared to $447 million, or 53.0% of net sales, for the year ended December 31, 2014, representing an increase of $1.10 billion, or 247%.

	Year Ended December 31, 2015	
(amounts in millions)	$ Change	% Change
Change, adjusted for acquisitions and foreign currency translation	$(1.0)	(0.2)%
- Acquisitions	1,133.7	254%
- Foreign Currency Translation	(28.9)	(6.5)%
Total Change	$1,103.8	247%

For the year ended December 31, 2015, adjusted for acquisitions and foreign currency translation, cost of sales decreased by $1.0 million, or 0.2%, related primarily to the MacDermid business. The decrease was due in part to a charge to cost of sales of $12.0 million which was incurred in 2014 related to the elimination of manufacturer’s profit in inventory recorded in purchase accounting associated with the MacDermid Acquisition, which did not recur in 2015, offset in part by an increase of $5.7 million related to higher overall sales volume for the fiscal year ended December 31 2015, as well as $2.4 million of restructuring charges incurred in 2015 related to cost saving opportunities associated with a realignment of MacDermid's footprint in the United States.

Gross Profit

	Year Ended December 31,	
(amounts in millions)	2015	2014
Gross profit	$991.9	$396.6

Gross profit for the year ended December 31, 2015 totaled $992 million, or 39.0% of net sales, as compared to $397 million, or 47.0% of net sales, for the year ended December 31, 2014, representing an increase of $595 million, or 150%.

	Year Ended December 31, 2015	
(amounts in millions)	$ Change	% Change
Change, adjusted for acquisitions and foreign currency translation	$12.8	3.2%
- Acquisitions	611.2	154%
- Foreign Currency Translation	(28.7)	(7.2)%
Total Change	$595.3	150%

For the year ended December 31, 2015, adjusted for acquisitions and foreign currency translation, gross profit increased by $12.8 million, or 3.2% related to the MacDermid business. The increase in gross profit was due in part to a charge to cost of sales of $12.0 million which was incurred in 2014 related to the elimination of manufacturer’s profit in inventory recorded in purchase accounting associated with the MacDermid Acquisition, which did not recur in 2015 and MacDermid's increased sales volumes as compared to the same period in 2014, which contributed $6.1 million of incremental gross profit. Sales volume gains were offset, in part, by the aforementioned non-recurring restructuring charges of $2.4 million incurred in 2015.

Normalized for the above non-recurring items, the primary driver of higher gross profit delivered for the year ended December 31, 2015 in the MacDermid business was more sales in higher margin offshore fluids coupled with higher sales of industrial products sold into automotive end markets, partially offset by lower electronics chemistry sales in Asia and industrial products used in PET recycling, anticorrosion plating for onshore oil and gas rigs and industrial hardcoat film offerings. Overall margin

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strength at 52.1% and 51.1% for for 2015 and 2014, respectively, continues to be driven by the unique performance characteristics of products in our portfolio and the technical service capability as a technology oriented business acutely focused on being a solutions provider.

Selling, Technical, General and Administrative Expense

	Year Ended December 31,	
(amounts in millions)	2015	2014
Selling, technical, general and administrative	$857.5	$360.9

Selling, technical, general and administrative expense for the year ended December 31, 2015 totaled $858 million, or 33.7% of net sales, as compared to $361 million, or 42.8% of net sales, for the year ended December 31, 2014, representing an increase of $497 million, or 138%.

	Year Ended December 31, 2015	
(amounts in millions)	$ Change	% Change
Change, adjusted for acquisitions and foreign currency translation	$37.2	10.3 %
- Acquisitions	477.3	132 %
- Foreign Currency Translation	(17.9)	(5.0)%
Total Change	$496.6	138 %

For the year ended December 31, 2015, adjusted for acquisitions and foreign currency translation, selling, technical, general and administrative expense increased by $37.2 million, or 10.3%. The increase was due in part to higher year-over year acquisition-related costs of approximately $18.8 million, as well as approximately $30.2 million of charges in connection with our integration efforts, including severance, professional and consulting fees. These increases were partially offset by a $22.3 million lower fair value adjustment to the long-term contingent consideration liability as compared to the same period in 2014. The remaining fluctuations in Selling, technical general and administrative expenses include increases due to additional investments we are making in building our corporate infrastructure in support of the demands driven by our substantial growth, including increases in headcount and professional fees, as well as offsets provided by cost containment measures generated by the MacDermid business.

Research and Development Expense

	Year Ended December 31,	
(amounts in millions)	2015	2014
Research and development	$62.8	$26.2

Research and development expense for the year ended December 31, 2015 totaled $62.8 million, or 2.5% of net sales, as compared to $26.2 million, or 3.1% of net sales, for the year ended December 31, 2014, representing an increase of $36.6 million, or 140%.

	Year Ended December 31, 2015	
(amounts in millions)	$ Change	% Change
Change, adjusted for acquisitions and foreign currency translation	$(1.2)	(4.6)%
- Acquisitions	38.1	145 %
- Foreign Currency Translation	(0.3)	(1.1)%
Total Change	$36.6	140 %

For the year ended December 31, 2015, adjusted for acquisitions and foreign currency translation, research and development expense decreased by $1.2 million, or 4.6% remaining relatively consistent, as a percentage of net sales, during the periods presented, with slight dollar variations caused by timing, seasonality of projects within our research and development pipeline.

Operating Profit

(amounts in millions)	Year Ended December 31, 2015	2014
Operating profit (loss)	$71.6	$9.5

Operating profit for the year ended December 31, 2015 totaled $71.6 million, or 2.8% of net sales, as compared to $9.5 million, or 1.1% of net sales, for the year ended December 31, 2014, representing an increase of $62.1 million, or 654%.

	Year Ended December 31, 2015	
(amounts in millions)	$ Change	% Change
Change, adjusted for acquisitions and foreign currency translation	$(23.2)	(244)%
- Acquisitions	95.8	1,008%
- Foreign Currency Translation	(10.5)	(111)%
Total Change	$62.1	654%

For the year ended December 31, 2015, adjusted for acquisitions and foreign currency translation, operating profit decreased by $23.2 million, or 244%. The decrease in operating profit was primarily due to the higher selling, technical, general and administrative expenses of $37.2 million related in part part to $45.1 million of incremental acquisition-related costs, as well as $30.2 million of restructuring and restructuring-related charges, combined with increased overhead costs related to our investment in building our corporate infrastructure in support of the significant growth we have experienced during 2015 as a result of our Acquisitions, offset in part by $22.3 million of lower mark-to-market adjustment on the contingent consideration associated with the MacDermid Acquisition. Offsetting the higher selling, technical, general and administrative expense were higher gross profits of $12.8 million, due in part to the impact of a charge to cost of sales of $12.0 million in 2014 related to the elimination of manufacturer’s profit in inventory, and $6.1 million of gross profits from MacDermid's business, driven primarily by higher sales of offshore fluids products and core industrial products sold into the automotive supply chain in the U.S. and Europe. MacDermid's continued innovation, technical service capability of their human capital and the unique performance characteristics of product offerings continue to drive gross profit dollars. Gains in its offshore fluids and the automotive sector were partially offset by lower sales volume of electronics chemistry sold in Asia, industrial hardcoat films and core industrial products sold into the onshore oil & gas production sector. Offsetting the increase in gross profit was a non-recurring restructuring charge of $2.4 million incurred in 2015.

Other (Expense) Income, net

(amounts in millions)	Year Ended December 31, 2015	2014
Interest expense, net	$(213.9)	$(37.9)
(Loss) gain on derivative contracts	(74.0)	0.4
Foreign exchange loss	(43.4)	(2.7)
Other income (expense) income, net	30.4	(0.2)
Total other expense	$(300.9)	$(40.4)

Net interest expense for the year ended December 31, 2015 totaled $214 million, as compared to $37.9 million for the year ended December 31, 2014, representing an increase of $176 million. The increase relates primarily to interest charges resulting from incremental debt facilities, including term loans, bonds and revolving credit borrowings, used to fund the CAS and Agriphar Acquisitions during the fourth quarter of 2014, the Arysta Acquisition in the first quarter of 2015, and the Alent Acquisition in the fourth quarter of 2015.

Loss on derivative contracts for the year ended December 31, 2015 totaled $74.0 million, as compared to a gain of $0.4 million for the year ended December 31, 2014, representing a change of $74.4 million. The increase relates primarily to a fair value loss of $73.7 million on a deal contingent foreign exchange contract entered into in connection with the Alent acquisition.

Foreign exchange loss for the year ended December 31, 2015 totaled $43.4 million, as compared to $2.7 million for the year ended December 31, 2014, representing an increase of $40.7 million. The increase relates primarily to foreign exchange losses associated with the remeasurement of foreign denominated external and intercompany debt totaling approximately $46.4 million for the year ended December 31, 2015.

Other income (expense), net for the year ended December 31, 2015 totaled $30.4 million, as compared to $(0.2) million for the year ended December 31, 2014, representing an increase of 30.6 million. The increase relates primarily to legal settlement gains of $17.7 million, including settlement of the Cookson Group plc litigation for $16.0 million, income of $6.1 million from registration rights and technical studies, and $3.0 million from the expiration of an acquisition put option on our common stock related to the Agriphar Acquisition.

Income Tax (Expense) Benefit

	Year Ended December 31,			
(amounts in millions)	2015		2014	
Income tax (expense) benefit	$(75.1	)	$6.7	
Effective tax rate	(32.8	)%	21.7	%

The income tax expense for the year ended December 31, 2015 totaled $75.1 million, as compared to an income tax benefit of $6.7 million for the year ended December 31, 2014. We are a U.S. based company with a statutory income tax rate of 35%. We operate in various foreign countries, which have tax rates that are different from the U.S. statutory tax rate. Our effective tax rate for the year ended December 31, 2015 was (32.8)% on pre-tax losses of $229 million. The effective tax rate was negatively impacted by a change in the valuation allowance of $72.6 million, non-deductible transaction-related costs of $40.5 million and a change in uncertain tax positions of $27.5 million. For the year ended December 31, 2014, our effective tax rate was a 21.7% income tax benefit on a pre-tax loss of $30.9 million. The effective tax rate was positively effected by an adjustment to permanently reinvested earnings of $3.7 million and $7.7 million of tax on foreign operations. The effective tax rate was negatively impacted by non-deductible purchase price contingency losses of $6.6 million, non-deductible transaction costs of $6.5 million and $1.5 million for changes in uncertain tax positions.

We have provided deferred taxes of $7.1 million under ASC 740-30-25 for the potential repatriation to the United States of earnings from certain non-U.S. subsidiaries. We have not recognized a deferred tax liability for U.S. taxes on the undistributed earnings of most of our foreign subsidiaries because those earnings have been determined to be indefinitely reinvested. The undistributed earnings of those subsidiaries were $390 million and $264 million for the years ended December 31, 2015 and 2014, respectively. Quantification of the deferred tax liability, if any, associated with indefinitely reinvested earnings is not practicable.

Valuation allowances reflect our assessment that it is more likely than not that certain state deferred tax assets and foreign net operating losses will not be realized. The assessment of the need for a valuation allowance requires management to make estimates and assumptions about future earnings, reversal of existing temporary differences and available tax planning strategies. If actual experience differs from these estimates and assumptions, the recorded deferred tax asset may not be fully realized, resulting in an increase to income tax expense in our results of operations. The valuation allowance for deferred tax assets was $404 million and $19.7 million at December 31, 2015 and 2014, respectively.

Year Ended December 31, 2014 Compared to Successor 2013 Period (Inception (April 23, 2013) through December 31, 2013) and Predecessor 2013 Period (January 1, 2013 through October 31, 2013)

Net Sales

	Year Ended December 31,	Period from Inception (April 23, 2013) through December 31,	January 1, 2013 through October 31,
(amounts in millions)	2014	2013	2013

	(Successor)	(Successor)	(Predecessor)
Net sales	$843.2	$118.2	$627.7

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Net sales totaled $843 million for the year ended December 31, 2014, compared to net sales of $118 million for the Successor 2013 Period and $628 million for the Predecessor 2013 Period. Net sales for the year ended December 31, 2014 includes a full 12 months of MacDermid results, compared to two months in the Successor 2013 Period and ten months in the Predecessor 2013 Period, as well as $26.1 million and $61.9 million of sales generated through the Agriphar and CAS Acquisitions, respectively, completed on October 1, 2014 and November 3, 2014, respectively. Sales were unfavorably impacted by $3.4 million due to the increase in value of the U.S. Dollar during the year ended December 31, 2014 compared to the Successor and Predecessor 2013 Periods. Net sales of products that we have identified as new products, which represent opportunities to enter markets adjacent to those we currently serve, were $90.3 million for the year ended December 31, 2014 compared to $11.2 million for the Successor 2013 Period and $65.6 million for the Predecessor 2013 Period.

Net sales in the Performance Solutions segment totaled $755 million for the year ended December 31, 2014, compared to net sales of $118 million for the Successor 2013 Period and $628 million for the Predecessor 2013 Period. Net sales for the year ended December 31, 2014 includes a full 12 months of MacDermid results, compared to two months in the Successor 2013 Period and ten months in the Predecessor 2013 Period. Electronic product sales increased in Asia, core industrial and film product sales increased in the Americas and Europe, as well as offshore fluids and packing products primarily in Europe.

During the fourth quarter of 2014, we created a new operating segment, Agricultural Solutions, which includes Agriphar’s and CAS’ complementary businesses, as well as certain subsequently-acquired businesses of Arysta. The Agricultural Solutions segment reported sales of $88.0 million for the year ended December 31, 2014, representing partial year sales from the Agriphar and CAS Acquisitions completed on October 1, 2014 and November 3, 2014, respectively.

By region, for the Performance Solutions segment, net sales from the Americas, Asia and Europe were $272 million, $214 million and $269 million, respectively, for the year ended December 31, 2014 compared to $42.7 million, $34.6 million and $41.0 million, respectively, in the Successor 2013 Period and $237 million, $177 million and $214 million, respectively, in the Predecessor 2013 Periods. Net sales were lower in the Americas in 2014 primarily from an unfavorable foreign currency impact of approximately $5.4 million in addition to lower newspaper plating product sales volume. In the Asia region, net sales increased $2.8 million in 2014 which was due to continued strong demand for our electronics products but was partially offset by lower sales volume in core film products and an unfavorable foreign currency impact of approximately $2.8 million. European sales increased by $13.9 million in 2014 which was largely driven by favorable currency impacts of approximately $6.1 million in addition to higher sales volume of core industrial and film products, offshore fluids, and packaging products.

Changes in the average selling prices of the Company’s products did not have a material impact on net sales for the year ended December 31, 2014 compared to the Successor and Predecessor 2013 Periods.

Cost of Sales

(amounts in millions)	Year Ended December 31, 2014 (Successor)	Period from Inception (April 23, 2013) through December 31, 2013 (Successor)	January 1, 2013 through October 31, 2013 (Predecessor)
Cost of Sales	$446.6	$82.5	$304.9

Cost of sales totaled $447 million (53.0% of net sales) for the year ended December 31, 2014, compared to $82.5 million (69.8% of net sales) for the Successor 2013 Period and $305 million (48.6% of net sales) for the Predecessor 2013 Period. Cost of sales for the year ended December 31, 2014 includes a full 12 months of MacDermid results, versus two months in the Successor 2013 Period and ten months in the Predecessor 2013 Period as well as $28.5 million and $48.3 million of incremental cost of sales from the Agriphar and CAS Acquisitions, which were completed on October 1, 2014 and November 3, 2014, respectively. For the year ended December 31, 2014 and the Successor 2013 Period, cost of sales includes $35.5 million and $23.9 million of charges, respectively, related to the elimination of manufacturer's profit in inventory charged to cost of sales resulting from purchase accounting fair value adjustments to inventory associated with our Acquisitions. Excluding these charges, cost of sales as a percentage of net sales for the year ended December 31, 2014 and the Successor 2013 period was 48.8% and 49.6%, respectively.

Gross Profit

(amounts in millions)	Year Ended December 31, 2014 (Successor)	Period from Inception (April 23, 2013) through December 31, 2013 (Successor)	January 1, 2013 through October 31, 2013 (Predecessor)
Gross profit	$396.6	$35.7	$322.8

For the year ended December 31, 2014, gross profit totaled $397 million (47.0% gross margin), compared to $35.7 million (30.2% gross margin) for the Successor 2013 period and $323 million (51.4% gross margin) for the Predecessor 2013 Period. The Agriphar and CAS Acquisitions accounted for $11.2 million of the year over year increase. For the year ended December 31, 2014 and the Successor 2013 Period, gross profit includes $35.5 million and $23.9 million of charges, respectively, related to the elimination of manufacturer's profit resulting from the step-up of inventory related to the various acquisitions. Excluding the inventory charges, gross margin was 51.3% and 50.4% for the year ended December 31, 2014 and the Successor 2013 Period, respectively. Gross profit for the year ended December 31, 2014 was unfavorably impacted by $1.8 million due to the increase in value of the U.S. Dollar. The primary driver of the higher gross profit for the year ended 2014 was more sales in higher margin electronic products in Asia and industrial products and offshore fluids in Europe from our Performance Solutions segment. Changes in the average selling price of products did not have a material impact on gross profit for the year ended December 31, 2014 compared to the Successor and Predecessor Periods.

Non-Cash Charges related to Preferred Stock Dividend Rights

(amounts in millions)	Year Ended December 31, 2014 (Successor)	Period from Inception (April 23, 2013) through December 31, 2013 (Successor)	January 1, 2013 through October 31, 2013 (Predecessor)
Non-cash charge related to preferred stock dividend rights	$—	$172.0	$—

The Series A Preferred Stock issued by Platform has dividend rights that were triggered upon the successful close of the MacDermid Acquisition. On December 31, 2014, we approved a stock dividend of 10,050,290 shares of our common stock with respect to the Series A Preferred Stock, which represented 20% of the appreciation of the market price of our common stock over the Initial Public Offering price of $10.00 multiplied by the total Initial Public Offering shares. The dividend price was $22.85 (calculated based upon the average of the last ten trading days of the year's volume weighted average share prices) and the shares were issued on January 2, 2015 based upon the volume weighted average price of $23.16 on December 31, 2014. In subsequent years, the dividend amount will be calculated based on the appreciated stock price compared to the highest dividend price previously used in calculating the Series A Preferred Stock dividends. Shares of the Series A Preferred Stock will be automatically converted into shares of our common stock on a one for one basis (i) in the event of a change of control of Platform following an acquisition or (ii) upon the last day of the seventh full financial year following the completion of the MacDermid Acquisition, being December 31, 2020 (extendable by our Board for three additional years). Each share of Series A Preferred Stock is convertible into one share of our common stock at the option of the holder until December 31, 2020 and has certain voting rights. We recognized a non-cash charge during the Successor 2013 Period related to the fair value of the preferred dividend rights of $172 million upon the completion of the MacDermid Acquisition. The fair value of the preferred dividend rights was measured based on significant inputs not observable in the market (Level 3 inputs). Key assumptions included the fair value of our common stock and an assumption of volatility. The fair value was calculated using a Monte-Carlo simulation.

Selling, Technical, General and Administrative Expense

(amounts in millions)	Year Ended December 31, 2014 (Successor)	Period from Inception (April 23, 2013) through December 31, 2013 (Successor)	January 1, 2013 through October 31, 2013 (Predecessor)
Selling, technical, general and administrative	$360.9	$55.3	$211.2

Selling, technical, general and administrative expense totaled $361 million (42.8% of net sales) for the year ended December 31, 2014, compared to $55.3 million (46.8% of net sales) for the Successor 2013 Period and $211 million (33.6% of sales) for the Predecessor 2013 Period. The Agriphar and CAS Acquisitions, collectively, accounted for $30.0 million of the year over year increase. The 2014 selling, technical, general and administrative total includes $47.8 million of acquisition-related costs primarily comprised of professional costs, compared to $15.2 million for the Successor 2013 Period and $16.9 million for the Predecessor 2013 Period. Selling, technical, general and administrative expense for the year ended December 31, 2014 also includes $29.1 million related to the fair value adjustment of the long-term contingent consideration liability related to the MacDermid Acquisition, compared to income of $0.7 million realized during the Successor 2013 Period. The Predecessor 2013 Period includes $9.3 million of compensation expense related to the recognition of legacy MacDermid Class C Junior share costs. Selling, technical, general and administrative costs, net of acquisition-related charges (including Class C Junior share compensation expense and the contingent consideration adjustment but excluding incremental amortization expense in connection with the Acquisitions), represent 33.3%, 33.8% and 28.9% of net sales for the year ended December 31, 2014, the Successor 2013 Period and the Predecessor 2013 Period, respectively.

Included in Selling, technical, general and administrative are Restructuring expenses, which totaled $3.0 million (0.4% of net sales) for the year ended December 31, 2014, compared to $0.8 million (0.6% of net sales) for the Successor 2013 Period and $3.6 million (0.6% of net sales) for the Predecessor 2013 Period. Restructuring actions initiated during the year ended December 31, 2014 and the Successor 2013 Period represent several small initiatives aimed at cost reduction opportunities. The actions initiated during the Predecessor 2013 Period primarily included expenses related to the elimination of certain positions within the Performance Applications segment in the Americas.

Research and Development Expense

(amounts in millions)	Year Ended December 31, 2014 (Successor)	Period from Inception (April 23, 2013) through December 31, 2013 (Successor)	January 1, 2013 through October 31, 2013 (Predecessor)
Research and development	$26.2	$4.0	$19.9

Research and development expense for the year ended December 31, 2014 totaled $26.2 million (3.1% of net sales), compared to $4.0 million (3.4% of net sales) for the Successor 2013 Period and $19.9 million (3.2% of net sales) for the Predecessor 2013 Period. The Agriphar and CAS Acquisitions accounted for $2.1 million of the year over year increase.

Operating Profit (Loss)

(amounts in millions)	Year Ended December 31, 2014 (Successor)	Period from Inception (April 23, 2013) through December 31, 2013 (Successor)	January 1, 2013 through October 31, 2013 (Predecessor)
Operating profit (loss)	$9.5	$(195.6)	$91.7

For the year ended December 31, 2014, operating profit was $9.5 million (1.1% of net sales), compared to operating loss of $196 million (166% of net sales) for the Successor 2013 period and operating profit of $91.7 million (14.6% of net sales) for the Predecessor 2013 Period. The Agriphar and CAS Acquisitions reported operating losses of $22.4 million. For the year ended December 31, 2014, operating profit was unfavorably impacted by the manufacturers profit in inventory adjustment of $35.5 million, transaction related costs of $47.8 million and a non-cash adjustment to the long term contingent consideration of $29.1 million. Excluding these acquisition-related expenses, operating profit as a percentage of sales was 14.4% in 2014.

Operating profit for the Performance Solutions segment for the year ended December 31, 2014 totaled $31.9 million, compared to operating loss of $196 million for the Successor 2013 Period and operating profit of $55.3 million for the Predecessor 2013 Period. Excluding acquisition-related costs and allocated corporate expenses, operating profit in the Performance Solutions segment increased primarily due to higher sales volume on electronics industry products sold in Asia and core industrial and film products sold in Europe, partially offset by lower sales volume of newspaper plating products.

Operating loss for the Agricultural Solutions segment for the year ended December 31, 2014 totaled $22.4 million, and included acquisition-related costs of $23.5 million related to the elimination of manufacturer's profit in inventory charged to cost of sales resulting from purchase accounting fair value adjustments, as well $38.1 million of transaction related costs primarily comprised of professional fees.

Other (Expense) Income, net

(amounts in millions)	Year Ended December 31, 2014 (Successor)	Period from Inception (April 23, 2013) through December 31, 2013 (Successor)	January 1, 2013 through October 31, 2013 (Predecessor)
Interest expense, net	$(37.9)	$(5.4)	$(45.9)
Loss on extinguishment of debt	—	—	(18.8)
Gain on derivative contracts	0.4	0.1	(0.3)
Foreign exchange loss	(2.7)	(0.6)	0.5
Other (expense) income, net	(0.2)	0.1	(0.7)
Total other expense	$(40.4)	$(5.8)	$(65.2)

Net interest expense for the year ended December 31, 2014 totaled $37.9 million (4.5% of net sales), compared to $5.4 million (4.6% of net sales) for the Successor 2013 Period and $45.9 million (7.3% of net sales) for the Predecessor 2013 Period. Net interest expense for the year ended December 31, 2014 consists primarily of interest on the first lien secured credit facility of $30.4 million, representing 12 months of activity versus two months in the Successor 2013 Period and ten months in the Predecessor 2013 Period, and interest on term loans in support of our acquisition activity of $5.5 million. The net interest expense recorded during the Successor 2013 Period represents interest, inclusive of amortization of deferred financing fees, on the first lien credit facility assumed in the MacDermid Acquisition.

In the Predecessor 2013 Period, we recorded a loss of $18.8 million related to the refinancing of tranche B and tranche C term loans and senior subordinated notes. This amount consisted of $12.5 million of call premiums on the senior subordinated notes and $6.3 million of write-offs of deferred financing fees related to the extinguished debt. No similar losses were recorded during the year ended December 31, 2014 or the Successor 2013 Period.

Income Tax

(amounts in millions)	Year Ended December 31, 2014 (Successor)	Period from Inception (April 23, 2013) through December 31, 2013 (Successor)	January 1, 2013 through October 31, 2013 (Predecessor)
Income tax benefit (expense)	$6.7	$5.8	$(13.0)
Effective tax rate	21.7 %	2.9 %	49.0 %

Income tax benefit for the year ended December 31, 2014 totaled $6.7 million, compared to an income tax benefit of $5.8 million for the Successor 2013 Period, and an income tax expense of $13.0 million for the Predecessor 2013 Period. We are a U.S. based company with a statutory income tax rate of 35%. We operate in various foreign countries, which have tax rates that are different from the U.S. statutory tax rate. For the year ended December 31, 2014, our effective tax rate was a 21.7% income tax benefit on a pre-tax loss of $30.9 million. The effective tax rate was positively impacted by a $3.7 million adjustment to permanently reinvested earnings and $7.7 million of foreign taxes at rates different from the U.S. statutory rate. The effective tax rate was negatively impacted by non-deductible purchase price contingency costs of $6.6 million, non-deductible transaction related costs of $6.5 million and $1.5 million for a change in uncertain tax positions. For the Successor 2013 Period, our effective tax rate was a 2.9% income tax benefit on pre-tax losses of $201.4 million. The effective tax rate was negatively impacted by the non-deductible charge related to preferred stock dividend rights of $60.2 million and non-deductible transaction related costs of $4.2 million. For the Predecessor 2013 Period, MacDermid's effective tax rate was a 49.0% income tax expense on pre-tax income of $26.5

million. The effective tax rate was negatively impacted by non-deductible transaction related costs of $1.9 million and an increase in the valuation allowance for federal, state and foreign net operating losses and tax credits of $3.6 million.

Liquidity and Capital Resources

In order to fund our acquisition activity, we have incurred substantial indebtedness totaling $5.23 billion as of December 31, 2015, with expected interest payments in excess of $300 million per year. Our first significant principal debt payments, totaling $3.20 billion and primarily representing principal payments at maturity associated with all of our outstanding term loans under our Amended and Restated Credit Agreement, are due in 2020. In addition, we have a potential cash obligation related to our Series B Convertible Preferred Stock which varies based on our stock price, up to a maximum amount of $600 million. As of December 31, 2015 this obligation was approximately $316 million. We anticipate sufficient cash from operations to fund interest, working capital and other capital expenditures for the foreseeable future and have access to a $500 million line of credit under our Revolving Credit Facility as well as availability under various lines of credit and overdraft facilities of $118 million. However, settlement of the Series B Convertible Preferred Stock obligation, working capital shortfalls and future acquisitions may require utilization of our Revolving Credit Facility as well as proceeds from future debt and/or equity offerings. Our long-term liquidity may be influenced by our ability to borrow additional funds, renegotiate existing debt and raise equity under terms that are favorable to us.

Our primary sources of liquidity during the 12 months ended December 31, 2015 were proceeds received from the February 2015 Notes Offering, June 2015 Equity Offering, and November 2015 Notes Offering, borrowings under our Amended and Restated Credit Agreement, as well as available cash generated from operations. Our primary uses of cash and cash equivalents are acquisitions, raw material purchases, salary expenses, capital expenditures and debt service obligations. We believe that our cash and cash equivalents balance and cash generated from operations, supplemented by our availability under our lines of credit to normalize seasonality, will be sufficient to meet our working capital needs, capital expenditures and other business requirements for at least the next twelve months. Future acquisitions, however, may require utilization of our Revolving Credit Facility as well as proceeds from future debt and/or equity offerings. At December 31, 2015, we had $432 million in cash and cash equivalents in addition to availability under our Revolving Credit Facility and various lines of credit and overdraft facilities of $618 million.

Of our $432 million of cash and cash equivalents at December 31, 2015, $415 million was held by our foreign subsidiaries. The majority of the cash held by foreign subsidiaries is generally available for the ongoing needs of our operations. The laws of certain countries may limit our ability to utilize cash resources held in those countries for operations in other countries. However, these laws are not likely to impact our liquidity in a material way. The operations of each foreign subsidiary generally fund such subsidiary’s capital requirements. In the event that other foreign operations or operations within the United States require additional cash, we may transfer cash between and among subsidiaries as needed so long as such transfers are in accordance with law. As of December 31, 2015, we had the ability to repatriate $10.0 million at our discretion from the foreign subsidiaries and branches while the remaining balance of $405 million was held at subsidiaries in which earnings are considered permanently reinvested. Repatriation of some of these funds could be subject to delays and could have potential tax consequences, principally with respect to withholding taxes paid in foreign jurisdictions. If cash is repatriated from jurisdictions in which earnings are considered permanently reinvested we will be required to accrue and pay U.S. income taxes on such repatriations.

In June 2015, we completed the June 2015 Equity Offering of 18,226,414 shares of our common stock at a public offering price of $26.50 per share. The June 2015 Equity Offering was a registered offering with the SEC and resulted in gross proceeds to Platform of approximately $483 million, before underwriting discounts, commissions and offering expenses of $15.0 million, used to fund the OMG Acquisition.

In 2015, we also completed the November 2015 Notes Offering of $500 million in aggregate principal amount of 10.375% USD Notes due 2021, and the February Notes Offering of $1.10 billion aggregate principal amount of 6.50% USD Notes due 2022, plus original issue premium of $1.0 million, and €350 million aggregate principal amount of 6.00% EUR Notes due 2023.

We may from time to time seek to retire or purchase our outstanding debt, including, but not limited to, our Senior Notes, through cash purchases and/or exchanges for equity securities, in open market purchases, privately negotiated transactions or otherwise. Such repurchases or exchanges, if any, will depend on prevailing market conditions, our liquidity requirements, contractual restrictions and other factors.

Pursuant to the Arysta share purchase agreement, dated October 20, 2014, as amended, any shares of Series B Convertible Preferred Stock that have not previously been converted into shares of common stock will be automatically redeemed at the $1,000 redemption price in connection with certain mergers or consolidations, the sale of all or substantially all of the assets of Platform and its subsidiaries, the sale of certain subsidiaries of Platform or the approval of any plan for the dissolution, liquidation or termination of Platform by our stockholders. On April 20, 2017, we will be required to repurchase each share of Series B Convertible Preferred Stock that has not been converted into shares of common stock of Platform, or automatically redeemed as described above, at the $1,000 redemption price payable in shares of our common stock (22,107,590 shares of common stock valued at $27.14 per share). Upon such repurchase, the Company will also pay to holders of Series B Convertible Preferred Stock in cash any deficit between (i) the 10-day volume weighted price of Platform’s common stock prior to such repurchase and (ii) $27.14 per share. To the extent the Arysta Seller continues to own Series B Convertible Preferred Stock, then, if as a result of the arbitration matter described in Note 16, Contingencies, Environmental and Legal Matters, to the Consolidated Financial Statements, the Arysta Seller is obligated to make a payment to us, we may offset any make-whole payment due to the Arysta Seller by any such amount due from the Arysta Seller. If such make-whole payment is less than the amount resolved in connection with the arbitration matter, the deficit will be due from the Arysta Seller. Based on Platform's common stock price of $12.83 as of December 31, 2015, the make-whole payment would total approximately $316 million, assuming no impact from the arbitration matter noted above. The holders of Series B Convertible Preferred Stock are also entitled to an incremental payment equal to $4.0 million per month from October 20, 2016 to April 20, 2017, or such earlier date after October 20, 2016 that the then outstanding shares of Series B Convertible Preferred Stock are converted into shares of common stock or automatically redeemed by Platform.

The following is a summary of our cash flows provided by (used in) operating, investing and financing activities during the periods indicated:

(amounts in millions)	Year Ended December 31, 2015 (Successor)	Year Ended December 31, 2014 (Successor)	Period from Inception (April 23, 2013) through December 31, 2013 (Successor)	January 1, 2013 through October 31, 2013 (Predecessor)
Cash and cash equivalents, beginning of the period	$397.3	$123.0	$—	$143.4
Cash provided by operating activities	320.9	98.2	7.5	56.0
Cash used in investing activities	(4,256.5)	(1,982.7)	(920.3)	(7.8)
Cash provided by (used in) financing activities	4,001.2	2,168.9	1,035.7	(104.3)
Exchange rate impact on cash and cash equivalents	(30.7)	(10.1)	0.1	(0.2)
Cash and cash equivalents, end of the period	$432.2	$397.3	$123.0	$87.1

Year Ended December 31, 2015 compared to the Year Ended December 31, 2014

Operating Activities

For the year ended December 31, 2015, we generated cash flows from operating activities of $321 million, compared to $98.2 million in cash for the year ended December 31, 2014. The increase in cash flows provided by operations for the year ended December 31, 2015 is primarily due to favorable changes in assets and liabilities, net of acquisitions, which provided $275 million more cash in 2015 as compared to 2014. The largest drivers of these changes were higher accounts payable, mainly in the Agricultural Solutions segment, corresponding primarily to a conscious effort to improve our days payable outstanding in addition to slightly higher inventory levels at December 31, 2015. Also contributing to the higher operating cash flows were higher accrued expenses, primarily from increased accrued interest of approximately $43.0 million resulting from the February and November 2015 Notes Offerings and higher accrued income taxes. Additionally, accounts receivable increased by approximately $62.0 million over 2014, primarily form stronger collections in our Agricultural Solutions Segment. Additionally, year over year depreciation and amortization increased by $163 million, resulting primarily from newly acquired intangible and fixed assets from our acquired businesses.

The Company’s management uses days-sales-outstanding, or DSO, to measure how efficiently it manages the billing and collection of accounts receivable. We calculate DSO by dividing the product of 360 and our accounts receivable balance by our annualized net sales. DSO was 96 days at December 31, 2015 and 75 days at December 31, 2014. The Company’s management also uses days-in-inventory, or DII, to calculate the efficiency at realizing inventories. We calculate DII by dividing the product of 360 and our inventory balance, net of reserves, by our annualized cost of sales, excluding intercompany sales. At December 31, 2015 and

2014, DII was 89 days and 81 days, respectively. The increase in both the DSO and DII at December 31, 2015 is due to the growth of the Agricultural Solutions segment which, having a different working capital cycle than the Performance Solutions segment, now represents a more significant part of our business. At December 31, 2015, the DSO and DII were 62 days and 62 days, respectively, for the Performance Solutions segment. At December 31, 2015, net inventory included a fair value adjustment of $11.5 million, as $76.5 million was recognized in our Consolidated Statement of Operations for the year ended December 31, 2015. As of December 31, 2014, net inventory included a fair value adjustment of $22.0 million, as $35.5 million was recognized in our Consolidated Statement of Operations. Our products generally have shelf lives that exceed one year.

Investing Activities

Net cash flows used in investing activities for the year ended December 31, 2015 totaled $4.26 billion, compared to $1.98 billion for the year ended December 31, 2014. During 2015, we used net cash of $4.60 billion to fund the Arysta, Alent and OMG Acquisitions, compared to net cash of $1.36 billion used during the year ended December 31, 2014 to fund the Agriphar and CAS Acquisitions. In connection with our 2015 acquisitions, we issued a note in the amount of $125 million to an unrelated third party; we unfavorably settled foreign exchange contracts for $73.1 million, effectively increasing the purchase price of Alent; and we released $600 million of cash from an escrow account used to fund the Arysta Acquisition. Capital expenditures increased by $29.4 million, from $18.5 million in 2014 to $47.9 million in 2015 (exclusive of $4.7 million of accrued capital expenditures) due primarily to the Arysta and Alent Acquisitions, which contributed $22.4 million of the increase. We also invested $34.4 million to obtain product registrations in our Agricultural Solutions segment from regulatory bodies granting us certain product distribution rights.

Financing Activities

Net cash flows provided by financing activities for the year ended December 31, 2015 totaled $4.00 billion, compared to cash generated of $2.17 billion for the year ended December 31, 2014. During 2015, we generated cash totaling $470 million from the issuance of shares of common stock and $3.92 billion from term loans and publicly offered securities, which were primarily used to fund our 2015 acquisition activity. The cash inflows were partially offset by repayments of existing borrowings totaling $284 million, financing fees associated with issuing our new debt totaling $87.0 million and payments on our outstanding lines of credit totaling $12.4 million. During the year ended December 31, 2014, we generated cash totaling $1.51 billion from the issuance of shares of common stock and $679 million from term loans, both of which were primarily used to fund our 2014 acquisition activity.

Year Ended December 31, 2014 Compared to Successor 2013 Period (Inception (April 23, 2013) through December 31, 2013) and Predecessor 2013 Period (January 1, 2013 through October 31, 2013)

Operating Activities

For the year ended December 31, 2014, we generated cash flows from operating activities of $98.2 million, compared to $7.5 million in cash for the Successor 2013 Period and $56.0 million in cash for the Predecessor 2013 Period. The increase in cash flows provided by operations for the Year Ended December 31, 2014 is primarily due to an improvement in certain working capital balances (inclusive of accounts receivable, inventory and accounts payable) of $19.1 million and $40.7 million when compared to the Successor and Predecessor 2013 periods, respectively. These changes were mainly due to a reduction in inventory in Latin America from strong sales in the fourth quarter, in addition to increased cash collections mostly in Europe. Additionally, depreciation and amortization were significantly higher than the Successor and Predecessor 2013 Periods, partially offset by a higher deferred income tax benefit. In 2014, a non-cash adjustment to the long-term contingent liability of $29.1 million was also recorded due to the achievement of the share price targets during the year.

DSO was 75 days at December 31, 2014 and 73 days at December 31, 2013. The increase in DSO was caused, in part, by the Agriphar and CAS Acquisitions, which increased our accounts receivable balance by $208 million on the acquisition date.

At December 31, 2014 and 2013, DII was 81 days and 88 days, respectively. The Agriphar and CAS Acquisitions increased our inventory balance by $171 million on the acquisition date. At December 31, 2014, net inventory included a fair value adjustment of $22.0 million, as $35.5 million was recognized in our Consolidated Statement of

Operations for the year ended December 31, 2014. As of December 31, 2013, net inventory included a fair value adjustment of $12.0 million, as $23.9 million was recognized in our Consolidated Statement of Operations in connection with the MacDermid Acquisition. Our products generally have shelf lives that exceed one year.

Investing Activities

Net cash flows used in investing activities for the year ended December 31, 2014 was $1.98 billion, compared to $920 million for the Successor 2013 Period and $7.8 million for the Predecessor 2013 Period. During the year ended December 31, 2014, we used net cash of $1.36 billion to fund acquisitions, compared to net cash of $922 million used during the Successor 2013 Period to fund the MacDermid Acquisition. Additionally, we deposited $600 million of cash into an escrow account restricted to fund the Arysta Acquisition. Capital expenditures totaled $18.5 million (exclusive of $2.4 million of accrued capital expenditures), compared to $2.3 million for the Successor 2013 Period and $8.9 million for the Predecessor 2013 Period. During 2014, we incurred approximately $8.3 million in software consulting and hardware costs for system integration project in connection with the CAS acquisition. Approximately $2.4 million of these costs were not yet paid and included in accounts payable and accrued liabilities at December 31, 2014 .

Financing Activities

Net cash flows provided by financing activities for the year ended December 31, 2014 were $2.17 billion, compared to cash generated of $1.04 billion for the Successor 2013 Period and cash used of $104 million for the Predecessor 2013 Period. During the year ended December 31, 2014, the cash was generated from net proceeds received from the issuance of share of common stock totaling $1.51 billion and net proceeds from term loans related to our acquisitions totaling $679 million. During the Successor 2013 Period, the cash was generated from proceeds received from the issuance of common stock, preferred shares and warrants. During the Predecessor 2013 Period, borrowings totaled $1.11 billion (net of debt discounts of $5.5 million) which were used primarily to (1) pay off tranche B and tranche C terms loans of approximately $380 million, (2) pay off senior subordinated notes of approximately $355 million (inclusive of a call premium payment), (3) repurchase approximately $270 million of then outstanding Predecessor's preferred stock, (4) pay accumulated dividends on such preferred stock of approximately $230 million and (5) pay $13.6 million of financing costs. Additionally, an advance of $33.3 million was sent by Platform Acquisition Holdings Limited and received by MacDermid prior to the MacDermid Acquisition.

Pension Plans

We maintain qualified defined benefit pension plans and associated unfunded non-qualified plans to provide benefits in excess of amounts permitted to be paid under the provisions of the tax law to participants in the pension plans (collectively, the “Domestic Pension Plans”), whose obligations and assets were acquired as part of the MacDermid and Alent acquisitions,. The Domestic Pension Plans are closed to new employees and plan benefits associated with all current participants have been frozen. As required by law, benefits already accrued as of such date were not affected. With respect to such benefits, participants continue to vest and all other retirement options, including early retirement reduction factors continue unchanged. The assets continue to be held in trust until paid as benefits to retired participants or covered members.

We also maintain retirement and death benefit plans covering eligible employees in the U.K., as well as other defined benefit plans in various foreign countries that have been deemed immaterial individually and in the aggregate (collectively, the "Foreign Pension Plans"). The pension plan covering eligible employees in the U.K. represents the only material plan among the Foreign Pension Plans and was closed to new entrants and frozen for current participants on March 31, 2000. The assets continue to be held in trust until paid as benefits to retired participants or covered members. Our Foreign Pension Plans and Domestic Pension Plans are collectively referred to as the "Pension Plans."

The expected long-term rate of return on assets assumption is developed with reference to historical returns, forward-looking return expectations, the Pension Plans' investment allocations, and peer comparisons. We used a long-term rate of return on plan assets of 7.4% and 2.5% for our Domestic and Foreign Pension Plans, respectively. These rates were used in determining our net periodic pension expense for the year ended December 31, 2015. The discount rate used to value the pension obligation was developed with reference to a number of factors, including the current interest rate environment, benchmark fixed-income yields, peer comparisons, and expected future pension benefit payments. Discount rates of 4.2% and 2.5% were established for the Domestic Pension Plan and Foreign Pension Plans, respectively, at December 31, 2015, compared to rates of 5.2% and 4.2% established for those respective plans at December 31, 2014. The Company evaluates the Pension Plans' actuarial assumptions on an annual basis, including the expected long-term rate of return on assets and discount rate, and adjusts the assumptions as necessary to ensure proper funding levels are maintained so that the Pension Plans can meet their obligations as they become due. Additional assumptions, such as remaining service period and life expectancy, that are used in the calculation of our projected and accumulated benefit obligations are maintained and updated by our external actuaries in accordance with applicable Actuarial Standards of Practice.

Our Domestic Pension Plans' investment policies incorporate an asset allocation strategy that emphasizes the long-term growth of capital and acceptable asset volatility as long as it is consistent with the volatility of the relevant market indexes. The investment policies attempt to achieve a mix of approximately 75% of plan investments for long-term growth and 25% for near-term benefit payments. The weighted average asset allocation of the Domestic Pension Plans was 3% U.S. Treasuries, 21% collective investment funds, 14% equity securities, 40% limited partnership interests and managed equity funds, 18% mutual and exchange-traded funds and 4% cash at December 31, 2015.

We have appointed an independent trustee committee to oversee the risk factors, rates of return and asset allocations associated with the U.K. Pension Plan, which materially constitutes the Foreign Pension Plans. As of December 31, 2015, 91% of the U.K. Pension Plan portfolio is held as an insurance “buy-in” policy, with the remaining 9% being held in pooled bond funds.

The Domestic Pension Plans were net underfunded by $46.0 million at December 31, 2015 compared to net underfunded by $23.6 million at December 31, 2014, representing a decrease in net funding of about $22.4 million. This is primarily the result of the acquisition of pension plans during 2015 that were underfunded by about $20.1 million, interest cost of $6.8 million, and loss on plan assets of $7.0 million, partially offset by actuarial gains of $11.4 million resulting from changes in actuarial assumptions for the year ended December 31, 2015.

The Foreign Pension Plans were net underfunded by $19.0 million at December 31, 2015 compared to net overfunded by $6.2 million at December 31, 2014, representing a decrease in net funding of about $25.2 million. This is primarily the result of the acquisition of pension plans during 2015 that were underfunded by about $14.5 million, interest and service costs of $4.2 million, and an increase in our projected benefit obligation of $8.9 million resulting from plan amendments, partially offset by $3.1 million gains on plan assets for the year ended December 31, 2015.

The Domestic Pension Plans were net underfunded by $23.6 million at December 31, 2014 compared to net underfunded by $10.4 million at December 31, 2013, representing a decrease in net funding of $13.2 million. This is primarily a result of actuarial losses of $17.5 million and interest costs of $6.9 million, partially offset by gains on plan assets of $11.2 million for the year ended December 31, 2014.

The Foreign Pension Plans were net overfunded by $6.2 million at December 31, 2014 compared to net overfunded by $15.0 million at December 31, 2013, representing a decrease in net funding of $8.8 million. This is primarily a result of actuarial losses of $21.8 million, interest costs of $3.0 million, and unfavorable currency effects of $5.6 million, partially offset by gains on plan assets of $16.0 million for the year ended December 31, 2014.

Unrecognized pre-tax actuarial losses associated with the pension plans recorded in Accumulated other comprehensive income were $35.0 million and $21.1 million as of December 31, 2015 and 2014, respectively. As of December 31, 2015, $18.8 million associated with the foreign pension plans were included in "Accumulated other comprehensive loss" and is expected to be recognized during 2016.

We expect to contribute $6.3 million to the Pension Plans during 2016. While we do not currently anticipate any, additional future material contributions may be required in order to maintain appropriate funding levels within our plans.

Financial Borrowings

Credit Facilities

As of December 31, 2015, we had $5.23 billion of indebtedness, which included: $1.94 billion of Senior Notes; $3.25 billion of term debt arrangements outstanding under our First Lien Credit Facility; $16.7 million of borrowings under overdraft lines of credit; and $11.0 million of stand-by letters of credit, which reduce the borrowings available under our Revolving Credit facility. Availability under our Revolving Credit Facility and various lines of credit and overdraft facilities totaled $618 million as of December 31, 2015.

Alent Acquisition

In connection with the Alent Acquisition, in November 2015, we completed the November 2015 Notes Offering of $500 million in aggregate principal amount of 10.375% USD Notes due 2021. The notes are governed by an indenture, dated November 10, 2015, as amended from time to time, bear an interest at a rate of 10.375% and mature on May 1, 2021, unless earlier redeemed. In addition, we borrowed $1.05 billion under the Alent U.S. Dollar Tranche B-3 Term Loan (less original issue discount of 2%), €300 million under the Alent EURO Tranche C-2 Term Loan (less original issue discount of 2%), and $115 million under our multi-currency Revolving Credit Facility.

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Arysta Acquisition

In connection with the Arysta Acquisition, in February 2015, we completed the February Notes Offering of $1.10 billion aggregate principal amount of 6.50% USD Notes due 2022, plus original issue premium of $1.0 million, and €350 million aggregate principal amount of 6.00% EUR Notes due 2023. The notes are governed by an indenture, dated February 2, 2015, as amended from time to time. The 6.50% USD Notes due 2022 and the 6.00% EUR Notes due 2023 mature on February 1, 2022 and February 1, 2023, respectively, unless earlier redeemed. The 6.50% USD Notes due 2022 and the 6.00% EUR Notes due 2023 bear interest at a rate of 6.50% and 6.00% per year, respectively, until maturity. In addition, we borrowed $500 million under the Arysta U.S. Dollar Tranche B-2 Term Loan (less original issue discount of 1%), €83.0 million under the Arysta EURO Tranche C-1 Term Loan (less original issue discount of 2%), and $160 million under our U.S. Dollar Revolving Credit Facility.

CAS Acquisition

In connection with the CAS Acquisition, in August 2014, we borrowed $130 million under the CAS U.S. Dollar Tranche B Term Loan, €205 million under the CAS EURO Tranche C-1 Term Loan, $60.0 million under our U.S. Dollar Revolving Credit Facility, and €55.0 million under our multicurrency Revolving Credit Facility.

Agriphar Acquisition

In connection with the Agriphar Acquisition, in October 2014, we borrowed $300 million under the USD Incremental Term Loan.

MacDermid Acquisition

In connection with the MacDermid Acquisition, in October 2013, under its First Lien Credit Agreement, MacDermid, with Platform as co-borrower, borrowed $373 million in connection with the repayment of the $360 million in principal on its then second lien credit facility.

Our Credit Facilities contain various covenants, including limitations on additional indebtedness, dividends and other distributions, entry into new lines of business, use of loan proceeds, capital expenditures, restricted payments, restrictions on liens, transactions with affiliates, amendments to organizational documents, accounting changes, sale and leaseback transactions and dispositions. In addition, our Revolving Credit Facility requires compliance with certain financial covenants, including a first lien net leverage ratio of no greater than 6.25 to 1.0 of (x) consolidated indebtedness secured by a first lien minus unrestricted cash and cash equivalents of the borrowers and guarantors under the Amended and Restated Credit Agreement to (y) consolidated EBITDA for the four most recent fiscal quarters, subject to a right to cure. As of December 31, 2015, the Company was in compliance with the debt covenants contained in our Credit Facilities.

Contractual Obligations and Commitments

We own most of our major manufacturing facilities, but we do lease certain offices, manufacturing factories and warehouse space and land, as well as other equipment primarily under non-cancelable operating leases.

Summarized in the table below are our obligations and commitments as of December 31, 2015:

	Payment Due by Period						
(amounts in millions)	2016	2017	2018	2019	2020	Thereafter	Total
Long-term debt (1)	$33.8	$33.8	$33.8	$33.8	$3,197.3	$1,980.7	$5,313.2
Operating leases (2)	24.8	18.5	12.6	10.3	8.8	22.5	97.5
Interest payments (3)	331.9	330.3	329.7	326.5	236.3	151.0	1,705.7
Long-term contingent consideration (4)	—	—	—	—	—	100.0	100.0
Principal payments on capital leases	0.9	0.7	0.5	0.4	0.3	1.8	4.6
Purchase obligations (5)	52.7	21.5	21.5	—	—	—	95.7
Other long term obligations (6)	—	—	17.2	—	—	—	17.2
Total cash contractual obligations	$444.1	$404.8	$415.3	$371.0	$3,442.7	$2,256.0	$7,333.9

(1) Reflects the principal payments on the Credit Facilities.
(2) Reflects periodic payments made in accordance with operating lease agreements
(3) Amounts are based on currently applicable interest rates in the case of variable interest rate debt.
(4) Reflects the expected payout of 100% of the contingent purchase price related to the MacDermid Acquisition in 2021.
(5) Purchase obligations represent amounts committed under legally enforceable supply agreements and non-cancelable purchase contracts. We do not include purchase obligations that can be canceled with a nominal fee.
(6) Other long term obligations consist of asset retirement obligations.

As of December 31, 2015, the long-term contingent consideration related to the MacDermid Acquisition was valued at \$70.7 million. Long-term contingent consideration is the only financial liability measured and recorded using Level 3 inputs in accordance with accounting guidance for fair value measurements and represents 84.0% of our total liabilities measured at fair value. See Note 11, Fair Value Measurements, to the Consolidated Financial Statements for additional disclosure.

To the extent we can reliably determine when payments will occur pertaining to unrecognized tax benefit liabilities, the related amounts will be included in the table above. However, due to the high degree of uncertainty regarding the timing of potential future cash flows associated with the \$112 million of such liabilities at December 31, 2015, we are unable to make a reliable estimate of when amounts, if any, may be paid to the respective taxing authorities.

In connection with the Arysta Acquisition, the Company issued to the Arysta Seller 600,000 shares of Series B Convertible Preferred Stock, which have a \$1,000 per share liquidation preference. At any time, the Arysta Seller may convert these shares into shares of common stock of Platform at a conversion price of \$27.14 per share. On April 20, 2017, the Company will be required to repurchase any shares of Series B Convertible Preferred Stock that have not previously been converted into shares of common stock of Platform, or automatically redeemed in connection with certain mergers or consolidations, the sale of all or substantially all of the assets of Platform and its subsidiaries, the sale of certain subsidiaries of Platform or the approval of any plan for the dissolution, liquidation or termination of Platform by its stockholders. Upon such repurchase, the Company will also pay to holders of Series B Convertible Preferred Stock in cash any deficit between (i) the 10-day volume weighted price of Platform's common stock prior to such repurchase and (ii) \$27.14 per share. To the extent the Arysta Seller continues to own Series B Convertible Preferred Stock, then, if as a result of the arbitration matter described in Note 16, Contingencies, Environmental and Legal Matters, to the Consolidated Financial Statements, the Arysta Seller is obligated to make a payment to us, we may offset any make-whole payment due to the Arysta Seller by any such amount due from the Arysta Seller. If such make-whole payment is less than the amount resolved in connection with the arbitration matter, the deficit will be due from the Arysta Seller. Based on Platform's common stock price of \$12.83 as of December 31, 2015, the make-whole payment would total approximately \$316 million, assuming no impact from the arbitration matter noted above. The holders of Series B Convertible Preferred Stock are also entitled to an incremental payment equal to \$4.0 million per month from October 20, 2016 to April 20, 2017, or such earlier date after October 20, 2016 that the then outstanding shares of Series B Convertible Preferred Stock are converted into shares of common stock or automatically redeemed by Platform.

Off-Balance Sheet Transactions

We use customary off-balance sheet arrangements, such as operating leases and stand-by letters of credit, to finance our business. None of these arrangements have, or are reasonably likely to have a current or future material effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

Significant Accounting Policies and Critical Estimates

Our significant accounting policies are more fully described in Note 1, Basis of Presentation and Summary of Significant Accounting Policies, to the Consolidated Financial Statements. As disclosed in Note 1, the preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that impact the reported amounts and accompanying disclosures. Such decisions include the selection of the appropriate accounting principles to be applied and assumptions upon which accounting estimates are based. We apply judgment based on our understanding and analysis of the relevant circumstances to reach these decisions. By their nature, these judgments are subject to an inherent degree of uncertainty. Accordingly, actual results could differ significantly from the estimates applied.

Areas requiring the greatest degree of management judgment or deemed most critical to our financial reporting involve:

Revenue Recognition

We recognize revenue, including freight charged to customers, net of applicable rebates, estimates for sales returns and allowances and discounts, when the earnings process is complete. This occurs when products have been shipped to, or received by, the customer, in accordance with the terms of the agreement entered into between us and such customer, title and risk of loss has been transferred, pricing is fixed or determinable and collectability is reasonably assured.

On a limited and discretionary basis, we allow certain distributors within the Agricultural Solutions segment extensions of credit on a limited portion of purchases made during a purchasing cycle, which remain in the distributor's inventory. The extension of credit is not a right to return, and distributors must pay unconditionally when the extended credit period expires.

Credit Risk Management

Our products are sold primarily to customers in the agricultural, automotive, commercial packing and printing, electronic, and oil offshore production industries. We are exposed to certain collection risks which are subject to a variety of factors, including economic and technological changes within these industries. As is common industry practice, we generally do not require collateral or other security as a condition of sale, rather relying on credit approval, balance limitation and monitoring procedures to control credit risk on trade accounts receivable. We establish reserves against estimated uncollectible amounts based on historical experience and specific knowledge regarding customers' ability to pay. Customer accounts receivable that are deemed to be uncollectible are written off when they are identified and all reasonable collections efforts have been exhausted.

Inventories

Inventories are stated at the lower of cost or net realizable value with cost being determined by the first-in/first-out and average costs methods. We regularly review inventories for obsolescence and excess quantities and calculate reserves based on historical write-offs, customer demand, product evolution, usage rates and quantities of stock on hand.

Stock-based Compensation

We expense employee stock-based compensation over the requisite service period based on the estimated grant-date fair value of the awards and forfeiture rates, if any. The fair value of RSU awards is determined using Monte Carlo simulations for market and performance-based RSU awards, and the closing price of our common stock on the date of grant for all other RSU awards. The fair value of stock options is determined using the Black-Scholes option pricing model. The assumptions used in calculating the fair value of stock-based awards represent our best estimates and involve inherent uncertainties and the application of judgment. Such assumptions include expectations related to stock price volatility, estimates of forfeiture rates, and judgments as to whether performance targets will be achieved. Compensation costs for stock-based awards reflects the number of RSU awards expected to vest and is ultimately adjusted in future periods to reflect the actual number of vested awards. Compensation costs for awards with performance conditions is only recognized if and when it becomes probable that the performance condition will be achieved. The probability of vesting is reassessed at the end of each reporting period and the compensation costs is adjusted accordingly, with the cumulative effect of such a change on current and prior periods being recognized in compensation cost in the period of the change.

Earnings (Loss) per Share

Basic earning (loss) per share of common stock excludes dilution and is computed by dividing net income (loss) by the weighted-average number of shares of common stock outstanding during the period. Diluted earning (loss) per share of common stock reflects the potential dilution that could occur if our outstanding equity instruments, under which additional shares of common stock could be issued, were exercised or converted into shares of common stock. Since we have only incurred losses, basic and diluted losses per share are the same.

Goodwill

Goodwill is tested for impairment at the reporting unit level annually, or when events or changes in circumstances indicate that goodwill might be impaired, in accordance with ASC 350-20 "Intangibles—Goodwill and Other." Our reporting units are determined based upon our organizational structure in place at the date of the goodwill impairment test. For goodwill, a two-step impairment test is performed at the reporting unit level. In the first step of impairment testing, the fair value of each reporting unit is compared to its carrying value. The fair value of each reporting unit is determined based on the present value of discounted future cash flows. Excluding certain nonrecurring charges, the discounted cash flows are prepared based upon cash flows at the reporting unit level. The cash flow model utilized in the goodwill impairment test involves significant judgments related to future growth rates, discount rates and tax rates, among other considerations. If the fair value of a reporting unit exceeds the carrying value of the net assets assigned to that reporting unit, goodwill is not impaired and no further testing is required. If the carrying value of the net assets assigned to the reporting unit exceeds the fair value of the reporting unit, the second step of the impairment test is performed to determine the implied fair value of the reporting unit's goodwill. If the carrying value of the reporting unit's goodwill exceeds its implied fair value, an impairment charge is recorded equal to the difference. Platform performed its annual goodwill assessment on October 1, 2015, and no goodwill impairment charges were recorded for the year ended December 31, 2015.

However, in performing the first step of the goodwill impairment test for the year ended December 31, 2015, the fair values of certain reporting units exceeded their carrying values by less margin than others. Specifically, the excess of the fair value of the Agro Business, a reporting unit withing the Agricultural Solutions segment, over its carrying value was 16.1%. Goodwill assigned to the Agro Business reporting unit totaled $1.87 billion.

- Valuation Techniques - The Company uses a discounted cash flow analysis, which requires assumptions about short and long-term net cash flows, growth rates, as well as discount rates. Additionally, the Company considers guideline company and guideline transaction information, where available, to aid in the valuation of the reporting units.
- Growth Assumptions - Multi-year financial forecasts are developed for each reporting unit by considering several key business drivers such as new business initiatives, client service and retention standards, market share changes, historical performance, and industry and economic trends, among other considerations. The annual revenue growth rates used for the initial 8 year period ranged from 1.3% to 7.2% for the Agro Business. The long-term growth rates used in determining the terminal value of the Agro Business were estimated at 3.0%.
- Discount Rate Assumptions - Discount rates were estimated based on a Weighted Average Cost of Capital, or WACC. The WACC combines the required return on equity, based on a Modified Capital Asset Pricing Model, which considers the risk-free interest rate, market risk premium, beta, small stock risk premium and a company specific risk premium, with the cost of debt, based on BBB rated corporate bonds, adjusted using an income tax factor. For the year ended December 31, 2015, the calculation resulted in a WACC rate of 10.0% for the Agro Business.
- Estimated Fair Value and Sensitivities - The estimated fair value of each reporting unit is derived from the valuation techniques described above. The estimated fair value of each reporting unit is analyzed in relation to numerous market and historical factors, including current economic and market conditions, company-specific growth opportunities, and guideline company information.

The estimated fair value of the reporting unit is highly sensitive to changes in these estimates and assumptions; therefore, in some instances, changes in these assumptions could impact whether the fair value of a reporting unit is greater than its carrying value. Platform performed sensitivity analysis around these assumptions in order to assess the reasonableness of the assumptions and the resulting estimated fair values. Based on the sensitivity analysis performed for the Agro Business reporting unit, a 1% decrease in the terminal growth rate does not result in the carrying value exceeding their fair value, however, a 1% increase in the WACC rate would have resulted in the carrying value of the net assets to exceed their fair value, making it necessary to proceed to the second step of the impairment test.

Indefinite-Lived Intangible Assets

Indefinite-lived intangible assets (including our tradenames) are reviewed for potential impairment on an annual basis when events or circumstances indicate that these indefinite-lived intangible assets may be impaired by comparing the estimated fair value of the indefinite-lived purchased intangible assets to the carrying value. An impairment charge is recognized when the estimated fair value of an indefinite-lived intangible asset is less than the carrying value. We use the "relief from royalty" method to test trade name intangible assets for impairment. The primary assumptions in these calculations are our net sales projections, growth rates and the WACC, that we apply to determine the present value of these cash flows. The WACC combines the required return on equity, based on a Modified Capital Asset Pricing Model, which considers the risk-free interest rate, market risk premium, beta, small stock risk premium and a company specific risk premium, with the cost of debt, based on BBB rated corporate bonds, adjusted using an income tax factor. We then apply a royalty rate to the projected net sales. The royalty rate is based on market royalty rates and royalties we pay to outside parties. The resulting royalty savings are reduced by income taxes resulting from the annual royalty savings at a market participant corporate income tax rate to arrive at the after-tax royalty savings associated with owning the trade names. Finally, the present value of the estimated annual after-tax royalty savings for each year is used to estimate the fair value of the trade names. Assumptions concerning net sales are impacted by global and local economic conditions in the various markets we serve as well as uncertainties related to sales growth, economic growth, future product development and cost estimates.

Long-Lived Assets Including Finite-Lived Intangible Assets

Finite-lived intangible assets are amortized on a straight-line basis over their estimated useful lives, which currently range from 8 to 30 years for customer lists, 5 to 14 years for developed technology, 5 to 20 years for tradenames and 1 to 5 years for non-compete agreements. If circumstances require a long-lived asset group to be tested for possible impairment, we first determine whether the estimated undiscounted future cash flows expected to result from the use of the asset plus the net proceeds expected from disposition of the asset, if any, are less than the carrying value of the asset. When an impairment is identified, the carrying amount of the asset is reduced to its estimated fair value based on a discounted cash flow approach or, when available and appropriate, based on comparable market values.

Income Taxes

We recognize deferred tax assets and liabilities based on the differences between the financial statement bases and the tax bases of assets, liabilities, net operating losses and tax credit carry-forwards. A valuation allowance is required to be recognized to reduce the recorded deferred tax asset to the amount that will more likely than not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income by jurisdiction during the periods in which those temporary differences become deductible or when carry-forwards can be utilized. We consider the scheduled reversal of deferred tax liabilities, projected future taxable and tax planning strategies in this assessment. If these estimates and related assumptions change in the future, we may be required to record additional valuation allowances against our deferred tax assets resulting in additional income tax expense.

Deferred tax assets and liabilities are measured using the enacted tax rates expected to apply to taxable income in the years in which those temporary differences and loss carryforwards are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date of such change.

We are subject to income taxes in the United States and numerous foreign jurisdictions. Significant judgment is required in evaluating our uncertain tax positions and determining our provision for income taxes. The first step in evaluating the tax position for recognition is to determine the amount of evidence that supports a favorable conclusion for the tax position upon audit. In order to recognize the tax position, we must determine whether it is more likely than not that the position is sustainable. The final requirement is to measure the tax benefit as the largest amount that has a more than 50% chance of being realized upon final settlement.

The Company accrues for non-income tax contingencies when it is probable that a liability to a taxing authority has been incurred and the amount of the contingency can be reasonably estimated.

Employee Benefits and Pension Obligations

Amounts recognized in our audited Consolidated Financial Statements related to pension and other post-retirement benefits are determined from actuarial valuations. Inherent in such valuations are assumptions including expected return on plan assets, discount rates at which the liabilities could be settled, rates of increase in future compensation levels, and mortality rates. These assumptions are updated annually and are disclosed in Note 7, Pension, Post-Retirement and Post-Employment Plans, to the Consolidated Financial Statements. In accordance with U.S. GAAP, actual results that differ from the assumptions are accumulated in other comprehensive income and amortized over future periods and, therefore, affect expense recognized.

We consider a number of factors in determining and selecting assumptions for the overall expected long-term rate of return on plan assets. We consider the historical long-term return experience of our assets, the current and expected allocation of our plan assets, and expected long-term rates of return. We derive these expected long-term rates of return with the assistance of our investment advisors. We base our expected allocation of plan assets on a diversified portfolio consisting of domestic and international equity securities, fixed income, real estate and alternative asset classes. The measurement date used to determine pension and other post-retirement benefits is December 31, at which time the minimum contribution level for the following year is determined.

With respect to U.S. plans, our investment policies incorporate an asset allocation strategy that emphasizes the long-term growth of capital and acceptable asset volatility as long as it is consistent with the volatility of the relevant market indexes. The investment policies attempt to achieve a mix of approximately 75% of plan investments for long-term growth and 25% for near-term benefit payments. We believe this strategy is consistent with the long-term nature of plan liabilities and ultimate cash needs of the plans. Plan assets consist primarily of corporate bond mutual funds, limited partnership interests, listed stocks and cash. The corporate bond mutual funds held by the pension plan include primarily corporate bonds from companies from diversified industries located in the United States. The listed stocks are investments in large-cap and mid-cap companies located in the United States. The assets from the limited partnership investments primarily include listed stocks located in the United States. The weighted average asset allocation of the Pension Plan was 25% equity securities, 60% limited partnership interests and managed equity funds, 10% bond mutual fund holdings and 5% cash at December 31, 2015. ROA assumptions are determined annually based on a review of the asset mix as well as individual ROA performances, benchmarked against indexes such as the S&P 500 Index and the Russell 2000 Index. In determining an assumed rate of return on plan assets, we consider past performance and economic forecasts for the types of investments held by the Pension Plan. The asset allocation strategy and ROA assumptions for the non-U.S. plans are determined based on similar set of criteria adapted for local investments, inflation rates and in certain cases specific government requirements.

Environmental Matters

We accrue for environmental matters when it is probable that a liability has been incurred and the amount of the liability can be reasonably estimated based on current laws and existing technologies. The accruals are adjusted periodically as assessment and remediation efforts progress or as additional technical or legal information becomes available. Accruals for environmental liabilities are included in the Consolidated Balance Sheets in “Accrued expenses and other current liabilities” and “Other long-term liabilities” at undiscounted amounts. Accruals for related insurance or other third-party recoveries for environmental liabilities are recorded when it is probable that a recovery will be realized and are included in the consolidated balance sheets as “Other current assets" and "Other assets."

We capitalize environmental costs in instances where the costs extend the life of the property, increase its capacity, and/or mitigate or prevent contamination from future operations. Environmental costs are also capitalized in recognition of legal asset retirement obligations resulting from the acquisition, construction and/or normal operation of a long-lived asset. Costs related to environmental contamination treatment and cleanup are charged to expense. Estimated future incremental operations, maintenance and management costs directly related to remediation are accrued when such costs are probable and reasonably estimable.

Recent Accounting Pronouncements

Leases (Topic 842) - In February 2016, the FASB issued ASU No. 2016-02 “Leases.” The updated guidance applies to capital (or finance) and operating leases, and requires lessees to recognize a lease liability for the obligation to make lease payments and a right-of-use asset for the right to use the underlying asset for the lease term. Lessees can make an accounting policy choice to not recognize right of use assets and lease liabilities for short-term leases (leases with a lease term of 12 months or less). The guidance is effective for fiscal years, and interim periods beginning after December 15, 2018, with early adoption permitted. We are evaluating the impact of this new ASU.

Financial Instruments - Overall (Subtopic 825.10) - In January 2016, the FASB issued ASU No. 2016-1 “Recognition and Measurement of Financial Assets and Financial Liabilities." This update addresses certain aspects of recognition, measurement, presentation, and disclosure of financial assets and liabilities. Provisions of this ASU include, among others, requiring the measurement of certain equity investments at fair value, with changes in value recognized in net income, and simplifying the impairment assessment of certain equity investments. The guidance is effective for fiscal years and interim periods beginning after December 15, 2017. Early adoption is only permitted for provisions related to the recognition of changes in fair value of financial liabilities. We are evaluating the impact of this new ASU, which is not expected to have a material impact on our financial statements.

Income Taxes (Topic 740) - In November 2015, the FASB issued ASU No. 2015-17 “Balance Sheet Classification of Deferred Income Taxes.” Under the updated guidance, an entity is required to classify deferred income tax assets and liabilities as non-current in the Consolidated Balance Sheet, eliminating the previous requirement to separate deferred income tax assets and liabilities into current and non-current amounts. The guidance is effective for fiscal years and interim periods beginning after December 15, 2016, and may be applied either prospectively or retrospectively, with early adoption permitted. We early adopted this ASU as of December 31, 2015 on a prospective basis; prior periods were not retrospectively adjusted.

Business Combinations (Topic 805) - In September 2015, the FASB issued ASU No. 2015-16 “Simplifying the Accounting for Measurement-Period Adjustments.” Under the updated guidance, an entity is no longer required to retrospectively apply adjustments to provisional amounts recorded as a part of a business combination. Adjustments to provisional amounts identified during the measurement period continue to be calculated as of the acquisition date but are recognized in the period in which they are determined, including the effects of such adjustments on earnings. The guidance is effective prospectively for fiscal years and interim periods beginning after December 15, 2015, with early adoption permitted. We adopted this ASU as of September 30, 2015. This ASU did not have a material impact on our financial statements as compared to the year ended December 31, 2014.

Revenue from Contracts with Customers (Topic 606) - In August 2015, the FASB issued ASU No. 2015-14 “Deferral of the Effective Date,” which defers the effective date of ASU No. 2014-09, “Revenue from Contracts with Customers (Topic 606)," for all entities by one year. As a result, the provisions of ASU No. 2014-09 will be effective prospectively for fiscal years and interim periods beginning after December 15, 2017. ASU No. 2014-09 (1) removes inconsistencies and weaknesses in revenue requirements, (2) provides a more robust framework for addressing revenue issues, (3) improves comparability of revenue recognition practices across entities, industries, jurisdictions, and capital markets, (4) provides more useful information to users of financial statements through improved disclosure requirements, and (5) simplifies the preparation of financial statements by reducing the number of requirements to which an entity must refer. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. We continue to evaluate the impact of ASU 2014-9.
Inventory (Topic 330) - In July 2015, the FASB issued ASU No. 2015-11, “Simplifying the Measurement of Inventory.” Under the updated guidance, an entity should measure inventory at the lower of cost and net realizable value. Net realizable value is defined as the estimated selling price in the ordinary course of business, less predictable costs of completion, disposal, and transportation. The guidance is effective prospectively for fiscal years and interim periods beginning after December 15, 2016, with early adoption permitted. We adopted this ASU as of October 1, 2015 by replacing our lower of cost or market test with a lower of cost and net realizable value test. This ASU did not have a material impact on our financial statements.
Fair Value Measurement (Topic 820) - In May 2015, the FASB issued ASU No. 2015-07, “Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent).” This update eliminates diversity in practice related to investments whose fair value is measured using net asset values as a practical expedient, and removes the requirement to categorize such investments within the fair value hierarchy. The guidance is effective retrospectively for fiscal years and interim periods beginning after December 15, 2015, with early adoption permitted. We early adopted this ASU and reclassified approximately $86.3 million of assets held in our Pension Plans using NAV as a practical expedient out of the fair value hierarchy as of December 31, 2014.
Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350-40) - In April 2015, the FASB issued ASU No. 2015-05, “Customer's Accounting for Fees Paid in a Cloud Computing Arrangement.” This update provides explicit guidance to customers utilizing a cloud computing solution to help determine whether such an arrangement includes a software license, in which case the accounting applied would be similar to that of other software license arrangements. Otherwise, the arrangement would be accounted for as a service contract. The guidance is effective prospectively for fiscal years and interim periods beginning after December 15, 2015, with early adoption permitted. We do not expect this ASU to have a material impact on our financial statements.
Interest - Imputation of Interest (Subtopic 835-30) - In April 2015, the FASB issued ASU No. 2015-03, “Simplifying the Presentation of Debt Issuance Costs.” This update eliminates the difference in the presentation of of debt issuance costs and debt discount and premiums by requiring that debt issuance costs be presented as deductions from the carrying value of the related debt, in a manner similar to debt discounts. The guidance is effective retroactively for fiscal years and interim periods beginning after December 15, 2015, with early adoption permitted. We early adopted this ASU and reclassified approximately $10.3 million of debt issuance costs related to term debt from assets to contra-liabilities as of December 31, 2014.
Income Statement – Extraordinary and Unusual Items (Subtopic 225-20) - In January 2015, the FASB issued ASU No. 2015-1, “Simplifying Income Statement Presentation by Eliminating the Concept of Extraordinary Items.” This update eliminates the requirement for entities to identify extraordinary events and transactions, those being both unusual in nature and infrequent in occurrence, and separately classify, present and disclose such items. The guidance is effective prospectively for fiscal years and interim periods beginning after December 15, 2015, but entities may apply the guidance retrospectively to all prior periods presented in the financial statements. We do not expect this ASU to have a material impact on our financial statements.
Derivatives and Hedging (Topic 815) - In November 2014, the FASB issued ASU No. 2014-16, “ Determining Whether the Host Contract in a Hybrid Financial Instrument Issued in the Form of a Share Is More Akin to Debt or to

Equity (a consensus of the FASB Emerging Issues Task Force).” Under current practice, there were predominantly two methods used to evaluate whether the nature of the host contract in a hybrid financial instrument is more akin to debt or equity: one considered all the features including the embedded and the other excluded the embedded derivative in the consideration. This update eliminates the difference in practice by clarifying that the evaluation should be based on all the instrument’s features, including the embedded derivative, and that no single term or feature would necessarily determine the economic characteristics and risks of the host contract. The guidance is effective for fiscal years and interim periods beginning after December 15, 2015 and is applied in a modified retrospective basis to existing hybrid financial instruments issued in the form of a share as of the beginning of our fiscal year 2016. Early adoption, including in an interim period, is permitted. We adopted the provision of this ASU during the first quarter of 2015, with the issuance of the Series B Convertible Preferred Stock. This ASU did not have a material impact on our financial statements, as there were no hybrid financial instruments requiring retrospective application.

Compensation – Stock Compensation (Topic 718) - In June 2014, the FASB issued ASU No. 2014-12, "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)." The amendments require that a performance target that affects vesting and that could be achieved after the requisite service period be treated as a performance condition. The guidance is effective prospectively for fiscal years and interim periods beginning after December 15, 2015. We do not expect this ASU to have a material impact on our financial statements.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

Foreign Currency Risk

We conduct a significant portion of our business in currencies other than the U.S. Dollar, our financial reporting currency. In 2015, approximately 77% of net sales were denominated in currencies other than the U.S. Dollar. Generally, each of our operations utilizes the local currency of the operation as its functional currency, the currency in which it incurs operating expenses and collects accounts receivable. Our business is exposed to foreign currency risk from changes in the exchange rate primarily between the U.S. Dollar and the following currencies: Euro, Brazil Real, British Pound Sterling, Chinese Yuan and Japanese Yen. As a result, our operating results could be affected by foreign currency exchange rate volatility relative to the U.S. Dollar. Our net foreign exchange currency losses for the twelve months ended December 31, 2015 totaled $43.4 million.

Our foreign subsidiaries may enter into foreign exchange hedges from time to time and on an ongoing basis to protect themselves against transaction exposures. We actively assess our hedging programs in order to mitigate foreign exchange risk exposures. This includes programs to hedge our foreign currency denominated balance sheet exposures as well as foreign currency anticipated cash flows. As of December 31, 2015, the aggregate U.S. Dollar notional amount of foreign currency forward contracts, none of which were designated as hedges, totaled $254 million. The market value of the foreign currency forward contracts at December 31, 2015 was a $1.4 million current asset, and net realized and unrealized losses on such contracts for the twelve months ended December 31, 2015 totaled $0.3 million.

From time to time we also enter into deal specific foreign exchange hedges to mitigate our acquisition-related foreign exchange exposure. In connection with the Alent Acquisition, during July 2015, the Company entered into zero-cost, deal-contingent contracts to purchase £1.06 billion ($1.64 billion at the July 13, 2015 announcement date spot price of 1.5487) in order to hedge against foreign currency effects on the acquisition cash purchase price. The contracts consisted of £530 million of contingent forward contracts and £530 million of contingent options. Based on the actual closing date on December 3, 2015, the contracts had a weighted average strike price of 1.6053. However, during November 2015, the Company took advantage of a weakened sterling and entered into a series of call and put options to replace its out-of-the-money contingent options and to synthetically create a forward contract to purchase £530 million at a weighted average strike price of 1.5177. For the year ended December 31, 2015, the Company recorded fair value losses of $73.7 million.

Our policies prohibit us from speculating in financial instruments for profit on exchange rate price fluctuations, from trading in currencies for which there are no underlying exposures, and from entering into trades for any currency to intentionally increase the underlying exposure.

Interest Rate Risk

We are also exposed to interest rate risk associated with our cash and cash equivalents, restricted cash, long-term debt, and other financing commitments. At December 31, 2015, we had cash and cash equivalents of $432 million and total debt of $5.23 billion, including approximately $3.25 billion of variable interest rate debt based on the 1-month LIBOR. In August 2015, we entered into a series of pay fixed, receiving floating interest rate swaps with respect to a portion of our indebtedness. The swaps effectively fix the floating rate portion of the interest payments on approximately $1.16 billion of our USD denominated debt and €285 million of our Euro denominated debt at 1.96% and 1.20%, respectively, from September 2015 through June 2020. Our remaining variable interest rate debt remains subject to interest rate risk, as interest payments will fluctuate with market changes in the underlying interest rates. As a result of the interest rate swaps, a 100 basis point increase in the one-month LIBOR would result in a higher interest expense of approximately $8.1 million annually with respect to our remaining variable interest rate debt.

Counterparty Risk

Outstanding financial derivative instruments expose us to credit loss in the event of non-performance by our counterparties. The credit exposure related to these financial instruments is represented by the fair value of contracts with an obligation fair value as of December 31, 2015. We review the credit ratings of our counterparties and adjust our exposure as deemed appropriate on a periodic basis. As of December 31, 2015, we believe that our exposure to counterparty risk was immaterial.

Commodity Price Risk

Some raw materials and supplies are subject to price and supply fluctuations caused by market dynamics. Our strategic sourcing initiatives are focused on mitigating the impact of commodity price risk. Although some of our commercial agreements allow us to pass on certain unusual increases in component and raw material costs to our customers in limited situations, we may not be fully compensated for such increased costs. To a lesser extent, we also are exposed to fluctuations in the prices of certain utilities and services, such as electricity, natural gas, and freight. Periodically, we may employ forward metals contracts or other financial instruments to hedge commodity price or other price risks. Such contracts are generally designated as normal purchases and accounted for similar to other inventory purchases. We continue to review a full range of business options focused on strategic risk management for all raw material commodities. Any failure by our suppliers to provide acceptable raw materials or supplies could adversely affect our production schedules and contract profitability. We assess qualification of suppliers and continually monitor them to control risk associated with such supply base reliance.

Item 8. Financial Statements and Supplementary Data

See “Index to Consolidated Financial Statements” in this Annual Report.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Management carried out an evaluation, under the supervision and with the participation of our CEO and CFO, of the effectiveness of the design and operation of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of December 31, 2015, pursuant to Exchange Act Rule 13a-15. Based on this evaluation, our CEO and CFO have concluded that, due to material weaknesses in our internal control over financial reporting described below, our disclosure controls and procedures were not effective as of December 31, 2015.

In light of these material weaknesses, prior to the filing of this Annual Report, management performed additional substantive and analytical procedures, including validating the completeness and accuracy of the underlying data used to support the amounts reported in Platform's financial statements. These control activities and substantive and analytical procedures have allowed us to conclude that, notwithstanding the material weaknesses described below, the Consolidated Financial Statements included in this Annual Report fairly present, in all material respects, our financial position, results of operations, and cash flows for the periods presented in conformity with U.S. GAAP. Based in part on these additional efforts, our CEO and CFO have included their certifications as exhibits to this Annual Report.

Management’s Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. Our internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. GAAP. Our internal control over financial reporting includes those policies and procedures that:

- pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of Platform's assets;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of Platform's financial statements in accordance with U.S. GAAP, and that receipts and expenditures of Platform are being made only in accordance with authorizations of our management and directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of Platform's assets that could have a material effect on its financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. As required by Section 404 of Sarbanes-Oxley, management assessed the effectiveness of Platform's internal control over financial reporting as of December 31, 2015. In making this assessment, management used the criteria set forth in the Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

A material weakness is defined as a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. Management concluded that we did not maintain a sufficient complement of personnel with an appropriate level of accounting knowledge, experience and training commensurate with our financial reporting requirements. This material weakness resulted in the following material weaknesses:

- The Company did not design and maintain effective controls over the accounting for acquired businesses. Specifically, the Company did not design and maintain effective controls to evaluate the reliability of information and assumptions used in purchase accounting and in the goodwill and intangible asset impairment analyses.
- The Company did not design and maintain effective controls over completeness, existence and accuracy related to the accounting for income taxes.
- The Company did not design and maintain effective controls over the financial close process for the Agricultural Solutions segment. Specifically, the Company did not design and maintain effective business performance review controls to assess the completeness and accuracy of financial reporting within the Agricultural Solutions segment, and did not maintain controls related to the timely and complete reconciliation of accounts for the CAS business, which is part of the Agricultural Solutions segment.

These material weaknesses resulted in an error in the purchase accounting for an acquisition made in the first fiscal quarter of 2015 which was corrected during the second fiscal quarter of 2015. Also, these material weaknesses resulted in the restatement of income taxes in the interim financial information for the three and nine months ended September 30, 2015. The material weaknesses described above could result in material misstatements of our annual or interim consolidated financial statements that would not be prevented or detected.

As a result of these material weaknesses, management concluded that, as of December 31, 2015, our internal control over financial reporting was not effective. The effectiveness of our internal control over financial reporting as of December 31, 2015 has been audited by PricewaterhouseCoopers LLP, as stated in their report, which appears in this Annual Report.

Our evaluation of internal control over financial reporting as of December 31, 2015 did not include the internal control over financial reporting related to Alent, Arysta and the OMG Businesses because they were acquired by Platform in purchase business combinations consummated during 2015. Alent's, Arysta's and the OMG Businesses' total assets, excluding goodwill and intangible assets recognized in purchase accounting, and total revenues represent approximately 66% and 51%, respectively, of the related consolidated financial statement amounts as of and for the year ended December 31, 2015.

Management's Remediation Initiatives

In response to the material weaknesses described above, we have added significant resources with an appropriate level of accounting knowledge, experience and training in the application of U.S. GAAP. We also plan to continue our efforts to improve, design and implement integrated processes to enhance our internal control over financial reporting, including:

- implementing a global consolidation and planning system;
- reviewing our financial reporting processes as it relates to newly-acquired businesses and non-routine transactions;

- enhancing the monitoring controls surrounding the design and operation of our internal controls over financial reporting and the financial performance of our newly-acquired businesses;
- implementing a global tax reporting system;
- reviewing of our tax accounting process to identify and implement enhanced tax accounting processes and related internal control procedures;
- enhancing our financial planning and analysis function within our businesses and at the corporate level;
- adding further qualified resources to our corporate and segment staff as we further enhance our internal control structure;
- enhancing the controllership function in our newly-acquired businesses; and
- enhancing training and education programs for financial personnel responsible for the accounting for newly acquired businesses and non-routine transactions, income taxes and account reconciliations.

Our management believes the foregoing efforts will effectively remediate the material weaknesses mentioned above. As we continue to evaluate and work to improve our internal control over financial reporting, management may determine to take additional measures to address control deficiencies or determine to modify the remediation plan described above.

Our remediation efforts are subject to ongoing senior management review, as well as Audit Committee oversight. We currently do not have an expected timetable for the execution and completion of the remediation.

Changes to Internal Control Over Financial Reporting

As required by Rule 13a-15(d) under the Exchange Act, our management, including our CEO and CFO, has evaluated the Company’s internal control over financial reporting to determine whether any changes occurred during the quarter covered by this Annual Report have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

There have been no changes that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting during the quarter covered by this Annual Report.

Item 9B. Other Information

None.

Part III

Item 10. Directors, Executive Officers and Corporate Governance

We maintain a Business Conduct and Ethics Policy applicable to all directors and employees of Platform and its subsidiaries. The Policy is located on our website at www.platformspecialtyproducts.com under “Investor Relations – Corporate Governance.” We intend to provide disclosure of any amendment to or waiver of our Business Conduct and Ethics Policy on our website within four business days following the date of such amendment or waiver.

We also maintain a Code of Ethics for Senior Financial Officers applicable to our CEO, CFO and principal accounting officer. The Code of Ethics is located on our website at www.platformspecialtyproducts.com under “Investor Relations – Corporate Governance.” We intend to provide disclosure of any amendment to or waiver of our Code of Ethics for Senior Financial Officers on our website within four business days following the date of such amendment or waiver.

The other information required by Item 10, including information regarding executive officers, directors, membership and function of the Audit Committee, including the financial expertise of its members, appearing under the headings "Executive Officers of the Company," "Proposal 1 - Election of Directors" and "Other Matters—Section 16(a) Beneficial Ownership Reporting Compliance" in the 2016 Proxy Statement is incorporated by reference in this section. The information under the heading "Corporate Governance" in the 2016 Proxy Statement is also incorporated by reference in this section. Platform intends to file the 2016 Proxy Statement with the SEC no later than 120 days after December 31, 2015.

Item 11. Executive Compensation

The information appearing in the 2016 Proxy Statement under the headings "Director Compensation," "Compensation Discussion and Analysis," "Report of Compensation Committee," and "Executive Compensation" is incorporated by reference in this section. Platform intends to file the 2016 Proxy Statement with the SEC no later than 120 days after December 31, 2015.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by Item 12 appearing under the headings "Security Ownership" and "Executive Compensation - Equity Compensation Plan Information" in the 2016 Proxy Statement is incorporated herein by reference. Platform intends to file the 2016 Proxy Statement with the SEC no later than 120 days after December 31, 2015.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information appearing in the 2016 Proxy Statement under the headings "Corporate Governance" and "Certain Relationships and Related Transactions" is incorporated by reference in this section. Platform intends to file the 2016 Proxy Statement with the SEC no later than 120 days after December 31, 2015.

Item 14. Principal Accounting Fees and Services

The information appearing in the 2016 Proxy Statement under the headings "Report of the Audit Committee" and "Proposal 4 - Ratification of Independent Registered Public Accountants for 2016 Fiscal Year" is incorporated by reference in this section. Platform intends to file the 2016 Proxy Statement with the SEC no later than 120 days after December 31, 2015.

Part IV
Item 15. Exhibits, Financial Statement Schedules
(A) Exhibits

		Incorporated by Reference				Included in this Annual Report
Exhibit Nb.	Exhibit Description	Form	File Nb.	Exhibit Nb.	Filing Date	
2.1	Share Purchase Agreement, dated as of October 20, 2014, between Nalozo S.à.r.l. and Platform	8-K	001-36272	2.1	10/21/2014	
2.2	Amendment Agreement dated as of December 2, 2014, between Nalozo S.à.r.l. and Platform	8-K	001-36272	2.1	12/4/2014	
2.3	Amendment Agreement, dated as of February 11, 2015, between Nalozo S.à.r.l., Nalozo L.P. and Platform	8-K	001-36272	2.3	2/17/2015	
2.4	Amendment Agreement, dated as of October 27, 2015, between Nalozo S.à.r.l., Nalozo L.P. and Platform	8-K	001-36272	2.4	10/30/2015	
2.5	Rule 2.7 Announcement, dated as of July 13, 2015	8-K	001-36272	2.1	7/13/2015	
2.6	Co-operation Agreement, dated as of July 13, 2015, by and among Platform, MacDermid Performance Acquisitions Ltd. and Alent plc	8-K	001-36272	2.2	7/13/2015	
3.1 (a)	Certificate of Incorporation	S-4 POS	333-192778	3.1	1/24/2014	
3.1 (b)	Certificate of Amendment of Certificate of Incorporation	8-K	001-36272	3.1	6/13/2014	
3.1 (c)	Certificate of Designation of Series B Convertible Preferred Stock	8-K	001-36272	3.1	2/17/2015	
3.2	Amended and Restated By-laws	10-K	001-36272	3.2	3/31/2014	
4.1	Specimen Common Stock certificate	S-4/A	333-192778	4.1	1/2/2014	
4.2	Indenture, dated as of February 2, 2015, among Escrow Issuer, the Trustee and the EUR Agent	8-K	001-36272	4.1	2/3/2015	
4.3	Supplemental Indenture, dated as of February 13, 2015, among Platform, the Initial Guarantors, the Trustee and the EUR Agent	8-K	001-36272	4.2	2/17/2015	
4.4	Second Supplemental Indenture, dated as of May 20, 2015, among Platform, the Subsequent Guarantors, the other Guarantors, the Trustee, and the EUR Agent					X
4.5	Third Supplemental Indenture, dated as of January 26, 2016, among Platform, the Subsequent Guarantors, the Trustee, and					

the EUR Agent