

SPARTECH CORP
Form 425
October 24, 2012

Leveraging our Four Pillar Strategy:
The Acquisition of Spartech
October 24, 2012
Filed by PolyOne Corporation
Commission File No. 1-16091
Pursuant to Rule 425 under the Securities Act of 1933
and deemed filed pursuant to Rule 14a-12
under the Securities Exchange Act of 1934

Subject Company: Spartech Corporation
Commission File No. 1-5911

Forward
Looking Statements
Page 2

In this presentation, statements that are not reported financial results or other historical information are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. In particular, statements in this press release regarding the performance of Spartech are forward-looking statements. Forward-looking statements give current expectations or forecasts of future events and future performance. They are based on management's expectations that involve a number of business risks and uncertainties, and actual results may differ materially from those expressed in or implied by the forward-looking statements. They use words such

estimate, expect, project, intend, plan, believe, and other words and terms of similar meaning in connection with operating or financial performance and/or sales.

Factors that could cause actual results to differ materially from those implied by these forward-looking statements include, but are not limited to:

- The time required to consummate the proposed acquisition; the satisfaction or waiver of conditions in the merger agreement; and
- adverse changes in the business of Spartech; the ability to obtain required regulatory, shareholder or other third-party approval; and otherwise consummate the proposed acquisition; our ability to achieve the strategic and other objectives relating to the proposed acquisition, including any expected synergies; our ability to successfully integrate Spartech and achieve the expected results of the acquisition, without limitation, the acquisition being accretive;
- Disruptions, uncertainty or volatility in the credit markets that could adversely impact the availability of credit already arranged or the availability and cost of credit in the future;
- The financial condition of our customers, including the ability of customers (especially those that may be highly leveraged and have inadequate liquidity) to maintain their credit availability;
- The speed and extent of an economic recovery, including the recovery of the housing market;
- Our ability to achieve new business gains;
- The amount and timing of repurchases, if any, of PolyOne common shares and our ability to pay regular quarterly cash dividends and timing of any future dividends;
- The effect on foreign operations of currency fluctuations, tariffs, and other political, economic and regulatory risks;
- Changes in polymer consumption growth rates in the markets where we conduct business;
- Changes in global industry capacity or in the rate at which anticipated changes in industry capacity come online;
- Fluctuations in raw material prices, quality and supply and in energy prices and supply;
- Production outages or material costs associated with scheduled or unscheduled maintenance programs;
- Unanticipated developments that could occur with respect to contingencies such as litigation and environmental matters;
- An inability to achieve or delays in achieving or achievement of less than the anticipated financial benefit from initiatives relating to cost reductions, cost reductions, employee productivity goals, and an inability to raise or sustain prices for products or services;
- An inability to maintain appropriate relations with unions and employees; and
- Other factors affecting our business beyond our control, including, without limitation, changes in the general economy, changes in interest rates and changes in the rate of inflation.

The above list of factors is not exhaustive.

We undertake no obligation to publicly update forward-looking statements, whether as a result of new information, future events or otherwise. We are advised to consult any further disclosures we make on related subjects in our reports on Form 10-Q, 8-K and 10-K that we provide to the Exchange Commission.

This presentation includes the use of both GAAP (generally accepted accounting principles) and non-GAAP financial measures. The non-GAAP financial measures include: adjusted EPS, earnings before interest, tax, depreciation and amortization (EBITDA), adjusted EBITDA, net debt, Specialty platform operating income, adjusted operating income, return on invested capital, net debt/EBITDA, and the exclusion of corporate charges in certain calculations. In certain cases throughout this presentation, we have presented GAAP and non-GAAP financial measures adjusted to reflect full-year 2011 Pro forma results, including

ColorMatrix.

PolyOne's chief operating decision makers use these financial measures to monitor and evaluate the ongoing performance of the Company and each business segment and to allocate resources. In addition, operating income before special items is a component of various PolyOne annual and long-term employee incentive plans.

A reconciliation of each non-GAAP financial measure with the most directly comparable GAAP financial measure is attached to this presentation which is posted on our website at www.polyone.com.

Use of Non GAAP Measures

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Additional Information

Additional Information

In connection with the proposed transaction, a registration statement on Form S-4 will be filed with the SEC. SPARTECH CORPORATION STOCKHOLDERS ARE ENCOURAGED TO

READ
THE
REGISTRATION
STATEMENT
AND
ANY
OTHER
RELEVANT
DOCUMENTS FILED WITH THE SEC, INCLUDING THE PROXY STATEMENT/PROSPECTUS THAT WILL BE PART
REGISTRATION
STATEMENT,
WHEN
THEY
BECOME
AVAILABLE,
BECAUSE
THEY
WILL
CONTAIN
IMPORTANT
INFORMATION

ABOUT THE PROPOSED MERGER. The final proxy statement/prospectus will be mailed to stockholders of Spartech Corporation. Investors and security holders will be able to obtain the documents free of charge at the SEC's website, www.sec.gov,

from
PolyOne
at
its
website,
www.polyone.com,

or
33587
Walker
Road,
Avon
Lake,
Ohio
44012,

Attention:

Corporate Secretary, or from Spartech Corporation at its website, www.spartech.com, or 120 S. Central Avenue, Suite 1700, Clayton, Missouri 63105, Attention: Corporate Secretary.

Participants in Solicitation

PolyOne and Spartech Corporation and their respective directors and executive officers may be deemed to be participants in the solicitation of proxies in respect of the proposed merger. Information concerning PolyOne's participants is set forth in the proxy statement, dated March 23, 2012, for PolyOne's 2012 Annual Meeting of Stockholders as filed with the SEC on Schedule 14A and PolyOne's current reports on Form 8-K, as filed with the SEC on May 11, 2012 and September 25, 2012. Information concerning Spartech Corporation's participants is set forth in the proxy statement, dated January 24, 2012, for Spartech Corporation's 2012 Annual Meeting of Stockholders as filed with the SEC on Schedule 14A and Spartech Corporation's current report on Form 8-K, as filed with the SEC on March 16, 2012. Additional information regarding the

interests of participants of PolyOne and Spartech Corporation in the solicitation of proxies in respect of the proposed merger will be included in the registration statement and proxy statement/prospectus and other relevant materials to be filed with the SEC when they become available. This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

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Spartech
Compelling Strategic Rationale

Spartech expands PolyOne's specialty portfolio with adjacent technologies in attractive end markets

Bolt-on acquisition with opportunity for global expansion, as only 6% of Spartech's revenues are outside of North America

PolyOne has a proven management team with a track record of

transformational success

Preliminary annual synergies estimated at \$65 million
Significant opportunity to expand profitability by leveraging
PolyOne's four pillar strategy

Substantial potential share price appreciation for all
shareholders
Accretive to EPS in first full year post-acquisition / \$0.50 once
synergies realized
Page 5

Custom Sheet &
Rollstock
52%
Packaging
Technologies
21%
Color &
Specialty
Compounds

27%

Packaging

27%

Transportation

22%

Construction

18%

Sign &

Advertising

9%

Recreation &

Leisure

8%

Appliance &

Electronics

6%

Other

10%

Spartech at a Glance

3Q12 LTM Revenue: \$1,156 million

#1 North America market position in sheet, rigid barrier packaging and specialty cast acrylics

Operates as a producer of plastic products, custom extruded sheet and rollstock products, and packaging principally in the United States

Approximately 2,500 employees

30 plants in four countries: US (25), Canada (3), Mexico (1), France (1)

Business Description

Sales by Segment

Sales By End Market

Sales By Geography

Page 6

United States

80%

Asia & Other

1%

Europe

5%

Mexico

7%

Canada

7%

Spartech Segment Overview
Custom Sheet & Rollstock
#1 in Sheet
#1 in Cast Acrylics
North
American
Market
Position

Plastic Sheet

Custom Rollstock

Calendered Film

Laminates

Cell Cast Acrylic

Monolayer Rollstock

Barrier Rollstock

Thermoformed Containers

Graphics Arts

Compounds

Color Concentrates

Black, White

Roofing Formulations

Contract Manufacturing
Products

Cell Cast Acrylic in
Aerospace

Graphic Arts

Packaging with

Barrier Technology

Energy efficient TPO

Roofing Compounds

Drip Irrigation

Specialty Security

Glazing

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#1 in Rigid Barrier Packaging

Leader in energy efficient

TPO Roofing

Packaging Technologies

Color & Specialty

Compounds

Acquisition Aligned with Four-Pillar Strategy

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Specialization

Commercial Excellence

Operational Excellence

Market leading positions in roughly 60% of its
business

Adds adjacent technology and designed solutions across several attractive market segments and applications

Leadership in rigid barrier packaging provides opportunity to capitalize on PolyOne barrier additive technology

Mix shift: from Volume to Value

Establish Lean Six Sigma as way of life

Plant rationalization aligned with the voice of the customer

Elimination of redundant corporate overhead

Raw material savings

Expanded solutions across key markets including packaging, aerospace, healthcare, transportation and consumer

Accelerate sales force efficiency and effectiveness

Substantial cross-selling potential exists
Color & additives
Distribution

Mix shift: from Volume to Value
Globalization

Opportunity to capitalize on PolyOne's global footprint

Leverage relationships with multi-national OEMs to drive expansion of Spartech products

Healthcare /
Medical

Medical device packaging

Medical test strips
Aerospace
and Security

Cast acrylic canopies

Flame retardant / fire-rated

Bullet resistant barriers

Aircraft cabin windows

Examples of Spartech Specialty Products

Beverage Pods

Single-serve dairy (yogurt, cottage cheese)

Shelf-stable foods

1-Seal Technology

End Markets

Examples of Spartech Specialty Applications

Consumer

Packaging

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The PolyOne Transformation
Doing What We Do Best

CAGR = 43.2%
Specialty Operating
Income Mix
CAGR = 46.2%
Accelerating Growth
PolyOne
Adjusted
Operating Income
% of Sales

Adjusted

EPS

\$13M

\$46M

\$87M

\$111M

\$31M

\$46M

\$89M

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OI CAGR = 15.7%

'06

'07

'08

'09

'10

'11

3Q '12

LTM

'06

'07

'08

'09

'10

'11

3Q '12

LTM

'06

'07

'08

'09

'10

'11

3Q '12

LTM

Old
PolyOne
Transformation
*Operating Income excludes corporate charges and special items
** Pro forma for the acquisition of ColorMatrix and divestiture of SunBelt
Specialty OI
\$5M \$46M \$89M
\$117M Target
Mix Shift Highlights Specialty Transformation

PolyOne
2015
Target
Page 12
34%
42%
50%
65-75%
0%
20%
40%
60%
80%
100%
2005
2008
2011
2011**
2015
JV's
PP&S
Distribution
Specialty
2%

Proof of Performance

PolyOne

*ROIC is defined as TTM adjusted OI divided by the sum of average debt and equity over a 5 quarter period

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2007

2012 Target

YTD 9/30/12

Where we
were

What we said

Where

we are

1) Operating

Income %

Specialty

3.2%

10% -

12%

9.7%

PP&S

6.1%

8%

-

10%

9.3%

Distribution

3.0%

4% -

5%

6.3%

2) Specialty Platform

% of Operating Income

20%

>50%

46%

3)

Specialty Vitality

Index

21%

35% -

40%

46%

4) ROIC*

(pre-tax)

11%

>15%

17%

5) Sales outside the US

37%

>40%

39%

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PolyOne
Spartech Opportunity
Proof of Performance
Spartech Opportunity
2006
YTD 9/30/12
Today
Intermediate

Goal

Where we
were

Where we
are

Where
Spartech

is

Where
we

can

go

Specialty
Operating

Margin

1.5%

9.7%

1.8%

8.0%

10.0

Achievable Synergies

Near-term and preliminary annualized synergies estimated at \$65 million

Achieved over a 3-year period

One-time cash cost to achieve synergies is estimated at ~\$60 million

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Commercial

Operations
Administration

Value based selling to
drive margin expansion

Cross-selling

Leverage relationships to
drive specialty growth and
differentiation

Align manufacturing
network with voice of
customer

Sourcing savings

Lean Six Sigma to drive
further operational gain

Elimination of redundant
overhead
Duplicate public
company costs
Corporate governance
Synergy plan doubles the pace of transformation executed at
PolyOne
since
2006

doing
what
we
have
proven
we
can
do

Financial Highlights

Purchase Price of \$8.00 per share, 33.34% cash and 66.66% stock consideration

Plan to complete repurchase of stock issued in the transaction within 12-18 months after closing

Each Spartech share exchanged for \$2.67 in cash and 0.3167 shares of PolyOne stock

\$393 million total enterprise value, including approximately
\$142 million of Spartech net debt

7.4x LTM EBITDA

3.3x LTM EBITDA including run-rate synergies

Transaction

Overview

Pro Forma

Financial Impact

Page 16

Expected to be accretive to EPS in year 1 following
acquisition

Preliminary annual synergies estimated to be \$65 million

Expected EPS accretion of approximately \$0.50 once full
value of synergies are realized

Financing and Share Repurchase Plan
Page 17

Committed financing in place to support
transaction
New long-term debt of \$250
million

Expanded revolver that will allow us to

incorporate Spartech assets
Undrawn at closing

At closing, between the undrawn
revolver and balance sheet cash, we
anticipate having liquidity of
approximately \$500 million that can be
used for:

Operating needs
Restructuring costs
Expanded share repurchases
Bolt-on acquisition opportunities

Pro forma net debt / EBITDA of 2.1x

Board authorization to repurchase
20 million shares

After closing, PolyOne expects to
opportunistically repurchase shares
issued in the transaction

In addition, as previously announced,

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(3)	Assumes conversion of all of the holder's notes at a conversion price of \$1.00 per \$1.00 of face value
(4)	Calculated based on 23,805,629 shares of our common stock
(5)	Kenneth C. Griffin controls Citadel Investment Group, L.L.C.
(6)	Patrick Corrigan has voting and investment control over the securities
(7)	Kumaran Vijayakumar has voting and investment control over the securities
(8)	Shad Stastney, John Succo and Sky Lucas control Vicis Capital
(9)	Henry Cox and Allan Marshall collectively have voting and investment control over the securities
(10)	Gene T. Prelli has voting and investment control over the securities
(11)	Maren Lindstrom has voting and investment control over the securities
(12)	Dennis Fitzgerald, Managing Director of KBC Financial Products

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(13)

Christian Menestrier, the CEO of CooperNeff Advisors Inc.,

(14)

Glenn Dubin and Henry Swieca control Highbridge Capital M

(15)

Jeff Toback, Laurence Penn and Michael Vranos collectively

(16)

Kirk Kim and Peter Lopez collectively have voting and invest

(17)

Louise Morwick and Bryn Joynt collectively have voting and

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(18)	Steve Jones has voting and investment control over the securi
(19)	Nick Calamos has voting and investment control over the sec
(20)	Howard Fischer is a managing member of Basso GP LLC, the
(21)	Ann Houlihan, the Chief Compliance Officer of Frolley Revy
(22)	Ronald Fertig, Jay Glassman, Joseph Dwyer, D. Bruce McMa
(23)	Frank Campana and James Doolin collectively have voting an
(24)	David Egglisshaw has voting and investment control over the
(25)	Peter deLisser has voting and investment control over the sec
(26)	Nathanial Brown and Robert Richardson collectively control
(27)	Jonathan M. Glaser and Roger Richter collectively have votin
(28)	Michael Collins has voting and investment control over the se
(29)	Matthew Li has voting and investment control over the securi

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(30) The figures in these columns are based on information supplied

(31) Assumes that all other holders of notes or future transferees d

Each of ATSF-Transamerica Convertible Securities and DBAG London has advised us that it is an affiliate of a broker-dealer. With respect to these selling

The accompanying prospectus incorporates by reference documents that are not presented in this prospectus supplement or the accompanying prospectus o

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The Notes and Common Stock

On August 1, 2012,

Interest on the

The notes matu

The selling sec

We will not rec

Conversion Notes

Holders may c

1.

2.

3.

4.

Redemption and Repurchase of the Notes

Prior to Februa

Holders may re

Ranking of the Notes

The notes are o

Listing

The notes issu

Our common s

Investing in our securities involves risks. See [Risk Factors](#) beginning on page 12.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined

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IMPORTANT NOTICE TO READERS
FORWARD-LOOKING STATEMENTS
INDUSTRY AND MARKET DATA
INCORPORATION OF DOCUMENTS FILED WITH THE SEC
PROSPECTUS SUMMARY
RISK FACTORS
USE OF PROCEEDS
PRICE RANGE OF COMMON STOCK
DIVIDEND POLICY
CAPITALIZATION
SELECTED HISTORICAL CONSOLIDATED FINANCIAL INFORMATION

DESCRIPTION OF NOTES
DESCRIPTION OF CAPITAL STOCK
DESCRIPTION OF CERTAIN INDEBTEDNESS
CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS
SELLING SECURITY HOLDERS
PLAN OF DISTRIBUTION
VALIDITY OF SECURITIES
EXPERTS
INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM
WHERE YOU CAN FIND MORE INFORMATION

This prospectus is part of a registration statement we filed with the Securities and Exchange Commission, or SEC, using a shelf registration process. Un

You should rely only on the information contained in or incorporated by reference in this prospectus. We have not authorized anyone to provide you with i

As used in this prospectus, Barnes Group, Barnes, we, our, and us refers to Barnes Group Inc. and its subsidiaries, unless stated otherwise o

The notes and our common stock issuable upon their conversion have not been approved or recommended by any U.S. federal, state or foreign securities co

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You should carefully consider the risk factors included under the heading "Risk Factors" in this prospectus, and in the risk factors incorporated in this prospectus.

Market data and certain industry statistics used throughout this prospectus and the documents incorporated by reference, including information relating to the company's operations, are derived from sources that the company believes to be reliable.

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We incorporate by reference the documents, which have been filed with the SEC, listed below:

our Current Re

our Annual Re

our Current Re

our Definitive

our Current Re

our Current Re

our Quarterly R

our two Curren

our Current Re

our Current Re

our Current Re

our Quarterly R

our Current Re

our Quarterly R

Our Current Re

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All documents we file pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this prospectus and before all of the notes offered

Any statement contained or incorporated by reference in this prospectus shall be deemed to be modified or superseded for purposes of this prospectus to the

You may obtain any of these incorporated documents from us without charge, excluding any exhibits to these documents unless the exhibit is specifically i

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This summary highlights selected information contained elsewhere in or incorporated by reference into this prospectus. This summary is not complete and

Overview

We are a diversified international manufacturer of precision metal components and assemblies and distributor of industrial supplies, serving a wide range of

Barnes Distrib

Associated Spr

Barnes Aerosp

Barnes Distribution

Barnes Distribution is an industry leader in the distribution of maintenance, repair, operating and production, or MROP, supplies. We provide a wide variety

Barnes Distribution distributes replacement parts and other products under the brand names of Bowman®, Curtis®, Kar® Products, Mechanics Choice®, Au

We position ourselves as a partner in the operations of our customers and help them increase their profitability by using innovative methods and technologi

Associated Spring

Associated Spring is one of the largest precision mechanical and nitrogen gas product manufacturers in the world. We are equipped to produce virtually ev

Table of Contents

and instruments to large heavy-duty springs for machinery. Associated Spring also manufactures nitrogen gas manifold systems used to precisely control s

We have manufacturing operations in the United States, Brazil, Canada, China, Germany, Mexico, Singapore, Sweden, Thailand and the United Kingdom,

Barnes Aerospace

Barnes Aerospace produces precision-machined and fabricated components and assemblies for original equipment manufacturers, or OEMs, turbine engine

Barnes Aerospace s machining and fabrication operations, with facilities in Arizona, Connecticut, Michigan, Ohio, Utah and Singapore, produce critical e

Barnes Aerospace s aftermarket facilities, located at Connecticut, Ohio and Singapore, specialize in the refurbishment of jet engine components such as ca

Barnes Aerospace participates in aftermarket Revenue Sharing Programs, or RSPs, with a large aerospace manufacturer under which Barnes Aerospace rec

Competitive Strengths

Leadership Positions in Each of Our Three Businesses. We enjoy leadership positions within the industrial distribution, precision mechanical and nitrogen

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Established Customer Relationships. We have established long-standing relationships with customers in a variety of industries. We work collaboratively w

A Diverse Business Mix and Customer Base. We provide our products and services to a wide range of industries and customers. The industries we serve in

Global Manufacturing, Sales and Distribution Capabilities. As of September 30, 2005, we had 29 manufacturing facilities, of which 12 are located outside

Strong Cash Flows to Support Future Growth. Over the past three fiscal years, we generated approximately \$169 million in cash flows from operating acti

Experienced and Committed Management Team. Our executive management team possesses extensive operational, sales, finance and marketing experienc

Business Strategy

Our goal is to build lasting value for our stockholders by generating sustainable, profitable growth. We seek to achieve this goal by pursuing the following

Generate Internal Growth and Profitability through Worldwide Service: Providing the right products and services to meet our customers' needs is essenti

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worldwide service capabilities to our customers through our geographically dispersed manufacturing and distribution facilities and our strategic international

Pursue Acquisitions and Strategic Relationships that Profitably Add Customers, Products, Technology or Geographic Presence. In the six and a half years

Continue to Expand Our Global Capabilities. Our customer base is global in nature, and we are committed to continuing to expand our global presence to

Promote Continuous Improvement Initiatives. We undertake initiatives in each of our three businesses to continuously improve our processes, strengthening

Leverage Training and Education to Strengthen the Focus on Long-term Profitability. We use sophisticated, internally developed measurement tools to ga

Our principal executive offices are located at 123 Main Street, Bristol, Connecticut 06010. Our telephone number is (860) 583-7070. Our common stock is

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The summary below describes the principal terms of the notes. Certain of the terms and conditions described below are subject to important limitations and

Issuer

Notes Offered

Maturity

Ranking

Interest Payment

Contingent Interest

Conversion Rights

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Optional Redemption

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Repurchase of Notes at the Option of the Holder

Fundamental Change

Use of Proceeds

Registration Rights

U.S. Federal Income Tax Considerations

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Trustee, Paying Agent and Conversion Agent

Book-Entry Form

Trading

Trading Symbol for Our Common Stock

Indenture and Trustee

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Risk Factors

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The following summary historical consolidated financial information as of and for each of the years ended December 31, 2002, 2003 and 2004 and as of and for the

In the opinion of management, all adjustments considered necessary for a fair disclosure of our interim results and financial position have been included in

EBITDA is a measurement not in accordance with generally accepted accounting principles, or GAAP. We define EBITDA as net income plus income tax

For the purpose of computing the ratio of earnings to fixed charges, earnings consist of pre-tax income from continuing operations, before income or loss from

Statements of Income (in millions except per share data)

Net sales
 Cost of sales
 Selling and administrative expenses

Operating income
 Other income
 Interest expense
 Other expenses

Income before income taxes
 Income taxes

Net income

Per Common Share

Net income(1)
 Basic
 Diluted
 Dividends

Numbers may not add up due to rounding.

(1) Net income per common share is based on weighted average common shares outstanding

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Average common shares outstanding (in millions)

Basic
Diluted

Balance Sheet Data (in millions)

Cash and cash equivalents
Working capital
Property, plant and equipment, net
Total assets
Long-term debt and notes payable
Stockholders' equity

Operations by Business Segment (in millions)

Net Sales
Barnes Distribution
Associated Spring
Barnes Aerospace
Intersegment sales

Total net sales

Operating profit
Barnes Distribution
Associated Spring
Barnes Aerospace

Total operating profit

Other Financial Data (in millions)

Capital expenditures
Depreciation and amortization
Net cash provided (used) by operating activities

EBITDA Reconciliation (in millions)

Net income
Income taxes
Depreciation and amortization
Interest expense

Earnings before interest, taxes, depreciation and amortization

Ratio of Earnings to Fixed Charges

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An investment in the notes involves a high degree of risk. You should carefully consider the risks described below, as well as the other information included

Risks Related to the Industries in Which We Operate

We operate in very competitive markets. We may not be able to compete effectively with our competitors, and competitive pressures could adversely affect

Our three businesses compete with a number of larger and smaller companies in the markets we serve. Some of our competitors have greater financial, pro

Our customers' businesses are generally cyclical. Weaknesses in the industries in which our customers operate could impact our revenues and profita

The transportation, aerospace, durable goods, telecommunications, electronics and other industries to which we sell our products are cyclical and tend to d

Table of Contents

aerospace overhaul and repair services. While there has been a recovery in commercial air traffic, the commercial airline industry continues to be subject to

Original equipment manufacturers in the automotive and aerospace industries have significant pricing leverage over suppliers and may be able to achieve

There is substantial and continuing pressure from OEMs in the automotive and aerospace industries to reduce the prices they pay to suppliers. We attempt

Demand for our defense-related products depends on government spending.

An increasing portion of Barnes Aerospace's sales are derived from the military market. The military market is largely dependent upon government budget

A downturn in the automotive industry could adversely affect our business and financial results.

During 2004, we derived a significant portion of our sales from sales to the automotive industry. Recently, the automotive industry has suffered from certain

The consolidation occurring in the industries in which we operate could adversely affect our business and financial results.

The industries in which we operate have been experiencing consolidation, particularly in the aerospace industry. There has been consolidation of both suppliers

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The aerospace industry is highly regulated. Complications related to aerospace regulations may adversely affect Barnes Aerospace.

A substantial portion of our income is derived from our aerospace business. The aerospace industry is highly regulated in the United States by the Federal

Environmental regulations impose costs and regulatory requirements on our operations. Environmental compliance may be more costly than we expected.

Our past and present business operations and past and present ownership and operations of real property subject us to extensive and changing federal, state

We use and generate hazardous substances and wastes in our operations. In addition, many of our current and former properties are or have been used for i

High Fuel Prices May Impact Our Operating Results

In late summer 2005, severe hurricanes struck the Gulf Coast of the United States, including Louisiana, Texas and Mississippi, causing extensive damage.

Risks Related to Our Business

The global nature of our business exposes us to foreign currency fluctuations that may affect our future revenues and profitability.

We have manufacturing, sales and distribution facilities around the world, and the majority of our foreign subsidiaries use the local currency as their functi

Table of Contents

We may buy protecting or offsetting positions or hedges in certain currencies to reduce our exposure to currency exchange fluctuations; however, these tra

Changes in the availability or price of materials and energy resources could adversely affect our costs and profitability.

We may be adversely affected by commodity price changes, especially related to certain manufacturing operations that utilize high-grade steel spring wire

We depend on revenues from a small number of significant customers. Any loss, cancellation, reduction or delay in purchases by these customers coul

In 2004, our net sales to General Electric Co. and its subsidiaries accounted for 12% of our total sales, as compared to 10% in 2003. Approximately 25% o

Our operations depend on our manufacturing, distribution, sales and service facilities in various parts of the world. These manufacturing, distribution

During 2004, approximately 27% of our sales were from facilities outside of the United States. Also, we have twelve manufacturing facilities and seven di

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including widespread power outages such as those that affected the northeastern and midwest United States in August 2003, could have a material adverse

Although we have obtained property damage and business interruption insurance, a major catastrophe such as an earthquake or other natural disaster at any

Our significant international operations and assets subject us to additional financial and regulatory risks.

We have operations and assets in various parts of the world. In addition, we sell our products and services in foreign countries and seek to increase our level

Declines in the stock market, prevailing interest rates and rising medical costs may cause an increase in our pension and other post-retirement expense

We recorded a non-cash minimum pension liability adjustment for underfunded pension plans of \$24.1 million at December 31, 2003 which increased to \$

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rate used to determine the accumulated benefit obligations at December 31, 2004. This reduction in the discount rate to 5.73% is expected to increase our p

In addition to pension plans, we provide certain other medical, dental and life insurance post retirement benefits for a majority of our retired employees in t

In summary, changing economic conditions, pension investment returns, lower discount rates and higher medical costs or other factors may require us to m

We have significant indebtedness that could affect our operations and financial condition.

At September 30, 2005, we had net consolidated debt and capitalized lease obligations, minus cash and cash equivalents, of \$256.5 million, representing ap

require us to de

limit our flexib

place us at a co

limit our abilit

increase our vu

Our failure to meet certain financial covenants required by our debt agreements may materially and adversely affect our assets, financial position and

Certain of our debt arrangements require us to maintain certain interest coverage and leverage ratios and a minimum net worth and place certain restriction

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restrictions could result in an event of default under our debt arrangements, which in turn could result in an event of default under the terms of our other in

We have significant goodwill and an impairment of our goodwill could cause a decline in our net worth.

Our total assets include substantial goodwill. At September 30, 2005, our goodwill totaled \$234.1 million, compared to \$395.9 million of stockholders' eq

We could be adversely affected by changes in interest rates.

Our profitability may be adversely affected as a result of increases in interest rates. At September 30, 2005, we and our subsidiaries had approximately \$28

We may not realize all of the sales expected from our existing Associated Spring and Barnes Aerospace backlog or anticipated orders.

At September 30, 2005, Associated Spring had \$84.1 million of order backlog and Barnes Aerospace had \$255.7 million of order backlog. We consider ba

Also, our realization of sales from new and existing programs is inherently subject to a number of important risks and uncertainties, including whether our

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We may not recover all of our up-front costs related to new or existing programs.

New programs require significant up-front investments and capital expenditures for engineering, design and tooling. As OEMs in the automotive and aerospace industries, we are often required to invest in new programs before we have secured a customer. As a result, we may not recover all of our up-front costs related to new or existing programs.

We may not recover all of our up-front costs related to Revenue Sharing Programs (RSPs).

As of September 30, 2005, our total assets included \$132.5 million of aftermarket RSP participation fees related to seven revenue sharing programs. We participate in RSPs with OEMs in the automotive and aerospace industries. RSPs are programs in which we share a portion of the revenue generated by our products with the OEM. RSPs are typically entered into for a fixed period of time, and we may not recover all of our up-front costs related to RSPs.

We face risks of cost overruns and losses on fixed-price contracts.

We sell certain of our products under firm, fixed-price contracts providing for a fixed price for the products regardless of the production costs incurred by us. Fixed-price contracts expose us to the risk of cost overruns and losses if our production costs exceed the fixed price.

The departure of existing management and key personnel, a shortage of skilled employees or a lack of qualified sales professionals could materially affect our business.

Our executive officers are important to the management and direction of our business. Our future success depends, in large part, on our ability to retain the services of our executive officers and other key personnel. The loss of any of our executive officers or other key personnel could have a material adverse effect on our business.

Any product liability claims in excess of insurance may adversely affect our financial condition.

Our operations expose us to potential product liability risks that are inherent in the design, manufacture and sale of our products. For example, we may be exposed to product liability risks if our products are found to be defective or if our products cause injury or damage to property.

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of the failure of a spring or other part in a vehicle or an aircraft component designed, manufactured or sold by us or the failure of an aircraft component tha

Our business, financial condition, results of operations and cash flows could be adversely impacted by strikes or work stoppages.

Approximately 16.9% of our U.S. employees and 36.9% of our non-U.S. employees are covered by collective bargaining agreements which expire between

Risks Related to Acquisitions

We may not be able to effectively integrate acquired companies into our operations.

We have completed eleven acquisitions since 1999. We seek acquisition opportunities that complement and expand our operations and that will help create

The integration process is complex and time-consuming, may be disruptive to our businesses, and may cause an interruption of, or a loss of momentum in,

the loss of sign

the need to retr

the failure to m

the need to coc

retooling and r

the resulting di

If we are not successful in integrating our recent and future acquisitions into our operations, if the integration takes longer than anticipated, if the companie

Table of Contents

if the integrated product and service offerings fail to achieve market acceptance, our business, financial position, results of operations and cash flows could

We may not be able to realize the anticipated cost savings, synergies or revenue enhancements from acquisitions, and we may incur significant costs to

Even if we are able to integrate successfully the operations of our company and our recent and any future acquisitions, we may not be able to realize the co

our ability to e

our incurrence

our ability to a

In addition, our growth to date has placed, and future acquisitions could continue to place, significant demand on our administrative, operational and finan

Future acquisitions are a key component of our anticipated growth. We may not be able to identify or complete future acquisitions.

A significant portion of the industries that we serve are mature industries. As a result, our recent growth has resulted in large part from, and our future grow

Risks Related to the Offering

The notes rank junior in right of payment to our senior debt and effectively junior to the liabilities of our subsidiaries.

The notes are subordinated to all of our existing and future senior debt. The notes are not secured by any of our assets. In the event we default on any of ou

No payments in respect of the notes will be permitted during certain periods when an event of default under our senior debt permits the senior debt lenders

In addition, the notes are not guaranteed by any of our existing or future subsidiaries. Our subsidiaries are separate and distinct legal entities and have no o

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respect to the notes or to make any funds available therefor, whether by dividends, loans or other payments. As a result, the notes effectively rank junior in

In addition, the indenture governing the notes does not restrict us or our subsidiaries from incurring debt (including senior debt) in the future. The incurren

We may depend on the cash flows of our subsidiaries in order to satisfy our obligations under the notes.

We are an operating entity which also conducts a significant portion of our business through our subsidiaries. Our operating cash flows and consequently o

There is no public market for the notes, which could limit their market price or the ability to sell them.

There is no established public trading market for the notes. The notes originally issued in the private offering are eligible for trading on the PORTAL mark

If a trading market does not develop or is not maintained, holders of the notes may experience difficulty in reselling, or an inability to sell, the notes. If a m

We may not have the funds necessary to finance the repurchase of the notes or to pay the cash payable upon a conversion or we may otherwise be restr

On February 1, 2011, February 1, 2016 and February 1, 2021 or in the event of a fundamental change (as defined in this prospectus), holders may require u

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prohibits or otherwise restricts us from repurchasing the notes or making the cash payment upon conversion when we become obligated to do so, we could

In addition, certain important corporate events such as a leveraged recapitalization that would increase the level of our debt, may not constitute a fundamen

Upon the occurrence of a conversion triggering event, the ability of noteholders to convert their notes, or upon the occurrence of a fundamental chang

Upon the occurrence of a conversion triggering event, our requirement to pay in cash a portion of the conversion value of any notes tendered for conversio

The price of our common stock historically has been volatile, which may make it difficult for you to resell the notes or any common stock into which th

Subject to certain conditions, the notes are convertible into cash and possibly shares of our common stock, the amount of which will be based on the marke

In addition, the sale of substantial amounts of our common stock could adversely impact its price. In the future, we may sell additional shares of our comm

Table of Contents

any, that they may have on the market price for our common stock. The issuance and sales of substantial amounts of common stock, or the perception that

The price of our common stock could also be affected by possible sales of our common stock by investors who view the notes as a more attractive means of

The additional shares of common stock payable on any notes converted in connection with specified corporate transactions may not adequately compensate

If certain specified corporate transactions occur on or prior to February 7, 2011, we will under certain circumstances increase the conversion rate on notes of

The conversion rate of the notes may not be adjusted for all dilutive events.

The conversion rate of the notes is subject to adjustment for certain events, including but not limited to the issuance of stock dividends on our common stock

You should consider the U.S. federal income tax consequences of owning and disposing of the notes.

The notes are characterized as indebtedness for U.S. federal income tax purposes. Accordingly, you will be required to include, in your income, interest with

The notes are also characterized as contingent payment debt instruments for U.S. federal income tax purposes and are subject to U.S. federal income tax re

Table of Contents

You will recognize gain or loss on the sale, exchange, conversion or redemption of a note in an amount equal to the difference between the amount realized

The conditional conversion feature of the notes could result in you not receiving the value of the common stock into which the notes are convertible.

The notes are convertible into cash and shares of common stock, if any, only if specific conditions are met. If the specific conditions for conversion are not

Upon conversion of the notes, you may receive less proceeds than expected because the value of our common stock may decline after you exercise your

The conversion value that you will receive upon conversion of your notes is in part determined by the average of the last reported sale prices of our common

Fraudulent transfer statutes may limit your rights as a noteholder.

Federal or state fraudulent transfer laws permit a court, if it makes certain findings, to:

avoid all or a p

subordinate ou

take other acti

If a court were to take any of those actions, we cannot assure you that you would ever be repaid.

Under federal and state fraudulent transfer laws, in order to take any of those actions, courts will typically need to find that, at the time the notes were issued

issued the note

were engaged,

intended to inc

Different jurisdictions define insolvency differently. However, we generally would be considered insolvent at the time we incurred the indebtedness con

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were incurring debts beyond our ability to pay as such debts mature. We cannot assure you as to what standard a court would apply in order to determine w

Risks Related to our Common Stock

Limited trading volume of our common stock may contribute to its price volatility.

Our common stock is traded on the New York Stock Exchange. During 2004, the average consolidated daily trading volume for our common stock as repo

Certain provisions of our certificate of incorporation, by-laws, shareholder rights plan and the Delaware General Corporation Law may have possible

Some of the provisions of our certificate of incorporation, by-laws and shareholder rights plan could discourage, delay or prevent an acquisition of our busi

permit the board

provide for a b

authorize the is

entitle certain l

under certain c

In addition, Section 203 of the Delaware General Corporation Law imposes restrictions on mergers and other business combinations between us and any h

We may not be able to pay dividends on our common stock.

While we historically have paid dividends on our common stock, we are under no obligation to declare or pay such dividends. The declaration and payment

our future earn

our ability to p

other factors d

If we cease to pay or reduce the amount of dividends on our common stock, the market price of our common stock may decline. Certain of our debt agree

Table of Contents

We will not receive any proceeds from the sale by the selling security holders of the securities offered by this prospectus.

Our common stock is currently quoted on the New York Stock Exchange under the symbol B. The following table shows, for the periods indicated, the

On December 23, 2005, the reported last sale price for our common stock on the New York Stock Exchange was \$33.61 per share. We encourage you to o

At September 30, 2005, there were 23,805,629 shares of our common stock outstanding, held by approximately 6,601 stockholders of record.

We pay quarterly dividends on shares of our common stock. We paid dividends of \$0.20 per share for each quarter in the years ended December 31, 2003 a

Table of Contents

The following table sets forth, as of September 30, 2005, our capitalization on an actual basis. You should read the following information in conjunction with

The number of shares of common stock outstanding excludes:

4,418,046 shares

the shares of common stock

You should read this table in conjunction with our consolidated financial statements and the notes to those statements, which are incorporated by reference

Numbers may not add up due to rounding.

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The following selected historical consolidated financial information as of and for each of the five years ended December 31, 2000, 2001, 2002, 2003 and 2004.

In the opinion of management, all adjustments considered necessary for a fair disclosure of our interim results and financial position have been included in the accompanying financial statements.

EBITDA is a measurement not in accordance with generally accepted accounting principles, or GAAP. We define EBITDA as net income plus income tax expense.

For the purpose of computing the ratio of earnings to fixed charges, earnings consist of pre-tax income from continuing operations, before income or loss from discontinued operations.

Statement of Income *(in millions except per share data)*

Net sales

Cost of sales

Selling and administrative expenses

Operating income

Other income

Interest expense

Other expenses

Income before income taxes

Income taxes

Net income

Per Common ShareNet income⁽²⁾

Basic

Diluted

Dividends

Average common shares outstanding *(in millions)*

Basic

Diluted

Numbers may not add up due to rounding.

(1)

(2)

For periods prior to January 1, 2002 (the effective date of Statement of Financial Accounting Standards No. 148).

Net income per common share is based on weighted average common shares outstanding during the period.

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Balance Sheet Data *(in millions)*

Cash and cash equivalents
Working capital
Property, plant and equipment, net
Total assets
Long-term debt and notes payable
Stockholders' equity

Other Financial Data *(in millions)*

Capital expenditures
Depreciation and amortization
Net cash provided (used) by operating activities

EBITDA Reconciliation *(in millions)*

Net income
Income taxes
Depreciation and amortization
Interest expense

Earnings before interest, taxes, depreciation and amortization

Ratio of Earnings to Fixed Charges

(1)

For periods prior to January 1, 2002 (the effective date of Statement of Financial Accounting S

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We issued the notes under an indenture, dated as of August 1, 2005, between us and The Bank of New York Trust Company, N.A., as trustee. The notes are

The following description is a summary of the material provisions of the notes, the indenture and the registration rights agreement and does not purport to

As used in this Description of Notes section, references to Barnes, the company, we, us and our refer only to Barnes Group Inc. and do not

General

The notes mature on August 1, 2025 unless earlier converted, redeemed or repurchased. Each holder has the option, subject to certain qualifications and the

If any interest payment date, maturity date, redemption date, repurchase date or settlement date (including upon the occurrence of a fundamental change, a

Neither we nor any of our subsidiaries are subject to any financial covenants under the indenture. In addition, neither we nor any of our subsidiaries are res

You are not afforded protection under the indenture in the event of a highly leveraged transaction or a change in control of us except to the extent describe

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The notes were issued only in denominations of \$1,000 principal amount and integral multiples thereof. References to a note or each note in this prospectus

As used in this prospectus, business day means any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which commercial banks are

Any reference to common stock means our common stock, \$0.01 par value per share.

Subordination of the Notes

The payment of the principal of, premium, interest, including contingent interest and additional amounts, if any, on the notes is subordinated to the prior payment of

We may not make any payment on the notes or purchase or otherwise acquire the notes (including paying the cash portion of our conversion obligation) if:

a default in the

any other default

We are required to resume payments on the notes:

in case of a pay

in case of a non

No new period of payment blockage may be commenced for a default unless 360 days have elapsed since our receipt of the prior payment blockage notice.

As a result of these subordination provisions, in the event of our bankruptcy, dissolution or reorganization, holders of senior indebtedness may receive more

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If either the trustee or any holder of notes receives any payment or distribution of our assets in contravention of these subordination provisions before all s

We are an operating entity which also conducts a significant portion of our business through our subsidiaries. As a result, our cash flow and our ability to s

At September 30, 2005, we and our subsidiaries had approximately \$288.0 million aggregate principal amount of consolidated debt and capitalized lease o

Designated senior indebtedness means (i) our revolving credit facility, our 7.13% senior notes due 2005, the 7.66% senior notes due 2007 guaranteed by

Indebtedness means:

(1)

(2)

(3)

(4)

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(5)

(6)

(7)

Senior indebtedness means the principal of, premium, if any, interest, including any interest accruing after the commencement of any bankruptcy or sim

(1)

(2)

(3)

(4)

No indebtedness will be considered senior in right of payment solely by virtue of being secured on a first or junior priority basis.

We will not incur any indebtedness that is senior in right of payment to the notes and subordinate in right of payment to any of our senior indebtedness.

Interest

The notes bear interest at a rate of 3.75% per year. We will also pay contingent interest on the notes in the circumstances described under Contingent In

Interest on a note, including contingent interest and additional amounts, if any, will be paid to the person in whose name the note is registered at the close o

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a record date), immediately preceding the relevant interest payment date (whether or not such day is a business day); provided, however, that accrued and

Upon conversion of a note, a holder will not receive any cash payment of interest (including contingent interest and additional amounts, if any) unless, as o

the principal an

accrued but un

As a result, accrued but unpaid interest (including contingent interest and additional amounts, if any) up to but excluding the conversion date will be deem

Notwithstanding the preceding paragraph, if notes are converted after the close of business on a record date but prior to the opening of business on the inter

Contingent Interest

Beginning with the period commencing on February 7, 2011 and ending on July 31, 2011, and for each six month period thereafter (from February 1 to an

On any interest payment date when contingent interest is payable, the contingent interest payable per note will equal 0.25% per year of the average trading

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We will notify the holders of the notes upon making the determination that they will be entitled to receive contingent interest with respect to any six-month

The trading price of the notes on any date of determination means the average of the secondary market bid quotations per \$1,000 principal amount of the

three such bids

only one such bid

provided further that if no such bids can reasonably be received by the bid solicitation agent, then:

for purposes of

for purposes of

We will appoint a bid solicitation agent and we may change any bid solicitation agent. The bid solicitation agent may not be an affiliate of ours.

Trading day means a day during which trading in securities generally occurs on the New York Stock Exchange or, if our common stock is not listed on

Optional Redemption by Barnes

Prior to February 7, 2011, the notes are not redeemable at our option. On or after February 7, 2011, we may redeem the notes for cash in whole or in part at

If the redemption date occurs after a record date and on or prior to an interest payment date, accrued and unpaid interest (including contingent interest and

We will provide not less than 30 nor more than 60 days notice of redemption by mail to each registered holder of notes to be redeemed. If the redemption

Once we have called the notes for redemption, notes or portions of notes will be convertible by the holder until the close of business on the business day pr

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If we decide to redeem fewer than all of the outstanding notes, the trustee will select the notes to be redeemed (in principal amounts of \$1,000 or integral m

We may not redeem the notes if we have failed to pay any interest, including contingent interest and additional amounts, on the notes when due and such fa

Conversion Rights

General

Subject to the qualifications and the satisfaction of the conditions and during the periods described below, a holder may convert each of its notes prior to th

A holder may convert its notes in whole or in part only in the following circumstances, which are described in more detail below, and to the following exte

if the closing p

subject to certa

once we have o

upon the occur

We refer to each of these events as a conversion triggering event.

We will notify holders by press release once the notes have become convertible upon any of the foregoing circumstances.

If we call a holder's notes for redemption, the holder may convert the notes only until the close of business on the business day prior to the redemption dat

If a holder converts notes, we will pay any documentary, stamp or similar issue or transfer tax due on the issue of shares of our common stock upon the cor

Conversion upon Satisfaction of Sale Price Condition

A holder may surrender its notes for conversion during any fiscal quarter after the fiscal quarter ending September 30, 2005 if the closing price per share o

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Upon surrender by a holder of its notes for conversion, we will deliver cash and shares of common stock, if any, as described below under Conversion F

The closing price of our common stock or the capital stock or other equity interest of any of our subsidiaries on any date means the closing sale price pe

Conversion Upon Satisfaction of Trading Price Condition

Prior to August 1, 2024, a holder may surrender any of its notes for conversion during the five business days immediately following any five consecutive tr

The trustee will have no obligation to determine the trading price of the notes as described in this section unless we have requested such determination; and

Conversion upon Notice of Redemption

If we call any or all of the notes for redemption, a holder may convert any of its notes at any time prior to the close of business on the business day immedi

Conversion upon Specified Corporate Transactions

Certain Distributions

If we elect to

distribute to all

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the closing price

distribute to all

we must notify holders of the notes at least 20 business days prior to the ex-dividend date for such distribution; provided, however, that such notice will not

Certain Corporate Transactions

If

a change of control

a change of control

in either case, regardless of whether a holder has the right to put the notes as described under Repurchase of Notes by Barnes at Option of Holder upon

If a holder elects to convert its notes during the period specified above on or prior to February 7, 2011 and 10% or more of the consideration for our common

If a transaction described above occurs, a holder can, subject to certain conditions, require us to repurchase all or a portion of its notes as described under

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Conversion Procedures

To convert a note, a holder must do each of the following:

complete and r

surrender the n

if required, fur

if required, pay

if required, pay

The date a holder complies with these requirements is the conversion date under the indenture. The notes will be deemed to have been converted immedi

The conversion agent is initially the trustee. The conversion agent will, on a holder's behalf, convert the notes into cash and shares of common stock, if an

Payment upon Conversion

In connection with any conversion, we will satisfy our obligation to convert the notes (the conversion obligation) by delivering to holders in respect of e

1.

2.

The daily share amount means, for each trading day of the conversion reference period, a number of shares equal to the greater of (i) zero and (ii) the qu

We may elect to pay cash to holders of notes surrendered for conversion in lieu of all or a portion of the residual value shares of common stock issuable up

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The amount of cash payable in such event in respect of each residual value share otherwise issuable upon conversion shall equal the sum of the residual cash value of such shares.

We will not issue fractional shares of common stock upon conversion of the notes. Instead, we will pay the cash value of such fractional shares based upon the conversion value.

The *conversion value* means the product of (1) the conversion rate in effect (plus any additional shares as described under *Conversion Rights*) multiplied by the conversion reference period.

The *conversion reference period* with respect to any notes means the 20 consecutive trading days beginning on the second trading day after the conversion date.

If a holder tenders notes for conversion and the conversion value is being determined at a time when the notes are convertible into other property in addition to cash, the conversion value shall be determined as if the notes were convertible only into cash.

Upon the occurrence of a conversion triggering event, our requirement to pay in cash a portion of the conversion value of any notes tendered for conversion shall be determined as if the notes were convertible only into cash.

Conversion Rate Adjustments

The applicable conversion rate will be subject to adjustment, without duplication, upon the occurrence of any of the following events:

- 1.

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2.

3.

4.

If we distribute to holders of our common stock capital stock of, or similar equity interests in, a subsidiary or other business unit of ours, then the conversion

5.

6.

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7.

The adjustment referred to in this clause (7) will be made only if:

the tender offer

the cash and va

However, the adjustment referred to in this clause (7) will generally not be made if, as of the closing of the offer, the offering documents disclose a plan or

In addition to these adjustments, we may in our sole discretion increase the conversion rate as our board of directors deems advisable to avoid or diminish

Current market price of our common stock on any day means the average of the closing price per share of our common stock (as defined above under

Table of Contents

To the extent that we have a rights plan in effect upon any conversion of the notes into common stock, a holder will receive, in addition to the common stock

In the event of:

any reclassification

a consolidation

a sale or conversion

in each case, in which holders of common stock would be entitled to receive stock, other securities, other property, assets or cash for their common stock, then

The applicable conversion rate will not be adjusted:

upon the issuance

upon the issuance

upon the issuance

for a change in

for accrued and

Adjustments to the applicable conversion rate will be calculated to the nearest 1/10,000th of a share. No adjustment to the applicable conversion rate will be made

You may in certain situations be deemed to have received a distribution subject to U.S. federal income tax as a dividend in the event of any taxable distribution

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Make Whole Amount and Adjustments for Conversion After a Public Acquirer Change of Control

If the effective date or anticipated effective date of certain corporate transactions as described under Conversion Rights Conversion upon Specified Co

The number of additional shares will be determined by reference to the table below, based on the date on which the corporate transaction becomes effective

The stock prices set forth in the first row of the table below (i.e., column headers) will be adjusted as of any date on which the conversion rate of the notes

The following table sets forth the hypothetical stock price, effective date and number of additional shares per \$1,000 principal amount of notes:

Effective Date

August 1, 2005

August 1, 2006

August 1, 2007

August 1, 2008

August 1, 2009

August 1, 2010

February 7, 2011

The maximum amount of additional shares is 5.4516 per \$1,000 principal amount of notes, subject to adjustment in the same manner as in the conversion r

Notwithstanding the foregoing, in no event will the total number of shares of common stock issuable upon conversion exceed 29.1545 per \$1,000 principal

The exact stock prices and effective dates may not be set forth in the table above, in which case:

if the stock pri

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interpolation b

if the stock pri

if the stock pri

The receipt of the additional shares may be treated as a distribution subject to U.S. federal income tax as a dividend. See Certain U.S. Federal Income Tax

Conversion After a Public Acquirer Change of Control

Notwithstanding the foregoing, if a holder converts its notes in connection with a corporate transaction for which the conversion rate would be increased by

the conversion

the average of

(i)

(ii)

The acquisition value of our common stock means, for each trading day in the valuation period, the value of the consideration paid per share of our com

for any cash, I

for any public

for any other s

A public acquirer change of control means any event constituting a corporate transaction as described under Conversion Rights Conversion Upon Sp

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or quoted on the Nasdaq National Market or which will be so traded or quoted when issued or exchanged in connection with such fundamental change; pro

Upon a public acquirer change of control, if we so elect, holders may convert their notes (subject to the satisfaction of the conditions to conversion describ

Repurchase of Notes by Barnes at Option of Holder

On February 1, 2011, February 1, 2016 and February 1, 2021, each being a repurchase date , any holder may require us to repurchase for cash any outsta

In connection with any repurchase of notes, we will notify the holders of notes, not less than 20 business days prior to any repurchase date, of their repurch

if definitive no

the portion of t

that the notes a

A holder may withdraw its repurchase notice by delivering a written notice of withdrawal to the paying agent prior to the close of business on the repurcha

the principal ar

if definitive no

the principal ar

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In connection with any repurchase, we will, to the extent applicable:

comply with the

file a Schedule

Our obligation to pay the repurchase price for notes for which a repurchase notice has been delivered and not validly withdrawn is conditioned upon the holder

If the paying agent holds money sufficient to pay the repurchase price of the notes for which a repurchase notice has been delivered and not validly withdrawn

Repurchase of Notes by Barnes at Option of Holder upon a Fundamental Change

If a fundamental change, as defined below, occurs, each holder will have the right on the fundamental change repurchase date to require us to repurchase for

Within 15 days after the occurrence of a fundamental change, we are required to give notice to each holder and the trustee of such occurrence and of each holder's

The fundamental change repurchase notice given by a holder electing to require us to repurchase its notes shall be given so as to be received by the paying agent

if certificated notes

the portion of the

that the notes are

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A holder may withdraw its fundamental change repurchase notice by delivering a written notice of withdrawal to the paying agent prior to the close of busi

the principal an

if certificated n

the principal an

A fundamental change will be deemed to have occurred upon a change of control of Barnes or a termination of trading of our common stock.

A change of control will be deemed to have occurred at such time after the original issuance of the notes when any of the following has occurred:

1.

2.

3.

A continuing director means a director who either was a member of our board of directors on June 30, 2005 or who becomes a member of our board of

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The term "person" includes any syndicate or group that would be deemed to be a "person" under Section 13(d)(3) of the Exchange Act.

The definition of change of control includes a phrase relating to the conveyance, transfer, sale, lease or disposition of all or substantially all of our assets

Notwithstanding the foregoing, a holder will not have the right to require us to repurchase its notes upon a change of control describe in clause (3) above if

A "termination of trading" will be deemed to have occurred if our common stock (or other common stock into which the notes are then convertible) is nei

Rule 13e-4 under the Exchange Act requires the dissemination of certain information to security holders if an issuer tender offer occurs and may apply if th

If the paying agent holds money sufficient to pay the fundamental change repurchase price of the notes which holders have elected to require us to repurch

The term "fundamental change" is limited to specified transactions and does not include other events that might adversely affect our financial condition o

Our ability to repurchase notes for cash upon the occurrence of a fundamental change is subject to important limitations. Our ability to repurchase the notes

Upon the occurrence of a fundamental change (as defined in the indenture governing the notes offered hereby), the ability of the noteholders to have their r

Table of Contents

Any future credit agreements or other agreements relating to our indebtedness could contain provisions prohibiting repurchase of the notes under certain circumstances.

The fundamental change purchase feature of the notes may in certain circumstances make it more difficult or discourage a takeover of our company. The feature may also require us to accumulate funds to obtain control of the company or to obtain approval by management.

to accumulate

to obtain control

by management

Instead, the fundamental change repurchase feature is a standard term contained in securities similar to the notes.

Merger or Sale of Assets

The indenture provides that we may not consolidate with or merge with or into any other person or convey, transfer, sell, lease or otherwise dispose of all or substantially all of our assets.

the resulting, successor

immediately after

we shall have control

The successor company will succeed to, and be substituted for, and may exercise every right and power of, us under the indenture, but in the case of a conveyance, transfer, sale, lease or otherwise disposal of all or substantially all of our assets, we shall have control of the company.

Events of Default; Notice and Waiver

The following constitute defaults under the indenture, subject to any additional limitations and qualifications included in the indenture:

a default in the

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our failure to p

a default in our

our failure to c

default in our c

our failure to p

our or our subs

if final unsatis

certain events i

When we refer to a significant subsidiary, we mean any subsidiary that would constitute a significant subsidiary within the meaning of Article 1 of R

The foregoing constitute events of default whatever the reason for any such event of default and whether it is voluntary or involuntary or is effected by ope

If a default under the indenture occurs and is continuing and is known to the trustee, the trustee must mail to each holder of the notes notice of the default v

If an event of default (other than an event of default relating to specified events of bankruptcy, insolvency or reorganization of us) occurs and continues, th

The holders of a majority in principal amount of outstanding notes have the right to direct the time, method and place of any proceedings for any remedy a

Table of Contents

on the trustee, subject to limitations specified in the indenture. The trustee, however, may refuse to follow any direction that conflicts with law or the inden

The holders of a majority in principal amount of outstanding notes may waive any past defaults under the indenture, except a default due to the non-payme

No holder of the notes may pursue any remedy under the indenture, except in the case of a default due to the non-payment of principal or interest, includin

the holder has

the holders of a

the trustee doe

the trustee fails

To the extent any holder or holders request the trustee to take any action, the holder or holders are required to offer reasonable security or indemnity to the

A default in the payment of the notes, or a default with respect to the notes that causes them to be accelerated, may give rise to a cross-default under our ex

Legal Defeasance and Covenant Defeasance

The notes are not subject to any defeasance provisions under the indenture.

Amendment and Modification

The consent of the holders of a majority in principal amount of the outstanding notes is required to modify or amend the indenture. However, a modificatio

reduce the prin

reduce or alter

reduce any am

impair the righ

Table of Contents

change the cur

adversely affec

modify the red

reduce the quo

change our obl

subject to spec

reduce the per

We and the trustee may modify certain provisions of the indenture without the consent of the holders of the notes, including to:

add guarantees

remove guaran

evidence the as

surrender any o

add covenants

cure any ambig

modify or ame

establish the fo

evidence the ac

provide for un

conform, as ne

provide for con

change the con

make other cha

Calculations in Respect of Notes

We are responsible for making all calculations in respect of the notes, unless otherwise set forth above. These calculations include, but are not limited to, d

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amount of accrued interest (including contingent interest and additional amounts, if any) payable on the notes and the conversion price of the notes. We wi

Trustee, Paying Agent and Conversion Agent

We have appointed The Bank of New York Trust Company, N.A., the trustee under the indenture, as paying agent, conversion agent, note registrar and cus

We are obligated to pay reasonable compensation to the trustee. We will indemnify the trustee against any losses, liabilities or expenses incurred by it in co

Notices

Except as otherwise described herein, notices to registered holders of the notes will be given by mail to the addresses as they appear in the security register

Rule 144A Information Request

We will furnish to the holders or beneficial holders of the notes or the common stock issuable upon conversion of the notes and prospective purchasers of t

Governing Law

The notes and the indenture are governed by, and shall be construed in accordance with, the laws of the State of New York.

Form, Denomination, Exchange, Registration and Transfer

The notes have been issued:

in fully register

without interes

Holders may present notes for conversion, registration of transfer and exchange at the office maintained by us for such purpose, which will initially be the

Payment and Paying Agent

We maintain an office or agent in the Borough of Manhattan, the City of New York, where we will pay the principal on the notes and a holder may present

Table of Contents

Payments on the notes represented by the global note referred to below will be made to The Depository Trust Company, New York, New York, which is re

Registration Rights

At the closing of the private offering of the notes on August 1, 2005, we entered into a registration rights agreement with the initial purchasers of the notes.

file with the Se

use reasonable

use reasonable

1.

2.

We may suspend the effectiveness of the shelf registration statement or the use of this prospectus during specified periods under certain circumstances. An

60 days in any

90 days in any

We need not specify the nature of the event giving rise to a suspension in any notice to holders of the notes of the existence of such a suspension. Each hol

Each of the following is a registration default:

the registration

the registration

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we do not, thro

any post-effect

at any time afte

If a registration default occurs, predetermined additional amounts will accrue on the notes that are transfer restricted securities, from and including the d

0.25% of the p

0.50% of the p

In no event will additional amounts exceed 0.50% per year. In no event will additional amounts be payable to holders of the notes or holders of common st

A holder who elects to sell securities pursuant to the shelf registration statement will:

be required to

be required to

be subject to th

be subject to th

Under the registration rights agreement we will:

pay all expense

provide each re

notify holders

take other reas

In order to be named as a selling security holder in the prospectus or any applicable prospectus supplement at the time of effectiveness of the shelf registration

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statement. Upon receipt of a completed questionnaire after that time, together with any other information we may reasonably request from a security holder.

Book-Entry Delivery and Settlement

We issued the notes in the form of one or more permanent global notes in definitive, fully registered, book-entry form. The global notes were deposited with DTC.

DTC has advised us as follows:

DTC is a limited liability company.

DTC holds securities for its participants.

Direct participation in the notes is provided to participants.

DTC is owned by its participants.

DTC provides access to the notes to its participants.

The rules applicable to DTC are set forth in its rules.

We are providing the following descriptions of the operations and procedures of DTC to the holders solely as a matter of convenience. These operations and procedures are subject to change without notice.

We expect that under procedures established by DTC:

upon deposit of the notes, the ownership of the notes will be transferred to the participant.

ownership of the notes will be transferred to the participant.

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The laws of some jurisdictions require that purchasers of securities take physical delivery of those securities in definitive form. Accordingly, the ability to

So long as DTC or its nominee is the registered owner of a global note, DTC or that nominee will be considered the sole owner or holder of the notes repre

Notes represented by a global note will be exchangeable for registered certificated securities with the same terms only if: (1) DTC is unwilling or unable to

Neither we nor the trustee will have any responsibility or liability for any aspect of the records relating to or payments made on account of notes by DTC, o

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In this section we describe the general terms of our capital stock. Our capital stock and the rights of our stockholders are subject to the applicable provisions of our charter and bylaws.

Common Stock

We are authorized to issue 60,000,000 shares of common stock, par value \$0.01 per share. At September 30, 2005, an aggregate of 23,805,629 shares of common stock were issued and outstanding.

are entitled to receive

have the right to

are entitled, upon

have such other

The holders of shares of our common stock are not entitled to cumulate their votes in the election of directors and, as a consequence, minority stockholders may not be able to elect directors.

Our outstanding common stock is listed and traded on the New York Stock Exchange under the symbol "SPAR". The transfer agent and registrar for our common stock is

Preferred Stock

General

We are authorized to issue 3,000,000 shares of preferred stock, par value \$0.01 per share, none of which is issued and outstanding. Our board of directors may, from time to time, issue

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circumstances, issuances of shares of preferred stock may make a merger, tender offer or proxy contest or the assumption of control by a holder of a large

Series A Junior Participating Preferred Stock

On June 25, 1986, we filed with the Secretary of State of the State of Delaware a Certificate of Designation, Preferences and Rights of Series A Junior Part

Dividends

Subject to the prior and superior rights of the holders of any shares of any series of preferred stock ranking prior and superior to the shares of Series A Pref

Dividends are payable in an amount per share (rounded to the nearest cent) equal to the greater of \$5.00 or, subject to adjustment as described in the Certif

Voting Rights

Subject to adjustment as described in the Certificate of Designation with respect to the Series A Preferred Stock, each share of Series A Preferred Stock en

If dividends on the Series A Preferred Stock are in arrears in an amount equal to six quarterly dividends, then the holders of the Series A Preferred Stock w

Liquidation Preference

Upon our liquidation (voluntary or otherwise), dissolution or winding up, no distribution will be made to the holders of shares of stock ranking junior to th

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Redemption

The Series A Preferred Stock is not redeemable.

Ranking

The Series A Preferred Stock ranks junior to all other series of preferred stock as to the payment of dividends and the distribution of assets, unless the term

Anti-takeover Provisions

General

Certain provisions of our Restated Certificate of Incorporation, our By-laws, our shareholder rights plan and the Delaware General Corporation Law may h

permit the board

provide for a b

authorize the is

entitle certain l

under certain c

In addition, Section 203 of the Delaware General Corporation Law imposes restrictions on mergers and other business combinations between us and any h

Anti-Takeover Effects of Certain Provisions of Delaware Law and Our Amended and Restated Certificate of Incorporation and Amended and Re

Effect of Delaware Anti-Takeover Statute

We are subject to Section 203 of the Delaware General Corporation Law, an anti-takeover law. In general, Section 203 prohibits a Delaware corporation from

prior to that date

upon consummation

on or subsequent

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Section 203 defines business combination to include the following:

any merger or

any sale, transf

subject to certa

any transaction

the receipt by t

In general, Section 203 defines an interested stockholder as any entity or person beneficially owning 15% or more of the outstanding voting stock of the co

Shareholder Rights Plan

In December 1996, we adopted a new shareholder rights plan. Under the plan, each share of common stock contains one right that entitles the holder to pur

If, following the acquisition of 35% or more of the outstanding shares of our common stock, we are acquired in a merger or other business combination, or

Our shareholder rights plan is designed to protect stockholders against unsolicited attempts to acquire control of us, whether through the accumulation of s

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Revolving Credit Facility

As of September 30, 2005, we had \$22.0 million aggregate principal amount of indebtedness outstanding under our revolving credit facility. We used the p

Our revolving credit facility will mature on June 2, 2009. The maximum aggregate principal amount that may be borrowed under the facility is \$175.0 mill

The entire \$22.0 million aggregate principal amount of indebtedness outstanding as of September 30, 2005 is a LIBOR Rate Loan. The interest rate at Sept

The credit agreement for the revolving credit facility contains certain financial covenants with which we must comply relating to, among other things, the f

limitation on o

our and our sub

limitation on o

limitation on c

limitation on c

The credit agreement includes various events of default customary for that type of agreement, including among others, the failure to pay principal and inter

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7.13% Senior Notes

As of September 30, 2005, we had outstanding \$6.2 million aggregate principal amount of 7.13% senior notes due 2005.

The 7.13% senior notes matured on December 5, 2005. The Company satisfied the remaining balance on such notes with cash and uncommitted short-term

7.66% Senior Notes

As of September 30, 2005, our wholly owned subsidiary, Nova Scotia Company, had outstanding \$24.5 million aggregate principal amount of 7.66% senior

The 7.66% senior notes will mature on November 12, 2007. Interest on the 7.66% senior notes is payable semi-annually on May 12 and November 12 of ea

The 7.66% senior notes purchase agreement contains certain financial covenants with which we must comply relating to, among other things, the following

limitation on o

our and our sub

limitation on o

limitation on c

limitation on m

limitation on c

The events of default for the 7.66% senior notes include various events of default customary for that type of obligation, including among others, the failure

Except for certain encumbrances, in the event that we or our subsidiaries encumber property, assets or income, then Nova Scotia Company will be required

7.80% Senior Notes

As of September 30, 2005, our wholly owned subsidiary, Nova Scotia Company, had outstanding \$45.5 million aggregate principal amount of 7.80% senior

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The 7.80% senior notes mature on November 12, 2010. Interest on the 7.80% senior notes is payable semi-annually on May 12 and November 12 of each year.

The 7.80% senior notes are subject to financial covenants with which we must comply, which are identical to those in respect of our 7.66% senior notes described above.

The events of default for the 7.80% senior notes are identical to those in respect of our 7.66% senior notes described above.

Except for certain encumbrances, in the event that we or our subsidiaries encumber property, assets or income, then Novia Scotia Company will be required to secure the 7.80% senior notes.

9.34% Notes

As of September 30, 2005, we had outstanding \$61.9 million of 9.34% senior notes due 2008. The 9.34% senior notes are unsecured and unsubordinated in respect of our assets.

The 9.34% senior notes were issued under a note purchase agreement in which the interest rate was fixed at 8.59%. To lock in the 8.59% interest rate, we entered into an interest rate swap agreement.

The 9.34% senior notes mature on November 21, 2008. Interest on the 9.34% Senior Notes is payable semi-annually on May 21 and November 21 of each year.

The 9.34% senior notes are subject to financial covenants with which we must comply, which are substantially identical to those in respect of our 7.66% senior notes described above.

The events of default for the 9.34% senior notes are substantially similar to those in respect of our 7.66% senior notes and our 7.80% senior notes described above.

Except for certain encumbrances, in the event that we or our subsidiaries encumber property, assets or income, then we are required to secure the 9.34% senior notes.

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2.15% Senior Notes

As of September 30, 2005, our subsidiary, Associated Spring Asia-PTE LTD, which we refer to as Spring Asia, has outstanding Yen 2,301.6 million, or ap

Spring Asia originally borrowed an aggregate principal amount of Yen 3,000 million. Mandatory prepayments on the term loan are due in ten semi-annual

In connection with the term loan, Spring Asia entered into a series of forward currency exchange contracts, a form of derivative, that effectively converted

The term loan agreement contains certain financial covenants with which we must comply relating to, among other things, the following matters:

limitation on S

limitation on S

limitation on o

limitation of S

The events of default for the term loan include various events of default customary for that type of obligation, including among others, failure to pay princi

Industrial Revenue Bonds

As of September 30, 2005, we had outstanding \$7.0 million in aggregate principal amount of industrial revenue bonds due in 2008. The industrial revenue

Lines of Credit

We have available approximately \$15.0 million in uncommitted short-term bank credit lines with Bank of America, NA, of which none was borrowed at S

In addition, we had outstanding letters of credit totaling \$3.7 million at September 30, 2005.

Capital Leases

As of September 30, 2005, we had debt related to capital leases, which we assumed in connection with an acquisition in April 2002, of which \$0.6 million

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General

This is a summary of certain U.S. federal income tax considerations relevant to the purchase, ownership, conversion or disposition of notes and the owners

Any discussion of the Federal tax issues set forth in this prospectus was written to support the promotion and marketing of the transactions described herein

Except where specifically indicated below, we do not address all of the tax consequences that may be relevant to a holder. For example, we do not address:

the U.S. federal

the U.S. federal

U.S. Holders w

any state, local

any reporting r

any federal, sta

Persons considering the purchase of notes should consult their own independent tax advisors concerning the application of the U.S. federal income tax law

This summary is based upon laws, regulations, rulings and decisions now in effect all of which are subject to change (including retroactive changes in effect

No statutory or judicial authority directly addresses all aspects of the treatment of the notes or instruments similar to the notes for U.S. federal income tax p

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For purposes of this discussion, a U.S. Holder is a beneficial owner of a note that, for U.S. federal income tax purposes, is:

a citizen or resident individual

a corporation or other entity organized under the laws of the United States or any state or territory thereof

an estate whose income is taxable to the estate

a trust, if (i) a U.S. Holder is a beneficiary of the trust, or (ii) the trust is a U.S. Holder

A Non-U.S. Holder is a beneficial owner of a note that is neither a U.S. Holder nor a partnership or other pass through entity. If a partnership holds notes, it is treated as a U.S. Holder if it is a U.S. partnership.

We urge prospective investors to consult their own independent tax advisors with respect to the tax consequences to them of the purchase, ownership, and disposition of the notes.

Classification of the Notes

In the opinion of our counsel, Nixon Peabody LLP, the notes are treated as debt instruments for U.S. federal income tax purposes and based on the schedule of the notes.

The remainder of this discussion assumes that the notes are treated as indebtedness subject to the CPDI regulations.

U.S. Holders

The following discussion is a summary of certain U.S. federal income tax consequences that will apply to you if you are a U.S. Holder.

Accrual of Interest on the Notes

Pursuant to the CPDI regulations, U.S. Holders are required to accrue interest income on notes on a constant yield to maturity basis, in the amounts described below.

The CPDI regulations provide that a U.S. Holder must accrue an amount of ordinary interest income, as original issue discount for U.S. federal income tax purposes.

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divided by the

multiplied by t

The issue price of the notes is the first price at which a substantial amount of the notes is sold to the public, excluding sales to bond houses, brokers or similar

The term "comparable yield" means the annual yield we would pay, as of the initial issue date, on a fixed-rate nonconvertible debt security with no contingent

The CPDI regulations require that we provide to U.S. Holders, solely for determining the amount of interest accruals for U.S. federal income tax purposes,

Pursuant to the terms of the indenture and as required by the contingent debt regulations, for U.S. federal income tax purposes, each holder of notes has agreed

Our determinations of the comparable yield and the projected payment schedule are not binding on the IRS and it could challenge such determinations. If it

The comparable yield and the schedule of projected payments are not determined for any purpose other than for the determination of a holder's interest

Amounts treated as interest under the CPDI regulations are treated as original issue discount for all purposes of the Code.

Adjustments to Interest Accruals on the Notes

If, during any taxable year, a U.S. Holder receives actual payments with respect to the notes that in the aggregate exceed the total amount of projected payments

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net positive adjustment as additional interest income for such taxable year. For this purpose, the payments in a taxable year include the fair market value

If a U.S. Holder receives in a taxable year actual payments with respect to the notes that in the aggregate are less than the amount of projected payments for

We may be required to make payments of liquidated damages if we do not file or cause to be declared effective a registration statement, as described under

Sale, Exchange, Conversion or Redemption

Upon the sale, exchange of a note, or the redemption of a note for cash, a U.S. Holder generally will recognize gain or loss. As described above, our calculation

The amount of gain or loss on a taxable sale, exchange, conversion or redemption will be equal to the difference between

the amount of

the U.S. Holder

A U.S. Holder's adjusted tax basis in a note is generally equal to the U.S. Holder's original purchase price for the note, increased by any interest income paid

Upon conversion of a note for our common stock and/or cash, any accrued and unpaid interest on such note shall be deemed to be paid by the receipt of such

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our common stock received upon a conversion of a note will equal the then current fair market value of such common stock. The U.S. Holder's holding pe

Distributions on Common Stock

Distributions to a U.S. Holder on our common stock, other than certain pro rata distributions of common shares, are treated as dividends to the extent payab

To the extent that a U.S. Holder receives a distribution on our common stock that would have constituted a dividend for U.S. federal income tax purposes h

Dividends received by non-corporate U.S. Holders, including individuals, on our common stock in tax years beginning on or before December 31, 2008 m

Conversion Rate Adjustments

Under certain circumstances described under the heading "Description of the Notes - Conversion Rights - Conversion Rate Adjustments" above, the conver

If at any time we were to make a distribution of property to our stockholders that would be taxable to the stockholders as a dividend for U.S. federal incom

Alternatively, a conversion rate adjustment could be viewed as not resulting in a deemed distribution to the holders of the notes, in which case, any additio

Backup Withholding Tax and Information Reporting

Payments of principal, premium, if any, and interest (including original issue discount) on, and the proceeds of dispositions of, the notes may be subject to

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Non-U.S. Holders

The following is a summary of certain U.S. federal tax consequences that will apply to you if you are a Non-U.S. Holder.

Non-U.S. Holders should consult their own independent tax advisors to determine the U.S. federal, state, local and foreign tax consequences that may apply to them.

Payments with Respect to the Notes

All payments on the notes made to a Non-U.S. Holder, including payments of stated interest, contingent interest (except as described below), payments in connection with the redemption of the notes, and payments on the conversion of the notes into common stock, will be made to the holder of record of the notes as of the date of payment.

such Non-U.S. Holder.

the beneficial owner of the notes.

such payments.

the common stock.

Notwithstanding the preceding sentence, a portion of the payment in our common stock pursuant to a conversion may be subject to U.S. federal withholding tax.

If a Non-U.S. Holder of the notes is engaged in a trade or business in the United States, and if interest on the notes is effectively connected with the conduct of such trade or business, such interest will be subject to U.S. federal income tax.

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Payments on Common Stock and Adjustments to Conversion Rate

Any dividends paid to a Non-U.S. Holder with respect to the shares of common stock (and any deemed dividends resulting from certain adjustments, or fair

Sale, Exchange or Redemption of Shares of Common Stock

Any gain realized upon the sale, exchange, or redemption of a share of common stock generally is not subject to U.S. federal income tax unless

the gain is effe

the Non-U.S. H

Backup Withholding Tax and Information Reporting

In general, a Non-U.S. Holder will not be subject to backup withholding and information reporting with respect to payments made by us with respect to the

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We originally issued the notes to the initial purchasers, Banc of America Securities LLC, J.P. Morgan Securities Inc., Jefferies & Company, Inc., BNY Cap

The table below sets forth the name of each selling security holder, the principal amount of notes and number of shares of common stock beneficially owned

Because the selling security holders may offer all or some portion of the notes or underlying shares of common stock listed below, we have assumed for pu

We have prepared the table below based on information given to us by those selling security holders who have supplied us with this information prior to th

Name of Beneficial Owner(1)

Citadel Equity Fund Ltd(5)

Banc of America Securities LLC(6)

Vicis Capital Master Fund(7)

Argent Classic Convertible Arbitrage Fund (Bermuda) Ltd.(8)

Zazove Convertible Arbitrage Fund, L.P.(9)

Lord Abbett Investment Trust LA Convertible Fund(10)

KBC Financial Products USA Inc.(11)

BNP Paribas Equity Strategies, SNC(12)

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Name of Beneficial Owner(1)

Highbridge International LLC(13)
Ellington Overseas Partners, Ltd.(14)
Wachovia Securities International Ltd.(15)
Calamos Market Neutral Fund Calamos Investment Trust(16)
Zazove Hedged Convertible Fund, L.P.(9).
Basso Holdings Ltd.(17)
Argent LowLev Convertible Arbitrage Fund (Bermuda) Ltd.(8)
Silvercreek II Limited(18)
Institutional Benchmark Series (Master Feeder) Ltd.(9).
Boilermakers Blacksmith Pension Trust(19)
Basso Fund Ltd.(17)
Silvercreek Limited Partnership(18)
Delaware PERS(19)
McMahan Securities Co., L.P.(20)
Quest Investment Management(21)
Commissioners of the Land Office(10)
CooperNeff Convertible Strategies (Cayman) Master Fund, L.P.(12)
Fore Convertible Master Fund, LP(22)
Basso Multi-Strategy Holdings Fund Ltd.(17)
HFR CA Select Fund(9).
Argent Classic Convertible Arbitrage Fund L.P.(23).
JMG Triton Offshore Fund, Ltd.(24)
Intl. Truck & Engine Corp. Non-Contributory Retirement Plan Trust(10)

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Name of Beneficial Owner

Philadelphia Board of Pensions(10)
 Pension, Hospitalization Benefit Plan of the Electrical Ind Plan(10)
 Intl Truck & Engine Corp. Retirement Plan for Salaried Employee s Trust(10)
 National Fuel & Gas Company Retirement Plan(10)
 Sturgeon Limited (12)
 ICI American Holdings Trust(19)
 Xavex Convertible Arbitrage 10 Fund (23)
 Lyxor Master Fund Ref: Argent/LowLev CB c/o Argent (23)
 Newport Alternative Income Fund(18)
 Pebble Limited Partnership(18)
 Man Mac I, Ltd.(25)
 FPL Group Employee Pension Plan (19)
 Syngenta AG(19)
 Argent LowLev Convertible Arbitrage Fund, LLC(23)
 Singlehedge US Convertible Arbitrage Fund(12)
 Total Fina Elf Finance USA, Inc.(10)
 Lyxor/Convertible Arbitrage Fund Limited(12)
 Silver Convertible Arbitrage Fund, LDC(23)
 Delta Airlines Master Trust(19)
 Argent Classic Convertible Arbitrage Fund II, L.P.(23)
 Vermont Mutual Insurance Company(10)
 HFR CA Global Select Master Trust Account(23)
 City of Shreveport (LA) Employees Retirement System(10)
 Class C Trading Company, Ltd.(23)

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Name of Beneficial Owner

Fore ERISA Fund, Ltd.(22)
 NFS SCI Funeral and Merchandise Fixed Common Trust(10)
 Partners Group Alternative Strategies PCC LTD(23)
 Argent Opportunities Fund LLC(23)
 HBMC LLC(13)
 B.C. McCabe Foundation(10)
 Guggenheim Portfolio Company VIII (Cayman), Ltd.(26)
 KeySpan Insurance Company(10)
 Wachovia Bank, NA, as Trustee for the SCI Cemetery Merchandise Common Trust(10)
 Anthony Munk(18)
 KeySpan Foundation(10)
 Xavex Convertible Arbitrage 2 Fund(23)
 Aloha Airlines Non-Pilots Pension Trust(19)
 Argent LowLev Convertible Arbitrage Fund II, LLC(23)
 Wachovia Bank, NA, as Trustee for the SCI Pre-Need Common Trust Fund(10)
 HBFT LLC(13)
 All other holders of notes or future transferees from such holders(1)

Totals

* Less than 1%.

(1) Prior to any use of this prospectus in connection with an offer

(2) Shares in this column do not include shares of common stock

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(3)	Assumes conversion of all of the holder's notes at a conversion price of \$1.00 per share.
(4)	Calculated based on 23,805,629 shares of our common stock as of December 31, 2018.
(5)	Kenneth C. Griffin controls Citadel Investment Group, L.L.C.
(6)	Kumaran Vijayakumar has voting and investment control over the securities of the company.
(7)	Shad Stastney, John Succo and Sky Lucas control Vicis Capital Management, L.P.
(8)	Henry Cox and Allan Marshall collectively have voting and investment control over the securities of the company.
(9)	Gene T. Prelli has voting and investment control over the securities of the company.
(10)	Maren Lindstrom has voting and investment control over the securities of the company.
(11)	Dennis Fitzgerald, Managing Director of KBC Financial Products, L.P.
(12)	Christian Menestrier, the CEO of CooperNeff Advisors Inc., L.P.
(13)	Glenn Dubin and Henry Swieca control Highbridge Capital Management, L.P.
(14)	Jeff Toback, Laurence Penn and Michael Vranos collectively have voting and investment control over the securities of the company.

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(15)	Steve Jones has voting and investment control over the securi
(16)	Nick Calamos has voting and investment control over the sec
(17)	Howard Fischer is a managing member of Basso GP LLC, the
(18)	Louise Morwick and Bryn Joynt collectively have voting and
(19)	Ann Houlihan, the Chief Compliance Officer of Frolely Revy
(20)	Ronald Fertig, Jay Glassman, Joseph Dwyer, D. Bruce McMa
(21)	Frank Campana and James Doolin collectively have voting an
(22)	David Egglshaw has voting and investment control over the s
(23)	Nathanial Brown and Robert Richardson collectively control
(24)	Jonathan M. Glaser and Roger Richter collectively have votin
(25)	Michael Collins has voting and investment control over the se
(26)	Matthew Li has voting and investment control over the securi

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(27)

Assumes that all other holders of notes or future transferees d

To the extent that any of the selling security holders identified above are broker-dealers, they are deemed to be, under interpretations of the SEC, underw

BNP Paribas Equity Strategies, SNC has advised us that it is an affiliate of a broker-dealer. With respect to this selling security holder, we have been advis

Only selling security holders identified above who beneficially own the notes and the underlying common stock set forth opposite each such selling securit

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We will not receive any of the proceeds of the sale of the notes and the underlying common stock offered by this prospectus. The notes and the underlying

directly by the

through underw

The selling security holders and any underwriters, broker-dealers or agents who participate in the distribution of the notes and the underlying common stock

If the notes and the underlying common stock are sold through underwriters or broker-dealers, the selling security holders will be responsible for underwri

The notes and the underlying common stock may be sold in one or more transactions at:

fixed prices;

prevailing mar

prices related t

varying prices

negotiated pric

These sales may be effected in transactions:

on any nationa

in the over-the

in transactions

These transactions may include block transactions or crosses. Crosses are transactions in which the same broker acts as an agent on both sides of the transa

In connection with the sales of the notes and the underlying common stock or otherwise, the selling security holders may enter into hedging transactions w

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To our knowledge, there are currently no plans, arrangements or understandings between any selling security holders and any underwriter, broker-dealer or

The aggregate proceeds to the selling security holders from the sale of the notes or the underlying common stock offered pursuant to this prospectus will be

Our common stock is listed on the New York Stock Exchange under the symbol B. We do not intend to apply for listing of the notes on any securities e

The selling security holders and any other persons participating in the distribution of the notes or underlying common stock will be subject to the Exchange

If required with respect to a particular offering of the notes and the underlying common stock, the names of the selling security holders, the respective pur

Under the registration rights agreement entered into at the closing of the private offering of the notes on August 1, 2005, we agreed to use our reasonable b

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We are permitted to prohibit offers and sales of securities pursuant to this prospectus under certain circumstances relating to pending corporate development

Under the registration rights agreement, we and the selling security holders have each agreed to indemnify the other against certain liabilities, including cer

We have agreed to pay substantially all of the expenses incidental to the registration, offering and sale of the notes and the underlying common stock to the

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The validity of the notes and the shares of our common stock issuable upon conversion of the notes is being passed upon for us by our special counsel, Nixon Peabody LLP.

The consolidated financial statements incorporated in this prospectus by reference to Barnes Group Inc.'s first of two Current Reports on Form 8-K filed with the SEC on February 1, 2005 and February 1, 2004.

With respect to the unaudited financial information of Barnes Group Inc. for the three month periods ended March 31, 2005 and 2004, for the three and six months ended March 31, 2005 and 2004.

We file annual, quarterly and current reports, proxy statements and other information with the SEC under the Exchange Act. You may read and copy any documents filed with the SEC.

Documents may also be available on our website at www.barnesgroupinc.com. Information contained on our website does not constitute a part of this prospectus.