OMNOVA SOLUTIONS INC
Form S-4
June 27, 2003
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As Filed with the Securities and Exchange Commission on June 27, 2003

Registration No. 333-

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM S-4

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

OMNOVA Solutions Inc.

(Exact Name of Registrant as Specified in Its Charter)

Ohio	**2890**	**34-1897652**
(State or Other Jurisdiction of Incorporation or Organization)	*(Primary Standard Industrial Classification Code Number)*	*(I.R.S. Employer Identification Number)*

175 Ghent Road

Fairlawn, Ohio 44333-3300

Telephone: (330) 869-4200

(Address, including zip code, and telephone number, including area code, of registrant s principal executive offices)

James C. LeMay

Senior Vice President, Business Development; General Counsel

175 Ghent Road

Fairlawn, Ohio 44333-3300

Telephone: (330) 869-4200

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Christopher M. Kelly, Esq.

Jones Day

901 Lakeside Avenue

Cleveland, Ohio 44114

(216) 586-3939

Approximate date of commencement of proposed sale to the public: As soon as practicable following the effective date of this registration statement.

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. ¨

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	**Amount to be Registered**	**Proposed Maximum Offering Price Per Unit**	**Proposed Maximum Aggregate Offering Price**	**Amount of Registration Fee**
11 1/4% Senior Secured Notes Due 2010	$165,000,000(1)	100%	$165,000,000	$13,348.50

(1) Represents the maximum principal amount at maturity of 11 1/4% Senior Secured Notes due 2010 that may be issued pursuant to the exchange offer described in this registration statement.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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This information in this prospectus is not complete. OMNOVA Solutions Inc. may not sell or offer these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and OMNOVA Solutions is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED JUNE 27, 2003

PROSPECTUS

$165,000,000

Offer to Exchange

All Outstanding 11 $^1/_4$% Senior Secured Notes Due 2010

For 11 $^1/_4$% Senior Secured Notes Due 2010

of

OMNOVA Solutions Inc.

This Exchange Offer Will Expire at 5:00 P.M.

New York City Time, on , 2003

The Exchange Notes

The terms of the notes to be issued are substantially identical to the outstanding notes that we issued on May 28, 2003, except for transfer restrictions, registration rights and liquidated damages provisions relating to the outstanding notes that will not apply to the exchange notes.

Interest on the notes accrues at the rate of 11 1/4% per year, payable in cash every six months on June 1 and December 1, with the first payment on December 1, 2003.

The notes will be our senior obligations, secured by a lien on substantially all of our real property and equipment relating to our 10 principal domestic manufacturing facilities, and will rank equally with our existing and future senior debt, and senior to our future subordinated debt.

Material Terms of the Exchange Offer

Expires at 5:00 p.m., New York City time, on , 2003, unless extended.

This exchange offer is not subject to any condition other than that it must not violate applicable law or any applicable interpretation of the Staff of the Securities and Exchange Commission.

All outstanding notes that are validly tendered and not validly withdrawn will be exchanged for an equal principal amount of notes which are registered under the Securities Act of 1933.

Tenders of outstanding notes may be withdrawn at any time before the expiration of the exchange offer.

We will not receive any cash proceeds from the exchange offer.

Please consider carefully the Risk Factors beginning on page 16 of this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the exchange notes to be distributed in the exchange offer, nor have any of these organizations determined that this prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is , 2003.

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REFERENCES TO ADDITIONAL INFORMATION

This prospectus incorporates important business and financial information about OMNOVA Solutions that is not included in or delivered with this prospectus. You may obtain documents that are filed by OMNOVA Solutions with the Securities and Exchange Commission and incorporated by reference in this prospectus without charge by requesting the documents, in writing or by telephone, from the Securities and Exchange Commission or:

OMNOVA Solutions Inc.

175 Ghent Road

Fairlawn, Ohio 44333-3300

Attention: Michael E. Hicks

Telephone: (330) 869-4411

If you would like to request copies of these documents, please do so by , 2003 in order to receive them before the expiration of the exchange offer. See Where You Can Find More Information.

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DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus includes forward-looking statements, as defined by federal securities laws, with respect to our financial condition, results of operations and business and our expectations or beliefs concerning future events. Words such as, but not limited to, believe, expect, anticipate, estimate, intend, plan, targets, likely, will, would, could and similar expressions or phrases identify forward-looking statements.

All forward-looking statements involve risks and uncertainties. Many risks and uncertainties are inherent in the end-use markets in which we operate. Others are more specific to our operations. The occurrence of the events described, and the achievement of the expected results, depend on many events, some or all of which are not predictable or within our control. Actual results may differ materially from expected results.

Factors that may cause actual results to differ from expected results include, among others:

- general economic trends affecting our end-use markets;
- raw material prices for petrochemicals and chemical feedstocks, including polyvinyl chloride, styrene and butadiene;
- acts of war or terrorism;
- competitive pressure on pricing;
- our ability to develop successful new products;
- customer and/or competitor consolidation;
- operational issues at our facilities;
- availability of financing to fund operations at anticipated rates and terms;
- our ability to successfully implement our productivity enhancement and cost reduction initiatives;
- prolonged work stoppages;
- governmental and regulatory policies;

rapid increases in health care costs;

risks associated with foreign operations, including fluctuations in exchange rates of foreign currencies;

our strategic alliance and acquisition activities;

our substantial debt and leverage and our ability to service our debt; and

the other factors that we describe in this prospectus under the heading Risk Factors.

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All future written and verbal forward-looking statements attributable to us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this prospectus. We undertake no obligation, and specifically decline any obligation, other than that imposed by law, to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this prospectus might not occur.

You should refer to the section entitled Risk Factors for a more complete discussion of these risks and uncertainties and for other risks and uncertainties. These factors and the other risk factors described in this prospectus are not necessarily all of the important factors that could cause actual results to differ materially from those expressed in any of our forward-looking statements. Other unknown or unpredictable factors also could harm our results. Consequently, there can be no assurance that the actual results or developments anticipated by us will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, us. Given these uncertainties, prospective investors are cautioned not to place undue reliance on such forward-looking statements.

MARKET SHARE, RANKING AND OTHER DATA

The market share, ranking and other similar data contained in this prospectus are based either on management s own estimates, independent industry publications, reports by market research firms or other published independent sources and, in each case, are believed by management to be reasonable estimates. However, such data is subject to change and cannot always be verified due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey. In addition, consumption patterns and customer preferences can and do change. As a result, you should be aware that market share, ranking and other similar data set forth herein, and estimates and beliefs based on such data, may not be reliable.

COMPANY TRADEMARKS AND TRADE NAMES

We own or have rights to various trademarks and trade names used in our business, including without limitation, Bolta, Essex, Genon, Lanark, Tower, X-Quest, Guard, Muraspec, Murek, MemErase, Surf(x), Reneer, Rendura, Decotone, Deconeer, Elastotherm, Endurion, Diversiwall, Boltaflex, PreFixx, Nautolex, GenFlex, GenFlo, GenCryl, Sequaflow, GenTac, AcryPrint, Sunkote, Sunbond, Sunkem, UniQ-Print, Sequapel, Sequabond, GenCal, OmnaBloc, OmnaTuf, Suncryl, Secoat, Secryl, Mor-Glo, Mor-Shine, Mor-Flo, AcryGen, Mykon, Permafresh and PolyFox, as well as other trade names and product names. The GREENGUARD INDOOR AIR QUALITY CERTIFIED trademark is licensed through the GREENGUARD Environmental Institute.

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SUMMARY

The following summary contains information about OMNOVA Solutions and this exchange offer. It does not contain all of the information that may be important to you in making a decision to exchange any outstanding notes. For a more complete understanding of OMNOVA Solutions and this exchange offer, we urge you to read carefully this entire prospectus and the documents incorporated by reference, including the Disclosure Regarding Forward-Looking Statements and Risk Factors sections and our consolidated financial statements and the notes to those statements. Unless the context otherwise indicates, the terms OMNOVA Solutions, OMNOVA, we, our and us, as used in this prospectus, ref OMNOVA Solutions Inc. and its consolidated subsidiaries. Our fiscal year ends November 30, and when we refer to any of our fiscal years, we are referring to the twelve-month period ending November 30 of such year. All other references to years refer to calendar years. When we refer to EBITDA, we are referring to the definition of EBITDA contained in footnote (5) in Summary Historical Financial Data. For a reconciliation from income (loss) before cumulative effect of accounting change to EBITDA, see footnote (5) in Summary Historical Financial Data. For more information regarding segment data, see note R to our consolidated financial statements, which are included elsewhere in this prospectus.

OMNOVA Solutions Inc.

We are an innovator of decorative and functional surfaces, emulsion polymers and specialty chemicals for a variety of commercial, industrial and residential end uses. Our products provide critical performance and aesthetic attributes to materials that people use daily. Over 70% of our sales are generated in product categories in which we maintain leading positions. Our leading positions have been built through innovative products, customized product solutions, strong brands, strong technical expertise, well-established distribution channels and long-standing customer relationships. We have over 2,000 customers who rely on over 1,000 OMNOVA products to differentiate themselves in the marketplace. We utilize 18 strategically located manufacturing, development and design facilities in North America, Europe and Asia to service our broad customer base.

In fiscal 2002, we derived 91% of our net sales from North America, 8% of our net sales from Europe and 1% of our net sales from other regions. In fiscal 2002, we had net sales of $681.2 million, income before cumulative effect of accounting change of $7.0 million and EBITDA of $46.9 million. We operate in two business segments, Decorative & Building Products and Performance Chemicals, which have the following principal product categories.

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Decorative & Building Products

Our Decorative & Building Products segment develops, designs, produces and markets a broad line of decorative and functional surfacing products, including commercial wallcoverings, coated and performance fabrics, printed and solid color surface laminates, industrial films, transfer printed products and commercial roofing systems. These products are used in numerous applications, including building refurbishment and remodeling, new construction, furniture, cabinets, transportation, manufactured housing, retail display, consumer electronics, flooring and home furnishings. Our core competencies in design, coating, compounding, calendering, extruding, printing and embossing enable us to develop unique, aesthetically pleasing decorative surfaces that have functional properties that address specific customer needs. We have industry leading design capabilities, an extensive design library covering a broad range of styles, patterns, textures and colors and strong coating and processing capabilities to create product functionality solutions. Our broad range of products and end-use applications give us economies of scale in sourcing, manufacturing, design, technology and process development. Decorative & Building Products generated net sales of $381.8 million and segment operating profit of $2.4 million for fiscal 2002. For more information regarding segment data, see note R to our consolidated financial statements, which are included elsewhere in this prospectus.

Products

Commercial Wallcoverings. We are a leading North American and European supplier of wallcoverings used in commercial applications. Our commercial wallcoverings are recognized for their leading designs as well as their strength, durability and cleanability. Our vinyl wallcoverings, in addition to their aesthetic appeal, reduce repair and maintenance costs for building owners by protecting wall surfaces and having longer useful lives as compared to paint and paper wallcoverings. Applications for our commercial wallcoverings include refurbishment and new construction for the commercial office, hospitality, health care, retail, education and restaurant markets.

Coated Fabrics. We are a leading North American supplier of vinyl and urethane coated fabrics for commercial applications. Our durable coated fabrics are well-suited for demanding, high-use environments and offer a cost-effective alternative to other surfacing materials, such as leather and textile fabrics. We also offer high-performance coated woven fabrics. Applications for our coated fabrics include:

- residential furniture;
- commercial furniture (office, hospitality, health care and education markets);
- transportation seating (mass transit and marine markets);
- interior structures (office cubicles, walls and room dividers); and
- soft top covers (automotive market).

Decorative Laminates. We are a leading North American supplier of paper and vinyl decorative laminates for wood and metal surfaces. Our decorative laminates are used as alternatives to wood, paint and high-pressure laminates in markets where durability, design flexibility and cost are key requirements. We provide our customers with a broad range of aesthetically pleasing designs as well as proprietary coating technology that provides enhanced durability and scratch and stain resistance. Applications for our decorative laminates include manufactured housing and recreational vehicle interiors, kitchen and bath cabinets, office furniture, consumer electronics, retail display, flooring and ready-to-assemble furniture.

Commercial Roofing. We are a major North American supplier of single-ply roofing systems for the new and replacement commercial roofing markets. We are one of the few suppliers of all three single-ply roofing systems: synthetic rubber, or EPDM, thermoplastic polyolefins, or TPO, and polyvinyl chloride, or PVC. We manufacture ENERGY STAR certified TPO and PVC roofing systems that provide building owners with significant energy efficiencies. Additionally, we were the first to develop, and are currently the only producer of, a twelve-foot wide single-ply roofing system, which reduces installation time and cost for our customers.

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Industry Conditions

Our sales are impacted by the level of spending on office building, hotel, hospital, retail, education and restaurant refurbishment and new construction, and, to a lesser extent, institutional furniture sales, manufactured housing shipments and residential refurbishment and new construction.

Since 2000, many of our key end-use markets have experienced reduced spending due to an increase in commercial office vacancy rates, a decline in hotel occupancy, lower commercial construction, lower spending on institutional furniture and lower manufactured housing shipments. Residential construction has increased over this period, which has partially offset these negative trends. Recent trends in these end-use markets include:

- Commercial office vacancy rates increased from 8.6% in the first quarter of 2001 to 16.2% in the first quarter of 2003, according to The Wall Street Journal.
- Hotel occupancy rates declined from 63.7% in 2000 to 59.2% in 2002, according to Smith Travel Research.
- U.S. office furniture shipments declined from $13.3 billion in 2000 to $8.8 billion in 2002, or 34.0%, according to The Business and Institutional Furniture Manufacturer s Association.
- Number of manufactured housing unit shipments declined from 251,000 in 2000 to 168,000 in 2002, or 33.1%, according to the Manufactured Housing Institute.
- Non-residential construction decreased from $174.5 billion in 2000 to $151.9 billion in 2002, or 13.0%, according to Dodge Construction Reports.
- Residential construction increased from $208.4 billion in 2000 to $246.6 billion in 2002, or 18.3%, according to Dodge Construction Reports.

Historically, following periods of significant decline in economic activity such as the decline in 1990 and 1991, spending in commercial end-use markets has improved. Accordingly, we anticipate that demand for our products in our Decorative & Building Products segment will grow upon an economic recovery in the commercial end-use markets that we serve.

Performance Chemicals

Our Performance Chemicals segment produces a broad range of emulsion polymers and specialty chemicals based primarily on styrene butadiene, styrene butadiene acrylonitrile, vinyl acetate, acrylic, styrene acrylic, vinyl acrylic, glyoxal and fluorochemical chemistries. We are North America s second largest producer of styrene butadiene latex, or SB latex, and operate advanced, strategically-located, low-cost production facilities, which we believe provide us with an advantaged conversion cost position relative to our competitors. Our custom-formulated products are tailored for coatings, binders and adhesives, which are used in paper, carpet, nonwovens, textiles, construction, floor care, tape, tires, plastic parts and various other specialty chemical applications. Our products provide a variety of functional properties to enhance our customers products, including greater strength, adhesion, dimensional stability, water resistance, flow and leveling, improved processibility and enhanced appearance. Our Performance Chemicals segment is recognized for its core capabilities in emulsion polymer technology and for its ability to rapidly develop highly-customized products that provide innovative, cost-effective customer solutions. Performance Chemicals generated net sales of $299.4 million and segment operating profit of $22.1 million for fiscal 2002. For more information regarding segment data, see note R to our consolidated financial statements, which are included elsewhere in this prospectus.

Products

Specialty Chemicals. We are a leading North American supplier of specialty polymers and chemicals for a variety of niche product categories. Applications for our specialty polymers and chemicals include nonwovens (such as diapers, engine filters, resilient flooring and roofing mat), floor polish, tire cord adhesive and plastic part

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coatings. Our focus is developing unique products and customized applications that address specific customer needs, including enhanced functionality, improved environmental performance and lower cost through substitution for higher-cost materials.

Paper Chemicals. We are a leading North American supplier of custom-formulated SB latex and styrene butadiene acrylonitrile latex, or SBA latex, for paper and paperboard coatings. In addition, we produce a broad variety of specialty chemical additives for coating applications in the paper industry. Our products for the paper industry improve the strength, gloss, opacity, moisture resistance and printability of coated papers and paperboard. Applications for our products include paper and paperboard coatings used in magazines, catalogs, direct mail advertising, brochures, food cartons, household and other consumer and industrial packaging.

Carpet Chemicals. We are a leading North American supplier of custom-formulated SB latex used as carpet backing adhesive. Our products for the carpet industry secure carpet fibers to carpet backing and meet the stringent manufacturing, environmental, odor, flammability and flexible installation requirements of our customers. Our strong historic position in residential carpeting has been recently enhanced by new product innovations in commercial carpeting backing adhesive that provide moisture barrier properties, enabling the replacement of higher-cost polyurethanes.

Industry Conditions

Our Performance Chemicals segment is a leading producer of SB latex and has a significant position in other emulsion polymers and specialty chemical applications, including acrylics, styrene acrylics, vinyl acrylics and vinyl acetates. We are one of three principal producers of SB latex in North America, with a 29% capacity share. On a combined basis, OMNOVA Performance Chemicals, The Dow Chemical Company, or Dow, and BASF AG, or BASF, possess approximately 96% of North American SB latex capacity. The North American SB latex market is supplied almost entirely by these domestic producers. Imports account for less than 1% of North American consumption per annum. The high cost of transporting SB latex over long distances in its emulsion form has served to limit domestic competition from foreign SB latex producers. Demand for SB latex in North America has increased from 1,325 million dry pounds in 1995 to 1,445 million dry pounds in 2002, or a 1.2% average annual growth rate, according to industry sources.

Specialty. SB latex and other emulsion polymers such as acrylics, styrene acrylics, vinyl acrylics and vinyl acetate are used in a wide variety of end-use applications. These applications include adhesives, nonwovens, floor care, construction, coatings, graphic arts, tires and textiles. Demand in specialty applications is tied to prevailing conditions in the relevant end-use markets, but increased, on average, at a rate of approximately 5% per year from 1995 to 2001, with some niche applications increasing at faster rates. In 2001, North American demand for SB latex and other emulsion polymers in specialty applications other than in the paper and carpet industries was 4 billion dry pounds, according to our internal research and industry sources. Some of the key drivers for emulsion polymers in specialty markets include:

- the continuing trend away from solvent-based products to water-based systems in coatings, adhesives and graphic arts;
- the evolution of higher-performing latex-based products, which allows for increased market penetration into new, expanded applications;
- the increased use of binders for disposable nonwovens in diapers, towels and wipes; and

the increased use of binders for durable nonwovens in roofing systems for commercial applications.

Paper. Approximately 50% of SB latex consumed each year in North America is used as a coating for paper and paperboard products to provide gloss, opacity and other properties to paper used in magazines, advertising inserts and related applications. Consumption of SB latex for coated paper and paperboard has

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increased from 664 million dry pounds in 1995 to 730 million dry pounds in 2002. From 2000 to 2002, the print advertising industry experienced back to back years of declining spending for the first time in 64 years, dating back to World War II. This resulted in a 7% decline in demand for coated paper from 2000 to 2002, which negatively impacted SB latex demand.

Carpet. Approximately 35% of SB latex consumed each year in North America is used in the domestic carpet industry as an adhesive to adhere carpet fibers to the backing material for residential and commercial carpet production. Consumption of SB latex for carpet applications has increased from 459 million dry pounds in 1995 to 482 million dry pounds in 2002. Residential construction and new housing starts are significant drivers for domestic carpet consumption. In 2002, domestic carpet consumption increased, reflecting a strong domestic residential housing market.

Profitability in SB latex depends on, among other things, the prices of the key raw materials, styrene and butadiene, as well as the ability of producers to pass on raw material costs to their customers. In periods of rising oil and natural gas prices, the prices of these raw materials generally increase. Producers typically increase SB latex prices to offset their increased production costs. In late 2000 and early 2001, raw material prices increased at a rapid pace to levels most industry participants believed would not be sustainable because oil and gas prices had not been sustained at these elevated levels since the 1990-1991 Gulf War. Accordingly, price increases were not immediately implemented and lagged the increase in raw material prices by up to nine months. In late 2002 and early 2003, prices for these raw materials began increasing again as a result of higher prices of crude oil, which achieved a 12-year high of approximately $40 per barrel in March 2003, and natural gas, which increased to an all-time high of almost $12 per million BTUs in February 2003. To offset these increased costs, major manufacturers of SB latex began announcing price increases at a faster pace than in 2000. Price increases were implemented in July and October 2002, and additional price increases were implemented in January, March and April 2003. Recently, prices of crude oil and natural gas have declined significantly, which is beginning to result in lower styrene and butadiene raw material prices.

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Recent Developments

On June 24, 2003, we announced our operating results for the fiscal quarter ended May 31, 2003, which included net sales of $176.6 million and a net loss of $(5.0) million. Our quarterly results included $3.1 million, net of tax, for the non-cash write-off of existing deferred financing costs in connection with the offering of our outstanding notes and the related transactions, plus costs associated with a previously announced workforce reduction and the closure of a design center building, offset by a gain on the sale of that building.

The table below sets forth EBITDA for the three months ended May 31, 2003, the three months ended February 28, 2003 and the three months ended May 31, 2002 and a reconciliation from income (loss) before a cumulative effect of accounting change to EBITDA for each of the referenced fiscal quarters.

EBITDA Reconciliation(1)

	Three Months Ended		
	May 31, 2003	February 28, 2003	May 31, 2002
		(dollars in millions)	
Income (loss) before a cumulative effect of accounting change	$ (5.0)	$ (6.9)	$ 5.5
Interest expense	2.9	2.0	2.1
Financing cost amortization	3.6	0.3	0.2
Receivables sale program costs	0.4	0.3	0.3
Income tax (benefit) expense		(0.2)	0.1
Depreciation and amortization	6.8	6.8	7.3
EBITDA	$ 8.7	$ 2.3	$ 15.5

(1) We define EBITDA as earnings before interest, which includes interest, the cost of the receivables sale program and amortization of financing costs, taxes, depreciation and amortization. Our EBITDA calculation includes the effect of the Company s restructuring and severance programs and any other non-recurring item such as the deferred financing costs write-offs, the sale of the airplane and the costs related to the spin-off of the Company. We present EBITDA because management believes that EBITDA is useful in assessing our operating performance and is a measure commonly used by investors and financial analysts in evaluating operating performance. However, EBITDA is not a measurement of operating performance computed in accordance with generally accepted accounting principles and this measure should not be considered in isolation or as a substitute for any measure of performance as determined in accordance with generally accepted accounting principles. EBITDA may not be comparable to similarly titled measures of other companies.

The foregoing second fiscal quarter 2003 results are subject to final adjustment before being filed with the Commission in our Quarterly Report on Form 10-Q for the fiscal quarter ending May 31, 2003.

Concurrently with issuing the outstanding notes, we entered into a new senior secured revolving credit facility. Our new credit facility provides for up to $100 million in aggregate borrowings on a revolving basis. For additional information regarding our new credit facility, see Description of Other Debt New Credit Facility.

Information About OMNOVA Solutions

We are an Ohio corporation formed in June 1999 as a wholly owned subsidiary of GenCorp Inc. On October 1, 1999, OMNOVA Solutions was spun-off from GenCorp as an independent, publicly-traded corporation. Our principal executive office is located at 175 Ghent Road, Fairlawn, Ohio 44333, and our telephone number is (330) 869-4200. Our common shares are listed on The New York Stock Exchange under the symbol OMN.

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The Exchange Offer

The Exchange Offer	We are offering to exchange \$165.0 million in principal amount of our 11 1/4 % senior secured notes due June 1, 2010, which have been registered under the federal securities laws, for \$165.0 million in principal amount of our outstanding unregistered 11 1/4% senior secured notes due June 1, 2010, which we issued on May 28, 2003 in a private offering. You have the right to exchange your outstanding notes for exchange notes with substantially identical terms.
	In order for your outstanding notes to be exchanged, you must properly tender them before the expiration of the exchange offer. All outstanding notes that are validly tendered and not validly withdrawn will be exchanged. We will issue the exchange notes on or promptly after the expiration of the exchange offer.
Registration Rights Agreement	We sold the outstanding notes on May 28, 2003 to a limited number of initial purchasers. At that time, we signed a registration rights agreement with those initial purchasers that requires us to conduct this exchange offer. This exchange offer is intended to satisfy those rights set forth in the registration rights agreement. After the exchange offer is complete, you will not have any further rights under the registration rights agreement, including any right to require us to register any outstanding notes that you do not exchange or to pay you liquidated damages.
If You Fail to Exchange Your Outstanding Notes	If you do not exchange your outstanding notes for exchange notes in the exchange offer, you will continue to be subject to the restrictions on transfer provided in the outstanding notes and indenture governing those notes. In general, you may not offer or sell your outstanding notes unless they are registered under the federal securities laws or are sold in a transaction exempt from or not subject to the registration requirements of the federal securities laws and applicable state securities laws.
Expiration Date	The exchange offer will expire at 5:00 p.m., New York City time, on , 2003, unless we decide to extend the expiration date. See The Exchange Offer Expiration Date; Extensions; Amendments.
Conditions to the Exchange Offer	The exchange offer is subject to conditions that we may waive. The exchange offer is not conditioned upon any minimum amount of outstanding notes being tendered for exchange. See The Exchange Offer Conditions.
	We reserve the right, subject to applicable law, at any time and from time to time, but before the expiration of the exchange offer:
	to delay the acceptance of the outstanding notes;

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	to terminate the exchange offer if specified conditions have not been satisfied;
	to extend the expiration date of the exchange offer and retain all tendered outstanding notes subject to the right of tendering holders to withdraw their tender of outstanding notes; and
	to waive any condition or otherwise amend the terms of the exchange offer in any respect. See The Exchange Offer Expiration Date: Extensions; Amendments.
Procedures for Tendering Notes	If you wish to tender your outstanding notes for exchange, you must:
	complete and sign the enclosed letter of transmittal by following the related instructions; and
	send the letter of transmittal, as directed in the instructions, together with any other required documents, to the exchange agent, either (1) with the outstanding notes to be tendered or (2) in compliance with the specified procedures for guaranteed delivery of the outstanding notes.
	Brokers, dealers, commercial banks, trust companies and other nominees may also effect tenders by book-entry transfer.
	Please do not send your letter of transmittal or certificates representing your outstanding notes to us. Those documents should be sent only to the exchange agent. Questions regarding how to tender and requests for information should be directed to the exchange agent. See The Exchange Offer Exchange Agent.
Special Procedures for Beneficial Owners	If your outstanding notes are registered in the name of a broker, dealer, commercial bank, trust company or other nominee, we urge you to contact that person promptly if you wish to tender your outstanding notes pursuant to the exchange offer. See The Exchange Offer Procedures for Tendering.
Withdrawal Rights	You may withdraw the tender of your outstanding notes at any time before the expiration date of the exchange offer by delivering a written notice of your withdrawal to the exchange agent. You must also follow the withdrawal procedures as described under the heading The Exchange Offer Withdrawal of Tenders.
Federal Income Tax Considerations	The exchange of outstanding notes for the exchange notes in the exchange offer will not be a taxable event for U.S. federal income tax purposes.
Resale of Exchange Notes	We believe that you will be able to offer for resale, resell or otherwise transfer exchange notes issued in the exchange offer without compliance with the registration and prospectus delivery provisions of the federal securities laws, provided that:

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- you are acquiring the exchange notes in the ordinary course of business;
- you are not engaged in, and do not intend to engage in, a distribution of the exchange notes;
- you do not have any arrangement or understanding with any person to participate in the distribution of the exchange notes;
- you are not a broker-dealer tendering outstanding notes acquired directly from us for your own account;
- you are not one of our affiliates, as defined in Rule 405 of the Securities Act; and
- you are not prohibited by law or any policy of the SEC from participating in the exchange offer.

Our belief is based on interpretations by the Staff of the SEC, as set forth in no-action letters issued to third parties unrelated to us. The Staff has not considered this exchange offer in the context of a no-action letter, and we cannot assure you that the Staff would make a similar determination with respect to this exchange offer.

If our belief is not accurate and you transfer an exchange note without delivering a prospectus meeting the requirements of the federal securities laws or without an exemption from these laws, you may incur liability under the federal securities laws. We do not and will not assume or indemnify you against this liability.

Each broker-dealer that receives exchange notes for its own account in exchange for outstanding notes that were acquired by such broker-dealer as a result of market-making or other trading activities must agree to deliver a prospectus meeting the requirements of the federal securities laws in connection with any resale of the exchange notes. See The Exchange Offer Resale of the Exchange Notes.

Exchange Agent	The exchange agent for the exchange offer is The Bank of New York. The address, telephone number and facsimile number of the exchange agent are set forth in the The Exchange Offer Exchange Agent and in the letter of transmittal.

See The Exchange Offer for more detailed information concerning the exchange offer.

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The Exchange Notes

For a more complete description of the terms of the exchange notes, see Description of the Notes.

Exchange Notes	$165,000,000 principal amount of 11 1/4% senior secured notes due 2010.
Maturity	June 1, 2010.
Interest Rate	11 1/4% per year (calculated using a 360-day year).
Interest Payment Dates	June 1 and December 1, beginning on December 1, 2003. Interest will accrue from May 28, 2003.
Guarantees	Certain of our domestic subsidiaries may, in certain circumstances, guarantee the exchange notes on a senior unsecured basis.
Ranking	The exchange notes will be our secured senior obligations and will rank equally with our existing and future senior debt and senior to our future subordinated debt. The exchange notes will be effectively subordinated to our new credit facility with respect to the collateral securing the facility to the extent of the value of such collateral. We do not have any existing subordinated debt. As of February 28, 2003, after giving effect to the offering of our outstanding notes and the initial borrowings under our new credit facility as described in Use of Proceeds and the application of the net proceeds therefrom, we would have had approximately $206.9 million of senior debt outstanding and, based on an available borrowing base of $81.9 million at such date, approximately $36.7 million of unused borrowing available under our new credit facility after giving effect to the issuance of approximately $4.8 million in letters of credit.
Security	The exchange notes will be secured by a first priority lien, subject to certain permitted encumbrances, on substantially all of our real property and equipment relating to our 10 principal domestic manufacturing facilities, all additions and improvements thereto, replacements thereof and the proceeds therefrom. The lien securing the exchange notes will not extend to any assets securing our new credit facility. Our new credit facility is secured by a first priority lien on our domestic inventory, accounts receivable and intangibles, as well as a pledge of all of the outstanding capital stock of two of our domestic subsidiaries that own our principal foreign subsidiaries. The liens securing our new credit facility will not extend to any assets or property securing the exchange notes. See Description of the Notes Collateral.
Optional Redemption	Except as described below, we cannot redeem the exchange notes until June 1, 2007. Thereafter, we may redeem some or all of the exchange notes at the redemption prices listed in the Description of the Notes section under the heading Redemption Optional

Redemption, plus accrued and unpaid interest to the date of redemption.