

POLYONE CORP
Form 424B3
June 04, 2008

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**Filed Pursuant to Rule 424(b)(3)
Registration No. 333-151058**

PROSPECTUS

\$80,000,000

**Offer to Exchange
All Outstanding 8.875% Senior Notes Due 2012 Originally Issued April 2008
For 8.875% Senior Notes Due 2012
of
Polyone Corporation**

**This Exchange Offer Will Expire At 5:00 P.M.,
New York City Time, on July 8, 2008**

The Exchange Notes

The terms of the notes to be issued, which we refer to as the exchange notes, are substantially identical to the outstanding notes that we issued on April 10, 2008, which we refer to as the outstanding notes, except for transfer restrictions, registration rights and additional interest provisions relating to the outstanding notes that will not apply to the exchange notes.

Interest on the exchange notes accrues at the rate of 8.875% per year, payable semi-annually in cash on May 1 and November 1, with the first payment on November 1, 2008.

The exchange notes will be our senior, unsecured obligations and rank equally with our other senior unsecured indebtedness and will be effectively subordinated to the obligations of our subsidiaries.

Material Terms of the Exchange Offer

Expires at 5:00 p.m., New York City time, on July 8, 2008, unless extended.

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

All outstanding notes that are validly tendered and not validly withdrawn will be exchanged for an equal principal amount of notes that are registered under the Securities Act of 1933.

Tenders of outstanding notes may be withdrawn at any time before the expiration of the exchange offer.

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

Each broker-dealer that receives exchange notes for its own account pursuant to the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of such exchange notes. The letter of transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an

underwriter within the meaning of the Securities Act. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of exchange notes received in exchange for outstanding notes where such outstanding notes were acquired by such broker-dealer as a result of market-making activities or other trading activities. We have agreed that, starting on the expiration date of the exchange offer and ending on the close of business 180 days after the expiration date, we will make this prospectus, as amended or supplemented, available to any broker-dealer for use in connection with any such resale.

Please consider carefully the Risk Factors beginning on page 11 of this prospectus.

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

The date of this prospectus is June 4, 2008.

REFERENCES TO ADDITIONAL INFORMATION

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

PolyOne Corporation
33587 Walker Road
Avon Lake, Ohio 44012
Attention: Lisa K. Kunkle, Secretary
Telephone: (440) 930-1318

If you would like to request copies of these documents without charge, please do so by June 30, 2008 to receive them before the expiration of the exchange offer. See Where You Can Find More Information.

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INDUSTRY, RANKING AND OTHER DATA

The data included or incorporated by reference in this prospectus regarding industries and ranking, including the size of specific industries and our position and the position of our competitors within these industries, are based on independent industry publications or other published industry sources and our estimates. Our estimates are based on information obtained from our customers, distributors, suppliers, trade and business organizations and other contacts

in the industries in which we operate and our management's knowledge and experience. Although we have not independently verified the accuracy of these estimates, we believe these estimates to be accurate as of the date of this prospectus.

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SUMMARY

The following summary contains information about PolyOne and this exchange offer and may not contain all of the information that may be important to you in making a decision to exchange any outstanding notes. For a more complete understanding of PolyOne and this exchange offer, we urge you to read carefully this entire prospectus and the documents incorporated by reference, including the Risk Factors and Forward-Looking Statements sections and our consolidated financial statements and the notes to those statements. Unless the context otherwise indicates, the terms PolyOne, we, our and us as used in this prospectus refer to PolyOne Corporation and its consolidated subsidiaries.

PolyOne Corporation

We are a leading global provider of specialized polymer materials, services and solutions with operations in thermoplastic compounds, specialty polymer services formulations, color and additive systems, thermoplastic resin distribution and specialty polyvinyl chloride, or PVC, resins with equity investments in manufacturers of caustic soda and chlorine, and PVC compound products and in a formulator of polyurethane compounds. We provide value to our customers through our ability to link our knowledge of polymers and formulation technology with our manufacturing and supply chain processes to provide an essential link between large chemical producers (our raw material suppliers) and designers, assemblers and processors of plastics (our customers). We believe that large chemical producers are increasingly outsourcing less-than-railcar business; polymer and additive producers need multiple channels to market; processors continue to outsource compounding; and international companies need suppliers with global reach. Our goal is to provide our customers with specialized material and service solutions through our global reach and product platforms, low-cost manufacturing operations, a fully integrated information technology network, broad market knowledge and raw material procurement leverage. Our end markets are primarily in the building materials, wire and cable, automotive, durable goods, packaging, electrical and electronics, medical and telecommunications markets, as well as many industrial applications.

For the fiscal year ended December 31, 2007, we had revenues of \$2.6 billion and net income of \$11.4 million. For the quarter ended March 31, 2008, we had revenues of \$713.7 million and net income of \$6.5 million.

Historically, we operated within four reportable segments: Vinyl Business, International Color and Engineered Materials, PolyOne Distribution, and Resin and Intermediates. All Other was comprised of the remaining operating segments and included North American Engineered Materials, Color and Additives, North American Producer Services, and Specialty Inks and Polymer Systems operating segments.

As of March 20, 2008, we operate within five reportable segments: Vinyl Business, International Color and Engineered Materials, PolyOne Distribution, Resin and Intermediates, and Specialty Engineered Materials. All Other is comprised of the remaining operating segments and includes North American Color and Additives, Producer Services, and Specialty Inks and Polymer Systems operating segments. In April 2008, we changed the name of the Vinyl Business operating segment to the Geon Performance Polymers operating segment.

Geon Performance Polymers

Our Geon Performance Polymers operating segment is a global leader, offering an array of products and services for vinyl coating, molding and extrusion processors. Our product offerings include: rigid, flexible and dry blend vinyl compounds; industry-leading dispersion, blending and specialty suspension grade vinyl resins; and specialty coating materials based largely on vinyl. These products are sold to a wide variety of manufacturers of plastic parts and

consumer-oriented products. We also offer a wide range of services to the customer base utilizing these products to meet the ever changing needs of our multi-market customer base. These services include materials testing and component analysis, custom compound development, colorant and additive services, design assistance, structural analyses, process simulations and extruder screw design.

Much of the revenue and income for the Geon Performance Polymers is generated in North America. However, production and sales in Asia and Europe constitute a minor but growing portion of this segment. In addition, PolyOne owns 50% of a joint venture producing and marketing vinyl compounds in Latin America.

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Vinyl is one of the most widely used plastics, utilized in a wide range of applications in building and construction, wire and cable, consumer and recreation markets, automotive, packaging and healthcare. Vinyl resin can be combined with a broad range of additives, resulting in performance versatility, particularly when fire resistance, chemical resistance or weatherability is required. We believe we are well-positioned to meet the stringent quality, service and innovation requirements of this diverse and highly competitive marketplace.

International Color and Engineered Materials

Our International Color and Engineered Materials operating segment combines the strong regional heritage of our color and additive masterbatches and engineered materials operations to create global capabilities with plants, sales and service facilities located throughout Europe and Asia.

Working in conjunction with our North American Color and Additives and North American Engineered Materials operating segments, we provide solutions that meet our international customers' demands for both global and local manufacturing, service and technical support.

PolyOne Distribution

Our PolyOne Distribution operating segment distributes more than 3,500 grades of engineering and commodity grade resins, including PolyOne-produced compounds, to the North American market. These products are sold to over 5,000 custom injection molders and extruders who, in turn, convert them into plastic parts that are sold to end-users in a wide range of industries. Representing over 20 major suppliers, we offer our customers a broad product portfolio, just-in-time delivery from multiple stocking locations, and local technical support.

Resin and Intermediates

Our Resin and Intermediates segment consists almost entirely of our 50% equity interest in SunBelt Chlor-Akali Partnership, or SunBelt, and our former 24% equity interest in OxyVinyls LP, or OxyVinyls, through its disposition date of July 6, 2007. SunBelt, a producer of chlorine and caustic soda, is a partnership with Olin Corporation. OxyVinyls, a producer of PVC resins, vinyl chloride monomer, or VCM, and chlorine and caustic soda, was a partnership with Occidental Chemical Corporation. In 2007, SunBelt had production capacity of approximately 320 thousand tons of chlorine and 358 thousand tons of caustic soda. Most of the chlorine manufactured by SunBelt is consumed by OxyVinyls to produce PVC resin. Caustic soda is sold on the merchant market to customers in the pulp and paper, chemical, construction and consumer products industries.

Specialty Engineered Materials

Our new Specialty Engineered Materials segment consists of the business of the recently acquired GLS Corporation, or GLS, and our former North American Engineered Materials operating segment. GLS is a global provider of specialty thermoplastic elastomer compounds for consumer and medical applications. Our former North American Engineered Materials operating segment is a leading provider of custom plastic compounding services and solutions for processors of thermoplastic materials across a wide variety of markets and end-use applications including applications currently employing traditional materials such as metal. Our product portfolio, one of the broadest in our industry, includes standard and custom formulated high-performance polymer compounds that we manufacture using a full range of thermoplastic compounds and elastomers, which are then combined with advanced polymer additive, reinforcement, filler, colorant and biomaterial technologies.

Our depth of compounding expertise helps us expand the performance range and structural properties of traditional engineering-grade thermoplastic resins that meet our customers' unique performance requirements. Our product

development and application reach is further enhanced by the capabilities of our North American Engineered Materials Solutions Center, which produces and evaluates prototype and sample parts to help assess end-use performance and guide product development. Our manufacturing capabilities, which include a facility located in Avon Lake, Ohio, are targeted at meeting our customers' demand for speed, flexibility and critical quality.

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All Other

All Other includes our North American Color and Additives, Producer Services, and Specialty Inks and Polymer Systems operating segments.

Our North American Color and Additives operating segment is a leading provider of specialized colorants and additive concentrates that offers an innovative array of colors, special effects and performance-enhancing and eco-friendly solutions. Our color masterbatches contain a high concentration of color pigments and/or additives that are dispersed in a polymer carrier medium and are sold in pellet, liquid, flake or powder form. When combined with non pre-colored base resins, our colorants help our customers achieve a wide array of specialized colors and effects that are targeted at the demands of today's highly design-oriented consumer and industrial end markets. Our additive masterbatches encompass a wide variety of performance enhancing characteristics and are commonly categorized by the function that they perform, such as UV stabilization, anti-static, chemical blowing, antioxidant and lubricant, and processing enhancement.

Our colorant and additives masterbatches are used in most plastics manufacturing processes, including injection molding, extrusion, sheet, film, rotational molding and blow molding throughout the plastics industry, particularly in the packaging, automotive, consumer, outdoor decking, pipe and wire and cable markets. They are also incorporated into such end-use products as stadium seating, toys, housewares, vinyl siding, pipe, food packaging and medical packaging.

Our Producer Services operating segment offers custom compounding services to resin producers and processors that design and develop their own compound recipes. We also offer a complete product line of custom black masterbatch products for use in the pressure pipe industry. Customers often require high quality, cost effective and confidential services. As a strategic and integrated supply chain partner, Producer Services offers resin producers a way to develop custom products for niche markets by using our compounding expertise and multiple manufacturing platforms.

Our Specialty Inks and Polymer Systems operating segment provides custom-formulated liquid systems that meet a variety of customer needs and chemistries, including vinyl, natural rubber and latex, polyurethane and silicone. Our products and services are designed to meet the specific requirements of our customers' applications by providing unique solutions to their market needs. Products also include proprietary fabric screen-printing inks, latexes, specialty additives and colorants. Specialty Inks and Polymer Systems serves diversified markets that include recreational and athletic apparel, construction, filtration, outdoor furniture and healthcare. We also have a 50% interest in BayOne Urethane Systems, L.L.C., a joint venture between PolyOne and Bayer Corporation, which sells polyurethane systems into many of the same markets.

Business Strategies

We intend to utilize our resources to strengthen our position as a leading global polymer services provider through the following five components:

Specialization. In 2006, we began implementing a strategic portfolio transformation toward specialty, value-added business and away from general-use products. We have been divesting assets and resources associated with general-use products in favor of specialty product-focused assets, sales and marketing efforts and research and development capabilities. We believe that specialization differentiates us through value-creating offerings that extend beyond simple material supply to delivering customers the service, technology and innovation they demand. We believe that customers are willing to pay a premium for innovative product solutions customized for their needs and timely delivery of their orders. We leverage our in-depth knowledge of polymers, formulations and polymer processing in an effort to redirect our strategic focus to the most attractive market segments. We believe our product

pipeline demonstrates our commitment to innovation and specialization.

Globalization. Globalization takes us into high-growth markets to which our customers are migrating and positions us to serve them with consistent standards of performance everywhere in the world. Our global

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footprint allows us to effectively cross-sell our products and leverage globally developed technology within our customer base, providing unique revenue opportunities.

Commercial Excellence. Commercial excellence governs our activities in the marketplace, where we deliver value to customers by advising on and demonstrating new methods by which to increase their profits and realize growth. We continuously strive to upgrade our sales, marketing and innovation resources in an effort to promote the culture of solving customer problems. Additionally, our professionals are offered compensation packages with incentives for seeking out high margin and high growth business while rationalizing unprofitable business. We believe that our focus on commercial excellence is enhancing sales efficiency and effectiveness.

Operational Excellence. Operational excellence empowers us to respond to the needs of the customer with a relentless focus on continuously improving our production processes and logistics. We continuously refine within our workforce our culture of lean manufacturing and six sigma production to minimize waste and lead times while maintaining optimal resource utilization and excellent customer delivery. We are launching additional supply chain optimization initiatives with the aim to increase future cost savings.

Organic and Strategic Growth Opportunities. We intend to continue aligning our specialized product offerings and geographic footprint with high-growth regions and market segments through organic and strategic growth. In January 2008, we acquired GLS to capitalize on its excellent cultural, product line and technological alignment with us and alignment with our strategies of specialization, globalization, commercial excellence and operational excellence.

Competitive Strengths

A Global Technology Innovator. We have a broad portfolio of thermoplastic polymer compounds and color concentrates, thermoset elastomer compounds, liquid polymer systems and additives, which allows us to deliver technology-based solutions to meet the specifications of our customers. We believe that this makes us a preferred supplier to customers that have needs for diversified and customized products. Through our comprehensive design and customer-centric support services, we work directly with customers to customize and efficiently deliver the appropriate polymer compound to meet specific end-use applications. In addition, we leverage our global research and development capabilities and market knowledge to create new generations of products and services. Our research and development centers around the world are equipped with state-of-the art analytical, synthesis, polymer characterization and testing equipment. We are accelerating our research and development efforts to support regional customer needs and leveraging the knowledge across our global footprint. In an effort to stimulate innovation, we aim to minimize the number of products that are more than five years old.

Diverse Customers, Industries and Geographic Regions Served. We believe the extent of our customer, end-market and geographic diversification adds consistency and stability to our free cash flow. In 2007, we served over 11,000 customers across six continents covering a variety of industries, including appliance, building materials, consumer, electrical and electronics, healthcare, industrial, packaging, textiles, transportation and wire & cable. In 2007, no single customer accounted for more than 3% of our consolidated revenues. We believe that our global presence reduces the impact of local market trends on our overall performance. Our recent acquisition of GLS complements our existing customer base with added focus on the consumer non-durables, medical and packaging sectors.

Strong Financial Profile. From December 31, 2005 to December 31, 2007, we reduced our debt by approximately \$309.8 million. We believe that our significant reduction of indebtedness increases our financial flexibility and positions us well to continue to implement our strategic portfolio transformation. The net proceeds of the offering of the outstanding notes were used to reduce a portion of the amount sold under our receivables sale facility, further increasing our liquidity and financial flexibility to pursue our transformation strategy.

Proven Management Team With Extensive Industry Experience. Our senior management team consists of professionals with significant experience in our company and broad talents and expertise in the polymer services industries. The current team includes individuals that are well-tenured at PolyOne and those that bring extensive

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industry experience from leading global specialty chemical manufacturers. The current management team has been responsible for the performance to date arising from the implementation of the foregoing strategies.

Recent Developments

On January 2, 2008, we acquired 100% of the outstanding capital stock of GLS. GLS, with sales of \$128.8 million (unaudited) for the year ended December 31, 2007, has been fully integrated into the new Specialty Engineered Materials reporting segment. The 2007 operating income for the acquired business before consolidation into PolyOne was \$12.2 million (unaudited). We funded the purchase of GLS with a combination of proceeds from our receivables sale facility, borrowings under our revolving credit facility and cash.

Information About PolyOne

We are an Ohio corporation formed on August 31, 2000 by the consolidation of The Geon Company and M.A. Hanna Company. Our principal executive office is located at 33587 Walker Road, Avon Lake, Ohio, and our telephone number is (440) 930-1000. Our common shares are listed on the New York Stock Exchange under the symbol POL. Our website address is www.polyone.com. Information on or accessible through our website, other than SEC reports that we specifically incorporate herein by reference, is not a part of this prospectus.

The Exchange Offer

The Exchange Offer

We are offering to exchange \$80.0 million in principal amount of our 8.875% senior notes due May 1, 2012, which have been registered under the federal securities laws, for \$80.0 million in principal amount of our outstanding unregistered 8.875% senior notes due May 1, 2012, which we issued on April 10, 2008 in a private offering. You have the right to exchange your outstanding notes for exchange notes with substantially identical terms except that:

the exchange notes have been registered under the Securities Act and will not bear any legend restricting their transfer;

the exchange notes bear a different CUSIP number from the outstanding notes; and

the exchange notes will not be entitled to additional interest provisions applicable to the outstanding notes in some circumstances relating to the timing of the exchange offer.

For your outstanding notes to be exchanged, you must properly tender them before the expiration of the exchange offer. All outstanding notes that are validly tendered and not validly withdrawn will be exchanged. We will issue the exchange notes on or promptly after the expiration of the exchange offer.

Registration Rights Agreement

We sold the outstanding notes on April 10, 2008 to an initial purchaser. At that time, we signed a registration rights agreement with that initial purchaser, which requires us to conduct this exchange offer. This exchange offer is intended to satisfy those rights set forth in the

registration rights agreement. After the exchange offer is complete, you will not have any further rights under the registration rights agreement, including any right to require us to register any outstanding notes that you do not exchange or to pay you additional interest.

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If You Fail to Exchange Your Outstanding Notes	If you do not exchange your outstanding notes for exchange notes in the exchange offer, you will continue to be subject to the restrictions on transfer provided in the outstanding notes and indenture governing those notes. In general, you may not offer or sell your outstanding notes unless they are registered under the federal securities laws or are sold in a transaction exempt from or not subject to the registration requirements of the federal securities laws and applicable state securities laws.
Expiration Date	The exchange offer will expire at 5:00 p.m., New York City time, on July 8, 2008, unless we decide to extend the expiration date. See The Exchange Offer Expiration Date; Extensions; Amendments.
Conditions to the Exchange Offer	<p>The exchange offer is subject to customary conditions that we may waive. The exchange offer is not conditioned upon any minimum amount of outstanding notes being tendered for exchange. See The Exchange Offer Conditions.</p> <p>We reserve the right, subject to applicable law, at any time and from time to time:</p> <ul style="list-style-type: none">to delay the acceptance of the outstanding notes;to terminate the exchange offer if specified conditions have not been satisfied;to extend the expiration date of the exchange offer and retain all tendered outstanding notes subject to the right of tendering holders to withdraw their tender of outstanding notes; andto waive any condition or otherwise amend the terms of the exchange offer in any respect. See The Exchange Offer Expiration Date; Extensions; Amendments.
Procedures for Tendering Notes	<p>If you wish to tender your outstanding notes for exchange, you must:</p> <ul style="list-style-type: none">complete and sign the enclosed letter of transmittal by following the related instructions; andsend the letter of transmittal, as directed in the instructions, together with any other required documents, to the exchange agent, either (1) with the outstanding notes to be tendered or (2) in compliance with the specified procedures for guaranteed delivery of the outstanding notes. <p>Brokers, dealers, commercial banks, trust companies and other nominees may also effect tenders by book-entry transfer.</p>

Please do not send your letter of transmittal or certificates representing your outstanding notes to us. Those documents should be sent only to the exchange agent. Questions regarding how to tender and requests for information should be directed to the exchange agent. See The Exchange Offer Exchange Agent.

Special Procedures for Beneficial Owners If your outstanding notes are registered in the name of a broker, dealer, commercial bank, trust company or other nominee, we urge you to contact that person promptly if you wish to tender your outstanding

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notes pursuant to the exchange offer. See The Exchange Offer Procedures for Tendering.

Withdrawal Rights

You may withdraw the tender of your outstanding notes at any time before the expiration date of the exchange offer by delivering a written notice of your withdrawal to the exchange agent. You must also follow the withdrawal procedures as described under the heading The Exchange Offer Withdrawal of Tenders.

U.S. Federal Income Tax Considerations

The exchange of outstanding notes for the exchange notes in the exchange offer should not be a taxable event for U.S. federal income tax purposes. See Certain Federal Income Tax Considerations Relating to the Exchange Offer and the Exchange Notes.

Resale of Exchange Notes

We believe that you will be able to offer for resale, resell or otherwise transfer exchange notes issued in the exchange offer without compliance with the registration and prospectus delivery provisions of the federal securities laws, provided that:

you are acquiring the exchange notes in the ordinary course of business;

you are not engaged in, and do not intend to engage in, a distribution of the exchange notes;

you do not have any arrangement or understanding with any person to participate in the distribution of the exchange notes;

you are not a broker-dealer tendering outstanding notes acquired directly from us for your own account;

you are not one of our affiliates, as defined in Rule 405 of the Securities Act; and

you are not prohibited by law or any policy of the SEC from participating in the exchange offer.

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

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

We do not and will not assume or indemnify you against this liability.

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

Exchange Agent

The exchange agent for the exchange offer is The Bank of New York Trust Company, N.A. The address, telephone number and facsimile

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number of the exchange agent are set forth in The Exchange Offer Exchange Agent and in the letter of transmittal.

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

The Exchange Notes

Exchange Notes

\$80.0 million aggregate principal amount of 8.875% senior notes due 2012. The outstanding notes are an additional issuance of our 8.875% Senior Notes due 2012 and are treated as a single class with the \$200,000,000 aggregate principal amount of 8.875% Senior Notes due 2012 originally issued on April 23, 2002, which we refer to as the existing notes. On July 24, 2002, we commenced an offer to exchange 8.875% senior notes due 2012 that were registered under the Securities Act, which we refer to as the registered existing notes, for all of our outstanding existing notes. The exchange notes offered hereby will be identical to the registered existing notes. Collectively, we refer to the existing notes, the registered existing notes, the outstanding notes and the exchange notes throughout this prospectus as the notes.

Maturity Date

May 1, 2012

Interest Payment Dates

The exchange notes will bear interest at the rate of 8.875% per year, payable semi-annually in cash, in arrears on May 1 and November 1 of each year, commencing on November 1, 2008.

Ranking

The exchange notes will be our unsecured senior obligations and will not be guaranteed by any of our subsidiaries. Accordingly, the exchange notes will:

be effectively subordinated to all of our existing and future secured indebtedness to the extent of the value of the assets securing such indebtedness;

rank equally in right of payment with all of PolyOne's existing and future unsubordinated indebtedness;

rank senior in right of payment to all of PolyOne's existing and future indebtedness that expressly provides for its subordination to the notes; and

be structurally subordinated to all of the existing and future indebtedness and other liabilities of PolyOne's subsidiaries.

As of March 31, 2008, on a pro forma basis after giving effect to the offering of the outstanding notes and the application of the net proceeds therefrom, we would have had \$501.4 million of consolidated indebtedness outstanding, and our secured indebtedness would have been

comprised of \$21.4 million of indebtedness (excluding intercompany indebtedness) guaranteed by us on a secured basis under our guarantee and agreement.

As of March 31, 2008, our subsidiaries had \$49.6 million of indebtedness outstanding (excluding intercompany indebtedness).

Optional Redemption

We will have the option to redeem the exchange notes at any time at a price equal to the greatest of 100% of the principal amount of the

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exchange notes and a make-whole amount, plus, in each case, any accrued interest to the date of redemption. The make-whole amount will be based on a discount rate equal to the yield on a comparable U.S. Treasury security plus 50 basis points. See Description of the Notes Optional Redemption.

Use of Proceeds

We will not receive any cash proceeds from the issuance of the exchange notes.

Risk Factors

You should consider carefully all of the information set forth in this prospectus and, in particular, should evaluate the specific factors set forth in the section entitled Risk Factors.

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We have derived the following summary consolidated statement of income data for the years ended December 31, 2005, 2006 and 2007 and consolidated balance sheet data as of December 31, 2005, 2006 and 2007 from our audited consolidated financial statements. The summary consolidated statement of income data for the three months ended March 31, 2007 and 2008 and consolidated balance sheet data as of March 31, 2007 and 2008 are derived from our unaudited consolidated financial statements and include all adjustments that we consider necessary for a fair presentation of the financial information. The summary historical financial data should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations and the consolidated financial statements and related notes of PolyOne included in PolyOne's Annual Report on Form 10-K for the year ended December 31, 2007 and PolyOne's Quarterly Report on Form 10-Q for the quarter ended March 31, 2008 incorporated by reference into this prospectus.

	Year Ended December 31,			Three Months Ended	
	2005	2006	2007	2007	2008
	(In millions)				
Consolidated statements of income data:					
Sales	\$ 2,450.6	\$ 2,622.4	\$ 2,642.7	\$ 657.8	\$ 713.7
Operating costs and expenses:					
Cost of sales	(2,155.7)	(2,284.1)	(2,337.3)	(563.6)	(617.4)
Selling and administrative	(182.8)	(202.6)	(241.8)	(60.1)	(68.5)
Depreciation and amortization	(50.7)	(57.1)	(57.4)	(14.1)	(15.8)
Income from equity affiliates and minority interest	79.9	112.0	27.7	6.5	8.1
Operating income	141.3	190.6	33.9	26.5	20.1
Interest expense, net	(66.2)	(63.1)	(46.9)	(14.4)	(8.4)
Premium on early extinguishment of long-term debt		(4.4)	(12.8)		
Other expense, net	(5.3)	(2.8)	(6.6)	(0.9)	(2.0)
Income (loss) before income taxes and discontinued operations	69.8	120.3	(32.4)	11.2	9.7
Income tax benefit (expense)	(6.6)	5.3	43.8	(3.8)	(3.2)
Income before discontinued operations	\$ 63.2	\$ 125.6	\$ 11.4	\$ 7.4	\$ 6.5
Balance sheet data (as of period end):					
Cash and cash equivalents	\$ 32.8	\$ 66.2	\$ 79.4	\$ 67.1	\$ 59.2
Current assets	613.5	669.3	683.8	733.7	700.1
Property, net	436.0	442.4	449.7	437.3	468.9
Goodwill and other intangibles	297.6	296.4	295.5	295.9	405.2
Total assets	1,695.3	1,780.8	1,583.0	1,843.3	1,731.5
Current liabilities	334.0	341.8	373.6	394.2	515.2
Total debt	646.5	595.4	336.7	595.9	421.4

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Shareholders equity		394.9		581.7		649.4		593.6		662.3
Other financial data:										
Net cash provided by operating activities	\$	63.7	\$	111.7	\$	67.2	\$	3.8	\$	57.1
Net cash provided (used) by investing activities		(24.2)		(16.8)		215.3		(3.5)		(158.4)
Net cash provided (used) by financing activities		(43.7)		(63.4)		(275.9)		(0.3)		81.2
Capital expenditures		32.1		41.1		43.4		7.5		8.4
Ratio of earnings to fixed charges(1)(2)		1.8x		2.3x				1.3x		1.2x

- (1) For purposes of computing the ratio of earnings to fixed charges, earnings consist of income (loss) before income taxes and discontinued operations and exclude income (loss) from equity affiliates and minority interest and capitalized interest, but include dividends received from equity affiliates, fixed charges and amortization of previously capitalized interest. Fixed charges consist of interest expensed and capitalized, amortized premiums, discounts and capitalized expenses related to indebtedness, a portion of rental expense representing an interest factor and interest expense relating to guaranteed debt of our equity affiliates.
- (2) Earnings for the years ended December 31, 2003 and December 31, 2007 were inadequate to cover fixed charges. The coverage deficiencies amounted to \$131.8 million and \$22.4 million, respectively. The ratio of earnings to fixed charges for the year ended December 31, 2004 was 1.3x.

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RISK FACTORS

An investment in the exchange notes involves risk. In addition to the other information contained in or incorporated by reference into this prospectus, you should carefully consider the following risk factors and information under Forward-Looking Statements, which appear elsewhere in this prospectus, as well as the risk factors set forth under the caption Risk Factors contained in Item 1A of PolyOne's Annual Report on Form 10-K for the year ended December 31, 2007, before deciding whether to exchange any outstanding notes.

Risks Relating to Our Debt, Including the Notes

Our high level of debt could impair our financial health and prevent us from fulfilling our obligations under the notes.

As of March 31, 2008, after giving effect to the offering of the outstanding notes and the application of the net proceeds therefrom, we would have had total indebtedness of approximately \$501.4 million. Our high level of debt and our debt service obligations could: