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

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of report (Date of earliest event reported): January 23, 2008

PolyOne Corporation

(Exact Name of Registrant as Specified in Charter)

Ohio

(State or Other Jurisdiction
of Incorporation)

1-16091

(Commission
File Number)

34-1730488

(IRS Employer
Identification No.)

33587 Walker Road, Avon Lake, Ohio 44012
(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: **(440) 930-1000**

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02. Results of Operations and Financial Condition.

On January 23, 2008, Stephen D. Newlin, Chairman, President and Chief Executive Officer of PolyOne Corporation (the "Company"), will deliver a presentation at the Sidoti & Company Fifth Annual "Emerging Growth Institutional Investor Forum" in Palm Beach, Florida. The presentation is scheduled to begin at 9:05 a.m., Eastern Time. A copy of the slide show to be handed out at this presentation is attached as Exhibit 99.1.

The slide show contains preliminary estimates of the Company's results of operations for the fiscal year ended December 31, 2007, which remain subject to change as the Company finalizes its financial statements for such period.

The slide show also contains the following non-GAAP financial measures: pro forma revenue; gross margin; and operating income (loss) before special items. Below are reconciliations to the most directly comparable GAAP financial measures. The Company is unable to provide a reconciliation for non-GAAP financial measures for periods beyond 2006 without unreasonable efforts.

Reconciliation of 2006 Pro Forma Revenue

<u>(In billions)</u>	<u>Year Ended December 31, 2006</u>
PolyOne revenue	\$ 2.6
GLS revenue	<u>0.1</u>
Pro forma revenue	<u>\$ 2.7</u>

Reconciliation of 2006 Gross Margin, as adjusted

<u>(In millions)</u>	<u>Year Ended December 31, 2006</u>
Sales — continuing	\$ 2,622.4
Cost of sales	2,282.7
Depreciation and amortization related to cost of sales activities	41.2
Environmental remediation costs & other adjustments	<u>(7.8)</u>
Gross margin, as adjusted	<u>\$ 306.3</u>

Reconciliation of GAAP 2006 Operating Income to Non-GAAP Operating Income before Special Items

(In millions)	Year Ended December 31, 2006
<u>Continuing Operations:</u>	
Operating income	\$ 190.5
Special items in continuing operations, before tax	2.7
Operating income before specials	<u>\$ 193.2</u>
<u>Special Items in continuing operations, before tax</u>	
Asset impairments	\$ 0.2
Environmental remediation at inactive site	2.5
	<u>\$ 2.7</u>

The Company has provided pro forma revenue, which includes revenue from the recently acquired GLS Corporation, to give an indication of the potential impact of the GLS acquisition on PolyOne's revenue. PolyOne's chief operating decision maker uses the other non-GAAP 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.

The information in this Form 8-K, including Exhibit 99.1 attached hereto, shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act"), or otherwise subject to the liability of such section, nor shall it be deemed incorporated by reference in any filing of the Company under the Securities Act of 1933 or the Exchange Act, regardless of any general incorporation language in such filing, unless expressly incorporated by specific reference in such filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
99.1	Stephen D. Newlin Presentation, dated January 23, 2008

SIGNATURES

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

Date: January 23, 2008

POLYONE CORPORATION

By /s/ Lisa K. Kunkle
Name: Lisa K. Kunkle
Title: Vice President, General Counsel
and Secretary

EXHIBIT INDEX

Exhibit <u>No.</u>	<u>Description</u>
99.1	Stephen D. Newlin Presentation, dated January 23, 2008



PolyOne[™]



PolyOne Corporation

January 2008
Sidoti Conference

Proof of Performance

Forward-looking Statements

Proof of Performance

- 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. Forward-looking statements give current expectations or forecasts of future events and are not guarantees of future performance. They are based on management’s expectations that involve a number of business risks and uncertainties, any of which could cause actual results to differ materially from those expressed in or implied by the forward-looking statements. You can identify these statements by the fact that they do not relate strictly to historic or current facts. They use words such as “anticipate,” “estimate,” “expect,” “project,” “intend,” “plan,” “believe,” and other words and terms of similar meaning in connection with any discussion of future operating or financial performance and/or sales. In particular, these include statements relating to future actions; prospective changes in raw material costs, product pricing or product demand; future performance; results of current and anticipated market conditions and market strategies; sales efforts; expenses; and financial results.
- 2007 values included in the presentation are estimates only, as we have not yet finalized year-end values; therefore, these 2007 values are subject to change.
- Factors that could cause actual results to differ materially are regularly updated. The most recent list of factors are included as part of this presentation and can be found in PolyOne’s January 23, 2008 8-K filing.

Forward-looking Statements

Proof of Performance

- **Forward-looking statements are subject to risks that may cause results to differ materially from those projected, including those listed below and the other factors set forth in our SEC filings, including our Form 10-K.**
- The effect on foreign operations of currency fluctuations, tariffs, nationalization, exchange controls, limitations on foreign investment in local businesses and other political, economic and regulatory risks;
- Changes in polymer consumption growth rates within the U.S., Europe or Asia or other countries where PolyOne conducts business;
- Changes in global industry capacity or in the rate at which anticipated changes in industry capacity come online in the polyvinyl chloride (PVC), chlor-alkali, vinyl chloride monomer (VCM) or other industries in which PolyOne participates;
- Fluctuations in raw material prices, quality and supply and in energy prices and supply, in particular fluctuations outside the normal range of industry cycles;
- Production outages or material costs associated with scheduled or unscheduled maintenance programs;
- The cost of compliance with environmental laws and regulations, including any increased cost of complying with new or revised laws and regulations;
- Unanticipated developments that could occur with respect to contingencies such as litigation and environmental matters, including any developments that would require any increase in our costs and/or reserves for such contingencies;
- An inability to achieve or delays in achieving or achievement of less than the anticipated financial benefit from initiatives related to cost reductions and employee productivity goals;
- An inability to raise or sustain prices for products or services;
- An inability to maintain appropriate relations with unions and employees in certain locations in order to avoid business disruptions;
- Any change in agreements with product suppliers to PolyOne Distribution that prohibits PolyOne from continuing to distribute a supplier's products to customers; 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.

Use of Non-GAAP Financial Measures

Proof of Performance

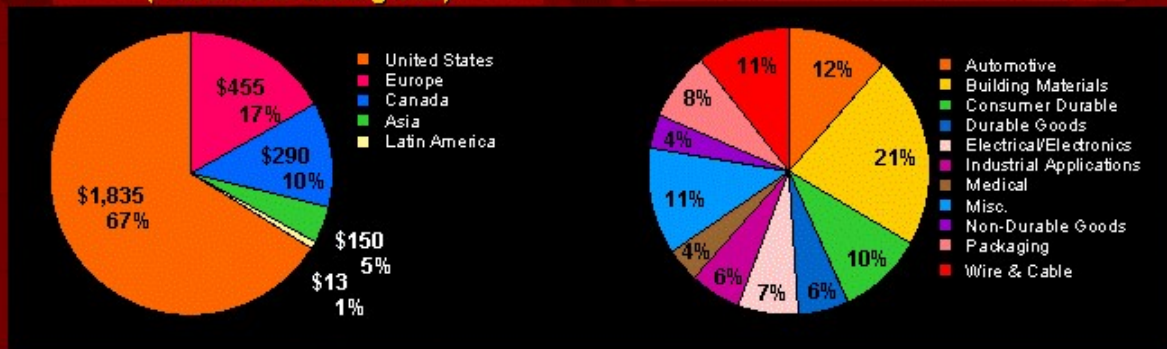
- **This presentation includes the use of both GAAP (generally accepted accounting principles) and non-GAAP financial measures. The non-GAAP financial measures include: operating income (loss) before special items, gross margin as adjusted, Debt/EBITDA and Net Debt/EBITDA.**
- **PolyOne's chief operating decision maker uses 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 disclosed in the Form 8-K filed today, January 23, 2008. A copy of this presentation and the Form 8-K can be found in the Investor Relations section of our website at www.polyone.com.**

PolyOne at a Glance

Proof of Performance

- 4,800 employees, 62 plants / warehouses and 14 technology centers worldwide
- 11,000 customers in 35 countries
- 3 operating platforms: Specialty businesses (\$1.1 billion); PolyOne Distribution (\$0.75 billion); and General Purpose businesses (\$1.1 billion)

2006 Revenues: \$2.7 billion
(Proforma including GLS)



Significant opportunities for growth in current > \$20 billion addressable market

2007 Summary Highlights

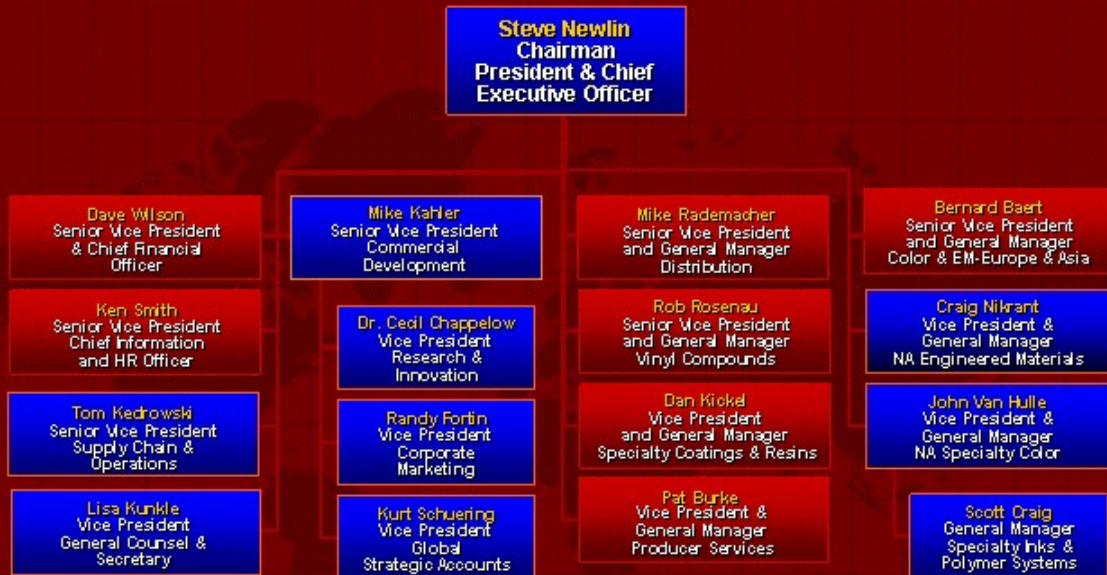
Proof of Performance

- **Divestment of OxyVinyls – redeemed \$241m 2010 high-yield notes**
- **Announced acquisitions of specialty TPE leader GLS and vinyl compounder NHPC in South China**
- **Specialty platform businesses operating income improved over 60% compared to 2006 for first 9-months 2007:**
 - Double-digit International sales and earnings growth
 - North American Color reversed steep losses, OI up estimated \$10m
 - Gross Margin % of sales up 2% points vs. 2006
- **POD on track for record earnings**
- **Strengthened global competitiveness**
- **Vinyl Business is well positioned for strong earnings recovery once housing market rebounds; market headwinds intensifying**
- **Investing in and upgrading commercial and R&D resources – commercial excellence and innovation demonstrating momentum**

New leadership team driving cultural change – instilling sense of urgency and accountability to deliver performance

The New Team is in Place

Proof of Performance



- ⇒ *Upgrading business teams below GM's*
- ⇒ *Aligning incentive plans to strategy attainment*
- ⇒ *Investing in commercial resources and capabilities*

2011 Key Performance Objectives

Proof of Performance

- Drive profitable growth, multiple expansion and shareholder value creation
- Key 2011 performance objectives:
 - 25% to 35% specialty business gross margins
 - 40% sales outside United States
 - 25% vitality index
 - Strong double-digit earnings CAGR
 - Generate economic return – ROIC > 15%

Meaningfully improved quality and sustainability of earnings mix should drive substantial multiple expansion and share price appreciation

Our Vision and Strategy

Proof of Performance



*The World's Premier Provider of Specialized
Polymer Materials, Services & Solutions*

Specialization

Proof of Performance

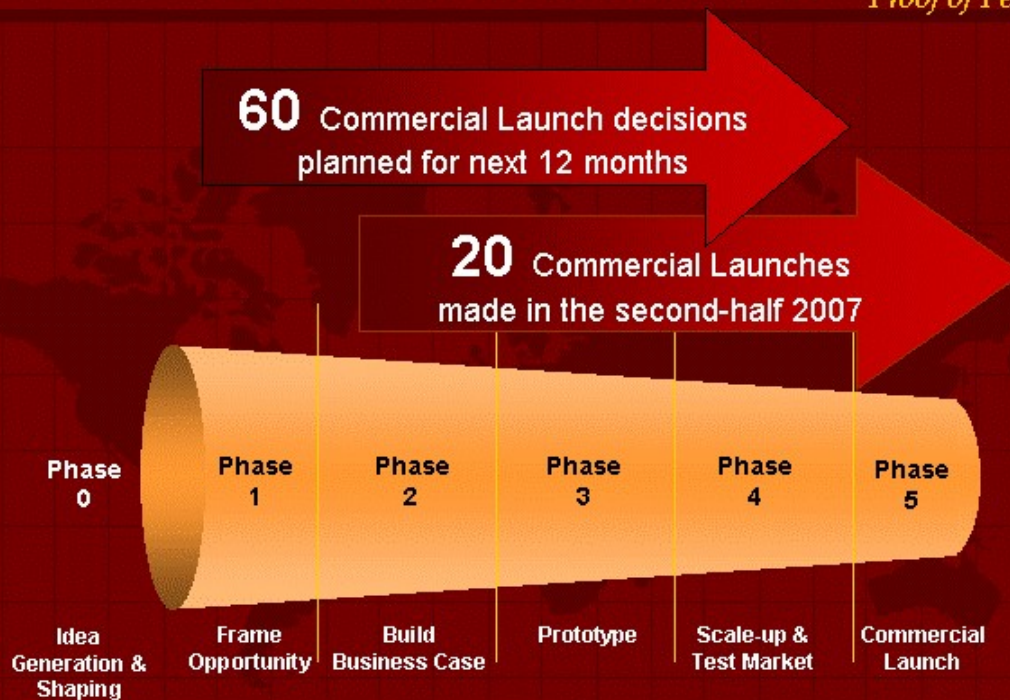
- **Shift the basis of competition to differentiation from cost / commodity**
- **Become a high value-added solutions provider**
- **Leverage our in-depth knowledge of polymers, formulations and polymer processing**
- **Redirect our strategic focus to the most attractive market segments**



PolyOne Innovation Pipeline

Innovation → Driving Specialization

Proof of Performance



Increasing technology investment in 2008 by \$9 million, or 25%

- **Geographic footprint and cross-selling capability with our customer base provides unique growth opportunities**
- **Demand for our products and knowledge is robust in many key regional growth markets**
- **Customers desire global partners who can provide consistent standards of performance**
- **Global innovation and technology transfer processes to leverage new product introductions**



Globalization – Plastics Demand

Proof of Performance

Priority Market Opportunities	Plastic Demand Annual Growth Rate	Annual Demand Million Metric Tons
China	10%	46
India	14%	16
Eastern Europe	9%	8
Western Europe	2%	52
South America	5%	10
North America	3%	64
World	4%	230

- **Providing our customers the value and solutions that will help them achieve their growth and profit improvement objectives**
- **Upgrading talent and increasing sales, marketing and innovation resources**
- **Developing marketing/sales skills**
- **Implementing new commercial tools to increase business gains**



Focused Approach to Improving Commercial Performance

Proof of Performance

- Incentive compensation changes
- Prune unprofitable business
- Drive new business gains
- Sales efficiency
- Sales effectiveness



Operational Excellence

Proof of Performance

Operational Excellence is our never ending quest for improvement to answer the voice of our customers

- Instilling Lean Six Sigma culture through organization
- Strengthening capabilities to deliver value flawlessly to customers
- Launching Supply Chain initiatives – targeting \$50 million improvement within 3 years
- Improving on-time delivery – 4Q 2007 achieved 95% target





PolyOne[™]



Business Unit Profiles

Proof of Performance

North American Color and Additives

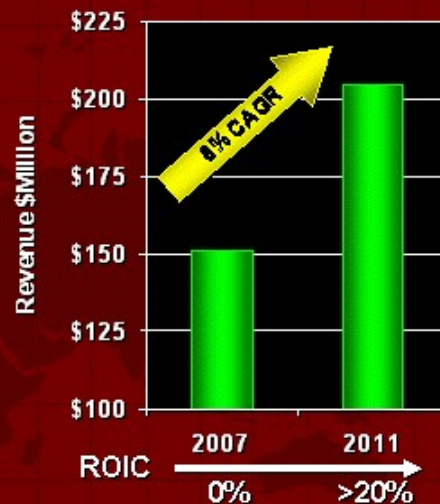
Proof of Performance

➤ Profile

- Industry leader with superior technical expertise
- Achieved strong profitability turnaround - \$10m 2007 OI improvement
- Scale capabilities to meet global customer requirements
- Available market: \$3.2 billion

➤ Strategic Initiatives

- Targeting healthcare, consumer and packaging industries
- Developing new technologies – liquid color, biomaterials, specialty additives
- Commercializing bio-friendly solutions



Gross Margins rise to >25%

North American Engineered Materials

Proof of Performance

➤ Profile

- New leadership team in place 2007
- Customized specialty polymers and solutions
- Quantified competitive advantage -- innovation, speed, flexibility, global reach
- Available market: \$6.8 billion

➤ Strategic Initiatives

- Transforming business by increasing specialty business to 80% of total
- Investing in commercial and technical resources – metal-to-plastic conversions, bio-friendly solutions, new alloys and blends
- Targeting healthcare, aerospace, electronics, consumer, and biopolymer markets



Gross Margins rise to >25%

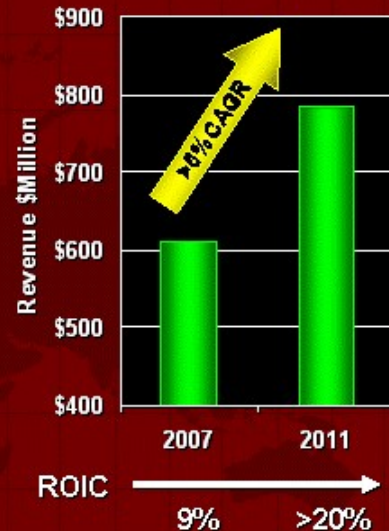
- North American leader of specialty thermoplastic elastomer compounds (TPE's) for consumer, healthcare and packaging applications
- \$3.5 billion available market
- Experienced leadership team with stellar reputation for product innovation, speed-to-market and customer service
- Leading and unique technology position that we are leveraging globally
- \$130 million 2007 sales revenue – doubles size and decisively shifts Engineered Materials' portfolio to specialty materials
- Consistent strong revenue and earnings growth – performance metrics meet corporate profitability and return targets

➤ Profile

- Premier European and Asian EM and Color business
- Global custom solutions delivery capabilities for leading MNC's
- 2007 double-digit sales and OI growth
- Available market: \$11.3 billion

➤ Strategic Initiatives

- Aggressively expanding footprint in attractive high growth regions
- Commercializing new technologies – biomaterials, specialty additives, specialty wire & cable materials
- Targeting business equipment, packaging, wire & cable and automotive markets



Gross Margins rise to >25%

➤ Profile

- World's premier brand recognized for excellence, reliability, quality
- Unmatched technical expertise
- Current weak residential housing market resulted in 2007 revenue and OI declines
- Available market: \$2.6 billion

➤ Strategic Initiatives

- Reducing vulnerability to B&C market through penetration of specialty niches
- Developing new specialty applications
- Driving > 5% annual productivity gains
- Expanding into Asia



Gross Margins rise to >14%

PolyOne Distribution

Proof of Performance

➤ Profile

- National plastics distributor with over 5,000 customers
- Experienced management and sales team and strong technical service
- Key channel for PolyOne Vinyl Compounds and EM products
- Available market: \$7.6 billion

➤ Strategic Initiatives

- Accelerating sales and OI growth through commercial investments
- Expanding presence in Mexico and Canada
- Developing position in key markets such as healthcare
- Explore opportunities to expand global reach



Gross Margins rise to >9%

On track for record OI in 2007



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Financial Summary

Proof of Performance

➤ **Strong financial profile established, providing greater flexibility:**

- Total debt and interest expense lowest since formation
- Current leverage ratio of 2.0x to 2.5x; credit ratings upgraded
- Invested capital productivity targets delivered
- Investment capacity grows consistently

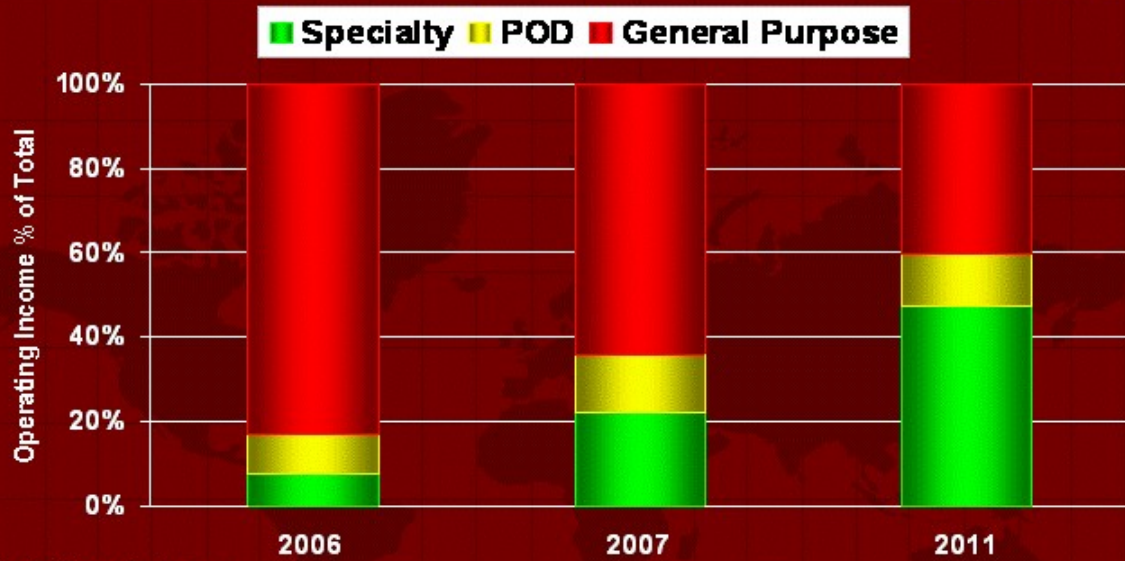
➤ **Transformation strategies improve quality and sustainability of earnings mix:**

- OxyVinyls divestment reshapes portfolio and eliminates principal source of volatility
- Specialization driving meaningful earnings mix improvement
- Investments aligned with specialization and globalization
- Effectiveness and efficiency improved through commercial and operational excellence



Operating Income Mix

Proof of Performance



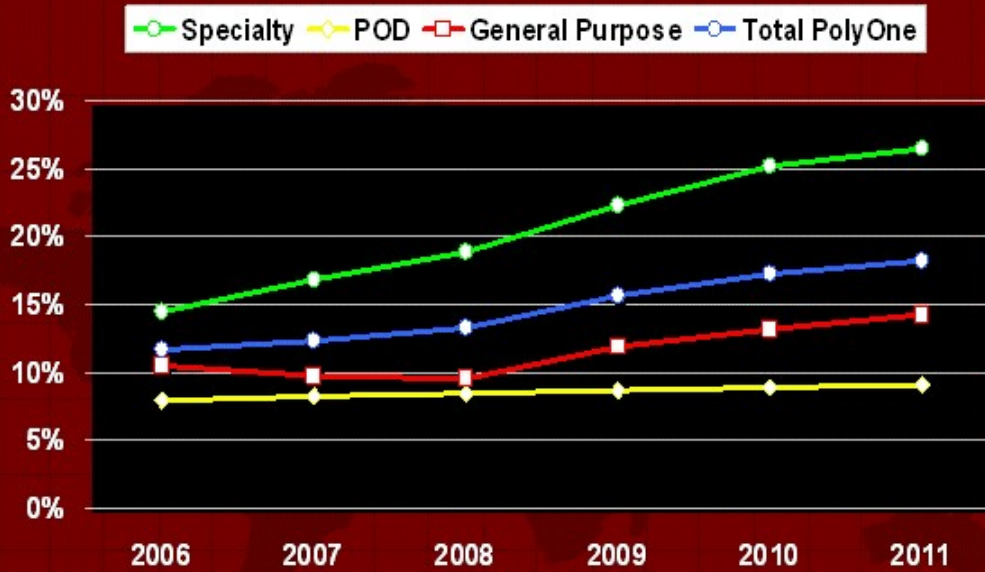
Excludes Corporate charges

Projected operating income CAGR exceeds 25%, driving greater than three-fold increase in EPS by 2011, including GLS. Specialty earnings lifted by strong gross margin increases.

Earnings quality improves with meaningful mix shift towards Specialty Businesses

Gross Margin % of Sales Outlook

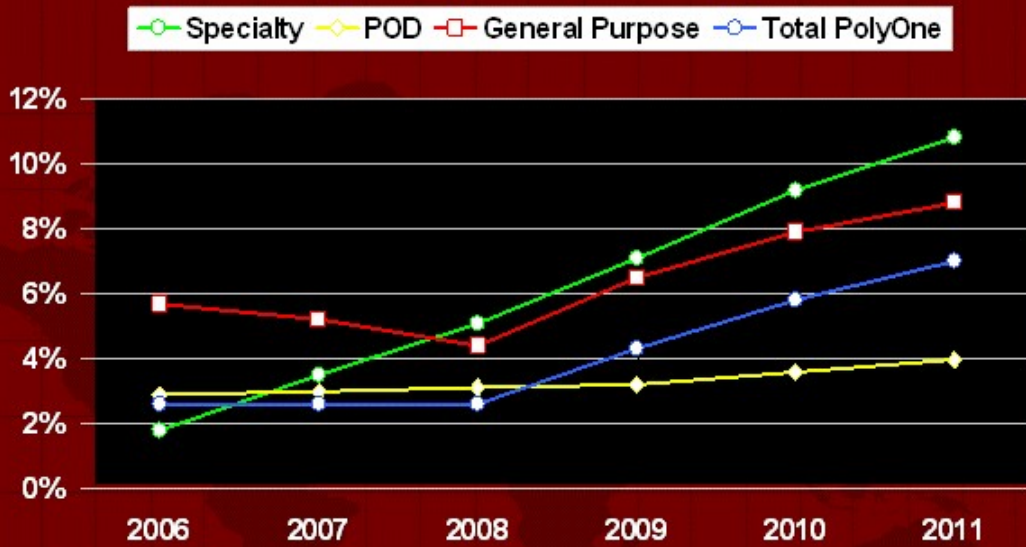
Proof of Performance



Specialization drives increases across each platform. Specialty platform achieves 25% objective by 2010.

Operating Income % of Sales Outlook

Proof of Performance

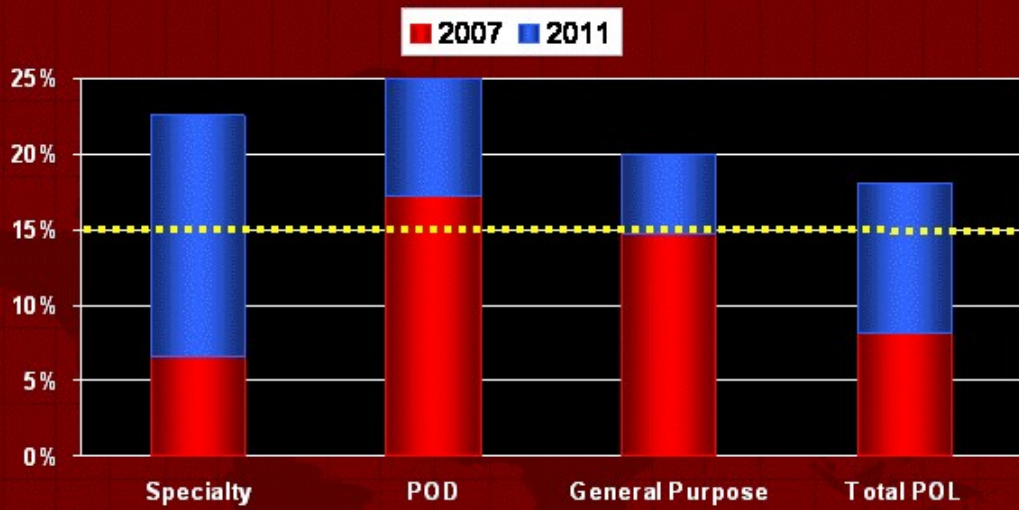


ROS excludes R&I equity OI

Specialty platform approaches 11% operating margin in 2011. Total 2011 operating margin projected to increase >4% points from 2007.

Return on Invested Capital Summary

Proof of Performance

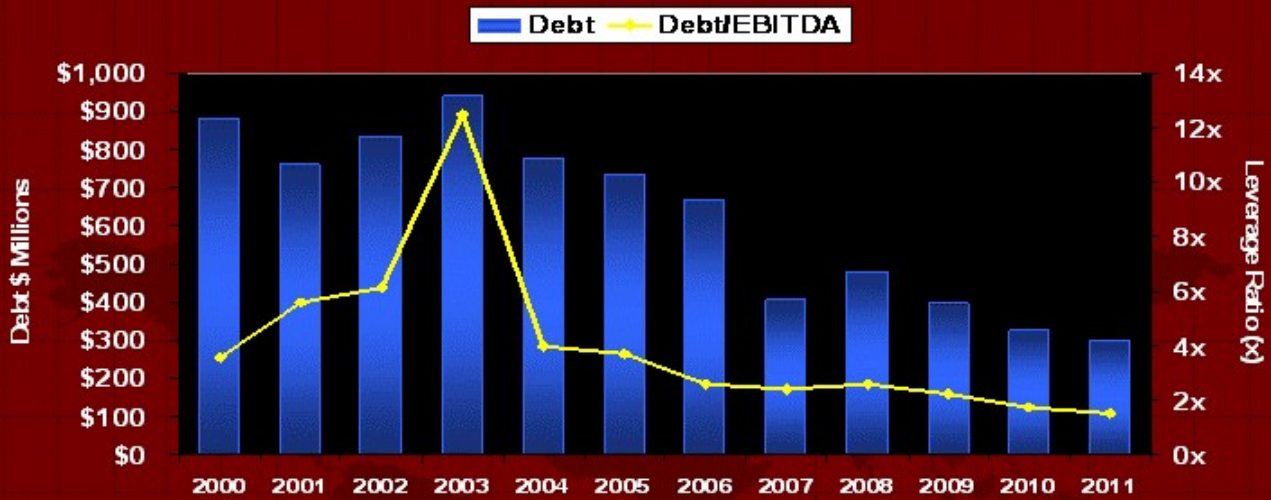


*Each platform achieves ROIC objective to generate a target return by 2011.
POD and GP performing at or above target in 2007.*

Total PolyOne ROIC reaches 18% by 2011.

Strengthening Financial Profile

Proof of Performance



Target leverage ratio of 2.0x to 2.5x achieved in 2007. GLS acquired in 2008.

Redemption of 2010 Senior Notes in 2007 reduces total debt to half level at POL formation. \$26 million annual debt reduction 2008 – 2011 corresponds to scheduled retirements.

Net interest expense reduction should exceed \$20 million in 2008 vs. 2006.

Key Performance Indicators

Proof of Performance

Key Performance Indicators	2011 Objective	Projected Performance
Gross Margin Attainment	25% - 35% for Specialty Businesses	25% by 2010; > 10% ROS by 2011
Sales Outside the USA	40%	38% projected. Acquisitions close the gap.
Vitality Index	25%	11.5% base increases from new commercial launches plus 60 new projects in pipeline
Core Business OI Growth	Double Digit CAGR	> 25% CAGR projected for total PolyOne
Return on Invested Capital:		
➤ Total PolyOne (pre-tax)	> 15%	18% achieved by 2011
➤ Business Units (pre-tax)	> 15%	Each platform exceeds target by 2011

Strong earnings growth plus substantial improvement in quality and sustainability of earnings mix should drive a significant step up in valuation multiple and equity price

Proof of Performance – Financial Summary

Proof of Performance

- **Transformation strategies deliver key objectives**
 - Specialization drives meaningful increases in gross margins, which deliver ROS and ROIC
 - Quality of earnings mix reshapes portfolio; underpins sustainable, high-value base; and expands equity valuation multiples
- **Financial profile is strong, enabling flexibility to accelerate requisite strategic investments to support organic growth initiatives and acquisitions, while maintaining strong financial ratios**
 - Ratings should improve, potentially returning to investment grade by 2009
- **Portfolio development initiatives strengthen business mix and achieve strategic objectives**
- **Strong earnings growth will drive marked increase in price of PolyOne's equity, delivering sustainable value to shareholders**



Our Value Proposition to Investors

Proof of Performance

- **Proven leadership team in place driving cultural change – instilling urgency and accountability to deliver results**
- **Specialization strategy producing demonstrable results**
- **Investing in and upgrading commercial resources**
- **Prioritized expansion into high-growth, high-value markets**
- **Recognized technology leader with accelerating R&D**
- **Excellent organic and acquisition growth opportunities**
- **Renewed financial strength to fund growth and drive EPS**
- **Deep value-to-growth equity play**

Effective Strategy Execution Drives Share Value Appreciation



PolyOne[™]



PolyOne Corporation

January 2008

Proof of Performance