SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

FOR QUARTERLY PERIOD ENDED JUNE 30, 2001. COMMISSION FILE NUMBER 1-16091.

POLYONE CORPORATION
(Exact name of registrant as specified in its charter)

Ohio	34-1730488
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
Suite 36-5000, 200 Public Square, Cleveland, Ohio	44114-2304
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (216) 589-4000

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

As of August 7, 2001, there were 93,830,298 common shares outstanding. There is only one class of common shares.

Item I.
Part I. Financial Information.

POLYONE CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
(DOLLARS IN MILLIONS EXCEPT PER SHARE DATA)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2001	2000	2001	2000
Sales	$ 695.4	$ 361.2	$ 1,405.1	$ 706.7
Operating costs and expenses:				
Cost of sales	578.8	316.5	1,177.2	617.3
Selling and administrative	77.6	20.2	159.5	44.5
Depreciation and amortization	25.9	9.4	52.3	18.9
Employee separation and plant phase-out	0.9	2.8	9.8	2.8
Merger and integration costs	0.5	--	5.8	--
(Income) loss from equity affiliates and minority interest	(5.1)	(18.1)	7.0	(36.9)
Operating income (loss)	16.8	30.4	(6.5)	60.1
Interest expense	(10.9)	(7.2)	(23.8)	(14.2)
Interest income	1.2	0.4	1.4	0.9
Other expense, net	1.4	(0.6)	(0.9)	(1.2)
Income (loss) before income taxes	8.5	23.0	(29.8)	45.6
Income tax (expense) benefit	(6.0)	(8.2)	10.9	(17.0)
Net income (loss)	$ 2.5	$ 14.8	$ (18.9)	$ 28.6
Earnings (loss) per share of common stock:				
Basic	$ .03	$ .31	$ (.21)	$ .61
Diluted	$ .03	$ .31	$ (.21)	$ .60
Weighted average shares used to compute earnings per share:				
Basic	89.8	47.0	89.8	47.0
Diluted	90.5	47.8	90.3	48.2
Dividends paid per share of common stock	$ .0625	$ .0625	$ .125	$ .125

See Accompanying Notes to the Unaudited Condensed Consolidated Financial Statements

POLYONE CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)
(DOLLARS IN MILLIONS)

ASSETS	June 30, 2001	December 31, 2000
Current assets:		
Cash and cash equivalents	$ 36.2	$ 37.9
Trade accounts receivable, net	198.9	330.4
Other receivables	12.8	17.1
Inventories	271.5	337.1
Deferred taxes	53.9	53.9
Other current assets	14.9	20.1
Total current assets	588.2	796.5
Property, net	674.1	703.8
Investment in equity affiliates	303.5	311.6
Goodwill and other intangible assets, net	546.0	540.3
Other non-current assets	109.7	108.5
Total assets	$2,221.5	$2,460.7
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Short-term bank debt	$ 15.5	$ 237.2
Accounts payable	360.8	319.4
Accrued expenses	162.2	175.7
Current portion of long-term debt	1.5	2.6
Total current liabilities	540.0	734.9
Long-term debt	439.1	442.4
Deferred income tax liabilities	122.3	132.8
Post-retirement benefits other than pensions	129.4	129.9
Other non-current liabilities, including pensions	181.5	179.1
Minority interest in consolidated subsidiaries	17.7	14.0
Total liabilities	1,430.0	1,633.1
Shareholders' equity:		
Preferred stock, 40.0 shares authorized, no shares issued	--	--
Common stock, $.01 par, 400.0 shares authorized, 122.2 shares issued at June 30, 2001 and December 31, 2000	1.2	1.2
Other shareholders' equity	790.3	826.4
Total shareholders' equity	791.5	827.6
Total liabilities and shareholders' equity	$2,221.5	$2,460.7

See Accompanying Notes to the Unaudited Condensed Consolidated Financial Statements

POLYONE CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(DOLLARS IN MILLIONS)

	Six Months Ended June 30, 2001	Six Months Ended June 30, 2000
OPERATING ACTIVITIES		
Net income (loss)	$ (18.9)	$ 28.6
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:		
Employee separation and plant phase-out	9.8	2.8
Depreciation and amortization	52.3	18.9
Companies carried at equity:		
Equity (income) loss, net of minority interest	7.0	(36.9)
Dividends received	1.0	19.7
Provision (benefit) for deferred income taxes	(4.0)	16.0
Change in assets and liabilities:		
Operating working capital:		
Accounts receivable	128.3	(33.3)
Inventories	61.3	3.7
Accounts payable	46.4	(1.0)
Accrued expenses and other	(24.6)	(19.4)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	258.6	(0.9)
INVESTING ACTIVITIES		
Capital expenditures	(36.0)	(13.9)
Return of cash from equity affiliates	0.5	2.4
Proceeds from sale of assets	2.8	--
Other	3.5	--
NET CASH PROVIDED (USED) BY OPERATING AND INVESTING ACTIVITIES	229.4	(12.4)
FINANCING ACTIVITIES		
Change in short-term debt	(222.2)	13.0
Change in long-term debt	3.1	--
Net proceeds from issuance of common stock	--	0.6
Dividends	(11.3)	(6.2)
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	(230.4)	7.4
Effect of exchange rate changes on cash	(0.7)	0.7
DECREASE IN CASH AND CASH EQUIVALENTS	(1.7)	(4.3)
Cash and cash equivalents at beginning of year	37.9	51.2
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 36.2	$ 46.9

See Accompanying Notes to the Unaudited Condensed Consolidated Financial Statements

POLYONE CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (UNAUDITED)
(DOLLARS IN MILLIONS, SHARES IN THOUSANDS)

	COMMON SHARES	COMMON SHARES HELD IN TREASURY	TOTAL	COMMON STOCK
BALANCE JANUARY 1, 2000	27,975	4,245	$ 334.7	$ 2.8
Non-owner equity changes:				
Net income			13.8	
Translation adjustment			(0.6)	
Total non-owner equity changes			13.2	
Stock based compensation and exercise of options		(118)	1.0	
Cash dividends			(3.1)	
BALANCE MARCH 31, 2000	27,975	4,127	345.8	2.8
Non-owner equity changes:				
Net income			14.8	
Translation adjustment			(3.0)	
Total non-owner equity changes			11.8	
Stock based compensation	4	25	(1.4)	
Formation of share ownership trust (SOT)		(500)	-	
Options exercised and shares issued from SOT			0.1	
Adjustment to market value			-	
Cash dividends			(3.1)	
BALANCE JUNE 30, 2000	27,979	3,652	$ 353.2	$ 2.8
BALANCE JANUARY 1, 2001	122,192	28,315	$ 827.6	$ 1.2
Non-owner equity changes:				
Net loss			(21.4)	
Translation adjustment			(10.4)	
Total non-owner equity changes			(31.8)	
Stock-based compensation and benefits and exercise of options		16	1.1	
Adjustment to market value			-	
Cash dividends			(5.6)	
BALANCE MARCH 31, 2001	122,192	28,331	791.3	1.2
Non-owner equity changes:				
Net income			2.5	
Translation adjustment			2.4	
Total non-owner equity changes			4.9	
Stock-based compensation and benefits and exercise of options		12	1.0	
Adjustment to market value			-	
Cash dividends			(5.7)	
BALANCE JUNE 30, 2001	122,192	28,343	$ 791.5	$ 1.2

	ADDITIONAL PAID-IN CAPITAL	RETAINED EARNINGS	COMMON STOCK HELD IN TREASURY	SHARE OWNERSHIP TRUST	ACCUMULATED OTHER NON-OWNER EQUITY CHANGES
BALANCE JANUARY 1, 2000	$ 297.3	$ 168.3	$ (104.5)	$ -	$ (29.2)
Non-owner equity changes:					
Net income		13.8			
Translation adjustment					(0.6)
Total non-owner equity changes					
Stock based compensation and exercise of options	(2.2)		3.1		0.1
Cash dividends		(3.1)			
BALANCE MARCH 31, 2000	295.1	179.0	(101.4)	-	(29.7)
Non-owner equity changes:					
Net income		14.8			
Translation adjustment					(3.0)
Total non-owner equity changes					
Stock based compensation	(1.0)		(0.4)		
Formation of share ownership trust (SOT)			13.4	(13.4)	
Options exercised and shares issued from SO	0.1				
Adjustment to market value	(4.3)			4.3	
Cash dividends		(3.1)			

BALANCE JUNE 30, 2000	$ 289.9	$ 190.7	$ (88.4)	$ (9.1)	$ (32.7)
BALANCE JANUARY 1, 2001	$ 1,057.6	$ 169.3	$ (321.9)	$ (25.5)	$ (53.1)
Non-owner equity changes:					
Net loss		(21.4)			
Translation adjustment					(10.4)
Total non-owner equity changes					
Stock-based compensation and benefits and exercise of options				4.5	(3.4)
Adjustment to market value	12.4			(12.4)	
Cash dividends		(5.6)			
BALANCE MARCH 31, 2001	1,070.0	142.3	(321.9)	(33.4)	(66.9)
Non-owner equity changes:					
Net income		2.5			
Translation adjustment					2.4
Total non-owner equity changes					
Stock-based compensation and benefits and exercise of options	(0.1)		(0.1)	1.0	0.2
Adjustment to market value	4.6			(4.6)	
Cash dividends		(5.7)			
BALANCE JUNE 30, 2001	$ 1,074.5	$ 139.1	$ (322.0)	$ (37.0)	$ (64.3)

See Accompanying Notes to the Unaudited Condensed Consolidated Financial Statements

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE A - BASIS OF PRESENTATION

PolyOne Corporation (PolyOne or Company) was formed on August 31, 2000, from the consolidation of The Geon Company (Geon) and M.A. Hanna Company (Hanna). The PolyOne consolidation has been accounted for as a purchase business combination, with Geon as the acquiring enterprise. Accordingly, the Company's condensed consolidated statements of operations under generally accepted accounting principles for the three months and the six months ended June 30, 2000 reflect only the operating results of Geon prior to the consolidation. A preliminary assessment of the fair value of the tangible and intangible assets and liabilities of the former Hanna business has been reflected in both the reported and pro forma operating results. The purchase price allocation reflected might be adjusted as estimated fair values of assets acquired and liabilities assumed are finalized. See Note K regarding a revision recorded in the second quarter of 2001. In connection with the consolidation, each outstanding share of Geon common stock was converted into two shares of PolyOne and each outstanding share of Hanna common stock was converted into one share of PolyOne. All per share data for all periods has been restated to reflect the effects of the conversion.

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with Form 10-Q instructions and in the opinion of management contain all adjustments (consisting of normal recurring accruals) necessary to present fairly the financial position, results of operations and cash flows for the periods presented. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. These interim statements should be read in conjunction with the financial statements and notes thereto incorporated by reference from the Company's Annual Report on Form 10-K for the year ended December 31, 2000.

Operating results for the three month and six month periods ended June 30, 2001 are not necessarily indicative of the results expected in subsequent quarters or for the year ending December 31, 2001.

NOTE B - ACCOUNTING PRONOUNCEMENTS

In July 2001, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 141, "Business Combinations," and SFAS No. 142, "Goodwill and Other Intangible Assets." SFAS 141 requires that the purchase method be used for all business combinations initiated after June 30, 2001. SFAS 142 requires that goodwill no longer be amortized to earnings, but instead be reviewed for impairment. The amortization of goodwill ceases upon adoption of SFAS 142, which for the Company will be January 1, 2002. The Company is currently evaluating the impact of SFAS 142.

Effective January 1, 2001 the Company adopted the provisions of SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." The standard requires all derivatives, whether designated in hedging relationships or not, to be recorded on the balance sheet at fair value. Due to the short-term nature of the Company's forward exchange contracts at June 30, 2001, the derivatives were marked to market through the income statement consistent with the Company's current accounting policy for these contracts. Accordingly, the adoption of SFAS 133 had no impact on the Company's results of operations or financial position.

NOTE C - INVENTORIES

Components of inventories are as follows:

(Dollars in millions)	June 30, 2001	December 31, 2000
Finished products and in-process inventories	$ 177.6	$ 201.4
Raw materials and supplies	114.1	159.8
	291.7	361.2
LIFO Reserve	(20.2)	(24.1)
Total Inventories	$ 271.5	$ 337.1

NOTE D - INCOME TAXES

The 2001 effective income tax rate for the six months year-to-date was 36.6% versus 44.1% at the end of the first quarter 2001. The 2001 second quarter reduction is principally due to the effect of non-deductible goodwill and relative level to total earnings. The year-to-date effective tax rate resulted in the second quarter's tax provision including an adjustment of $2.9 million of additional income tax expense, which lowered the quarter's earnings.

NOTE E - INVESTMENT IN EQUITY AFFILIATE

The Company owns 24% of OxyVinyls, LP (OxyVinyls), a manufacturer and marketer of PVC resins. OxyVinyls is the largest producer of PVC resins in North America. The following table presents OxyVinyls' summarized results of operations for the six months ended June 30, 2001 and 2000, and summarized balance sheet information as of June 30, 2001 and December 31, 2000.

(Dollars in millions)	For the Six Months Ended June 30, 2001	For the Six Months Ended June 30, 2000
Net sales	$ 886.3	$1,043.0
Operating income (loss)	(22.7)	151.7
Partnership income (loss) as reported by OxyVinyls	(27.9)	148.3
PolyOne's ownership of OxyVinyls	24%	24%
PolyOne's proportionate share of OxyVinyls' earnings	(6.7)	35.6
Amortization of the difference between PolyOne's investment and its underlying share of OxyVinyls' equity	0.3	0.3
Earnings of equity affiliate recorded by PolyOne	$ (6.4)	$ 35.9

(Dollars in millions)	June 30, 2001	December 31, 2000
Current assets	$ 404.7	$ 338.1
Non-current assets	984.2	1,045.1
Total assets	1,388.9	1,383.2
Current liabilities	185.0	238.2
Non-current liabilities	180.7	93.9
Total liabilities	365.7	332.1
Partnership capital	$1,023.2	$1,051.1

OxyVinyls' loss during the first half of fiscal 2001 reported above includes a first quarter special, pre-tax charge of $4.4 million, all of which related to involuntary severance, outplacement costs and other employee related separation benefits. The Company's proportionate share of this special item was $1.0 million.

NOTE F - SHAREHOLDERS' EQUITY

Effective May 2, 2001, the Board of Directors of the Company approved the termination of both the M.A. Hanna Associates Ownership Trust and The Geon Company Share Ownership Trust to simplify the administration of the Company's stock-based compensation plans. PolyOne shares remaining in the two trusts will be reacquired by the Company in accordance with the terms of the trusts and held in treasury. The termination of the two trusts does not have any impact on Company earnings, earnings per share or shareholders' equity.

During the first half of fiscal 2001, the Compensation Committee of PolyOne's Board of Directors authorized the issuance of 532,800 shares of restricted PolyOne stock to certain PolyOne executives. The restricted shares were valued at $7.22 per share and were issued from The Geon Company Share Ownership Trust. Shares vest and restrictions lapse three years from the date of grant. Accordingly, the Company has recorded the grants as unearned compensation to be recognized as compensation expense over the three-year vesting period.

NOTE G - EARNINGS PER SHARE COMPUTATION

Weighted average shares outstanding are computed as follows:

(Shares in millions)	Three Months Ended June 30, 2001	Three Months Ended June 30, 2000	Six Months Ended June 30, 2001	Six Months Ended June 30, 2000
Weighted average shares outstanding - Basic				
Average shares outstanding	90.4	48.6	90.3	48.0
Unearned portion of shares held in Share Ownership Trust	--	(1.0)	--	(0.4)
Less unearned portion of restricted stock Awards included in outstanding shares	(0.6)	(0.6)	(0.5)	(0.6)
	89.8	47.0	89.8	47.0
Weighted average shares outstanding - Diluted				
Average shares outstanding	90.4	48.6	90.3	48.0
Unearned portion of shares held in Share Ownership Trust	--	(0.8)	--	(0.4)
Plus dilutive impact of stock options and stock awards	0.1	--	--	0.6
	90.5	47.8	90.3	48.2

Basic earnings (loss) per common share is computed as net income (loss) available to common shareholders divided by weighted average basic shares outstanding. Diluted earnings (loss) per common share is computed as net income (loss) available to common shareholders divided by weighted average diluted shares outstanding.

As disclosed in Note A above, the historical share amounts and related per share data have been restated to reflect the conversion of each outstanding share of Geon common stock into two common shares of PolyOne.

NOTE H - EMPLOYEE SEPARATION AND PLANT PHASE-OUT

In June 2001, the Company announced its plans to form four Centers of Manufacturing Excellence (CMEs), as the first step in its plan to modernize its North American Plastic Compounds and Colors (PCC) manufacturing network. Three engineered materials plants have been slated for closure, following the modernization and consolidation at the CME sites. Related to this announcement, the Company has provided $4.9 million within purchase accounting for cash employee separation and plant phase-out costs. An additional $6.8 million has been accrued for asset write-downs, primarily property and equipment, associated with the plant closings. Approximately 200 positions will be eliminated with the closings. At June 30, 2001, the remaining accrual was $4.9 million, representing future cash severance and plant phase-out costs. The Company projects the plants will be closed in the second half of 2002.

In June 2001, the Company also announced its plan to close its Elastomers compounding plant in Kingstree, South Carolina. The plant closing will be included as part of the acquisition purchase accounting, for which the accrual for employee separation and plant phase-out costs totaled $5.6 million. An additional $5.5 million has been accrued for property and equipment write-downs associated with the plant closing. At June 30, 2001, the remaining accrual was $5.2 million, representing future cash severance and plant closing costs. The Company projects the plant will be closed by the end of the third quarter 2001, with the elimination of approximately 145 positions.

In March 2001, the Company announced its plan to eliminate 55 administrative and manufacturing positions at three sites within the engineered films operations. As a result, the Company recorded a special, pre-tax charge of $1.9 million, all of which related to involuntary severance and other employee related separation benefits. At June 30, 2001 the remaining accrual was $0.4 million representing future cash severance and benefit payments. As of June 30, 2001, all planned positions had been eliminated, 58 positions in total.

In January 2001, the Company announced its plan to close four plastic compounds and colors operating plants within the United States, transferring production to other Company manufacturing sites with available capacity and eliminating 65 positions. Related to this announcement, the Company has provided $1.7 million within purchase accounting in addition recording a special, pre-tax charge of $7.0 million. The charge to earnings included a $3.8

million non-cash write-off of manufacturing assets, one-time cash involuntary employee separation benefits of $2.1 million, and anticipated cash plant phase-out costs of $1.1 million. At June 30, 2001 the Company has remaining reserves of $1.9 million representing future cash payments of employee separation and plant phase-out costs. As of June 30, 2001 two plants have been closed and 51 positions were eliminated. Remaining plant closures and eliminations are projected to occur prior to the end of the fourth quarter of 2001.

During 2000, the Company recorded employee separation and plant phase-out charges of $3.4 million ($0.6 million of which pertained to inventory write-offs and was recorded in cost of sales) relating to the closing of an engineered films plant in Massachusetts. The accrual for employee separation and plant phase-out costs was $2.1 million and $1.4 million for the periods ended December 31, 2000 and June 30, 2001, respectively. The plant closed in February 2001 with the elimination of all 60 positions in the first six months of 2001.

NOTE I - MERGER AND INTEGRATION COSTS

During the first half of fiscal 2001 the Company recorded $5.8 million for certain costs associated with the consolidation and integration of Geon and Hanna. The majority of this cost represents executive severance in connection with a change in control resulting from the consolidation.

NOTE J - FINANCING ARRANGEMENTS

In the first half of fiscal 2001, the Company's accounts receivable sale facility was increased $150 million to $250 million. As of June 30, 2001, $244 million of this facility was being utilized. During May 2001 the Company also obtained amendments to the October 2000 revolving credit agreements, which included a $100 million reduction in available borrowings from an aggregate $400 million to $300 million, effectively offsetting some of the increase in the receivable sale facility.

NOTE K - PURCHASE PRICE ALLOCATION

As a result of the multiple business asset restructuring initiatives, an adjustment to the PolyOne formation initial purchase price allocation was recorded in the second quarter of 2001. A $23.7 million increase was offset by the write down of property, plant and equipment and the accrual of employee separation and plant closure costs. The revision had no material impact on earnings.

NOTE L - SEGMENT INFORMATION

The Company operates primarily in four business segments: the Performance Plastics segment, the Elastomers and Additives (E&A) segment, the Distribution segment, and the Resin and Intermediates (R&I) segment. Inter-segment sales are accounted for at prices generally approximating those for similar transactions with unaffiliated customers and the elimination of inter-segment sales revenue is included in the "Other" segment. Certain other corporate expenses and eliminations are included in the "Other" segment. Business segment assets consist primarily of customer receivables, inventories, net property and goodwill. Cash, accounts receivable sold to a third party and certain other assets not identified with a specific segment are included in the "Other" segment.

POLYONE CORPORATION AND SUBSIDIARIES
SEGMENT INFORMATION
(DOLLARS IN MILLIONS)

THREE MONTHS ENDED JUNE 30, 2001	TOTAL	PERFORMANCE PLASTICS	ELASTOMERS & ADDITIVES	DISTRIBUTION	RESIN & INTERMEDIATES	OTHER
Net Sales	$ 695.4	$ 484.6	$ 105.8	$ 117.8	$ --	$ (12.8)
Operating income (loss)	16.8	16.1	3.2	--	2.1	(4.6)
Employee separation and plant phase-out costs	0.9	0.9	--	--	--	--
Period cost of closed facilities	0.2	0.2	--	--	--	--
Merger and integration costs	0.5	--	--	--	--	0.5
Operating income (loss) before employee separation, plant phase-out and closed facilities, and merger and integration costs	18.4	17.2	3.2	--	2.1	(4.1)
Depreciation and amortization	25.9	19.3	4.4	0.9	--	1.3
Operating income (loss) before employee separation, plant phase-out and closed facilities, and merger and integration costs and depreciation and amortization	$ 44.3	$ 36.5	$ 7.6	$ 0.9	$ 2.1	$ (2.8)
Total assets	$2,221.5	$1,529.9	$ 317.4	$ 169.7	$ 252.6	$ (48.1)
Capital Expenditures	$ 16.7	$ 4.7	$ 2.0	$ 0.1	$ --	$ 9.9

THREE MONTHS ENDED JUNE 30, 2000	TOTAL	PERFORMANCE PLASTICS	ELASTOMERS & ADDITIVES	DISTRIBUTION	RESIN & INTERMEDIATES	OTHER
Net Sales	$ 361.2	$ 361.2	$ --	$ --	$ --	$ --
Operating income (loss)	30.4	18.8	--	--	15.8	(4.2)
Employee separation and plant phase-out costs	2.8	2.8		--	--	--
Directors pension termination	0.8	--	--	--	--	0.8
Write-off debt placement cost	0.8	--	--	--	--	0.8
Operating income (loss) before employee separation, plant phase-out, directors pension termination and write-off debt placement costs	34.8	21.6	--	--	15.8	(2.6)
Depreciation and amortization	9.4	9.4	--	--	--	--
Operating income (loss) before employee separation, plant phase-out, directors pension termination and write-off debt placement costs and depreciation and amortization	$ 44.2	$ 31.0	$ --	$ --	$ 15.8	$ (2.6)
Total assets	$1,201.1	$ 934.8	$ --	$ --	$ 262.8	$ 3.5
Capital expenditures	$ 7.6	$ 7.6	$ --	$ --	$ --	$ --

POLYONE CORPORATION AND SUBSIDIARIES
SEGMENT INFORMATION
(DOLLARS IN MILLIONS)

SIX MONTHS ENDED JUNE 30, 2001	TOTAL	PERFORMANCE PLASTICS	ELASTOMERS & ADDITIVES	DISTRIBUTION	RESIN & INTERMEDIATES	OTHER
Net Sales	$1,405.1	$ 973.4	$ 215.5	$ 238.9	$ --	$ (22.7)
Operating income (loss)	(6.5)	14.2	5.9	1.1	(13.3)	(14.4)
Employee separation and plant phase-out costs	10.8	9.8	--	--	1.0	--
Period cost of closed facilities	0.2	0.2	--	--	--	--
Merger and integration costs	5.8	--	--	--	--	5.8
Operating income (loss) before employee separation, plant phase-out and closed facilities, and merger and integration costs	10.3	24.2	5.9	1.1	(12.3)	(8.6)
Depreciation and amortization	52.3	38.3	8.7	1.7	--	3.6
Operating income (loss) before employee separation, plant phase-out and closed facilities, and merger and integration costs and depreciation and amortization	$ 62.6	$ 62.5	$ 14.6	$ 2.8	$ (12.3)	$ (5.0)
Capital Expenditures	$ 36.0	$ 10.7	$ 6.5	$ 0.4	$ --	$ 18.4

SIX MONTHS ENDED JUNE 30, 2000	TOTAL	PERFORMANCE PLASTICS	ELASTOMERS & ADDITIVES	DISTRIBUTION	RESIN & INTERMEDIATES	OTHER
Net Sales	$ 706.7	$ 706.7	$ --	$ --	$ --	$ --
Operating income (loss)	60.1	36.0	--	--	32.3	(8.2)
Employee separation and plant phase-out costs	2.8	2.8	--	--	--	--
Directors pension termination	0.8	--	--	--	--	0.8
Write-off debt placement cost	0.8	--	--	--	--	0.8
Operating income (loss) before employee separation, plant phase-out, directors pension termination and write-off debt placement costs	64.5	38.8	--	--	32.3	(6.6)
Depreciation and amortization	18.9	18.9	--	--	--	--
Operating income (loss) before employee separation, plant phase-out, directors pension termination and write-off debt placement costs and depreciation and amortization	$ 83.4	$ 57.7	$ --	$ --	$ 32.3	$ (6.6)
Capital expenditures	$ 13.9	$ 13.9	$ --	$ --	$ --	$ --

NOTE M - COMMITMENTS AND CONTINGENCIES

There are pending or threatened against the Company or its subsidiaries various claims,lawsuits and administrative proceedings, all arising from the ordinary course of business with respect to employment, commercial, product liability and environmental matters, which seek damages or other remedies. The Company believes that any liability that may finally be determined will not have a material adverse effect on the Company's consolidated financial position.

The Company has accrued for environmental liabilities based upon estimates prepared by its environmental engineers and consultants to cover probable future environmental expenditures related to previously contaminated sited. The accrual, totaling approximately $56.9 million at June 30, 2001, represents the Company's best estimate for the remaining remediation costs based upon information and technology currently available. Depending upon the results of future testing and the ultimate remediation alternatives to be undertaken at these sites, it is possible that the ultimate costs to be incurred could be more than the accrual recorded by as much as $19.0 million. The Company's estimate of the liability may be revised as new regulations and technologies are developed or additional information is obtained. Additional information related to the Company's environmental liabilities is included in Note N to the consolidated financial statements incorporated by reference from the Company's Annual Report on Form 10-K for the year ended December 31, 2000.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

PolyOne Corporation (PolyOne or Company) was formed on August 31, 2000, from the consolidation of The Geon Company (Geon) and M.A. Hanna Company (Hanna). The PolyOne consolidation has been accounted for as a purchase business combination, with Geon as the acquiring enterprise. Accordingly, PolyOne's "Reported Results" under generally accepted accounting principles (GAAP) for the three and six months ended June 30, 2000 reflect only the operating results of former Geon.

In the commentary that follows, "Pro Forma Operating Results" will also be provided because of the significant and pervasive impact of the consolidation on comparative data. The pro forma operating results assume that the consolidation of Geon and Hanna occurred prior to the periods presented. Further, the pro forma operating results assume that Hanna's sale of its Cadillac Plastic business in the second quarter of 2000 occurred prior to the periods presented.

A preliminary assessment of the fair value of the tangible and intangible assets and liabilities of the former Hanna business on August 31, 2000 has been reflected in both the 2001 reported results and pro forma operating results. The purchase price allocation reflected may be adjusted as estimated fair values of assets acquired and liabilities assumed are finalized. The pro forma operating results do not include future profit improvements and cost savings or associated costs, including restructuring costs expected to result from the integration of Geon and Hanna. The pro forma operating results are provided for illustrative purposes only, and may not necessarily indicate the operating results that would have occurred or future operating results of PolyOne.

Below is a summary of consolidated operating results showing both the "Reported Results" for the three and six months ended June 30, 2001 and 2000 and the "Pro Forma Results" for the three and six months ended June 30, 2000. Also summarized are the special items included in these periods.

SUMMARY OF CONSOLIDATED OPERATING RESULTS
(IN MILLIONS, EXCEPT PER SHARE DATA)

Quarterly Results	Reported Results 2Q01	Reported Results 2Q00	Pro Forma Results 2Q00
Sales	$695.4	$ 361.2	$833.0
Operating income (loss)	16.8	30.4	52.1
Operating income (loss) before special items	18.4	34.8	56.5
Operating income before special items, depreciation and amortization	44.3	44.2	82.8
Net income (loss)	2.5	14.8	34.6
Special items (income) - after tax	(1.5)	3.1	(7.4)
Net income (loss) before special items	$ 1.0	$ 17.9	$ 27.2
Earnings (loss) per share, diluted	$ .03	$ .31	$ .37
Per share effect of special items, expense (income)	$ (.02)	$ .06	$ (.08)

Six Months Year-to-Date	Reported Results 1H01	Reported Results 1H00	Pro Forma Results 1H00
Sales	$ 1,405.1	$706.7	$ 1,658.2
Operating income (loss)	(6.5)	60.1	103.2
Operating income before special items	10.3	64.5	107.6
Operating income before special items, depreciation and amortization	62.6	83.4	160.0
Net income (loss)	(18.9)	28.6	60.8
Special items (income) - after tax	8.1	3.1	(7.4)
Net income (loss) before special items	$ (10.8)	$ 31.7	$ 53.4
Earnings (loss) per share, diluted	$ (.21)	$ .60	$ .65
Per share effect of special items, expense (income)	$ .09	$ .06	$ (.08)

Senior management uses (1) operating income before special items and/or (2) operating income before special items and depreciation and amortization (similar to EBITDA, which is used by stock market analysts) to assess performance and allocate resources to business segments. Special items include gains and losses associated with specific strategic initiatives such as restructuring or consolidation of operations, gains or losses attributable to acquisitions or formation of joint ventures, and certain other one-time items. In addition, the Company's management uses net income before special items as a measure of the Company's overall earnings performance. Operating income before special items and net income before special items are non-GAAP measures and may not be comparable to financial performance measures presented by other companies.

(Dollars in millions)	Reported Results		Pro Forma Results
Quarter	2Q01	2Q00	2Q00
Net income - as reported	$ 2.5	$14.8	$34.6
SPECIAL ITEMS:			
Employee separation and plant phase-out cost	(0.9)	(2.8)	(2.8)
Merger and integration cost	(0.5)	-	-
Period cost of closed facilities	(0.2)	-	-
OxyVinyls employee separation cost	-	-	-
Directors pension termination	-	(0.8)	(0.8)
Write-off debt placement cost	-	(0.8)	(0.8)
Subtotal - operating income	(1.6)	(4.4)	(4.4)
Litigation settlement gain	4.1	-	-
Investment write-down	-	-	-
Other restructuring cost	-	(0.6)	(0.6)
Subtotal - pre-tax	2.5	(5.0)	(5.0)
- after-tax	1.5	(3.1)	(3.1)
Hanna reversal of income tax reserve	-	-	10.5
Net income excluding special items	$ 1.0	$17.9	$27.2

	Reported Results		Pro Forma Results
Six Months Year-to-Date	1H01	1H00	1H00
Net income (loss) - as reported	$(18.9)	$ 28.6	$ 60.8
SPECIAL ITEMS:			
Employee separation and plant phase-out cost	(9.8)	(2.8)	(2.8)
Merger and integration cost	(5.8)	-	-
Period cost of closed facilities	(0.2)	-	-
OxyVinyls employee separation cost	(1.0)	-	-
Directors pension termination	-	(0.8)	(0.8)
Write-off debt placement cost	-	(0.8)	(0.8)
Subtotal - operating income	(16.8)	(4.4)	(4.4)
Litigation settlement gain	4.1	-	-
Investment write-down	(0.6)	-	-
Other restructuring cost	-	(0.6)	(0.6)
Subtotal - pre-tax	(13.3)	(5.0)	(5.0)
- after-tax	(8.1)	(3.1)	(3.1)
Hanna reversal of income tax reserve	-	-	10.5
Net income (loss) excluding special items	$(10.8)	$ 31.7	$ 53.4

TOTAL COMPANY REPORTED RESULTS

Total second quarter 2001 sales were $695.4 million or $334.2 million higher than second quarter 2000 sales on a reported basis. Sales in the second quarter of 2001 for each business segment reflected continued weak demand across most markets but particularly in markets related to auto production. First half of 2001 sales were $1,405.1

million, $698.4 million more than first half 2000 on a reported basis. Second quarter and first half 2001 sales are below the same period in 2000 on a comparable pro forma basis, see pro forma commentary below.

The operating income for the second quarter of 2001 was $16.8 million compared to income of $30.4 million in the second quarter of 2000. Operating income before special items, depreciation and amortization (OIBSIDA) was $44.3 million in the second quarter of 2001 and essentially flat with the second quarter of 2000. OIBSIDA was relatively the same for the second quarter of 2001 and 2000 due to a decrease in the performance in Resin & Intermediates of $13.7, which was offset primarily by the increase of $5.5 for Performance Platics and the inclusion of $7.6 for Elastomers & Additives. Second quarter 2001 OIBSIDA is below the same period in 2000 on a comparable pro forma basis, see commentary below.

The operating loss for the first half of 2001 was $6.5 million versus $60.1 million operating profit during the first half of 2000 on a reported basis. OIBSIDA was $62.6 million in the first half of 2001 compared to $83.4 million in the first half of 2000. The primary driver for the lower results period to period was the deterioration of the Resin & Intermediates earnings by $44.6 million.

TOTAL COMPANY RESULTS VERSUS 2000 PRO FORMA

Total sales of $695.4 million in the second quarter 2001 were 17% below the pro forma second quarter of 2000. The decline in second quarter sales from 2000 pro forma to 2001 was across all business units and related to weakness in the underlying markets and the U.S. economy, in particular automotive and electronics. Automotive production was down 12% from the second quarter of 2000 to the second quarter of 2001. It is reported that demand in the domestic manufacturing sector is at the lowest level seen since the 1991 recession.

Total sales for the first half of 2001 were $1,405.1 million versus $1,658.2 million for the first half of 2000 on a pro forma basis, a 15% decline. The year over year decline in sales reflects the tremendous change in the strength of the economy, particularly in the automotive and electronic markets. The housing market also weakened by 3% year over year. It is estimated that the sales volume decline from the first half of 2000 to the first half of 2001 negatively impacted operating income by approximately $70 million.

The operating income in the second quarter of 2001 of $16.8 million was $35.3 million lower versus a pro forma second quarter 2000 income of $52.1. Second quarter 2001 OIBSIDA of $44.3 million was $38.5 million lower than second quarter 2000 pro forma OIBSIDA of $82.8 million. The first half 2001 operating loss was $6.5 million versus pro forma income of $103.2 in first half 2000 and the first half 2001 OIBSIDA was $62.6 million versus pro forma first half 2000 OIBSIDA of $160.0 million. The quarterly and half year decline in earnings in 2001 from 2000 pro forma results was driven by lower volume across all businesses and weaker results in the Resin & Intermediates equity earnings which were partially offset by cost reductions.

BUSINESS SEGMENT INFORMATION

Below is a summary of business segment information showing both the "Reported Results" for the three and six months ended June 30, 2001 and 2000 and the "Pro Forma Results" for the three and six months ended June 30, 2000.

(Dollars in millions)

Quarterly Results	Reported Results 2Q01	Reported Results 2Q00	Pro Forma Results 2Q00
Sales:			
Performance Plastics	$ 484.6	$ 361.2	$ 586.4
Elastomers & Additives	105.8	-	122.9
Distribution	117.8	-	132.2
Resin & Intermediates	-	-	-
Other	(12.8)	-	(8.5)
	$ 695.4	$ 361.2	$ 833.0
Operating income (loss) before special items:			
Performance Plastics	$ 17.2	$ 21.6	$ 32.5
Elastomers & Additives	3.2	-	7.0
Distribution	-	-	4.3
Resin & Intermediates	2.1	15.8	15.8
Other	(4.1)	(2.6)	(3.1)
	$ 18.4	$ 34.8	$ 56.5
Operating income (loss) before special items, depreciation and amortization:			
Performance Plastics	$ 36.5	$ 31.0	$ 53.2
Elastomers & Additives	7.6	-	11.8
Distribution	0.9	-	5.1
Resin & Intermediates	2.1	15.8	15.8
Other	(2.8)	(2.6)	(3.1)
	$ 44.3	$ 44.2	$ 82.8

Six Months Year-to-Date	Reported Results 1H01	Reported Results 1H00	Pro Forma Results 1H00
Sales:			
Performance Plastics	$ 973.4	$ 706.7	$1,154.4
Elastomers & Additives	215.5	-	255.8
Distribution	238.9	-	261.1
Resin & Intermediates	-	-	-
Other	(22.7)	-	(13.1)
	$ 1,405.1	$ 706.7	$1,658.2
Operating income (loss) before special items:			
Performance Plastics	$ 24.2	$ 38.8	$ 58.1
Elastomers & Additives	5.9	-	16.4
Distribution	1.1	-	7.3
Resin & Intermediates	(12.3)	32.3	32.3
Other	(8.6)	(6.6)	(6.5)
	$ 10.3	$ 64.5	$ 107.6
Operating income (loss) before special items, depreciation and amortization:			
Performance Plastics	$ 62.5	$ 57.7	$ 99.5
Elastomers & Additives	14.6	-	25.8
Distribution	2.8	-	8.9
Resin & Intermediates	(12.3)	32.3	32.3
Other	(5.0)	(6.6)	(6.5)
	$ 62.6	$ 83.4	$ 160.0

COMMENTARY ON BUSINESS SEGMENT OPERATING RESULTS

PERFORMANCE PLASTICS had second quarter 2001 sales of $484.6 million, which were 17% below pro forma second quarter 2000. A breakdown of the 2001 second quarter segment sales, by primary product group, is as follows:

	% of Sales	% Change 2Q01 Sales vs. 2Q00 PF
Vinyl Compounds	37%	-23%
Engineered Materials	19%	-15%
Color & Additives	21%	-15%
Specialty Resin & Formulators	14%	-12%
Engineered Films	9%	-14%
Performance Plastics	100%	-17%

International sales comprised 19% of the Performance Plastics segment. International sales decreased in the second quarter of 2001 by 11% from second quarter pro forma 2000. The second quarter decrease from pro forma 2000 to 2001 was due to European automotive and electronic market weakness, an unfavorable EURO exchange impact of 6% and Asian weakness related to lower export sales and to the electronics industry slowdown. International sales were 20% of Performance Plastics for the first half of 2001, down 4% in total revenue from pro forma first half 2000.

The total Performance Plastics segment's 17% lower second quarter 2001 sales versus pro forma 2000 was driven primarily by lower US auto production and electronics market (wire and cable and business machines). In addition the strength of PVC resin during the second quarter 2000 drove even higher the compound demand as customers switched to powder compounds when resin was not available, which also impacted the mix of products and selling prices. The decrease in powder compounds sales of 32% from second quarter 2000 to second quarter 2001 was an important factor in the 23% drop in vinyl compounds sales from second quarter 2000 to second quarter 2001. Total Performance Plastics segment's first half sales of $973.4 million was 16% below 2000 first half pro forma sales driven primarily by automotive production (down 15% year over year) and the electronics markets. Year to year sales were also reduced by housing starts averaging 3% lower for the first half of 2001 versus the first half of 2000 which impacted sales to applications such as wire and cable, windows and flooring.

OIBSIDA was $36.5 million in the second quarter of 2001 and $16.7 million below pro forma second quarter of 2000. OIBSIDA for the first half of 2001 was $62.5 million, a $37.0 million decline from the pro forma first half of 2000. Compared to 2000, the 2001 second quarter and half year decrease in OIBSIDA was primarily sales volume driven.

ELASTOMERS & PERFORMANCE ADDITIVES sales were $105.8 million in the second quarter of 2001. The second quarter 2001 sales were 14% below the pro forma second quarter 2000 and first half 2001 sales of $215.5 million were 16% below pro forma first half 2000. In both cases, the change from the period a year ago was primarily driven by reduced domestic automotive production and tire tolling impacting both the elastomers and the performance additives markets.

OIBSIDA in the second quarter of 2001 was $7.6 million compared to $11.8 million in the pro forma second quarter of 2000. Second quarter 2001 earnings versus pro forma second quarter 2000 earnings were lower primarily due to the decrease in auto related shipments. Continuing "LEAN" manufacturing initiatives have resulted in lower manufacturing costs versus last year, but have not been enough to offset the lower volumes. OIBSIDA in the first half of 2001 was $14.6 million versus $25.8 million in the pro forma first half of 2000, again related to automotive production declines and economic conditions reducing demand.

DISTRIBUTION sales in the second quarter of 2001 were $117.8 million and 11% below pro forma second quarter 2000. Sales in the first half of 2001 were $238.9 million, 9% below the same pro forma period last year. The change year over year for both the quarter and the half year was driven by volume declines.

OIBSIDA in the second quarter of 2001 was $0.9 million and $4.2 million below pro forma second quarter of 2000. OIBSIDA in the first half of 2001 was $2.8 million, $6.1 million lower than the same pro forma period last year. Year over year changes for the quarter and half year were driven by lower sales volumes and margins, partially offset by cost benefits related to consolidating facilities.

RESIN & INTERMEDIATES (R&I) operating income before special items, consisting of equity income from joint ventures, allocated overhead support cost and cost associated with past operations was $2.1 million for the second quarter of 2001. The 2001 second quarter operating income was $13.7 million lower than the pro forma second quarter 2000 earnings, due primarily to decreased earnings from PolyOne's 24% investment in OxyVinyls. PolyOne's equity earnings from OxyVinyls in the second quarter 2001 and pro forma second quarter 2000 was income (before special charges) of $5.3 million and $16.7 million, respectively. The first half 2001 operating income for the resins and intermediates business segment was a loss of $12.3 million, a $44.6 million decline from the same period last year. The primary change was OxyVinyls' results driven by lower PVC resin volumes and margins as well as substantially higher energy costs that adversely affected OxyVinyls' chlor-alkali business.

Domestic PVC resin industry demand continued to be weak as effective capacity utilization approximated 87% in second quarter 2001 compared to 97% in the second quarter of 2000. Domestic PVC resin industry capacity utilization for the first half of 2001 was 88% compared to 97% in the first half of 2000. During the second quarter of 2001 versus second quarter 2000, lower capacity utilization resulted in lower average domestic PVC resin price of approximately $0.06/lb. However, the lower second quarter 2001 resin selling price was offset by lower ethylene and chlorine cost, resulting in industry resin spreads (selling prices of PVC resin less the cost of ethylene and chlorine) that were slightly above the same quarter last year. The lower second quarter 2001 OxyVinyls' earnings versus a year ago resulted primarily from lower sales demand and increased natural gas cost. Higher natural gas cost negatively impacted the quarter's equity earnings by approximately $3 million versus second quarter 2000.

OTHER consists primarily of corporate governance costs that are not allocated to business segments. These unallocated costs before special items were $4.1 million in the second quarter of 2001 and $8.6 million for the first six months of 2001.

CAPITAL RESOURCES AND LIQUIDITY

For the first half of 2001, the Company generated $229.4 million of cash from operating and investing activities. Operating activities contributed $258.6 million of cash driven by a $236.0 million reduction in operating working capital. The reduction in operating working capital was comprised of a $143.9 million increase in the sale of accounts receivable plus a $92.1 million reduction that resulted from management initiatives. Approximately one-half of the capital expenditures in the first six months of 2001 were in support of three key initiatives: projectOne (common SAP system platform), Smart$ource (leveraging indirect or non-material purchases with ARIBA software) and Performance Plastics manufacturing reconfiguration.

During the first half of 2001, the Company's accounts receivable sale facility was increased to $250 million. As of June 30, 2001, $244 million of this facility was being utilized. During the quarter ended June 30, 2001, the Company obtained amendments to the October 2000 revolving credit agreements, which resulted in a $100 million reduction in available borrowings from an aggregate $400 million to $300 million, effectively offsetting some of the increase in the receivable sale facility.

Capital expenditures for 2001 are projected to be between $80 million and $85 million. Management intends to continue to fund key strategic initiatives, such as projectOne, reconfiguring the manufacturing assets of the Performance Plastics business, and Smart$ource.

Cash used by financing activities during the first half of 2001 reflect a reduction in short-term debt and the payment of dividends.

For the foreseeable future, the Company believes it will have sufficient funds from operations and existing credit facilities and other available permitted borrowings to support dividends, debt service requirements, and normal capital and operating expenditures.

ENVIRONMENTAL MATTERS

The Company is subject to various laws and regulations concerning environmental matters. The Company is committed to a long-term environmental protection program that reduces releases of hazardous materials into the environment as well as to the remediation of identified existing environmental concerns.

The Company has been notified by federal and state environmental agencies and by private parties that it may be a potentially responsible party in connection with several environmental sites. The Company has accrued $56.9 million to cover future environmental remediation expenditures, and does not believe any of the matters either individually or in the aggregate will have a material adverse effect on its capital expenditures, earnings, cash flow or liquidity. The accrual represents the Company's best estimate for the remaining remediation costs, based upon information and technology currently available. Depending upon the results of future testing and the ultimate remediation alternatives taken at these sites, it is possible that the ultimate costs to be incurred could be more or less than the accrual at June 30, 2001, by as much as $19.0 million or $15.0 million, respectively. Certain factors that may affect these forward-looking comments are discussed under "Cautionary Note on Forward-Looking Statements."

Additional information related to the Company's environmental liabilities is included in Note N to the consolidated financial statements incorporated by reference from the Company's Annual Report on Form 10-K for the year ended December 31, 2000.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

This Report on Form 10-Q contains statements concerning trends and other forward-looking information affecting or relating to PolyOne Corporation and its industries that are intended to qualify for the protections afforded "forward-looking statements" under the Private Securities Litigation Reform Act of 1995. Actual results could differ materially from such statements for a variety of factors including, but not limited to: (1) the risk that the former Geon and Hanna businesses will not be integrated successfully; (2) an inability to achieve or delays in achieving savings related to the consolidation and restructuring programs; (3) unanticipated delays in achieving or inability to achieve cost reduction and employee productivity goals; (4) costs related to the consolidation of Geon and Hanna; (5) 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; (6) unanticipated changes in world, regional or U.S. plastic, rubber and PVC consumption growth rates affecting the Company's markets; (7) unanticipated changes in global industry capacity or in the rate at which anticipated changes in industry capacity come online in the PVC, VCM, chlor-alkali or other industries in which the Company participates; (8) fluctuations in raw material prices and supply, in particular, fluctuations outside the normal range of industry cycles; (9) unanticipated production outages or material costs associated with scheduled or unscheduled maintenance programs; (10) unanticipated delay in realizing, or inability to realize, expected cost savings from acquisitions; (11) unanticipated costs or difficulties and delays related to the operation of the joint venture entities; (12) lack of day-to-day operating control, including procurement of raw material feedstocks, of the OxyVinyls partnership; (13) lack of direct control over the reliability of delivery and quality of the primary raw materials utilized in the Company's products; and (14) partial control over investment decisions and dividend distribution policy of the OxyVinyls partnership.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company is exposed to market risk from changes in interest rates on debt obligations and from changes in foreign currency exchange rates. Information related to these risks and the Company's management of the exposure is included in "Management's Analysis - Consolidated Balance Sheets" in the 2000 Annual Report under the caption "Market Risk Disclosures" incorporated by reference from the Company's Annual Report on Form 10-K.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

None.

ITEM 2. CHANGES IN SECURITIES

Not Applicable

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

The Company held its Annual Meeting of Stockholders on May 2, 2001. As described in the 2001 Proxy Statement, the following action was taken:

a) The eleven nominees for directors were elected. The votes for directors were as follows:

	Number of Shares Voted For	Number of Share Votes Withheld
James K. Baker	84,609,391	912,626
J. Douglas Campbell	84,617,551	904,466
Carol A. Cartwright	84,499,293	1,022,724
Gale Duff-Bloom	84,600,631	921,386
Wayne R. Embry	84,573,091	948,926
Robert A. Garda	84,614,824	907,193
Gordon D. Harnett	84,651,047	906,970
David H. Hoag	84,602,117	919,900
D. Larry Moore	84,616,222	905,795
Thomas A. Waltermire	84,612,347	909,670
Farah M. Walters	84,599,395	922,622

ITEM 5. OTHER INFORMATION:

None.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K:

(a) Exhibits:

See exhibit index on page 21.

(b) Reports on Form 8-K from April 1, 2001 through June 30, 2001:

- Form 8-K filed on April 3, 2001 announcing a restructuring of the business and manufacturing functions of the engineered films manufacturing operations.

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 thereunto duly authorized.

August 14, 2001 POLYONE CORPORATION

/s/ W. D. Wilson

W. D. Wilson
Vice President and Chief
Financial Officer
(Authorized Officer and
Principal Financial Officer)

/s/ G. P. Smith

G. P. Smith
Corporate Controller and
Assistant Treasurer
(Principal Accounting Officer)

Exhibit Index

Exhibit No. Under Reg. S-K, Item 601	Form 10-Q Exhibit No.	Description of Exhibit
(4)	4(A)	Amendment No.1 to the Five-Year Credit Agreement dated March 31, 2001 between the Company, Citicorp USA and the other banks signatory thereto a copy of which will be provided to the Commission upon request.
(4)	4(B)	Amendment No. 1 to the 364-Day Credit Agreement dated March 31, 2001 between the Company, Citicorp USA and the other banks signatory thereto a copy of which will be provided to the Commission upon request.

Exhibit 4(a)

AMENDMENT NO. 1 TO THE
FIVE-YEAR CREDIT AGREEMENT

Dated as of March 31, 2001

AMENDMENT NO. 1 TO THE FIVE-YEAR CREDIT AGREEMENT among POLYONE CORPORATION, an Ohio corporation (the "COMPANY"), the banks, financial institutions and other institutional lenders parties to the Credit Agreement referred to below (collectively, the "LENDERS") and CITICORP USA, INC., as administrative agent (the "AGENT") for the Lenders.

PRELIMINARY STATEMENTS:

(1) The Company, the Lenders and the Agent have entered into a Five-Year Credit Agreement dated as of October 30, 2000, and the Letter Waiver thereto dated as of March 31, 2001 (such Credit Agreement, as so modified, the "CREDIT AGREEMENT"). Capitalized terms not otherwise defined in this Amendment have the same meanings as specified in the Credit Agreement.

(2) The Company and the Lenders have agreed to amend the Credit Agreement as hereinafter set forth.

SECTION 1. AMENDMENTS TO CREDIT AGREEMENT. The Credit Agreement is, effective as of the date hereof and subject to the satisfaction of the conditions precedent set forth in Section 4, hereby amended as follows:

(a) The definition of "APPLICABLE MARGIN" in Section 1.01 is amended by adding at the end thereof the following proviso:

> PROVIDED, that from March 31, 2001 until the date on which the Company delivers to the Agent a Consolidated balance sheet of the Company and its Subsidiaries as of the end of a fiscal quarter and Consolidated statements of income and cash flows of the Company and its Subsidiaries for the period commencing at the end of the previous fiscal quarter and ending with the end of such quarter, duly certified (subject to year end audit adjustments) by the chief financial officer or the controller of the Company as having been prepared in accordance with generally accepted accounting principles, together with a certificate of said officer setting forth in reasonable detail the calculations necessary to demonstrate that the Borrowed Debt/EBITDA Ratio for the fiscal period then ended is not more than 3.50:1.0, the Applicable Margin shall be result of 1.750% per annum minus the sum of the Applicable Percentage and, if applicable, the Applicable Utilization Fee.

(b) The definition of "Borrowed Debt/EBITDA Ratio" in Section 1.01 is amended by adding the phrase "including their pro rata share of Sunbelt" immediately before the phrase "on a Consolidated basis as of such date" in clause (a) thereof.

(c) The definition of "EBITDA" in Section 1.01 is amended by restating clause (e) in full to read as follows:

(e) non-cash extraordinary or unusual losses deducted in calculating net income and resulting from business rationalizations and facility closures in an aggregate amount from the date hereof not to exceed $50,000,000 less non-cash extraordinary or unusual gains added in calculating net income, PROVIDED, that for the calendar year 2001, such amount included in this clause (e) for extraordinary and unusual losses resulting from business rationalizations and facility closures shall include cash charges for such losses in an aggregate amount not to exceed $14,800,000 in each case determined in accordance with GAAP for such period.

(d) The definition of "Interest Coverage Ratio" in Section 1.01 is amended by deleting the phrase "including their pro rata share of Sunbelt" in both clause (a) and clause (b) thereof and substituting therefor the phrase "including, at any time after demand for performance of the Company's guaranty of the obligations of Sunbelt has been made, their pro rata share of Sunbelt".

(e) A new Section 5.02(d) is added to read as follows:

(d) STOCK REPURCHASES. Purchase, redeem, retire, defease or otherwise acquire for value any of its capital stock now or hereafter outstanding, or permit any of its Subsidiaries to purchase, redeem, retire, defease or otherwise acquire for value any capital stock in the Company, except that, so long as no Default shall have occurred and be continuing at the time of any action described below or would result therefrom, the Company may purchase, redeem, retire, defease or otherwise acquire shares of its capital stock if at the time of such acquisition the Borrowed Debt/EBITDA Ratio (determined as of the most recently ended fiscal period as set forth below) is equal to or not greater than 3.50:1.0 and, if the Borrowed Debt/EBITDA Ratio (determined as of the most recently ended fiscal period as set forth below) is greater than 3.50:1.0, for an aggregate consideration from and after March 31, 2001 not to exceed $1,500,000 PROVIDED, that the Company may purchase shares of its capital stock in connection with the termination of (x) The Geon Company Share Ownership Trust created pursuant to the Trust Agreement dated May 5, 2000 between The Geon Company and W. David Wilson, as trustee, and (y) the M.A. Hanna Associates Ownership Trust created pursuant to the Trust Agreement dated September 12, 1991 between M.A. Company and Wachovia Bank of North Carolina, N.A., as trustee. For purposes of this Section 5.02(d), the Borrowed Debt/EBITDA Ratio shall be determined as of the date on which the Company delivers to the Agent a Consolidated balance sheet of the Company and is Subsidiaries as of the end of a fiscal quarter and Consolidated statements of income and cash flows of the Company and its Subsidiaries for the period commencing at the end of the previous fiscal quarter and ending with the end of such quarter, duly certified (subject to year end audit adjustments) by the chief financial officer or the controller of the Company as having been prepared in accordance with generally accepted accounting principles, together with a certificate of said officer setting forth in reasonable detail the calculations necessary to demonstrate the Borrowed Debt/EBITDA Ratio for the fiscal period then ended.

(f) Section 5.03(a) is amended in full to read as follows:

(a) INTEREST COVERAGE RATIO. Maintain an Interest Coverage Ratio during each fiscal quarter set forth below of not less than the ratio set opposite such fiscal period:

Fiscal Quarter Ended	Ratio
On or before December 31, 2000	4.50 : 1
March 31, 2001	3.25 : 1
June 30, 2001	2.75 : 1
September 30, 2001	3.00 : 1
December 31, 2001	3.25 : 1
March 31, 2002 and thereafter	4.50 : 1

(g) Section 5.03(b) is amended in full to read as follows:

(b) BORROWED DEBT/EBITDA RATIO. Maintain a Borrowed Debt/EBITDA Ratio during each fiscal quarter set forth below of not more than the ratio set opposite such fiscal period:

Fiscal Quarter Ended	Ratio
On or before December 31, 2000	3.50 : 1
March 31, 2001	4.00 : 1
June 30, 2001	4.50 : 1
September 30, 2001	4.25 : 1
December 31, 2001	3.50 : 1
March 31, 2002 and thereafter	3.50 : 1

SECTION 2. CONDITIONS OF EFFECTIVENESS. This Amendment shall become effective as of the date first above written when, and only when, on or before April 27, 2001 the Agent shall have received (a) an amendment fee, for the account of the Lenders approving this Amendment in an amount equal to 0.25% of their respective Commitments and (b) counterparts of this Amendment executed by the Company and the Required Lenders or, as to any of the

Lenders, advice satisfactory to the Agent that such Lender has executed this Amendment. This Amendment is subject to the provisions of Section 9.01 of the Credit Agreement.

SECTION 3. REPRESENTATIONS AND WARRANTIES OF THE COMPANY. The Company represents and warrants as follows:

(a) The Company is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction indicated in the recital of parties to this Amendment.

(b) The execution, delivery and performance by the Company of this Amendment and the Credit Agreement and the Notes to be delivered to it, as amended hereby, are within the Company's corporate powers, have been duly authorized by all necessary corporate action and do not contravene (i) the Company's charter or by-laws or (ii) law or any contractual restriction binding on or affecting the Company.

(c) No authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body or any other third party is required for the due execution, delivery or performance by the Company of this Amendment or the Credit Agreement or the Notes to be delivered by it, as amended hereby, to which it is or is to be a party.

(d) This Amendment has been duly executed and delivered by the Company. This Amendment and the Credit Agreement and the Notes to be delivered by the Company, as amended hereby, are legal, valid and binding obligations of the Company, enforceable against the Company in accordance with their respective terms.

(e) To the best of the Company's knowledge, there is no pending or threatened action, suit, investigation, litigation or proceeding, including, without limitation, any Environmental Action, affecting the Company or any of its Subsidiaries before any court, governmental agency or arbitrator that (i) could be reasonably likely to have a Material Adverse Effect (other than the Disclosed Litigation) or (ii) purports to affect the legality, validity or enforceability of this Amendment or the Credit Agreement and the Notes to be delivered by the Company, as amended hereby, and there has been no adverse change in the status, or financial effect on the Company or any of its Subsidiaries, of the Disclosed Litigation from that described on Schedule 3.01(b) to the Credit Agreement.

SECTION 4. REFERENCE TO AND EFFECT ON THE CREDIT AGREEMENT AND THE NOTES. (a) On and after the effectiveness of this Amendment, each reference in the Credit Agreement to "this Agreement", "hereunder", "hereof" or words of like import referring to the Credit Agreement, and each reference in the Notes to "the Credit Agreement", "thereunder", "thereof" or words of like import referring to the Credit Agreement, shall mean and be a reference to the Credit Agreement, as amended by this Amendment.

(b) The Credit Agreement and the Notes, as specifically amended by this Amendment, are and shall continue to be in full force and effect and are hereby in all respects ratified and confirmed.

(c) The execution, delivery and effectiveness of this Amendment shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of any Lender or the Agent under the Credit Agreement, nor constitute a waiver of any provision of the Credit Agreement.

SECTION 5. COSTS AND EXPENSES. The Company agrees to pay on demand all costs and expenses of the Agent in connection with the preparation, execution, delivery and administration, modification and amendment of this Amendment and the other instruments and documents to be delivered hereunder (including, without limitation, the reasonable fees and expenses of counsel for the Agent) in accordance with the terms of Section 9.04 of the Credit Agreement

SECTION 6. EXECUTION IN COUNTERPARTS. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement. Delivery of an executed counterpart of a signature page to this Amendment by telecopier shall be effective as delivery of a manually executed counterpart of this Amendment.

SECTION 7. GOVERNING LAW. This Amendment shall be governed by, and construed in accordance with, the laws of the State of New York.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers thereunto duly authorized, as of the date first above written.

POLYONE CORPORATION

By

Title:

CITICORP USA, INC.,
as Agent and as Lender

By

Title:

BANK ONE, MICHIGAN

By

Title:

DEUTSCHE BANK AG NEW YORK AND/OR
CAYMAN ISLANDS BRANCH

By

Title:

By

Title:

KEYBANK NATIONAL ASSOCIATION

By

Title:

ABN AMRO BANK, N.V.

By

Title:

By

Title:

BANK OF AMERICA, N.A.

By

Title:

COMERICA BANK

By

Title:

MELLON BANK, N.A.

By

Title:

MORGAN GUARANTY TRUST COMPANY OF
NEW YORK

By

Title:

NATIONAL CITY BANK

By

Title:

SCOTIABANC, INC.

By

Title:

THE BANK OF NEW YORK

By

Title:

Exhibit 4(b)

AMENDMENT NO. 1 TO THE
364-DAY CREDIT AGREEMENT

Dated as of March 31, 2001

AMENDMENT NO. 1 TO THE 364-DAY CREDIT AGREEMENT among POLYONE CORPORATION, an Ohio corporation (the "COMPANY"), the banks, financial institutions and other institutional lenders parties to the Credit Agreement referred to below (collectively, the "LENDERS") and CITICORP USA, INC., as administrative agent (the "AGENT") for the Lenders.

PRELIMINARY STATEMENTS:

(1) The Company, the Lenders and the Agent have entered into a 364-Day Credit Agreement dated as of October 30, 2000, and the Letter Waiver thereto dated as of March 31, 2001 (such Credit Agreement, as so modified, the "CREDIT AGREEMENT"). Capitalized terms not otherwise defined in this Amendment have the same meanings as specified in the Credit Agreement.

(2) The Company and the Lenders have agreed to amend the Credit Agreement as hereinafter set forth.

SECTION 1. AMENDMENTS TO CREDIT AGREEMENT. The Credit Agreement is, effective as of the date hereof and subject to the satisfaction of the conditions precedent set forth in Section 4, hereby amended as follows:

(a) The definition of "APPLICABLE MARGIN" in Section 1.01 is amended by adding at the end thereof the following proviso:

> PROVIDED, that from March 31, 2001 until the date on which the Company delivers to the Agent a Consolidated balance sheet of the Company and its Subsidiaries as of the end of a fiscal quarter and Consolidated statements of income and cash flows of the Company and its Subsidiaries for the period commencing at the end of the previous fiscal quarter and ending with the end of such quarter, duly certified (subject to year end audit adjustments) by the chief financial officer or the controller of the Company as having been prepared in accordance with generally accepted accounting principles, together with a certificate of said officer setting forth in reasonable detail the calculations necessary to demonstrate that the Borrowed Debt/EBITDA Ratio for the fiscal period then ended is not more than 3.50:1.0, the Applicable Margin shall be result of 1.750% per annum minus the sum of the Applicable Percentage and, if applicable, the Applicable Utilization Fee.

(b) The definition of "Borrowed Debt/EBITDA Ratio" in Section 1.01 is amended by adding the phrase "including their pro rata share of Sunbelt" immediately before the phrase "on a Consolidated basis as of such date" in clause (a) thereof.

(c) The definition of "EBITDA" in Section 1.01 is amended by restating clause (e) in full to read as follows:

(e) non-cash extraordinary or unusual losses deducted in calculating net income and resulting from business rationalizations and facility closures in an aggregate amount from the date hereof not to exceed $50,000,000 less non-cash extraordinary or unusual gains added in calculating net income, PROVIDED, that for the calendar year 2001, such amount included in this clause (e) for extraordinary and unusual losses resulting from business rationalizations and facility closures shall include cash charges for such losses in an aggregate amount not to exceed $14,800,000, in each case determined in accordance with GAAP for such period.

(d) The definition of "Interest Coverage Ratio" in Section 1.01 is amended by deleting the phrase "including their pro rata share of Sunbelt" in both clause (a) and clause (b) thereof and substituting therefor the phrase "including, at any time after demand for performance of the Company's guaranty of the obligations of Sunbelt has been made, their pro rata share of Sunbelt".

(e) A new Section 5.02(d) is added to read as follows:

(d) STOCK REPURCHASES. Purchase, redeem, retire, defease or otherwise acquire for value any of its capital stock now or hereafter outstanding, or permit any of its Subsidiaries to purchase, redeem, retire, defease or otherwise acquire for value any capital stock in the Company, except that, so long as no Default shall have occurred and be continuing at the time of any action described below or would result therefrom, the Company may purchase, redeem, retire, defease or otherwise acquire shares of its capital stock if at the time of such acquisition the Borrowed Debt/EBITDA Ratio (determined as of the most recently ended fiscal period as set forth below) is equal to or not greater than 3.50:1.0 and, if the Borrowed Debt/EBITDA Ratio (determined as of the most recently ended fiscal period as set forth below) is greater than 3.50:1.0, for an aggregate consideration from and after March 31, 2001 not to exceed $1,500,000 PROVIDED, that the Company may purchase shares of its capital stock in connection with the termination of (x) The Geon Company Share Ownership Trust created pursuant to the Trust Agreement dated May 5, 2000 between The Geon Company and W. David Wilson, as trustee, and (y) the M.A. Hanna Associates Ownership Trust created pursuant to the Trust Agreement dated September 12, 1991 between M.A. Company and Wachovia Bank of North Carolina, N.A., as trustee. For purposes of this Section 5.02(d), the Borrowed Debt/EBITDA Ratio shall be determined as of the date on which the Company delivers to the Agent a Consolidated balance sheet of the Company and is Subsidiaries as of the end of a fiscal quarter and Consolidated statements of income and cash flows of the Company and its Subsidiaries for the period commencing at the end of the previous fiscal quarter and ending with the end of such quarter, duly certified (subject to year end audit adjustments) by the chief financial officer or the controller of the Company as having been prepared in accordance with generally accepted accounting principles, together with a certificate of said officer setting forth in reasonable detail the calculations necessary to demonstrate the Borrowed Debt/EBITDA Ratio for the fiscal period then ended.

(f) Section 5.03(a) is amended in full to read as follows:

(a) INTEREST COVERAGE RATIO. Maintain an Interest Coverage Ratio during each fiscal quarter set forth below of not less than the ratio set opposite such fiscal period:

Fiscal Quarter Ended	Ratio
On or before December 31, 2000	4.50 : 1
March 31, 2001	3.25 : 1
June 30, 2001	2.75 : 1
September 30, 2001	3.00 : 1
December 31, 2001	3.25 : 1
March 31, 2002 and thereafter	4.50 : 1

(g) Section 5.03(b) is amended in full to read as follows:

(b) BORROWED DEBT/EBITDA RATIO. Maintain a Borrowed Debt/EBITDA Ratio during each fiscal quarter set forth below of not more than the ratio set opposite such fiscal period:

Fiscal Quarter Ended	Ratio
On or before December 31, 2000	3.50 : 1
March 31, 2001	4.00 : 1
June 30, 2001	4.50 : 1
September 30, 2001	4.25 : 1
December 31, 2001	3.50 : 1
March 31, 2002 and thereafter	3.50 : 1

SECTION 2. CONDITIONS OF EFFECTIVENESS. This Amendment shall become effective as of the date first above written when, and only when, on or before April 27, 2001 the Agent shall have received (a) a notice from the Company in accordance with Section 2.05(a) of the Credit Agreement reducing the aggregate Commitments of the Lenders to $100,000,000, (b) an amendment fee, for the account of the Lenders approving this Amendment in an amount equal

to 0.15% of their respective Commitments after giving effect to the notice described in clause (a) above and (c) counterparts of this Amendment executed by the Company and the Required Lenders or, as to any of the Lenders, advice satisfactory to the Agent that such Lender has executed this Amendment. This Amendment is subject to the provisions of Section 9.01 of the Credit Agreement.

SECTION 3. REPRESENTATIONS AND WARRANTIES OF THE COMPANY. The Company represents and warrants as follows:

(a) The Company is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction indicated in the recital of parties to this Amendment.

(b) The execution, delivery and performance by the Company of this Amendment and the Credit Agreement and the Notes to be delivered to it, as amended hereby, are within the Company's corporate powers, have been duly authorized by all necessary corporate action and do not contravene (i) the Company's charter or by-laws or (ii) law or any contractual restriction binding on or affecting the Company.

(c) No authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body or any other third party is required for the due execution, delivery or performance by the Company of this Amendment or the Credit Agreement or the Notes to be delivered by it, as amended hereby, to which it is or is to be a party.

(d) This Amendment has been duly executed and delivered by the Company. This Amendment and the Credit Agreement and the Notes to be delivered by the Company, as amended hereby, are legal, valid and binding obligations of the Company, enforceable against the Company in accordance with their respective terms.

(e) To the best of the Company's knowledge, there is no pending or threatened action, suit, investigation, litigation or proceeding, including, without limitation, any Environmental Action, affecting the Company or any of its Subsidiaries before any court, governmental agency or arbitrator that (i) could be reasonably likely to have a Material Adverse Effect (other than the Disclosed Litigation) or (ii) purports to affect the legality, validity or enforceability of this Amendment or the Credit Agreement and the Notes to be delivered by the Company, as amended hereby, and there has been no adverse change in the status, or financial effect on the Company or any of its Subsidiaries, of the Disclosed Litigation from that described on Schedule 3.01(b) to the Credit Agreement.

SECTION 4. REFERENCE TO AND EFFECT ON THE CREDIT AGREEMENT AND THE NOTES. (a) On and after the effectiveness of this Amendment, each reference in the Credit Agreement to "this Agreement", "hereunder", "hereof" or words of like import referring to the Credit Agreement, and each reference in the Notes to "the Credit Agreement", "thereunder", "thereof" or words of like import referring to the Credit Agreement, shall mean and be a reference to the Credit Agreement, as amended by this Amendment.

(b) The Credit Agreement and the Notes, as specifically amended by this Amendment, are and shall continue to be in full force and effect and are hereby in all respects ratified and confirmed.

(c) The execution, delivery and effectiveness of this Amendment shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of any Lender or the Agent under the Credit Agreement, nor constitute a waiver of any provision of the Credit Agreement.

SECTION 5. COSTS AND EXPENSES. The Company agrees to pay on demand all costs and expenses of the Agent in connection with the preparation, execution, delivery and administration, modification and amendment of this Amendment and the other instruments and documents to be delivered hereunder (including, without limitation, the reasonable fees and expenses of counsel for the Agent) in accordance with the terms of Section 9.04 of the Credit Agreement

SECTION 6. EXECUTION IN COUNTERPARTS. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement. Delivery of an executed counterpart of a signature page to this Amendment by telecopier shall be effective as delivery of a manually executed counterpart of this Amendment.

SECTION 7. GOVERNING LAW. This Amendment shall be governed by, and construed in accordance with, the laws of the State of New York.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers thereunto duly authorized, as of the date first above written.

POLYONE CORPORATION

By

Title:

CITICORP USA, INC.,
as Agent and as Lender

By

Title:

BANK ONE, MICHIGAN

By

Title:

DEUTSCHE BANK AG NEW YORK AND/OR CAYMAN ISLANDS BRANCH

By

Title:

By

Title:

KEYBANK NATIONAL ASSOCIATION

By

Title:

ABN AMRO BANK, N.V.

By

Title:

By

Title:

BANK OF AMERICA, N.A.

By

Title:

COMERICA BANK

By

Title:

MELLON BANK, N.A.

By

Title:

MORGAN GUARANTY TRUST COMPANY OF NEW YORK

By

Title:

NATIONAL CITY BANK

By

Title:

SCOTIABANC, INC.

By

Title:

THE BANK OF NEW YORK

By

Title: