AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON MAY 2, 2002
REGISTRATION NO. 333-

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

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

OHIO	2821	34-1730488
(State or Other Jurisdiction of Incorporation or Organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

SUITE 36-5000
200 PUBLIC SQUARE
CLEVELAND, OHIO 44114-2304
(216) 589-4000
(Address, including zip code, and telephone number, including area code, of registrant's principal executive office)

WENDY C. SHIBA
VICE PRESIDENT, CHIEF LEGAL OFFICER AND SECRETARY
POLYONE CENTER
33587 WALKER ROAD
AVON LAKE, OHIO 44012
(440) 930-1359
(Name, address, including zip code, and telephone number, including area code, of agent for service)

COPIES TO:

CHRISTOPHER M. KELLY, ESQ.
JONES, DAY, REAVIS & POGUE
901 LAKESIDE AVENUE
CLEVELAND, OHIO 44114
(216) 586-3939

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: As soon as practicable following the effective date of this registration statement.

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

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

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

CALCULATION OF REGISTRATION FEE

TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	AMOUNT TO BE REGISTERED	PROPOSED MAXIMUM OFFERING PRICE PER UNIT	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE	AMOUNT OF REGISTRATION FEE
10.625% Senior Subordinated Notes due 2013	$150,000,000	100%	$150,000,000	$13,800

OF EACH CLASS OF SECURITIES TO BE REGISTERED	AMOUNT TO BE REGISTERED	OFFERING PRICE PER UNIT	AGGREGATE OFFERING PRICE	REGISTRATION FEE
8.875% Senior Notes Due 2012....	$200,000,000(1)	100%	$200,000,000	$18,400

(1) Represents the maximum principal amount at maturity of 8.875% Senior Notes due 2012 that may be issued pursuant to the exchange offer described in this registration statement.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(a) OF THE SECURITIES ACT OF 1933 OR UNTIL THIS REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE SECURITIES AND EXCHANGE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(a), MAY DETERMINE.

THIS INFORMATION IN THIS PROSPECTUS IS NOT COMPLETE. POLYONE CORPORATION MAY NOT SELL OR OFFER THESE SECURITIES UNTIL THE REGISTRATION STATEMENT FILED WITH THE SECURITIES AND EXCHANGE COMMISSION IS EFFECTIVE. THIS PROSPECTUS IS NOT AN OFFER TO SELL THESE SECURITIES AND POLYONE IS NOT SOLICITING AN OFFER TO BUY THESE SECURITIES IN ANY STATE WHERE THE OFFER OR SALE IS NOT PERMITTED.

SUBJECT TO COMPLETION, DATED MAY 2, 2002

PROSPECTUS

$200,000,000

[POLYONE LOGO]

OFFER TO EXCHANGE
ALL OUTSTANDING 8.875% SENIOR NOTES DUE 2012
FOR 8.875% SENIOR NOTES DUE 2012

OF

POLYONE CORPORATION

THIS EXCHANGE OFFER WILL EXPIRE AT 5:00 P.M.,
NEW YORK CITY TIME, ON , 2002

THE EXCHANGE NOTES

- The terms of the notes to be issued are substantially identical to the outstanding notes that PolyOne issued on April 23, 2002, except for transfer restrictions, registration rights and liquidated damages provisions relating to the outstanding notes that will not apply to the exchange notes.

- Interest on the notes accrues at the rate of 8.875% per year, payable in cash every six months on May 1 and November 1, with the first payment on November 1, 2002.

- The notes are senior, unsecured obligations of PolyOne and rank equally with our other senior unsecured indebtedness and are effectively subordinated to the obligations of our subsidiaries.

MATERIAL TERMS OF THE EXCHANGE OFFER

- Expires at 5:00 p.m., New York City time, on , 2002, unless extended.

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

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

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

- PolyOne will not receive any cash proceeds from the exchange offer.

Each broker-dealer that receives exchange notes for its own account pursuant to the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of such exchange notes. The letter of transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act of 1933. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of exchange notes received in exchange for outstanding notes where such outstanding notes were acquired by such broker-dealer as a result of market-making activities or other trading activities. We have agreed that, starting on the expiration date of the exchange offer and ending on the close of business 180 days after the expiration date, we will make this prospectus, as amended or supplemented, available to any broker-dealer for use in connection with any such resale.

PLEASE CONSIDER CAREFULLY THE "RISK FACTORS" BEGINNING ON PAGE 12 OF THIS PROSPECTUS.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THE EXCHANGE NOTES TO BE DISTRIBUTED IN THE EXCHANGE OFFER, NOR HAVE ANY OF THESE ORGANIZATIONS DETERMINED THAT THIS PROSPECTUS IS ACCURATE OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this prospectus is , 2002.

REFERENCES TO ADDITIONAL INFORMATION

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

PolyOne Corporation
Suite 36-500
200 Public Square
Cleveland, Ohio 44114-2304
Attention: Dennis Cocco, Chief Investor & Communications Officer
Telephone: (216) 589-4018

If you would like to request copies of these documents, please do so by , 2002 in order to receive them before the expiration of the exchange offer. See "Where You Can Find More Information."

TABLE OF CONTENTS

INDUSTRY, RANKING AND OTHER DATA

The data included in this prospectus regarding industries and ranking, including the size of specific industries and our position and the position of our competitors within these industries, are based on independent industry publications or other published industry sources and our estimates. Our estimates are based on information obtained from our customers, distributors, suppliers, trade and business organizations and other contacts in the industries in which we operate and our management's knowledge and experience. Although we have not independently verified the accuracy of these estimates, we believe these estimates to be accurate as of the date of this prospectus.

SUMMARY

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

POLYONE CORPORATION

We are a leading global polymer services company with operations in thermoplastic compounds, specialty resins, specialty polymer formulations, engineered films, color and additive systems, elastomer compounds and additives and thermoplastic resin distribution. PolyOne was formed on August 31, 2000 as a result of the consolidation of The Geon Company and M.A. Hanna Company. We consider ourself a leader in delivering value to customers through our strengths in polymer technology, manufacturing and supply chain processes, information technology, environmental and safety performance, overall quality and operational excellence. For the fiscal year ended December 31, 2001, we had revenues of $2.7 billion and EBITDA of $59 million.

We operate in four business segments: Performance Plastics, Elastomers and Performance Additives, Distribution and Resin and Intermediates.

PERFORMANCE PLASTICS

We are a leading merchant producer of compounded plastics to the specifications of manufacturers of plastic products throughout North America and Europe. We engage in the custom compounding of plastic materials to the specifications of manufacturers of molded and extruded plastic products through our compounding business. Our compounds are used in end products such as appliance components, automotive trim, business equipment housing, computer disk drive components, bottles, pipe and pipe fitting, windows, wire and cable. Through our custom formulated colorants and additives business, we manufacture custom formulated colorants in the form of color concentrates, liquid dispersions, dry colorants and additives for customers in the plastic industry throughout North America, Europe, South America and Asia. We are also a leading North American producer of specialty vinyl dispersion resins. In addition, our business processes specialty dispersion resins with different additives, such as plastisizers and fillers, to produce liquid or solid plastisol formulations. We also produce formulations using urethanes and latex polymers. Through our engineered films business, we process flexible compounds into rolls of various-gauge films. These products are incorporated into automotive instrument panels, airbags, furniture fabrics, loose-leaf binder covers, medical bloodbags and pool liners.

ELASTOMERS AND PERFORMANCE ADDITIVES

We engage in the custom compounding of rubber materials to the specifications of manufacturers of rubber products throughout North America through our rubber compounding and additives businesses. This includes products used in the manufacture of automobile hoses and belts, footwear, escalator railings and industrial conveyors. We also produce rubber colorants and additives for the rubber industry worldwide. We believe we are the largest independent custom rubber compounder in North America.

DISTRIBUTION

We distribute more than 3,500 grades of engineering and commodity resins and plastic compounds from approximately 12 major suppliers including our own polyvinyl chloride, or PVC, compounds through our distribution business. These products are sold to custom molders and extruders who convert them into plastic

products. Our customers produce products that are sold to a number of different industries and end markets. We believe we are one of the leading distributors of plastic resins and compounds in North America.

RESIN AND INTERMEDIATES

Our Resin and Intermediates segment manufactures products such as PVC resins, vinyl chloride monomer, or VCM, and caustic soda. These products are sold to customers in the aluminum, paper and pulp and construction industries. This segment also produces intermediates, such as chlorine, for internal consumption by our affiliate in the production of PVC resins. This segment consists primarily of investments in equity affiliates, principally Oxy Vinyls, LP and SunBelt Chlor-Alkali Partnership.

PRINCIPAL EQUITY AFFILIATES

We hold an equity interest in several joint ventures. Our two largest investments, based on our recorded investment in and commitment to guarantee debt of our equity affiliates, are OxyVinyls and SunBelt. We have a 24% interest in OxyVinyls, a partnership with Occidental Chemical Corporation, which is a leading producer of PVC resin and VCM in North America. OxyVinyls also produces chlorine and caustic soda. We also own 50% of SunBelt, a joint venture with Olin Corporation, which produces chlorine and caustic soda.

COMPETITIVE STRENGTHS

Leading Market Positions. We are a leader in most of the markets in which we sell our products and services in North America. For example, we are a leading producer of vinyl compounds, as well as elastomer and rubber additive products. We are one of the North American leaders in colorants for plastics and we believe we are one of the leading distributors of plastic resins and compounds in North America. Many of our products are sold or distributed into the same markets, which provides us with cross-selling opportunities for additional products or services. In addition, our operations in Europe and Asia allow us to provide the same products and services to our customers throughout North America, Europe and Asia with regional delivery and global specifications.

Diverse Customers and Industries Served. We serve customers across a variety of industries, such as construction, automotive, consumer non-durables, electrical, industrial consumer durables and packaging. In addition, no customer accounts for more than 3% of our sales, and no industry accounts for more than 18% of our sales. We believe this diversification helps to protect our business from swings caused by shifts in any one industry. Moreover, our broad customer base provides us with opportunities to offer new product innovation.

Broad Product Portfolio. We have a broad product portfolio of polymer compounds and colors, elastomers, liquid polymer systems and additives, which allows us to deliver service and technology based solutions to our customers for many of their required polymer applications. We believe that this makes us a preferred supplier to customers who have needs for diversified products. In addition, we can develop solutions to our existing customers through different polymers applications based on our extensive product portfolio.

Strong Management Team With Extensive Industry Experience. Our senior management team consists of professionals with long-term experience within our company and broad talents and expertise in the polymer services industries. Our team of senior executives consists of 17 individuals, most of whom have over 20 years of experience in these industries. Moreover, our senior management team is supported by managers within each business segment who have extensive experience within their respective operating segments.

BUSINESS STRATEGIES

We intend to utilize our resources to strengthen our position as a leading global polymer services company through the following strategies:

Become the Preferred Provider of Products and Services. We take pride in our ability to solve a customer's problem and then replicate the solution for that customer around the world. We do this by creating teams of diverse product specialists when a customer need demands an unusual combination of skills. This allows us to provide customized solutions to our customers. In addition, we organize our manufacturing processes and facilities around the industries we serve in order to better meet the needs of our customers. We believe this strategy will allow us to provide better service to our customers as we strive to become their preferred provider of polymer products and services.

Realize Strategic Value Capture Initiatives. We will continue to pursue our strategic value capture initiatives through creative cost reduction efforts, continual improvements in operational efficiency and dedication to quality. We believe these efforts will increase our profitability.

- Pursue Operational Excellence. We intend to eliminate excess capacity by closing plants and expanding and improving some existing facilities in order to establish centers of manufacturing excellence, including our "Triple Crown" initiative for our North American plastics compounds and color operations. In 2001, we announced that we would close 18 sites and we targeted 20 more for capital improvements. We believe that this initiative will enhance our manufacturing assets and continue to lead to improvements in operational efficiency as we strive to continually achieve operational excellence.

- Leverage Information Technology. We will continue to upgrade our IT systems to link all our businesses worldwide. We call this undertaking our "projectOne" initiative. We will use projectOne as a platform to improve efficiency of information flow and knowledge management, which will enable us to provide better customer service and solutions, improve materials sourcing and offer e-commerce opportunities. For example, we utilize our IT system to manage the inventory of one of our customers located on the West Coast. This customer's silo, which contains vinyl compounds, has been fitted with a measuring device that automatically communicates to our enterprise resource planning system when a material shipment should be made.

- Reduce Costs and Manage Capital Spending. We will continue to focus on cost reduction in our operations and seek ways to reduce our selling and administrative expenses. We have established the goal of reducing sales, technology, general and administrative costs by more than $50 million in 2003 compared to these costs in 2000. Our strategy for capital spending is to focus on investments that yield an attractive return.

RECENT DEVELOPMENTS

On March 28, 2002, we amended and restated the credit agreement governing our revolving credit facility. The amended and restated credit agreement also revises our 2002 borrowed debt-to-EBITDA compliance ratios and requires that we secure any obligations under the revolving credit facility. Additionally, our obligations under the revolving credit facility are guaranteed by some of our domestic subsidiaries.

We adopted Statement of Financial Accounting Standards No. 142 "Goodwill and Other Intangible Assets" effective January 1, 2002. Under this statement, goodwill is no longer amortized against earnings, but must be periodically tested for impairment. On April 8, 2002, we announced the completion of our transitional assessment as to any impairment of goodwill as required by SFAS No. 142. As a result, we recognized a non-cash pre-tax charge of approximately $55 million (after-tax $54 million) in the first quarter of 2002, which was reflected as a cumulative change in accounting principle. The impaired goodwill relates to the acquisition in 1999 of our Engineered Films operation. As of March 31, 2002 and after the above charge and the reclassification of workforce intangible assets, goodwill totaled $447 million on our balance sheet.

Effective April 8, 2002, the partnership governance committee of OxyVinyls, of which we own a 24% interest, adopted a resolution to no longer engage Arthur Andersen LLP as its independent public accountants and to engage KPMG LLP to serve as its independent public accountants for the fiscal year 2002.

On April 30, 2002, we reported first quarter operating results, including revenues of $613 million, operating income of $6.5 million, a net loss before cumulative effect of a change in accounting of $3.6 million and a net loss of $57.3 million.

INFORMATION ABOUT POLYONE

We are an Ohio corporation formed on August 31, 2000 by the consolidation of The Geon Company and M.A. Hanna Company. Our principal executive office is located at Suite 36-5000, 200 Public Square, Cleveland, Ohio 44114-2304, and our telephone number is (216) 589-4000. Our common shares are listed on The New York Stock Exchange under the symbol "POL."

THE EXCHANGE OFFER

The Exchange Offer.....	We are offering to exchange $200.0 million in principal amount of our 8.875% senior notes due May 1, 2012, which have been registered under the federal securities laws, for $200.0 million in principal amount of our outstanding unregistered 8.875% senior notes due May 1, 2012, which we issued on April 23, 2002 in a private offering. You have the right to exchange your outstanding notes for exchange notes with substantially identical terms. In order for your outstanding notes to be exchanged, you must properly tender them before the expiration of the exchange offer. All outstanding notes that are validly tendered and not validly withdrawn will be exchanged. We will issue the exchange notes on or promptly after the expiration of the exchange offer.
Registration Rights Agreement.....	We sold the outstanding notes on April 23, 2002 to a limited number of initial purchasers. At that time, we signed a registration rights agreement with those initial purchasers, which requires us to conduct this exchange offer. This exchange offer is intended to satisfy those rights set forth in the registration rights agreement. After the exchange offer is complete, you will not have any further rights under the registration rights agreement, including any right to require us to register any outstanding notes that you do not exchange or to pay you liquidated damages.
If You Fail to Exchange Your Outstanding Notes.....	If you do not exchange your outstanding notes for exchange notes in the exchange offer, you will continue to be subject to the restrictions on transfer provided in the outstanding notes and indenture governing those notes. In general, you may not offer or sell your outstanding notes unless they are registered under the federal securities laws or are sold in a transaction exempt from or not subject to the registration requirements of the federal securities laws and applicable state securities laws.
Expiration Date.....	The exchange offer will expire at 5:00 p.m., New York City time, on , 2002, unless we decide to extend the expiration date. See "The Exchange Offer -- Expiration Date; Extensions; Amendments."
Conditions to the Exchange Offer.....	The exchange offer is subject to conditions that we may waive. The exchange offer is not conditioned upon any minimum amount of outstanding notes being tendered for exchange. See "The Exchange Offer -- Conditions." We reserve the right, subject to applicable law, at any time and from time to time: - to delay the acceptance of the outstanding notes; - to terminate the exchange offer if specified conditions have not been satisfied; - to extend the expiration date of the exchange offer and retain all tendered outstanding notes subject to the right of tendering holders to withdraw their tender of outstanding notes; and

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

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

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

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

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

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

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

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

THE EXCHANGE NOTES

Exchange Notes..... $200.0 million aggregate principal amount of 8.875% senior notes due 2012.

Maturity Date..... May 1, 2012.

Interest Payment Dates..... The exchange notes will bear interest at the rate of 8.875% per year, payable semi-annually in cash, in arrears on May 1 and November 1 of each year, commencing on November 1, 2002.

Ranking..... The exchange notes will be our general unsecured obligations and will rank equally with all of our existing and future unsecured senior indebtedness. The exchange notes will not be guaranteed by any of our subsidiaries. The exchange notes will be effectively subordinated to all existing and future debt of our subsidiaries.

As of December 31, 2001, after giving effect to the offering of the outstanding notes and the application of the net proceeds therefrom, our total outstanding consolidated debt would have been $590.9 million, of which $21.5 million would have been debt of our subsidiaries.

We and some of our domestic subsidiaries have agreed to secure our obligations under our revolving credit facility and some letters of credit, bank guarantees and hedging instruments with some of our real property, all of our equipment located on this real

	property, all of our inventory, all of our accounts receivable (subject to a priority security interest granted to the purchasers under our receivables sale facility), all of our deposit accounts and substantially all of our intellectual property, as well as the capital stock of these subsidiaries. These domestic subsidiaries have also guaranteed our obligations under our revolving credit facility and the letters of credit, bank guarantees and hedging instruments. As of December 31, 2001, after giving effect to the offering of the outstanding notes and the application of the net proceeds therefrom, we would have had approximately $41.4 million of obligations under the letters of credit, bank guarantees and hedging instruments. In addition, if we exceed the specified limits of secured debt permitted by the indentures governing our other existing notes or our guarantee of the notes of one of our equity affiliates as we borrow under our revolving credit facility, we will be required to equally and ratably secure the exchange notes, the other existing notes and the guarantee with this collateral for so long as these specified limits are exceeded. Accordingly, depending on the amount drawn under our revolving credit facility, the exchange notes could become secured. Our obligations under the revolving credit facility will be secured and guaranteed until our debt-to-EBITDA ratio is less than 3.50 to 1.0 for any two consecutive fiscal quarters. If the revolving credit facility becomes unsecured, the exchange notes will not be secured by the collateral described above. See "Description of Specific Other Indebtedness."
Optional Redemption.....	We will have the option to redeem the exchange notes at any time at a price equal to the greater of 100% of the principal amount of the exchange notes and a "make-whole" amount, plus, in each case, any accrued interest to the date of redemption. The "make-whole" amount will be based on a discount rate equal to the yield on a comparable U.S. Treasury security plus 50 basis points. See "Description of Notes -- Optional Redemption."
Use of Proceeds.....	We will not receive any cash proceeds from the issuance of the exchange notes.

RISK FACTORS

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

SUMMARY HISTORICAL FINANCIAL DATA

The summary of historical financial data of PolyOne set forth below as of December 31, 2001, 2000, 1999, 1998 and 1997 and for each of the five years in the period ended December 31, 2001 are derived from the audited consolidated financial statements. PolyOne was formed on August 31, 2000 from the consolidation of The Geon Company and M. A. Hanna Company. This consolidation was accounted for as a purchase business combination, with Geon as the acquiring entity. Accordingly, our audited results under generally accepted accounting principles (GAAP) for the year ended December 31, 2000 reflect the operating results of Geon for eight months prior to the consolidation and of PolyOne for four months (which include the operating results of Hanna from the date of consolidation). Accordingly, the summary historical financial data as of December 31, 2001, and for the year then ended is generally not comparable to the summary historical financial data for the other periods presented in the table below. Note (1) to the summary historical financial data includes pro forma income statement data and other data for 2000 and 1999 that gives effect to the consolidation of Geon and Hanna and certain other transactions as if such transactions had occurred prior to the periods presented. The audited results for the years ended December 31, 1999, 1998 and 1997 are those of Geon only. The historical results include the following business acquisitions from the acquisition date indicated: Synergistics Industries Limited from October 31, 1997; Plast-O-Meric, Inc., and the Wilflex Division of Flexible Products Company, from June 1, 1998; Adchem, Inc. from September 1, 1998; Acrol Holdings Limited from July 1, 1999; O'Sullivan Corporation from July 8, 1999; and Dennis Chemical Company, Inc. from September 8, 1999. In addition, the 1999 results of operations reflect the formation of Oxy Vinyls, LP on April 30, 1999, and the contribution of substantially all of the Company's former PVC resin operations to Oxy Vinyls, LP. In connection with this, PolyOne also acquired businesses from Occidental Chemical Corporation and formed a powder compounding joint venture, all of which are reflected in the PolyOne's consolidated results of operations from May 1, 1999.

The summary historical financial data should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" appearing elsewhere in this prospectus and the consolidated financial statements and related notes of PolyOne incorporated by reference into this prospectus. For additional information, see "Where You Can Find More Information."

YEAR ENDED DECEMBER 31,					
	2001	2000	1999	1998	1997
	(DOLLARS IN MILLIONS)				
INCOME STATEMENT DATA(1):					
Sales	$2,654.6	$1,887.8	$1,261.2	$1,284.4	$1,250.0
Depreciation and amortization	91.3	57.4	44.4	57.9	54.6
Employee separation and plant phase-out	36.1	2.8	0.5	14.6	15.0
Merger and integration costs	5.9	9.5	--	--	--
Operating income (loss)	(17.1)	64.8	99.7	41.0	51.7
Income (loss) before cumulative effect of a change in accounting	(46.1)	15.9	106.2	13.8	22.5
Net income (loss)(2)	(46.1)	15.9	104.7	13.8	22.5
BALANCE SHEET DATA (AT PERIOD END):					
Current assets	$ 485.6	$ 796.5	$ 357.7	$ 234.7	$ 313.5
Total assets	2,061.2	2,430.6	1,162.6	802.0	872.9
Current liabilities	500.1	746.8	440.7	256.8	313.6
Long-term debt	426.8	430.5	130.9	135.4	136.4
Shareholders' equity	713.4	827.6	334.7	214.1	223.8
OTHER DATA(1):					
EBITDA(3)	$ 59.2	$ 118.6	$ 140.5	$ 96.3	$ 100.4
Capital expenditures	80.2	62.7	60.1	40.7	50.9
Expenditure for acquisitions(4)	--	520.0	233.5	57.1	82.2
Interest expense	41.9	36.7	17.7	16.0	11.9
Ratio of earnings to fixed charges(5)(6)	--	1.5x	5.7x	1.7x	2.1x

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(1) The income statement data and the other data are based on financial information from the income statement, which includes the operating results for acquisitions and other transactions from the date thereof. Below is a summary of pro forma operating results, which assumes 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, Geon's 1999 transactions with Occidental Chemical Corporation and the acquisition of O'Sullivan occurred prior to the periods presented. The unaudited pro forma financial information set forth below should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in this prospectus.

	2000	1999
(DOLLARS IN MILLIONS) INCOME STATEMENT DATA, PRO FORMA (UNAUDITED):		
Sales	$3,139.7	$3,039.9
Operating income	115.5	181.8
Net income	52.4	79.9
OTHER DATA, PRO FORMA (UNAUDITED): Depreciation and amortization	$ 101.6	$ 104.3
EBITDA(3)	215.7	290.9

The above pro forma data includes the effects of the following restructuring and other one-time items. The pro forma financial information set forth below should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in this prospectus.

	2000	1999
(DOLLARS IN MILLIONS) Employee separation and plant phase-out	$ 2.8	$ (0.1)
Equity investment restructuring costs	--	0.8
Executive separation cost	8.5	--
Directors' pension termination		0.8
Other restructuring costs		0.6
Write-off of debt placement		0.8
Reversal of Hanna dock operations reserves	--	(1.2)
Gain on sale of assets		--
(13.2) Loss on sale of business		--
Subtotal -- pre-tax expense (income)	10.9	13.5
Subtotal -- after-tax expense	(1.6)	8.1
German tax rate reduction		3.6
Hanna reversal of income tax reserve	(1.5)	--
Cumulative effect of a change in accounting	(10.5)	--
Total after-tax impact of special items (income)	1.5	(3.9)
Net income, pro forma	5.1	52.4
Net income, pro forma before special items	79.9	$ 48.5
EBITDA, pro forma before special items	$ 85.0	$229.2
Operating income, pro forma before special items	$289.3	$128.4
Net income, EBITDA and operating income, before special items are non-GAAP measures, and may not be comparable to financial performance measures presented by other companies.	$184.3	

(2) Reflects the effects of certain restructuring and other one-time special items included in historical operating income and net income (loss) as follows. The information set forth below should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in this prospectus.

	2001	2000	1999	1998	1997
	(DOLLARS IN MILLIONS)				
Employee separation and plant phase-out	$ 36.1	$ 2.8	$ 0.5	$ 14.6	$ 15.0
Merger and integration costs	5.9	9.5	--	--	--
Equity investment restructuring and plant idling costs*	9.4	--	0.8	--	--
Charge for acquired profit in inventory relating to business acquisitions	--	2.8	3.2	--	--
Directors' pension termination	--	0.8	--	--	
Other restructuring costs	0.2	0.6	1.2	--	--
Equity investment write-down	10.1	--	--	--	--
Litigation settlement (gain)	(4.1)	--	--	--	--
Write-off of debt placement	--	0.8	--	--	--
(Gain) on formation of joint ventures	--	--	(93.5)	--	--
Subtotal -- pre-tax (income) expense	57.6	17.3	(87.8)	14.6	15.0
Subtotal -- after-tax (income) expense	35.9	10.6	(53.7)	8.9	9.2
German tax rate reduction	--	(1.5)	--	--	--
Cumulative effect of a change in accounting	--	--	1.5	--	--
Total after-tax impact of special items	35.9	9.1	(52.2)	8.9	9.2
Net income (loss), as reported	(46.1)	15.9	104.7	13.8	22.5
Net income (loss), before special items	$(10.2)	$ 25.0	$ 52.5	$ 22.7	$ 31.7
EBITDA, before special items	$116.8	$135.1	$146.2	$110.9	$115.4
Operating income, before special items	$ 34.5	$ 81.5	$105.4	$ 55.6	$ 66.7

* Represents employee severance, plant phase-out costs and liabilities associated with the temporary idling of a plant.

Net income, EBITDA and operating income, before special items are non-GAAP measures, and may not be comparable to financial performance measures presented by other companies.

(3) EBITDA represents operating income plus other income (expense) and, depreciation and amortization. EBITDA is presented as it is frequently used by security analysts and certain investors in evaluating companies and their ability to service debt. However, EBITDA should not be considered an alternative to net cash from operating, investing and financing activities as a measure of liquidity or as an alternative to net income as an indicator of operating performance or any other measure of performance in accordance with generally accepted accounting principles. EBITDA is not a measurement under generally accepted accounting principles and is not necessarily comparable with similarly titled measures of other companies.

(4) This amount includes business acquisitions for cash, net of cash acquired and the M.A. Hanna Company consolidation for stock, net of cash received and transaction costs paid in 2000.

(5) For purposes of computing the ratio of earnings to fixed charges, earnings consist of earnings before income taxes, extraordinary items and the cumulative effect of change in method of accounting and excluded undistributed earnings (loss) of affiliates, except for the pre-tax loss of 50% or less owned affiliates for which PolyOne has guaranteed debt, and capitalized interest, but include fixed charges and amortization of previously capitalized interest. Fixed charges consist of interest expensed and capitalized, amortized premiums, discounts and capitalized expenses related to indebtedness, and a portion of rental expense representing an interest factor.

(6) Earnings for the year ended December 31, 2001 were inadequate to cover fixed charges. The coverage deficiency for the year amounted to $64.0 million.

RISK FACTORS

An investment in the exchange notes involves risk. In addition to the other information contained in or incorporated by reference into this prospectus, you should carefully consider the following risk factors and information under "Forward-Looking Statements," which appear elsewhere in this prospectus before deciding whether to exchange any outstanding notes.

RISKS RELATING TO OUR DEBT, INCLUDING THE EXCHANGE NOTES

OUR HIGH LEVEL OF DEBT COULD IMPAIR OUR FINANCIAL HEALTH AND PREVENT US FROM FULFILLING OUR OBLIGATIONS UNDER THE EXCHANGE NOTES.

As of December 31, 2001, we had total outstanding consolidated debt of approximately $446.1 million and shareholders' equity of approximately $713.4 million. Approximately $62 million of our total outstanding consolidated debt as of December 31, 2001 was debt of our subsidiaries. In addition, as of December 31, 2001, we had sold $217.5 million of our accounts receivables under our receivables sale facility. As of December 31, 2001, we had also guaranteed $42.3 million of OxyVinyls' borrowings from Occidental Chemical Corporation and $97.5 million of SunBelt's outstanding senior secured notes.

Our high level of debt and our debt service obligations could:

- make it more difficult for us to satisfy our obligations with respect to the exchange notes;
- reduce the amount of money available to finance our operations, capital expenditures and other activities;
- increase our vulnerability to economic downturns and industry conditions;
- limit our flexibility in responding to changing business and economic conditions, including increased competition and demand for new products and services;
- place us at a disadvantage when compared to our competitors that have less debt; and
- limit our ability to borrow additional funds.

We may incur substantial additional debt in the future, and we may do so in order to finance future acquisitions and investments. The terms of the indenture governing the exchange notes restrict us and our subsidiaries from incurring secured debt only. The addition of further debt to our current high level of debt could intensify the leverage related risks that we now face.

HOLDERS OF SECURED DEBT WOULD BE PAID FIRST AND WOULD RECEIVE PAYMENTS FROM ASSETS USED AS SECURITY BEFORE YOU RECEIVE PAYMENTS IF WE WERE TO BECOME INSOLVENT.

In general, the exchange notes will not be secured by any of our assets or the assets of our subsidiaries. The indenture governing the outstanding notes and the exchange notes, and the indentures governing our other existing notes and our guarantee of the SunBelt notes permit us to incur future secured debt up to specified limits. If we were to become insolvent, holders of any current and future secured debt would be paid first and would receive payments from the assets used as security before you receive any payments. You may therefore not be fully repaid if we become insolvent.

In connection with amending and restating the credit agreement governing our revolving credit facility, we have agreed to secure any amounts outstanding under our revolving credit facility and amounts under some letters of credit, bank guarantees and various hedging instruments. If we exceed the specified limits of secured debt permitted by the indenture governing the outstanding notes and the exchange notes, the indentures governing any of our other existing notes or our SunBelt guarantee, we will have to secure the debt under the outstanding notes and the exchange notes, as the case may be, the other existing notes and our SunBelt guarantee as well. But if we do not exceed these specified limits, the holders of the outstanding notes and the exchange notes, as the case may be, our other existing notes and our SunBelt guarantee would remain unsecured whereas amounts outstanding under our revolving credit facility and the letters of credit, bank guarantees and hedging instruments would be secured. Assuming that the offering of the outstanding

notes had taken place on December 31, 2001 and giving effect to the application of the net proceeds therefrom, we would not have had any amounts outstanding under our revolving credit facility, but we would have had approximately $41.4 million of obligations under the letters of credit, bank guarantees and hedging instruments, which would have been secured. In the future, we may incur additional secured debt.

ASSETS OF OUR SUBSIDIARIES MAY NOT BE AVAILABLE TO MAKE PAYMENTS ON THE EXCHANGE NOTES.

Our subsidiaries have no obligations to make payments in respect of the outstanding notes and the exchange notes, as the case may be. In the event of a bankruptcy, liquidation or reorganization of any of our subsidiaries, the creditors of such subsidiary, including trade creditors, will generally be entitled to payment of their claims from the assets of the subsidiary before any assets are made available for distribution to us as a shareholder. After paying their own creditors, our subsidiaries may not have any remaining assets available for payment to holders of the exchange notes. As a result, the outstanding notes and the exchange notes, as the case may be, are effectively junior in right of payment to the obligations of our subsidiaries. Assuming that the offering of the outstanding notes had taken place on December 31, 2001 and giving effect to the application of the net proceeds therefrom, the total indebtedness of our subsidiaries owed to third parties would have been approximately $21.5 million.

THE TERMS OF OUR REVOLVING CREDIT FACILITY IMPOSE FINANCIAL AND OPERATING RESTRICTIONS.

Our revolving credit facility contains restrictive covenants that limit our ability to engage in a variety of transactions. Our revolving credit facility requires us to maintain specified financial ratios and satisfy other financial condition tests. Our ability to meet those financial ratios and tests can be affected by events beyond our control, and we cannot assure you that we will meet those tests. If we are unable to meet those tests, we would be unable to borrow under our revolving credit facility and, if that happens, we may not be able to fund our operations.

A breach of any of the covenants or other provisions in our revolving credit facility could result in a default under our revolving credit facility. Upon the occurrence of an event of default under our revolving credit facility, the lenders could elect to declare all amounts outstanding thereunder to be immediately due and payable and foreclose on the collateral, if any, securing the revolving credit facility, as well as terminate all commitments to extend further credit, which would adversely affect our ability to fund our operations. If the lenders under our revolving credit facility accelerate the repayment of our borrowings, we cannot assure you that we will have sufficient assets to repay the obligations under our revolving credit facility. In addition, in some instances, this would create an event of default under the indenture governing the outstanding notes and the exchange notes.

AN ACTIVE LIQUID TRADING MARKET FOR THE EXCHANGE NOTES MAY NOT DEVELOP.

There is currently no public market for the exchange notes. The exchange notes are a new class of securities which have never been traded. We cannot assure you that an active trading market for the exchange notes will develop, or if one does develop, that it will be sustained. Also, it is possible that the market for the exchange notes will also be volatile. This volatility in price may affect your ability to resell your exchange notes or the timing of their sale.

IF YOU DO NOT EXCHANGE YOUR OUTSTANDING NOTES, YOU MAY HAVE DIFFICULTY IN TRANSFERRING THEM AT A LATER TIME.

We will issue exchange notes in exchange for the outstanding notes after the exchange agent receives your outstanding notes, the letter of transmittal and all related documents. You should allow adequate time for delivery if you choose to tender your outstanding notes for exchange. Outstanding notes that are not exchanged will remain subject to restrictions on transfer and will not have rights to registration.

If you do participate in the exchange offer for the purpose of participating in the distribution of the exchange notes, you must comply with the registration and prospectus delivery requirements of the Securities Act for any resale transaction. Each broker-dealer who holds outstanding notes for its own account due to market-making or other trading activities and who receives exchange notes for its own account must

acknowledge that it will deliver a prospectus in connection with any resale of the exchange notes. If any outstanding notes are not tendered in the exchange or are tendered but not accepted, the trading market for such outstanding notes could be negatively affected due to the limited amount expected to remain outstanding following the completion of the exchange offer.

RISKS RELATING TO OUR BUSINESS

DEMAND FOR AND SUPPLY OF OUR PRODUCTS AND SERVICES MAY BE ADVERSELY AFFECTED BY NUMEROUS FACTORS, SOME OF WHICH WE CANNOT PREDICT OR CONTROL, WHICH COULD ADVERSELY AFFECT OUR RESULTS OF OPERATIONS.

Numerous factors may affect the demand for and supply of our products and services, including:

- changes in the market acceptance of our products and services;
- declines in the general level of industrial production;
- declines in general economic conditions;
- changes in world or regional plastic, rubber and PVC consumption growth rates;
- changes in capacity in the PVC, VCM or chlor-alkali industries;
- declines in the availability or increases in the prices of raw materials;
- declines in the availability or increases in the prices of energy; and
- changes in environmental regulations that would limit our ability to sell our products and services in specific markets.

If any of these factors occur, the demand for and supply of our products and services could suffer, which would adversely affect our results of operations.

OUR SALES AND OPERATING RESULTS ARE SENSITIVE TO GLOBAL ECONOMIC CONDITIONS AND CYCLICALITY AND COULD BE ADVERSELY AFFECTED DURING ECONOMIC DOWNTURNS.

Demand for our products is affected by general economic conditions and the business conditions of the industries in which we sell our products and services. The business of most of our customers, particularly our industrial, automotive, construction and electronics customers, are, to varying degrees, cyclical and have historically experienced periodic downturns. A substantial weakening of the North American economy across all of our business segments was reflected in a decrease in the customer sales demand for our products in 2001. According to Automotive News, automotive production was down 10% in 2001 as compared to 2000, and according to Blue Chip Economic Indicators, industrial production fell 4.3% in 2001 compared to 2000 and average industrial capacity utilization fell five percentage points from 82% in 2000 to 77% in 2001. We estimate that our operating income in 2001 decreased approximately $135 million as a direct result of the sales volume decline from 2000. Any downturns in general economic conditions could adversely affect the demand for our products and services and our sales and operating results. In addition, downturns in our customers' industries, even during periods of strong general economic conditions, could adversely affect our sales and our operating results.

WE MAY BE UNABLE TO ACHIEVE, OR MAY BE DELAYED IN ACHIEVING, STRATEGIC VALUE CAPTURE INITIATIVES, WHICH MAY ADVERSELY AFFECT OUR RESULTS OF OPERATIONS AND CASH FLOW.

We anticipate that, as we better understand the capabilities and synergies of the combined operations of Geon and Hanna, we will achieve savings associated with various strategic value capture initiatives. These strategic value capture initiatives include various cost-reduction initiatives as well as initiatives to increase our sales growth by leveraging our products across business platforms and projectOne. If we are unable to achieve, or if we meet any unexpected delays in achieving, these goals, our results of operations and cash flow may be adversely affected. Additionally, even if we achieve these initiatives, we may not receive the

expected financial benefits of these initiatives. Also, the costs of implementing these initiatives could exceed the benefits of these initiatives.

BECAUSE OUR OPERATIONS ARE CONDUCTED WORLDWIDE, THEY ARE AFFECTED BY RISKS OF DOING BUSINESS ABROAD.

We generate revenue from export sales, or sales outside the United States by our domestic operations, as well as from our operations conducted outside the United States. Revenue from non-United States operations (principally Canada, Mexico, Europe and Asia) amounted to approximately 23% in 2001, 20% in 2000 and 16% in 1999. Long-lived assets of our non-United States operations represented 15% and 14% of total long-lived assets at December 31, 2001 and 2000.

Our international operations are subject to the risks of doing business abroad, including the following:

- fluctuations in currency exchange rates;
- transportation delays and interruptions;
- political and economic instability and disruptions;
- restrictions on the transfer of funds;
- the imposition of duties and tariffs;
- import and export controls;
- changes in governmental policies and regulatory environments;
- labor unrest and current and changing regulatory environments;
- the uncertainty of product acceptance by different cultures;
- the risks of divergent business expectations or cultural incompatibility inherent in establishing joint ventures with foreign partners;
- difficulties in staffing and managing multi-national operations;
- limitations on our ability to enforce legal rights and remedies;
- reduced protection for intellectual property rights in some countries; and
- potentially adverse tax consequences.

Any of these events could have an adverse effect on our international operations in the future by reducing the demand for our products, decreasing the prices at which we can sell our products or otherwise having an adverse effect on our business, financial condition or results of operations. We cannot assure you that we will continue to operate in compliance with applicable customs, currency exchange control regulations, transfer pricing regulations or any other laws or regulations to which we may be subject. We also cannot assure you that these laws will not be modified.

OUR MANUFACTURING OPERATIONS ARE SUBJECT TO HAZARDS ASSOCIATED WITH POLYMER PRODUCTION AND RELATED STORAGE AND TRANSPORTATION OF RAW MATERIALS, PRODUCTS AND WASTES.

Our manufacturing operations are subject to the usual hazards associated with polymer production and the related storage and transportation of raw materials, products and wastes, including, but not limited to:

- pipeline leaks and ruptures;
- explosions, fires, inclement weather and natural disasters;
- mechanical failure;
- unscheduled downtime;
- labor difficulties;
- our inability to obtain or maintain any required licenses or permits;
- transportation interruptions and environmental hazards such as chemical spills, discharges or releases of toxic or hazardous substances or gases; and
- storage tank leaks and matters resulting from remedial activities.

The occurrence of any of these operating problems at our facilities may have a material adverse effect on the productivity and profitability of a particular manufacturing facility, or on our operations as a whole, during and after the period of such operational difficulties. These operating problems may also cause personal injury and loss of life, severe damage to or destruction of property and equipment, and environmental damage. In addition, individuals could seek damages for alleged personal injury or property damage due to exposure to chemicals at our facilities or to chemicals otherwise owned or controlled by us. Furthermore, we are also subject to present and future claims with respect to workplace exposure, workers' compensation and other matters. Although we maintain property, business interruption and casualty insurance of the types and in the amounts that we believe are customary for the industry, we are not fully insured against all potential hazards incident to our business.

OUR PARTICIPATION IN JOINT VENTURES LIMITS OUR ABILITY TO CONTROL THE OPERATIONS AND BUSINESS OF THESE ENTITIES.

We participate in several joint ventures both in the United States and abroad. In some joint ventures, we are equal partners with another corporation, while in others we hold either a majority or a minority interest. We may enter into additional joint ventures in the future. The nature of a joint venture requires us to share control with unaffiliated third parties. If our joint venture partners do not fulfill their obligations, the affected joint venture may not be able to operate according to its business plan. In that case, our operations may be adversely affected or we may be required to increase our level of commitment to the joint venture. Also, differences in views among joint venture participants may result in delayed decisions or failures to agree on major issues. Any differences in our views or problems with respect to the operations of our joint ventures could have an adverse effect on our business, financial condition, results of operations or cash flows.

EXTENSIVE ENVIRONMENTAL, HEALTH AND SAFETY LAWS AND REGULATIONS IMPACT OUR OPERATIONS AND ASSETS, AND COMPLIANCE WITH THESE REGULATIONS COULD ADVERSELY AFFECT OUR RESULTS OF OPERATIONS.

Our operations on and ownership of real property are subject to extensive environmental, health and safety regulation at both the national and local level. The nature of our business exposes us to risks of liability under these laws and regulations due to the production, storage, transportation and sale of materials that can cause contamination or personal injury if released into the environment. Environmental laws may have a significant effect on the costs of transportation and storage of raw materials and finished products, as well as the costs of the storage and disposal of wastes. We may incur substantial costs, including fines, damages, criminal or civil sanctions, remediation costs, or experience interruptions in our operations for violations arising under these laws.

Also, federal and state environmental statutes impose strict, and under some circumstances joint and several, liability for the cost of investigations and remedial actions on any company that generated the waste, arranged for disposal of the waste, transported the waste to the disposal site, and selected the disposal site, as well as on owners and operators of the site. Any or all of the responsible parties may be required to bear all of the costs of clean up, regardless of fault, or legality of the waste disposal or ownership of the site, and may also be subject to liability for natural resource damages. We have been notified by federal and state environmental agencies and private parties that we may be a potentially responsible party, or PRP, in connection with several sites. We may incur substantial costs relating to some of these sites. It is possible that we will be identified as a PRP at more sites in the future. If that happens, substantial investigation or clean up costs could be assessed against us with respect to them.

We are also conducting investigations and remediation at some of our active and inactive facilities, and have assumed responsibility for environmental liabilities based on pre-1993 operations at sites formerly owned or operated by us or our predecessors.

Our policy is to accrue costs relating to environmental matters that have been identified and when it is probable that these costs will be required and can be reasonably estimated. However, accruals for estimated costs, including, among other things, the ranges associated with our accruals, for future environmental compliance and remediation may be too low or we may not be able to quantify the potential costs. We cannot assure you that all environmental matters giving rise to liability or potential liability have been identified. We

expect to continue to be subject to increasingly stringent environmental and health and safety laws and regulations. We anticipate that compliance will continue to require increased capital expenditures and operating costs, which could adversely affect our financial performance.

FORWARD-LOOKING STATEMENTS

You should carefully review the information contained in or incorporated by reference into this prospectus. In this prospectus, 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, including, for example, statements about business outlook, assessment of market conditions, strategies, future plans, future sales, prices for major products, inventory levels, capital spending and tax rates. These forward-looking statements 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.

Factors that could cause actual results to differ materially include, but are not limited to:

- an inability to achieve or delays in achieving savings related to consolidation and restructuring programs;
- changes in world, regional or U.S. plastic, rubber and PVC consumption growth rates affecting our markets;
- 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 we participate;
- delays in achieving or inability to achieve cost reduction and employee productivity goals and other strategic value capture initiatives;
- the effect on foreign operations of currency fluctuations, tariffs, nationalization, exchange controls, limitations on foreign investment in local business and other political, economic and regulatory risks;
- fluctuations in raw material prices and supply and 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;
- costs or difficulties and delays related to the operation of joint venture entities;
- lack of day-to-day operating control, including procurement of raw material feedstocks, of other equity or joint venture affiliates;
- lack of direct control over the reliability of delivery and quality of the primary raw materials utilized in our products;
- lack of control over investment decisions and dividend distribution policy of OxyVinyls and our other equity affiliates;
- an inability to obtain or maintain any required licenses or permits;
- an inability to comply with any environmental laws and regulations;
- our ability to launch new products and/or services that fit strategically with and add value to our business; and
- the possibility of goodwill impairments.

USE OF PROCEEDS

We will not receive any cash proceeds from the issuance of the exchange notes. Because we are exchanging the exchange notes for the outstanding notes, which have substantially identical terms, the issuance of the exchange notes will not result in any increase in our indebtedness.

CAPITALIZATION

The following table sets forth our consolidated cash and cash equivalents, amount of receivables sold under the receivables sale facility and capitalization as of December 31, 2001 on a historical basis in accordance with generally accepted accounting principles and on an as adjusted basis for the offering of the outstanding notes. The as adjusted presentation gives effect to the sale of the outstanding notes. The table should be read in conjunction with the consolidated financial statements of PolyOne and the related notes, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the other financial data of PolyOne included in or incorporated by reference into this prospectus.

	AS OF DECEMBER 31, 2001	
	HISTORICAL	AS ADJUSTED
	(DOLLARS IN MILLIONS)	
Cash and cash equivalents	$ 18.2	$ 18.2
Amount of receivables sold under the receivables sale facility(1)(2)	$ 217.5	$ 179.8
SHORT-TERM DEBT:		
Revolving credit facility(1)(2)	$ --	$ --
Short-term lines of credit(1)(2)	14.7	--
	14.7	--
LONG-TERM DEBT:		
8.875% notes due 2012	--	200.0
9.375% senior notes due 2003	91.5	91.5
Deutsche Bank AG loan due 2003(1)(2)	40.5	--
6.875% debentures due 2005	75.2	75.2
Medium-term notes due 2004 - 2011	151.1	151.1
7.500% debentures due 2015	50.0	50.0
Other foreign denominated debt	17.9	17.9
Other borrowings	5.2	5.2
	431.4	590.9
SHAREHOLDERS' EQUITY:		
Common stock, par value $0.01 per share	1.2	1.2
Additional paid-in capital	1,072.7	1,072.7
Retained earnings	100.3	100.3
Common stock held in treasury	(350.1)	(350.1)
Share ownership trust	(5.3)	(5.3)
Accumulated other non-owner equity changes	(105.4)	(105.4)
	713.4	713.4
Total capitalization	$1,159.5	$1,304.3

- ---

(1) We used the proceeds from the offering of the outstanding notes to repay amounts outstanding under our revolving credit facility, the Deutsche Bank AG loan due 2003, including a prepayment penalty of approximately $0.3 million, and any amounts outstanding under our short-term lines of credit.

(2) At December 31, 2001, no amounts were outstanding under our revolving credit facility. We used the net proceeds of approximately $194.9 million from the offering of the outstanding notes to repay the amounts outstanding under our revolving credit facility, which were $110.0 million, the Deutsche Bank AG loan, which, including a prepayment penalty of approximately $0.3 million, was $41.1 million, and the amounts outstanding under our short-term lines of credit, which were approximately $6.1 million. In addition, the remaining net proceeds of approximately $37.7 million were used to repay a portion of the receivables sale facility, as indicated above.

SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA

The following table presents our selected historical consolidated financial data. The selected historical statement of income data for each of the five years in the period ended December 31, 2001 and the selected balance sheet data as of December 31, 2001 have been derived from our audited consolidated financial statements and related notes, which are incorporated by reference into this prospectus. PolyOne was formed on August 31, 2000 from the consolidation of The Geon Company and M. A. Hanna Company. This consolidation was accounted for as a purchase business combination, with Geon as the acquiring entity. Accordingly, our audited results under generally accepted accounting principles for the year ended December 31, 2000, reflect the operating results of Geon for the eight months prior to the consolidation and of PolyOne for four months (which include the operating results of Hanna from the date of consolidation). The audited results for the years ended December 31, 1999, 1998 and 1997 are those of Geon only.

You should read the following information together with "Management's Discussion and Analysis of Financial Condition and Results of Operations" appearing elsewhere in this prospectus and our historical consolidated financial statements and related notes, which are incorporated by reference into this prospectus. The information below is not necessarily indicative of our results for future periods.

2001	2000	1999	1998	1997
(DOLLARS IN MILLIONS, EXCEPT PER SHARE DATA)				
INCOME STATEMENT DATA:				
Sales	$2,654.6	$1,887.8	$1,261.2	$1,284.4
$1,250.0				
Employee separation and plant phase-out	36.1	2.8	0.5	14.6
15.0				
Operating income (loss)	(17.1)	64.8	99.7	41.0
51.7				
Income (loss) before cumulative effect of a change in accounting	(46.1)	15.9	106.2	13.8
22.5				
Cumulative effect of change in method of accounting	--	--	(1.5)	--
--				
Net income (loss)	$ (46.1)	$ 15.9	$ 104.7	$ 13.8
$ 22.5				
Diluted earnings (loss) per share:				
Before change in method of accounting	$ (0.51)	$ 0.26	$ 2.18	$ 0.29
$ 0.48				
Change in method of accounting	--	--	(0.03)	--
--				
Net income (loss)	$ (0.51)	$ 0.26	$ 2.15	$ 0.29
$ 0.48				
Dividends per common share	$ 0.25	$ 0.25	$ 0.25	$ 0.25
$ 0.25	$ 0.25			
BALANCE SHEET DATA:				
Total assets	$2,061.2	$2,430.6	$1,162.6	$ 802.0
$ 872.9				
Long-term debt	426.8	430.5	130.9	135.4
136.4				

The historical results include the following business acquisitions from the acquisition date indicated: Synergistics Industries Limited from October 31, 1997; Plast-O-Meric, Inc. and the Wilflex division of Flexible Products Company from June 1, 1998; Adchem, Inc. from September 1, 1998; Acrol Holdings Limited from July 1, 1999; O'Sullivan Corporation from July 8, 1999; and Dennis Chemical Company, Inc. from September 8, 1999. In addition, 1999 results of operations reflect the formation of Oxy Vinyls, LP on April 30, 1999, and the contribution of substantially all of Geon's formerly consolidated Resin and Intermediates business segment operations to the partnership. In connection with this, PolyOne acquired businesses from Occidental Chemical Corporation and formed a powder compounding joint venture, all of which are included in our consolidated results of operations from May 1, 1999.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with our consolidated financial statements and the notes to those statements and other financial information included elsewhere in or incorporated by reference into this prospectus. This prospectus contains forwarding-looking statements that involve risks and uncertainties. Our actual results may differ materially from those indicated in forward-looking statements. See "Risk Factors" and "Forward-Looking Statements."

OVERVIEW

We are a leading global polymer services company, with worldwide annual sales of approximately $2.7 billion. We were formed on August 31, 2000 from the consolidation of The Geon Company and M.A. Hanna Company.

Our consolidation was accounted for as a purchase business combination, with Geon as the acquiring entity. Accordingly, our audited results under generally accepted accounting principles (GAAP) for the year ended December 31, 2000, reflect the operating results of Geon for eight months prior to the consolidation, and of PolyOne for four months (which include the operating results of Hanna from the date of consolidation).

In the commentary that follows, "pro forma results" will also be provided because of the significant and pervasive impact of the merger 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 recognized in the second and third quarters of 2000, as well as Geon's 1999 transactions with Occidental Chemical Corporation (OxyChem) and the acquisition of O'Sullivan Corporation (O'Sullivan), occurred prior to the periods presented. The pro forma operating results do not include any future profit improvements and cost savings or associated costs, including restructuring costs expected to result from the continuing 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 our future operating results.

The most significant forces impacting our operating results in 2001 were the recession of the U.S. economy and the restructuring and integration of our operations to improve customer service and product quality and to lower operating costs. The slowdown of the U.S. economy commenced in the second half of 2000 and advanced to a recession in 2001, which was the first U.S. recession since 1990-1991. The economic recession significantly reduced customer sales demand and resulted in lower sales and earnings in our equity investments in the polyvinyl chloride resin and chlor-alkali industries. Partially offsetting the negative economic forces were our initiatives to integrate and restructure our operations following our consolidation and formation in 2000. The implementation of a substantial portion of the restructuring initiatives announced in 2001 will continue through 2002. Sales for the first quarter of 2002 were below levels for the same period in 2001 and above levels for the fourth quarter of 2001.

SUMMARY OF CONSOLIDATED OPERATING RESULTS

YEAR ENDED DECEMBER 31,					
	REPORTED RESULTS			PRO FORMA RESULTS	
-	2001	2000	1999	2000	1999
	(DOLLARS IN MILLIONS, EXCEPT PER SHARE DATA)				
Sales	$2,654.6	$1,887.8	$1,261.2	$3,139.7	$3,039.9
Operating income before special items, depreciation and amortization	125.8	138.9	148.6	230.0	288.6
Operating income (loss)	(17.1)	64.8	99.7	115.5	181.8
Operating income before special items	34.5	81.5	105.4	128.4	184.3
Net income (loss)	(46.1)	15.9	104.7	52.4	79.9
Special items (income) -- after tax	35.9	9.1	(52.2)	(3.9)	5.1
Net income (loss) before special items	$ (10.2)	$ 25.0	$ 52.5	$ 48.5	$ 85.0
Earnings (loss) per share, diluted	$ (0.51)	$ 0.26	$ 2.15	$ 0.57	$ 0.86
Effect on earnings per share of excluding special items, increase (decrease)	$ 0.40	$ 0.15	$ (1.07)	$ (0.04)	$ 0.05

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 and losses attributable to acquisitions or formation of joint ventures, and certain other one-time items. For a description of special items, refer to the table titled "Summary of Special Items" presented later in this section. In addition, management uses net income before special items as a measure of our 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.

BUSINESS SEGMENT INFORMATION

YEAR ENDED DECEMBER 31,			
REPORTED RESULTS	PRO FORMA RESULTS		
2001	2000	1999	
(DOLLARS IN MILLIONS)			
Sales:			
Performance Plastics	$1,836.7	$2,180.7	$2,090.0
Elastomers and Performance Additives	402.6	482.2	487.6
Distribution	462.6	506.7	483.4
Resin and Intermediates	--	--	--
Other	(47.3)	(29.9)	(21.1)
	$2,654.6	$3,139.7	$3,039.9
Operating income (loss) before special items, depreciation and amortization:			
Performance Plastics	$ 124.2	$ 153.4	$ 234.0
Elastomers and Performance Additives	26.8	45.3	50.3
Distribution	2.5	14.6	15.6
Resin and Intermediates	(12.6)	27.9	3.6
Other	(15.1)	(11.2)	(14.9)
	$ 125.8	$ 230.0	$ 288.6
Operating income (loss) before special items:			
Performance Plastics	$ 53.9	$ 73.9	$ 151.2
Elastomers and Performance Additives	10.2	26.5	32.4
Distribution	(0.4)	11.3	12.0
Resin and Intermediates	(12.6)	27.9	3.6
Other	(16.6)	(11.2)	(14.9)
	$ 34.5	$ 128.4	$ 184.3

For additional information, see Note R to Consolidated Financial Statements, which are incorporated by reference into this prospectus, for additional reported business segment disclosures.

2001 RESULTS OF OPERATIONS

Reported Results. Our total sales for 2001 were $2.7 billion, an increase of $766.8 million from 2000. This increase is due to only four months of former Hanna operations being included in the 2000 reported sales. Year 2001 sales were below 2000 on a comparable basis; see the pro forma commentary that follows.

Operating earnings for 2001 were a loss of $17.1 million compared with income of $64.8 million in 2000. Operating income before special items, depreciation and amortization (OIBSIDA) was $125.8 million compared with $138.9 million in 2000. The decrease in 2001 OIBSIDA is due primarily to an earnings decrease of $40.5 million from the Resin and Intermediates segment equity affiliates, which was partially offset by a full year's inclusion of the former Hanna operations.

The net loss in 2001 was $46.1 million. Before special items, the loss was $10.2 million compared with income of $25.0 million in 2000 before special items. The 2001 special items relate primarily to restructuring initiatives (see the table titled "Summary of Special Items" below). The effective income tax rate in 2001 was 35.7% compared with 39.1% in 2000. The lower effective income tax rate reflects principally the effect of permanent differences such as non-deductible goodwill on pre-tax losses.

Pro Forma Results. Total sales for 2001 were $2.7 billion, a decrease of $485.1 million, or 15%, from pro forma results for 2000. Decrease in customer sales demand in 2001 reflected the substantial weakening of

the North American economy across all business segments. We were particularly impacted by the industrial, automotive, electronic and some construction markets. Automotive production was down 10% (domestic producers were even weaker) in 2001 compared with 2000. Industrial production fell 4.3% in 2001 compared with the prior year. Average U.S. industrial capacity utilization in 2001 fell to 77%, five percentage points below 2000, and reached the lowest level since 1983 in the fourth quarter of 2001. Management estimates that operating income in 2001 was down approximately $135 million as a direct result of the sales volume decline from 2000.

The operating loss in 2001 was $17.1 million. The 2001 OIBSIDA of $125.8 million was $104.2 million below the prior year. The decrease in 2001 OIBSIDA was driven by lower sales volumes (approximately $135 million) across all business segments and weaker results in the equity earnings of the Resin and Intermediates segment, partially offset by cost reduction initiatives associated with the merger integration and announced restructuring programs (estimated at approximately $69 million). The 2001 net loss before special items was $10.2 million, $58.7 million below 2000 net income before special items.

The commentary on business segments is a comparison of the 2001 reported results with the 2000 and 1999 pro forma results for the years presented.

Performance Plastics had 2001 sales of $1.837 billion, a decrease of $344.0 million, or 16%, from pro forma 2000. A breakdown of 2001 segment sales, by primary product group, is as follows:

2001 SALES	% 2001 SALES $	% CHANGE VS. 2000	% CHANGE VS. 2000 SALES LBS.	% OF
North American Plastic Colors and Compounds	57	(20)	(19)	
International Plastic Colors and Compounds	20	(7)	(3)	
Specialty Resins and Formulators	14	(11)	(12)	
Engineered Films	9	(15)	(16)	
Performance Plastics	100	(16)	(16)	

Total Performance Plastics 2001 sales declines were driven by general economic weakness. Sales were also affected in International Plastic Compounds and Colors by unfavorable euro currency exchange of approximately 3%. Engineered Films was severely impacted by the decline in automotive production, as was Specialty Resins and Formulators, but to a lesser extent. Certain residential construction markets impacted sales, such as specialty resins in flooring and North American Plastic Compounds and Colors in windows and other residential lineal applications. In addition, the electronics market impacted us globally in wire and cable and business machines. In North American Plastic Compounds and Colors and Europe, the wire and cable business has been severely impacted by changes in the telecommunications industry; in North America, some customers' business was down more than 50%. As a result, sales in the North American wire and cable market were down approximately 25% year over year. Due to economy-related price pressure from competitors, we decided to give up business and market share in some market segments rather than match price, but the impact of this decision was relatively small.

OIBSIDA in 2001 was $124.2 million, $29.2 million below pro forma 2000 results. The decrease in earnings was driven primarily by the substantial decline in sales volume, partially offset by cost-saving initiatives. In 2001, five plants within the business segment were closed in connection with our restructuring initiatives.

Elastomers and Performance Additives sales in 2001 were $402.6 million, a decrease of $79.6 million, or 17%, from pro forma 2000. The decrease in 2001 sales was driven primarily by reduced domestic demand from producers of automotive parts, which impacted both the elastomers and additives markets. Of the 17% year-over-year change, 2% was due to reduced tolling of rubber compounds for tires, and the remaining 15% was due primarily to lower volumes related to the automotive and industrial markets. Moreover, the impact of lower automotive production was exacerbated by our relatively strong market share with Ford, General Motors and DaimlerChrysler, which collectively lost market share in the North American market in 2001.

OIBSIDA in 2001 was $26.8 million, a decline of $18.5 million compared with pro forma 2000. Cost-saving initiatives, including the "lean" manufacturing initiative, reduced costs, but were not sufficient to offset the adverse earnings impact from the sales volume declines previously noted. During 2001, two manufacturing plants were closed in this segment.

Distribution had sales in 2001 of $462.6 million, a decrease of $44.1 million, or 8.7%, from pro forma 2000. The decrease resulted primarily from lower sales volumes (6.7%) in North America and from passing lower material costs to customers. The Mexican operations' sales, which approximate 9% of this segment, increased in 2001 by 2% compared with 2000. OIBSIDA in 2001 was $2.5 million, a decrease of $12.1 million from pro forma 2000. The decrease in earnings was driven by lower sales volumes and margin erosion, including losses attributed to the sale of non-prime inventories ($1.3 million).

Resin and Intermediates operating earnings before special items, consisting of equity income from joint ventures and allocated overhead support cost and cost associated with past operations, were a loss of $12.6 million in 2001, or a decrease in earnings of $40.5 million from 2000. The 2001 equity earnings before a charge for employee severance and liabilities associated with the temporary idling of a plant of $4.3 million and were $34.1 million below 2000 levels for Oxy Vinyls, LP and $9.4 million below 2000 levels for SunBelt Chlor-Alkali Partnership. The decreases in equity earnings were driven by lower average industry polyvinyl chloride resin and chlor-alkali selling prices and higher energy costs for OxyVinyls in 2001.

The domestic polyvinyl chloride resin industry capacity utilization in 2001 was 86% compared with 91% in 2000. The domestic polyvinyl chloride resin industry average selling price decreased by $0.07 per pound year over year; however, due largely to lower ethylene and chlorine costs, the 2001 polyvinyl chloride resin industry spread (selling prices less the cost of ethylene and chlorine) was generally flat compared with 2000. Our equity earnings were negatively impacted by lower polyvinyl chloride resin spreads due to OxyVinyls' customer/product mix in 2001. OxyVinyls' 2001 combined pricing of the co-products caustic soda and chlorine decreased approximately 8% from 2000. In 2001 versus 2000, energy costs adversely impacted OxyVinyls' equity earnings by approximately $6 million.

Other consists primarily of corporate governance costs not allocated to the business segments. These unallocated costs before special items were $16.6 million in 2001 compared with $11.2 million in 2000. Our 2001 corporate costs incurred were more than 20% below 2000 pro forma costs.

2000 RESULTS OF OPERATIONS

Reported Results. Our total sales for 2000 were $1.888 billion, an increase of $626.6 million from 1999. This change in sales included four months of former Hanna operations totaling approximately $560 million. The mid-year 1999 acquisitions of O'Sullivan and formulators contributed additional sales of approximately $152 million in 2000, and the formation of OxyVinyls at the end of April 1999 resulted in polyvinyl chloride resin operation sales, which totaled approximately $144 million in 1999, no longer being consolidated.

Operating income for 2000 was $64.8 million compared with $99.7 million in 1999. OIBSIDA was $138.9 million compared with $148.6 million in 1999. The decrease in 2000 operating income was due primarily to declines in construction and automotive-related sales, particularly in the vinyl compound and engineered films operations. These sales declines were partially offset by four months of earnings contributed by former Hanna operations.

Net income in 2000 was $15.9 million. Before special items, net income was $25.0 million compared with $52.5 million in 1999 before special items. The effective income tax rate in 2000 was 39.1%, which approximated the rate in 1999.

Pro Forma Results. Total sales for 2000 were $3.140 billion, an increase of $99.8 million, or 3%, over 1999. Sales growth was primarily in the Performance Plastics segment. Sales growth significantly slowed in the second half of 2000, particularly in construction and automotive-related markets.

Operating income was $115.5 million in 2000 versus $181.8 million in 1999. OIBSIDA in 2000 was $230.0 million, or $58.6 million below 1999. The decrease in 2000 was attributable largely to lower earnings in the Performance Plastics segment, which were partially offset by higher Resin and Intermediates earnings.

Net income before special items was $48.5 million in 2000 and $85.0 million in 1999.

Performance Plastics had 2000 sales of $2.181 billion, an increase of $90.7 million over 1999. Sales growth was strongest in formulators ($50.0 million) and International Plastic Compounds and Colors ($35.0 million), reflecting both higher organic growth rates and the effects of acquisitions. The 2000 sales in this segment comprise the following primary product groups: vinyl compounds (39%), engineered materials (23%), color and additive systems (16%), specialty resins and formulators (13%) and engineered films (9%). OIBSIDA was $153.4 million in 2000 versus $234.0 million in 1999. The 2000 earnings decrease was attributable largely to the sales slowdown in the second half of 2000 that resulted from the weak automotive and construction markets and higher raw material costs. Segment sales in the first half of 2000 increased by 11% versus a 2% decrease in the second half of 2000 (8% decrease in the fourth quarter of 2000) compared with the same periods in 1999. The average industry market price for polyvinyl chloride resin was $0.09 per pound, 35% higher in 2000 versus 1999. The International Plastic Compounds and Colors operations, which account for 18% of this segment's revenue, were not affected by the sales slowdown. Consolidated International earnings were adversely impacted due to currency exchange in 2000, with a weak euro versus the U.S. dollar.

Elastomers and Performance Additives sales in 2000 were $482.2 million, a decrease of $5.4 million from 1999. Sales were adversely impacted by the slowdown in the production of North American automobiles in the third and fourth quarters of 2000. Automotive applications comprise more than 40% of this segment's sales. 2000 OIBSIDA was $45.3 million compared with $50.3 million in 1999.

Distribution had sales in 2000 of $506.7 million, an increase of $23.3 million, or 5%, over 1999. OIBSIDA was $14.6 million in 2000, or $1.0 million below 1999, due to higher selling and administrative expense resulting primarily from increased sales personnel.

Resin and Intermediates operating income before special items, consisting of equity income from joint ventures and allocated overhead support cost and cost associated with past operations, was $27.9 million in 2000, an increase of $24.3 million over 1999. OxyVinyls equity income in 2000 was $35.7 million, an increase of $17.9 million over 1999. The SunBelt Chlor-Alkali joint venture recorded higher 2000 earnings of $12.7 million, partially offset by lower earnings from the joint venture Australian Vinyls Corporation. Domestic polyvinyl chloride resin and chlor-alkali industry dynamics were stronger in 2000 versus 1999. Domestic polyvinyl chloride resin industry spreads averaged approximately $0.02 per pound higher in 2000 versus 1999. Also, caustic soda and chlorine industry price averages were higher by approximately $25 per ton and $120 per ton, respectively. Domestic polyvinyl chloride resin industry selling prices and margins began to rise in the third quarter of 1999 and increased through the first half of 2000. In the third quarter of 2000, sales demand slowed significantly with the economy and inventory reductions that occurred through the commercial distribution chain. With the decrease in sales demand, selling prices declined. In addition, margins narrowed as a result of the selling price decline, unusually high costs for natural gas used directly in manufacturing and high ethylene costs. In the last six months of 2000, we recorded a loss from OxyVinyls of $5.7 million.

Other consists primarily of corporate governance costs not allocated to the business segments. These unallocated costs before special items were $11.2 million in 2000 compared with $14.9 million in 1999.

SUMMARY OF SPECIAL ITEMS

YEAR ENDED DECEMBER 31,					
	REPORTED RESULTS			PRO FORMA RESULTS	
2001	2000	1999	2000	1999	
(DOLLARS IN MILLIONS)					
Employee separation and plant phase-out costs	$(36.1)	$ (2.8)	$(0.5)	$ (2.8)	$ 0.1
Merger and integration costs	(1.1)	(9.5)	--	--	--
Period cost of closed facilities	(0.2)	--	--	--	--
Equity investment restructuring and plant idling costs(1)	(9.4)	--	(0.8)	--	(0.8)
Executive separation cost	(4.8)	--	--	(8.5)	--
Investment writedown	(10.1)	--	--	--	--
Litigation settlement gain	4.1	--	--	--	--
Acquired profit in inventory	--	(2.8)	(3.2)	--	--
Directors' pension termination	--	(0.8)	--	(0.8)	--
Writeoff of debt placement cost	--	(0.8)	--	(0.8)	--
Other restructuring costs	--	(0.6)	(1.2)	(0.6)	(1.2)
Gain on formation of joint ventures	--	--	93.5	--	--
Reversal of M. A. Hanna dock operations reserves	--	--	--	--	1.2
Gain on sale of assets	--	--	--	--	13.2
Loss on sale of business	--	--	--	--	(10.9)
Subtotal -- pre-tax income (expense)	(57.6)	(17.3)	87.8	(13.5)	1.6
after-tax income (expense)	(35.9)	(10.6)	53.7	(8.1)	(3.6)
German tax rate reduction	--	1.5	--	1.5	--
Cumulative effect of a change in accounting	--	--	(1.5)	--	(1.5)
M. A. Hanna reversal of income tax reserve	--	--	--	10.5	--
Total -- after-tax income (expense)	$(35.9)	$ (9.1)	$52.2	$ 3.9	$ (5.1)

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(1) Employee severance, plant phase-out costs and liabilities associated with the temporary idling of a plant.

LIQUIDITY AND CAPITAL RESOURCES

In 2001, net cash provided by operating and investing activities was $233.8 million. Cash from operating activities totaled $308.7 million, and resulted primarily from a commercial working capital (trade receivables before the receivables sale facility, FIFO inventories and accounts payable) decrease of $156.0 million due to 2001 management initiatives, lower fourth-quarter sales and an increase in the receivables sale facility. Further, PolyOne increased by $117.5 million the utilization of the receivables sale facility (this facility was increased from $100.0 million to $250.0 million in 2001). Investing activities consisted primarily of capital expenditures of $80.2 million, of which approximately one-half supported PolyOne's manufacturing restructuring and the implementation of a common management business information systems platform.

In 2000, net cash provided by operating and investing activities was $84.3 million. Significant sources of cash included operating activities ($63.9 million) and proceeds from the sale of assets, primarily the former Hanna's Cadillac Plastic business ($44.2 million) and net Hanna cash received at the time of the consolidation ($28.1 million). Contributing to a $60.0 million reduction in accounts receivable in 2000 was a significant slowdown in fourth-quarter sales demand. The 2000 investing activities included capital expenditures of $62.7 million.

Financing activities in 2001 consisted largely of the reduction of short-term debt of $233.2 million and the payment to shareholders of dividends totaling $22.9 million. In 2000, financing activities included PolyOne's repurchase for $18.7 million of approximately 2.6 million shares through December 31, 2000. Also, $72.9 million of long-term debt was repaid in 2000 after PolyOne entered into two revolving credit agreements totaling $400 million in October 2000. Upon formation, PolyOne commenced the payment of quarterly dividends at the annual rate of $0.25 per common share.

As of December 31, 2001, PolyOne had existing facilities to access capital resources (receivables sale facility, revolving credit agreement, uncommitted short-term credit lines and long-term debt) totaling $882 million. At the end of 2001, PolyOne had utilized $664 million of these facilities, including $431 million of long-term debt. The effective available funds under these facilities can vary, depending on the level of qualified receivables outstanding, ratings on public debt and debt-related financial ratios. As of December 31, 2001, approximately $69 million of the existing facilities was available to be drawn while remaining in compliance with the facilities. As of December 31, 2001, PolyOne's public debt was rated by Moody's Investors Service, Standard & Poor's and Fitch Ratings as investment grade. The debt ratings from these agencies impacts PolyOne's cost of non-fixed interest rate financing.

On March 28, 2002, we amended and restated the credit agreement governing our revolving credit facility. The amended and restated credit agreement also revises our 2002 borrowed debt-to-EBITDA compliance ratios and requires that we secure any obligations under the revolving credit facility. For a summary of the borrowed debt-to-EBITDA compliance ratios and other financial ratios, see the table that follows. Additionally, our obligations under the revolving credit facility are guaranteed by some of our domestic subsidiaries.

Of the capital resource facilities available to PolyOne as of December 31, 2001, only the portion of the receivables sale facility that was actually sold provided security in connection with the transfer of ownership of these receivables. Each indenture governing our public debt and our guarantee of the SunBelt notes allows for a specific level of secured debt, above which security must be provided on each such indenture and the guarantee. The receivables sale facility does not constitute debt under the public debt indentures. Security will be granted under the terms of the amended and restated revolving credit agreement. Giving effect to the amendment and restatement of our credit agreement as though it had occurred as of December 31, 2001, under the terms of the most restrictive indenture, we would have been able to borrow an additional $20 million under the revolving credit agreement without having to provide security for our obligations under our public debt. As of December 31, 2001, however, there were no drawings on this revolving credit facility. Security on the revolving credit agreement and public debt, if applicable, will terminate when the borrowed debt-to-EBITDA ratio is less than 3.50 to 1.0 for any two consecutive fiscal quarters. As of December 31, 2001, PolyOne had guaranteed unconsolidated equity affiliate debt of $97.5 million for SunBelt and $42.3 million for OxyVinyls.

The following table summarizes the defined financial ratios for 2002 included in the March 28, 2002, amendment to the revolving credit agreement.

	BORROWED TANGIBLE DEBT-TO-EBITDA RATIO (MINIMUM)	ASSETS- TO-INDEBTEDNESS RATIO (MAXIMUM)	INTEREST COVERAGE RATIO (MINIMUM)
Agreement compliance First quarter of 2002	2.75	Waived	1.00
Second quarter of 2002	2.75	5.70	1.00
Third quarter of 2002	2.75	5.50	1.00
Fourth quarter of 2002	3.00	5.25	1.00
Limitations on dividends and stock repurchases(1), capital expenditures(2) and acquisitions(3)			
Each quarter		3.99	

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(1) Payments for dividends and stock repurchases would be restricted to $6.0 million per quarter, excluding certain allowable stock repurchase transactions as defined in the revolving credit agreement, as amended March 28, 2002.

(2) Capital expenditures would be restricted to $33.0 million in a quarter and $88.0 million in a fiscal year.

(3) New acquisition investments would be limited to $25.0 million in 2002 and $37.0 million in 2003.

The realization of profitable operations will be important to maintaining the existing levels of available capital resources and the execution of PolyOne's announced restructuring initiatives. In 2001, PolyOne's OIBSIDA (which approximates the free cash flow of ongoing operations) was approximately $126 million. The free cash flow must cover expenditures for financing cost (interest expense and discount on sale of receivables), dividends and capital expenditures. These expenditures totaled approximately $150 million in 2001, and are not projected to materially change in 2002. Additional projected expenditures in 2002 total nearly $50 million for the funding of employee severance and plant closing costs announced in 2001 and a previously announced acquisition. Projected to increase 2002 cash flow are increased earnings over 2001, in part from higher sales (net of one-time working capital investment associated with sales growth), from greater realization of value capture initiatives and from continuing efforts to reduce the percent of commercial operating working capital required to support each dollar of sales. Any remaining shortfall in cash flow is expected to be covered by (1) utilizing the available capital resource facilities noted previously, (2) securing additional capital resources, (3) managing and redeploying assets and/or (4) revising the expenditures noted previously.

PolyOne has managed and intends to continue to manage working capital and its capital structure to maintain adequate liquidity in 2002 to support normal operations, complete an acquisition and execute the restructuring initiatives that are projected to enhance the Company's future profitability.

Certain factors that may affect these forward-looking comments are discussed in "Risk Factors" and "Forward-Looking Statements."

ASSETS

Total assets were $2.061 billion at December 31, 2001, a decrease of $369.4 million from December 31, 2000. The decrease was driven by a decrease of $153.2 million in trade receivables before the receivables sale facility and inventories and an increase of $117.5 million in PolyOne's utilization of the receivables sale facility. Further, restructuring initiatives in 2001 reduced property by $33.4 million and the investment in equity affiliates by $18.9 million.

LIABILITIES AND EQUITY

At December 31, 2001, short-term bank debt was $14.7 million compared with $249.1 million at December 31, 2000. Long-term debt was $431.4 million at December 31, 2001 compared with $433.1 million at December 31, 2000. The public debt was rated investment grade as of December 31, 2001, by Moody's Investors Service, Standard & Poor's and Fitch Ratings.

In October 2001, PolyOne's $100 million, 364-day revolving credit facility expired. In November 2001, PolyOne amended its five-year revolving credit facility to reduce the existing facility from $200 million to $150 million, shorten the maturity date to October 2004 and modify existing financial ratios to be maintained. There were no borrowings under this facility at December 31, 2001.

In September 2000, PolyOne's Board of Directors authorized the purchase of up to 9.6 million, or approximately 10 percent, of PolyOne's outstanding shares of common stock. Through December 31, 2000, PolyOne repurchased 2.6 million shares at an average cost of $7.15 per share. No common stock was repurchased in 2001. Also, PolyOne returned $22.9 million to its shareholders in the form of cash dividends in 2001.

At December 31, 2001, PolyOne had total shareholders' equity of $713.4 million.

ACCOUNTING POLICIES AND ESTIMATES

Note B of the Consolidated Financial Statements, which are incorporated by reference into this prospectus, contains a summary of PolyOne's accounting policies and commentary on the nature of estimates made in the preparation of the financial statements. Following is a description of important management judgments relating to the PolyOne 2001 Consolidated Financial Statements.

ENVIRONMENTAL ACCRUED LIABILITY. PolyOne has accrued $56.2 million to cover future environmental remediation expenditures, and believes none of these 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 PolyOne's best estimate of the remaining remediation costs based upon information and technology currently available. For additional discussion, refer to Note N to the Consolidated Financial Statements, which are incorporated by reference into this prospectus.

RESTRUCTURING COSTS. PolyOne has announced plans to close 11 manufacturing plants in 2002. As of December 31, 2001, an accrued liability of $37.7 million existed for future employee severance and plant closing costs. In addition, at the end of 2001, the net property carrying value to be realized for the plants closed or to be closed was $35 million (some assets will be transferred to other locations as production ceases).

EQUITY INVESTMENT. In December 2001, OxyVinyls (of which PolyOne owns 24%) announced the temporary closing of its Deer Park, Texas, chlor-alkali plant due to low industry capacity utilization and low product market selling prices. As of December 31, 2001, OxyVinyls had accrued $13.8 million for future employee severance and liabilities associated with the temporary idling of a plant. The plant had a net property carrying value by OxyVinyls at the end of 2001 of approximately $139 million, which is anticipated to be realized through future operations upon the restart of the plant.

GOODWILL. As of December 31, 2001, PolyOne's recorded goodwill totaled $476.3 million. PolyOne had not completed its assessment of any potential impairment under the new provisions of Statement of Financial Accounting Standards (SFAS) No. 142, "Goodwill and Other Intangible Assets," which is effective in 2002, as further explained in Note B to the Consolidated Financial Statements, which are incorporated by reference into this prospectus.

DEFERRED TAX BENEFIT FOR OPERATING LOSS CARRYFORWARDS. As of December 31, 2001, PolyOne had a net deferred tax liability of $23.0 million, which included a deferred tax asset of $82.3 million for operating loss carryforwards for tax purposes. The operating loss carryforwards are expected to be utilized against future earnings, thereby reducing taxes that would otherwise be paid. See the discussion in Note P to the Consolidated Financial Statements, which are incorporated by reference into this prospectus.

MARKET RISK DISCLOSURES

PolyOne is exposed to market risk from changes in interest rates on debt obligations. PolyOne's long-term debt at December 31, 2001, was primarily fixed-rate obligations. To manage interest rate risk, PolyOne periodically enters into interest rate swap agreements that generally convert fixed-rate obligations to floating rates. As of December 31, 2001, PolyOne had interest rate swap agreements on three of its fixed-rate obligations in the amount of $182.8 million. These exchange agreements are perfectly effective as defined by Statement of Financial Accounting Standards (SFAS) No. 133, "Accounting for Derivative Financial Instruments and Hedging Activities," and had a fair value of $(1.6) million at December 31, 2001. The weighted-average interest rate for these three agreements was 6.25% at December 31, 2001.

PolyOne is also exposed to foreign currency exchange risk in the ordinary course of business because its products are provided in numerous countries around the world, and collection of revenues and payment of certain expenses may give rise to currency exposure. Management has reviewed PolyOne's exposure to this risk and has concluded that PolyOne's exposure in this area is adequately hedged with foreign currency exchange contracts, and that exposure to this risk is not material to fair values, cash flows or earnings. For additional discussion, refer to Note T to the Consolidated Financial Statements, which are incorporated by reference into this prospectus.

POLYONE CORPORATION

We are a leading global polymer services company with operations in thermoplastic compounds, specialty resins, specialty polymer formulations, engineered films, color and additive systems, elastomer compounds and additives and thermoplastic resin distribution. PolyOne was formed on August 31, 2000 as a result of the consolidation of The Geon Company and M.A. Hanna Company. We consider ourself a leader in delivering value to customers through our strengths in polymer technology, manufacturing and supply chain processes, information technology, environmental and safety performance, overall quality and operational excellence. For the fiscal year ended December 31, 2001, we had revenues of $2.7 billion and EBITDA of $59 million.

OPERATING SEGMENTS

We operate in four business segments:

- Performance Plastics;
- Elastomers and Performance Additives;
- Distribution; and
- Resin and Intermediates.

For additional information regarding each of our business segments, you should refer to our consolidated financial statements and related notes, which are incorporated by reference into this prospectus, especially Note R.

Performance Plastics. We are a leading merchant producer of compounded plastics to the specifications of manufacturers of plastic products throughout North America and Europe. We engage in the custom compounding of plastic materials to the specifications of manufacturers of molded and extruded plastic products through our compounding business. Our compounds are used in end products such as appliance components, automotive trim, business equipment housing, computer disk drive components, bottles, pipe and pipe fitting, windows, wire and cable. Through our custom formulated colorants and additives business, we manufacture custom formulated colorants in the form of color concentrates, liquid dispersions, dry colorants and additives for customers in the plastic industry throughout North America, Europe, South America and Asia. We are also a leading North American producer of specialty vinyl dispersion resins. In addition, our business processes specialty dispersion resins with different additives, such as plastisizers and fillers, to produce liquid or solid plastisol formulations. We also produce formulations using urethanes and latex polymers. Through our engineered films business, we process flexible compounds into rolls of various-gauge films. These products are incorporated into automotive instrument panels, airbags, furniture fabrics, loose-leaf binder covers, medical bloodbags and pool liners.

Elastomers and Performance Additives. We engage in the custom compounding of rubber materials to the specifications of manufacturers of rubber products throughout North America through our rubber compounding and additives businesses. This includes products used in the manufacture of automobile hoses and belts, footwear, escalator railings and industrial conveyors. We also produce rubber colorants and additives for the rubber industry worldwide. We believe we are the largest independent custom rubber compounder in North America.

Distribution. We distribute more than 3,500 grades of engineering and commodity resins and plastic compounds from approximately 12 major suppliers including our own polyvinyl chloride, or PVC, compounds through our distribution business. These products are sold to custom molders and extruders who convert them into plastic products. Our customers produce products that are sold to a number of different industries and end markets. We believe we are one of the leading distributors of plastic resins and compounds in North America.

Resin and Intermediates. Our Resin and Intermediates segment manufactures products such as PVC resins, vinyl chloride monomer, or VCM, and caustic soda. These products are sold to customers in the aluminum, paper and pulp and construction industries. This segment also produces intermediates, such as chlorine, for internal consumption by our affiliate in the production of PVC resins. This segment consists primarily of investments in equity affiliates, principally Oxy Vinyls, LP and SunBelt Chlor-Alkali Partnership.

PRINCIPAL EQUITY AFFILIATES

We hold an equity interest in several joint ventures. Our two largest investments, based on our recorded investment in and commitment to guarantee debt of our equity affiliates, are OxyVinyls and SunBelt. We have a 24% interest in OxyVinyls, a partnership with Occidental Chemical Corporation, which is a leading producer of PVC resin and VCM in North America. OxyVinyls also produces chlorine and caustic soda. We also own 50% of SunBelt, a joint venture with Olin Corporation, which produces chlorine and caustic soda.

COMPETITIVE STRENGTHS

Leading Market Positions. We are a leader in most of the markets in which we sell our products and services in North America. For example, we are a leading producer of vinyl compounds, as well as elastomer and rubber additive products. We are one of the North American leaders in colorants for plastics and we believe we are one of the leading distributors of plastic resins and compounds in North America. Many of our products are sold or distributed into the same markets, which provides us with cross-selling opportunities for additional products or services. In addition, our operations in Europe and Asia allow us to provide the same products and services to our customers throughout North America, Europe and Asia with regional delivery and global specifications.

Diverse Customers and Industries Served. We serve customers across a variety of industries, such as construction, automotive, consumer non-durables, electrical, industrial consumer durables and packaging. In addition, no customer accounts for more than 3% of our sales, and no industry accounts for more than 18% of our sales. We believe this diversification helps to protect our business from swings caused by shifts in any one industry. Moreover, our broad customer base provides us with opportunities to offer new product innovation.

Broad Product Portfolio. We have a broad product portfolio of polymer compounds and colors, elastomers, liquid polymer systems and additives, which allows us to deliver service and technology based solutions to our customers for many of their required polymer applications. We believe that this makes us a preferred supplier to customers who have needs for diversified products. In addition, we can develop solutions to our existing customers through different polymers applications based on our extensive product portfolio.

Strong Management Team With Extensive Industry Experience. Our senior management team consists of professionals with long-term experience within our company and broad talents and expertise in the polymer services industries. Our team of senior executives consists of 17 individuals, most of whom have over 20 years of experience in these industries. Moreover, our senior management team is supported by managers within each business segment who have extensive experience within their respective operating segments.

BUSINESS STRATEGIES

We intend to utilize our resources to strengthen our position as a leading global polymer services company through the following strategies:

Become the Preferred Provider of Products and Services. We take pride in our ability to solve a customer's problem and then replicate the solution for that customer around the world. We do this by creating teams of diverse product specialists when a customer need demands an unusual combination of skills. This allows us to provide customized solutions to our customers. In addition, we organize our manufacturing processes and facilities around the industries we serve in order to better meet the needs of our customers. We believe this strategy will allow us to provide better service to our customers as we strive to become their preferred provider of polymer products and services.

Realize Strategic Value Capture Initiatives. We will continue to pursue our strategic value capture initiatives through creative cost reduction efforts, continual improvements in operational efficiency and dedication to quality. We believe these efforts will increase our profitability.

- Pursue Operational Excellence. We intend to eliminate excess capacity by closing plants and expanding and improving some existing facilities in order to establish centers of manufacturing excellence, including our "Triple Crown" initiative for our North American plastics compounds and color operations. In 2001, we announced that we would close 18 sites and we targeted 20 more for capital improvements. We believe that this initiative will enhance our manufacturing assets and continue to lead to improvements in operational efficiency as we strive to continually achieve operational excellence.

- Leverage Information Technology. We will continue to upgrade our IT systems to link all our businesses worldwide. We call this undertaking our "projectOne" initiative. We will use projectOne as a platform to improve efficiency of information flow and knowledge management, which will enable us to provide better customer service and solutions, improve materials sourcing and offer e-commerce opportunities. For example, we utilize our IT system to manage the inventory of one of our customers located on the West Coast. This customer's silo, which contains vinyl compounds, has been fitted with a measuring device that automatically communicates to our enterprise resource planning system when a material shipment should be made.

- Reduce Costs and Manage Capital Spending. We will continue to focus on cost reduction in our operations and seek ways to reduce our selling and administrative expenses. We have established the goal of reducing sales, technology, general and administrative costs by more than $50 million in 2003 compared to these costs in 2000. Our strategy for capital spending is to focus on investments that yield an attractive return.

COMPETITION

The production of compounded plastics and the manufacture of custom formulated color and additives systems for the plastics industry is highly competitive, with product quality, service and price to customers being principal factors affecting competition. We believe we are a leading independent compounder of plastics in North America and Europe and one of the leading producers of custom formulated color and additive systems in the United States and Europe.

The custom compounding of rubber materials and the manufacture of rubber colorants and additives are highly competitive with product quality, service and price to customers being principal factors affecting competition. We believe we are a leading independent custom compounder of rubber in North America.

The distribution of polymer resin is highly competitive, with product quality, service and price to customers being principal factors affecting competition. We believe we are one of the leading distributors of plastic resins in North America.

RAW MATERIALS

In our Performance Plastics business, the primary raw materials are PVC resin, VCM, other resins, plasticizers, inorganic and organic pigments, and chemicals, all of which are in adequate supply. We are a party to long-term supply contracts with OxyVinyls, under which the majority of our PVC resin and all of our VCM requirements will be supplied. The supply contracts have initial terms of 15 years (expiring in 2013) and have provisions for renewal after the initial contract term. We believe the supply contracts should assure availability of PVC resin and VCM, technical development and support and competitively priced PVC resin and VCM. We further believe that the pricing under these supply contracts provides PVC resin at a competitive cost to us.

In our Elastomer and Performance Additives Business, our primary raw materials are natural and synthetic rubbers, resins and chemicals, all of which are available in adequate supply.

RESEARCH AND DEVELOPMENT

We have developed substantial research and development capability. Our efforts are devoted to (1) developing new products to satisfy defined market needs, (2) providing quality technical services to assure the continued success of our products for our customers' applications, (3) providing technology for improvements to our products, processes and applications, and (4) providing support to our manufacturing plants for cost reduction, productivity and quality improvement programs. We operate a research and development center that supports our compounding and specialty resin operations. The laboratory is equipped with state-of-the-art analytical, synthesis, polymer characterization and testing equipment and pilot plants and polymer compounding operations that simulate specific production processes for rapid translation of new technology into new products.

We spent $18.8 million in 2001, $21.4 million in 2000 and $18.5 million in 1999 on product research and product development. In 2002, we expect spending to show a small increase over 2001.

METHODS OF DISTRIBUTION

Our Performance Plastics, Elastomers and Performance Additives and Distribution business segments primarily sell products through their direct sales personnel. The Performance Plastics business segment supplements its direct sales personnel with distributors and/or commissioned sales agents for various products and geographic areas. Our products are primarily transported to customers using truck carriers, with some customer product pick-ups at our operating facilities in all three of these business segments. In addition, our Performance Plastics business segment ships products to some customers using railroad cars.

EMPLOYEES

As of December 31, 2001, we had approximately 8,000 employees.

ENVIRONMENTAL, HEALTH AND SAFETY

We are subject to various environmental laws and regulations concerning production, use and sale of chemicals; emissions to the air; discharges to waterways; the release of materials into the environment; the generation, handling, storage, transportation, treatment and disposal of waste materials; or otherwise relating to the protection of the environment. We endeavor to ensure the safe and lawful operation of our facilities in manufacturing and distribution of products and believe we are in compliance in all material respects with applicable laws and regulations.

We maintain a disciplined environmental and occupational safety and health compliance program and conduct periodic internal and external regulatory audits at our plants in order to identify and categorize potential environmental exposures, including compliance issues, and measures to address them. This is an effort that has required and may continue to require process or operational modifications and the installation of pollution control devices and cleanups. We incurred environmental expense of $3.9 million in 2001, $2.2 million in 2000 and $1.7 million in 1999.

We believe that compliance with current governmental regulations at all levels will not have a material adverse effect on our financial condition. However, the risk of additional costs and liabilities is inherent in certain plant operations and certain products produced at our plants, as is the case with other companies involved in the plastics PVC industry. We cannot assure you that we will not incur additional costs and liabilities in the future. Other developments, such as increasingly strict environmental, safety and health laws, regulations and related enforcement policies, discovery of unknown conditions and claims for damages to property, persons or natural resources resulting from plant emissions or products, could also result in additional costs and liabilities to us.

A number of foreign countries and domestic local communities have enacted, or have under consideration, laws and regulations relating to the use and disposal of plastic materials. Widespread adoption of these laws and regulations, or public perception, may have an adverse impact on plastic materials. Although many of our major markets are in durable, longer-life applications that could reduce the impact of

any such environmental regulation, we cannot assure you that more stringent regulation of use and disposal of plastics would not have an adverse effect on our business.

We conduct a comprehensive occupational safety and health program and believe we are in material compliance with applicable requirements.

We have been notified by federal and state environmental agencies and by private parties that we may be a potentially responsible party in connection with several environmental sites. While government agencies assert that potentially responsible parties are jointly and severally liable at these sites, in our experience, interim and final allocation of liability costs are generally made based on the relative contribution of waste. However, where such allocations of costs based on relative contribution of waste have been made, we cannot assure you that the relevant third parties will pay their share of the liability and related clean-up costs. In addition, we conduct investigations and remediation at several of our active and inactive facilities, and have assumed responsibility for environmental liabilities based on pre-1993 operations at sites formerly owned or operated by us or our predecessors. We believe that our potential continuing liability with respect to such sites will not have a material adverse effect on our consolidated financial position, results of operations or cash flows. In addition, we initiate corrective and preventive environmental projects of our own at our operations. Based on current information and estimates prepared by our environmental engineers and consultants, we, at December 31, 2001, had accruals totaling $56.2 million to cover probable future environmental expenditures relating to previously contaminated sites. The accrual represents our best estimate within our range of estimated costs associated with probable remediation, based upon information and technology currently available and our view of the most likely remedy. Depending upon the results of future testing, the ultimate remediation alternatives undertaken, changes in regulations, new information and other factors, it is possible that we could incur costs in excess of the accrual at December 31, 2001. Our estimate of the liability may be revised as new regulations, technologies or additional information is obtained.

PROPERTIES

As of December 31, 2001, PolyOne, which is headquartered in Cleveland, Ohio, operated facilities in the United States and foreign countries. Substantially all of our facilities are owned. The charts below list the principal facilities of our business segments.

PERFORMANCE PLASTICS FACILITIES

VINYL COMPOUNDING	
SPECIALTY DISPERSION RESIN	
PLASTISOL FORMULATORS	
ENGINEERED FILMS - ----	

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----- Avon	
Lake, Ohio	
Henry, Illinois	
Bolton, England	
Burlington, New Jersey	
Burlington, New Jersey	
Pedricktown, New Jersey	
Kennesaw, Georgia	
Lebanon, Pennsylvania	
Conroe, Texas Los Angeles, California	
Winchester, Virginia	
Farmington, New Jersey	
Melbourne, Australia	
Yerington, Nevada Long Beach, California	
North Baltimore, Ohio Upper Newton Falls,	
Louisville, Kentucky St. Louis, Missouri	
Massachusetts Niagara Falls, Ontario,	
Sullivan, Missouri Canada	
Sussex, Wisconsin	
Orangeville, Ontario,	
Widnes, England	
Canada Hyde, England	
Pasadena, Texas	
Dartford, England	
Plaquemine, Louisiana	
Newton, Aycliffe, England St.	
Remi de Naperville, Quebec, Canada Terre Haute,	

	Indiana								
	Valleyfield, Quebec, Canada								
	Cartagena, Colombia (joint venture)								
	Melbourne, Australia (joint venture)								
	Singapore (joint venture)								
CUSTOM FORMULATED COLORANTS AND ADDITIVES	CUSTOM COMPOUNDING	-	---	---	---	---	---	---	---
	Broadview Heights, Ohio								
	Macedonia, Ohio								
	Glendale, Arizona								
	Kingstree, South Carolina								
	Vonore, Tennessee								
	Dyersburg, Tennessee								
	Suwanee, Georgia								
	Bethlehem, Pennsylvania								
	Somerset, New Jersey								
	Seabrook, Texas								
	Florence, Kentucky								
	Houston, Texas								
	Gastonia, North Carolina								
	Corona, California								
	Elk Grove Village, Illinois								
	Gaggenau, Germany St. Peters, Missouri								
	Barbastro, Spain Fort Worth, Texas								
	Jurong, Singapore								
	Norwalk, Ohio								
	Suzhou, China								
	Clinton, Tennessee (joint venture)								
	Melle, Germany								
	Rancho Dominguez, California (joint								

venture)
Forli,
Italy
(joint
venture)
Gainesville,
Georgia
(joint
venture)
Civitanova,
Italy
(joint
venture)
Toluca,
Mexico
Lecco,
Italy
(joint
venture)
Assesse,
Belgium
Istanbul,
Turkey
(joint
venture)
Tossiat,
France
Dortmund,
Germany
Bendorf,
Germany
Angered,
Sweden
Manchester,
England
Pudong
(Shanghai),
China
Glostrup,
Denmark
Bangkok,
Thailand
Gyor,
Hungary

RESIN AND INTERMEDIATES FACILITIES:
OxyVinyls joint venture -- various locations in North America
SunBelt joint venture -- McIntosh, Alabama
Welvic Pty Ltd. joint venture -- various locations in Australia

ELASTOMERS AND PERFORMANCE ADDITIVES FACILITIES:
Burton, Ohio
Tillsonburg, Ontario, Canada
Jonesborough, Tennessee
DeForest, Wisconsin
Queretaro, Mexico
Chicago, Illinois
Kennedale, Texas
Kingstree, South Carolina
Dyersburg, Tennessee
Massillon, Ohio
Wynne, Arkansas
Santa Fe Springs, California

DISTRIBUTION FACILITIES:
Lemont, Illinois
Ayer, Massachusetts
Massillon, Ohio
Rancho Cucamonga, California
Statesville, North Carolina
Denver, Colorado
Chesterfield Township, Michigan
Eagan, Minnesota
St. Louis, Missouri
Vancouver, Washington
Grand Prairie, Texas
Mississauga, Ontario, Canada
Mexico -- various locations

PATENT AND TRADEMARKS

We own numerous patents and trademarks, which are important in that they protect inventions and product names against infringement by others and thereby enhance our position in the marketplace. The patents vary in duration of up to 20 years, and the trademarks have an indefinite life that is based upon continued use.

LITIGATION

In addition to the matters regarding the environment described above under "-- Environmental, Health and Safety," we are involved in various pending or threatened claims, lawsuits and administrative proceedings, all arising from the ordinary course of business concerning commercial, product liability, employment and environmental matters, which seek remedies or damages. In addition, we have been named in several lawsuits involving multiple claimants and defendants relating to alleged asbestos exposure in the past by, among others, workers and their families at plants owned by us or our predecessors or on board ships owned or operated by us or our predecessors. We believe that any liability that may be finally determined should not have a material adverse effect on our financial condition taken as a whole.

DESCRIPTION OF SPECIFIC OTHER INDEBTEDNESS

REVOLVING CREDIT FACILITY

Our $150,000,000 revolving credit facility is with Citibank, N.A., as administrative agent, and various financial institutions, as lenders.

SECURITY

We and some of our domestic subsidiaries have agreed to secure our obligations under our revolving credit facility and some letters of credit, bank guarantees and hedging instruments with some of our real property, all of our equipment located on this real property, all of our inventory, all of our accounts receivable (subject to a priority security interest granted to the purchasers under our receivables sale facility), all of our deposit accounts and substantially all of our intellectual property, as well as the capital stock of these subsidiaries. These domestic subsidiaries have each agreed to absolutely, unconditionally and irrevocably guarantee our obligations under the revolving credit facility and the letters of credit, bank guarantees and hedging instruments. Obligations under our revolving credit facility will be secured and guaranteed until our borrowed debt-to-EBITDA ratio is less than 3.50 to 1.0 for any two consecutive fiscal quarters.

INTEREST RATES

Under our revolving credit facility, the lenders may make either base rate advances or eurocurrency rate advances. Base rate advances bear interest at the base rate, as defined in the amended and restated credit agreement, plus a margin of 0.000% to 2.250% depending on our borrowed debt-to-EBITDA ratio. Eurocurrency rate advances bear interest at the eurocurrency rate, as defined in the amended and restated credit agreement, plus a margin of 0.775% to 3.100% depending on our borrowed debt-to-EBITDA ratio. As of April 17, 2002, the interest rate per annum, including the applicable margin, for base rate advances was 6.250%, and the interest rate per annum, including the applicable margin, for eurocurrency rate advances was 4.075%.

OPTIONAL AND MANDATORY PREPAYMENTS

Our revolving credit facility permits us to prepay our borrowings under the credit facility in whole or in part, at our option, subject to minimum repayment amounts and, in the case of prepayments of loans bearing interest at a eurodollar rate other than at the end of the applicable interest period, reimbursement of the lenders' reemployment costs. Our revolving credit facility requires us to prepay the outstanding principal amount of any borrowings in an amount sufficient to reduce the amount of our outstanding borrowings to 100% or less of the aggregate commitments of the lenders if the dollar amount of our outstanding borrowings exceeds 105% of the aggregate commitments of the lenders.

FEES

Our revolving credit facility requires us to pay our lenders a commitment fee based on the amount of each lender's commitment. This fee ranges from 0.100% to 0.400% depending on our borrowed debt-to-EBITDA ratio.

COVENANTS

Our revolving credit facility contains affirmative and negative covenants customary for such financings, including, but not limited to, covenants limiting our ability to:

- engage into transactions with affiliates;
- create liens to secure debt;
- merge, consolidate or sell all or substantially all of our assets;
- pay dividends on or purchase or redeem our capital stock;
- engage in sale and leaseback transactions;

- make investments in other persons; and

- make capital expenditures.

Our revolving credit facility also contains financial covenants regarding our interest coverage ratio, our borrowed debt to EBITDA ratio and ratio of tangible assets to debt.

DEFAULT

Our revolving credit facility contains customary events of default, including, but not limited to:

- nonpayment of principal, interest or fees;

- inaccuracy of representations and warranties;

- violation of covenants;

- cross defaults to other debt;

- events of bankruptcy and insolvency; and

- the occurrence of a change of control.

OTHER DEBT

As of December 31, 2001, we had an aggregate of $367.8 million of debt securities outstanding. The specific amounts, maturity and interest rates of these debt securities are set forth in the following table.

AMOUNT	INTEREST RATE	MATURITY
(IN MILLIONS)		
$ 75.2	6.875%	December 15, 2005
$ 50.0	7.500%	December 15, 2015
$ 91.5	9.375%	September 15, 2003
$151.1	6.52% - 7.16%	December 1, 2004 - February 23, 2011

6.875% Debentures		
	7.500% Debentures	
	9.375% Senior Notes	
	Medium Term Notes	

RECEIVABLES SALE FACILITY

We are a party to a fifth amended and restated trade receivables purchase and sale agreement, dated as of April 10, 2002, effective as of April 18, 2002, with PolyOne Funding Corporation (PFC), Corporate Receivables Corporation, Ciesco, L.P. and Citicorp North America, Inc., as agent, under which Corporate Receivable Corporation and/or Ciesco may purchase an undivided interest in some of our accounts receivable through PFC. We may sell a maximum of $250.0 million of our accounts receivable from a designated pool. We retain servicing responsibilities on these accounts receivable and receive a collections servicing fee from PFC of approximately 1/4 of 1% per annum of the outstanding balance. When we collect payments from the accounts receivable that we had sold, PFC reinvests the collected payments less a discount, which is initially 3%, in new accounts receivable for the buyers and transfers to the buyers a yield that is based on defined short-term market rates. As of April 17, 2002, the yield was 2.30%.

PURPOSE AND EFFECT OF THE EXCHANGE OFFER

On April 23, 2002, we sold $200.0 million in principal amount at maturity of the outstanding notes in a private placement through initial purchasers to a limited number of "Qualified Institutional Buyers," as defined under the Securities Act. In connection with the sale of the outstanding notes, we and the initial purchasers entered into a registration rights agreement, dated as of April 23, 2002. Under that agreement, we must, among other things, use our commercially reasonable efforts to file with the SEC a registration statement under the Securities Act covering the exchange offer and to cause that registration statement to become effective under the Securities Act. Upon the effectiveness of that registration statement, we must also offer each holder of the outstanding notes the opportunity to exchange its outstanding notes for an equal principal amount at maturity of exchange notes. You are a holder with respect to the exchange offer if you are a person in whose name any outstanding notes are registered on our books or any other person who has obtained a properly completed assignment of outstanding notes from the registered holder.

We are making the exchange offer to comply with our obligations under the registration rights agreement. A copy of the registration rights agreement has been filed as an exhibit to the registration statement of which this prospectus is a part.

In order to participate in the exchange offer, you must represent to us, among other things, that:

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

RESALE OF THE EXCHANGE NOTES

Based on a previous interpretation by the Staff of the SEC set forth in no-action letters issued to third parties, including Exxon Capital Holdings Corporation (available May 13, 1988), Morgan Stanley & Co. Incorporated (available June 5, 1991), Mary Kay Cosmetics, Inc. (available June 5, 1991). Warnaco, Inc. (available October 11, 1991), and K-III Communications Corp. (available May 14, 1993), we believe that the exchange notes issued in the exchange offer may be offered for resale, resold, and otherwise transferred by you, except if you are an affiliate of us, without compliance with the registration and prospectus delivery provisions of the Securities Act, provided that the representations set forth in "-- Purpose and Effect of the Exchange Offer" apply to you.

If you tender in the exchange offer with the intention of participating in a distribution of the exchange notes, you cannot rely on the interpretation by the Staff of the SEC as set forth in the Morgan Stanley & Co. Incorporated no-action letter and other similar letters and you must comply with the registration and prospectus delivery requirements of the Securities Act in connection with a secondary resale transaction. If our belief regarding resale is inaccurate, those who transfer exchange notes in violation of the prospectus delivery provisions of the Securities Act and without an exemption from registration under the federal securities laws may incur liability under these laws. We do not assume or indemnify you against this liability.

The exchange offer is not being made to, nor will we accept surrenders for exchange from, holders of outstanding notes in any jurisdiction in which the exchange offer or the acceptance thereof would not be in compliance with the securities or blue sky laws of the particular jurisdiction. Each broker-dealer that receives

exchange notes for its own account in exchange for outstanding notes, where the outstanding notes were acquired by that broker-dealer as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of the exchange notes. See "Plan of Distribution." In order to facilitate the disposition of exchange notes by broker-dealers participating in the exchange offer, we have agreed, subject to specific conditions, to make this prospectus, as it may be amended or supplemented from time to time, available for delivery by those broker-dealers to satisfy their prospectus delivery obligations under the Securities Act. Any holder that is a broker-dealer participating in the exchange offer must notify the exchange agent at the telephone number set forth in the enclosed letter of transmittal and must comply with the procedures for brokers-dealers participating in the exchange offer. We have not entered into any arrangement or understanding with any person to distribute the exchange notes to be received in the exchange offer.

TERMS OF THE EXCHANGE OFFER

Upon the terms and subject to the conditions set forth in this prospectus and in the letter of transmittal, we will accept any and all outstanding notes validly tendered and not withdrawn prior to 5:00 p.m., New York City time, on the day the exchange offer expires.

As of the date of this prospectus, $200.0 million in principal amount at maturity of the outstanding notes are outstanding. This prospectus, together with the letter of transmittal, is being sent to all registered holders of the outstanding notes on this date. There will be no fixed record date for determining registered holders of the outstanding notes entitled to participate in the exchange offer; however, holders of the outstanding notes must tender their certificates therefor or cause their outstanding notes to be tendered by book-entry transfer before the expiration date of the exchange offer to participate.

The form and terms of the exchange notes will be the same as the form and terms of the outstanding notes except that the exchange notes will be registered under the Securities Act and therefore will not bear legends restricting their transfer. Following consummation of the exchange offer, all rights under the registration rights agreement accorded to holders of outstanding notes, including the right to receive additional incremental interest on the outstanding notes, to the extent and in the circumstances specified in the registration rights agreement, will terminate.

We intend to conduct the exchange offer in accordance with the provisions of the registration rights agreement and applicable federal securities laws. Outstanding notes that are not tendered for exchange under the exchange offer will remain outstanding and will be entitled to the rights under the related indenture. Any outstanding notes not tendered for exchange will not retain any rights under the registration rights agreement and will remain subject to transfer restrictions. See "-- Consequences of Failure to Exchange."

We will be deemed to have accepted validly tendered outstanding notes when, as and if we will have given oral or written notice of its acceptance to the exchange agent. The exchange agent will act as agent for the tendering holders for the purposes of receiving the exchange notes from us. If any tendered outstanding notes are not accepted for exchange because of an invalid tender, the occurrence of other events set forth in this prospectus, or otherwise, certificates for any unaccepted outstanding notes will be returned, or, in the case of outstanding notes tendered by book-entry transfer, those unaccepted outstanding notes will be credited to an account maintained with The Depository Trust Company, without expense to the tendering holder of those outstanding notes as promptly as practicable after the expiration date of the exchange offer. See "--Procedures for Tendering."

Those who tender outstanding notes in the exchange offer will not be required to pay brokerage commissions or fees or, subject to the instructions in the letter of transmittal, transfer taxes with respect to the exchange under the exchange offer. We will pay all charges and expenses, other than applicable taxes described below, in connection with the exchange offer. See "-- Fees and Expenses."

EXPIRATION DATE; EXTENSIONS; AMENDMENTS

The expiration date is 5:00 p.m., New York City time on , 2002, unless we, in our sole discretion, extend the exchange offer, in which case, the expiration date will be the latest date and time to which the exchange offer is extended. We may, in our sole discretion, extend the expiration date of, or terminate, the exchange offer.

To extend the exchange offer, we must notify the exchange agent by oral or written notice before 9:00 a.m., New York City time, on the next business day after the previously scheduled expiration date and make a public announcement of the extension.

We reserve the right:

- to delay accepting any outstanding notes, to extend the exchange offer or to terminate the exchange offer if any of the conditions set forth below under "-- Conditions" are not satisfied by giving oral or written notice of the delay, extension, or termination to the exchange agent; or

- to amend the terms of the exchange offer in any manner consistent with the registration rights agreement.

Any delay in acceptances, extension, termination, or amendment will be followed as promptly as practicable by oral or written notice of the delay to the registered holders of the outstanding notes. If we amend the exchange offer in a manner that constitutes a material change, we will promptly disclose the amendment by means of a prospectus supplement that will be distributed to the registered holders of the outstanding notes, and we will extend the exchange offer for a period of up to ten business days, depending on the significance of the amendment and the manner of disclosure to the registered holders of the outstanding notes, if the exchange offer would otherwise expire during that extension period.

Without limiting the manner in which we may choose to make a public announcement of any delay, extension, amendment, or termination of the exchange offer, we will have no obligation to publish, advertise, or otherwise communicate that public announcement, other than by making a timely release to an appropriate news agency.

When all the conditions to the exchange offer have been satisfied or waived, we will accept, promptly after the expiration date of the exchange offer, all outstanding notes properly tendered and will issue the exchange notes promptly after acceptance of the outstanding notes. See "-- Conditions" below. For purposes of the exchange offer, we will be deemed to have accepted properly tendered outstanding notes for exchange when, as and if we will have given oral or written notice of our acceptance to the exchange agent.

In all cases, issuance of the exchange notes for outstanding notes that are accepted for exchange under the exchange offer will be made only after timely receipt by the exchange agent of certificates for those outstanding notes or a timely confirmation of book-entry transfer of the outstanding notes into the exchange agent's account at The Depository Trust Company, a properly completed and duly executed letter of transmittal, and all other required documents; provided, however, that we reserve the absolute right to waive any defects or irregularities in the tender of outstanding notes or in the satisfaction of conditions of the exchange offer by holders of the outstanding notes. If any tendered outstanding notes are not accepted for any reason set forth in the terms and conditions of the exchange offer, if the holder withdraws any previously tendered outstanding notes, or if outstanding notes are submitted for a greater principal amount of outstanding notes than the holder desires to exchange, then the unaccepted, withdrawn or portion of non-exchanged outstanding notes, as appropriate, will be returned as promptly as practicable after the expiration or termination of the exchange offer, or, in the case of the outstanding notes tendered by book-entry transfer, those unaccepted, withdrawn or portion of non-exchange outstanding notes, as appropriate, will be credited to an account maintained with The Depository Trust Company, without expense to the tendering holder.

CONDITIONS

Without regard to other terms of the exchange offer, we will not be required to exchange any exchange notes for any outstanding notes and may terminate the exchange offer before the acceptance of any outstanding notes for exchange, if:

- any action or proceeding is instituted or threatened in any court or by or before any governmental agency with respect to the exchange offer that, in our reasonable judgment, might materially impair our ability to proceed with the exchange offer;

- the Staff of the SEC proposes, adopts or enacts any law, statute, rule or regulation or issues any interpretation of any existing law, statute, rule or regulation that, in our reasonable judgment, might materially impair our ability to proceed with the exchange offer; or

- any governmental approval or approval by holders of the outstanding notes has not been obtained if we, in our reasonable judgment, deem this approval necessary for the consummation of the exchange offer.

If we determine that any of these conditions are not satisfied, we may:

- refuse to accept any outstanding notes and return all tendered outstanding notes to the tendering holders, or, in the case of outstanding notes tendered by book-entry transfer, credit those outstanding notes to an account maintained with The Depository Trust Company;

- extend the exchange offer and retain all outstanding notes tendered before the expiration of the exchange offer, subject, however, to the rights of holders who tendered the outstanding notes to withdraw their outstanding notes; or

- waive unsatisfied conditions with respect the exchange offer and accept all properly tendered outstanding notes that have not been withdrawn. If the waiver constitutes a material change to the exchange offer, we will promptly disclose the waiver by means of a prospectus supplement that will be distributed to the registered holders of the outstanding notes, and we will extend the exchange offer for a period of up to ten business days, depending on the significance of the waiver and the manner of disclosure of the registered holders of the outstanding notes, if the exchange offer would otherwise expire during this period.

PROCEDURE FOR TENDERING

To tender in the exchange offer, you must complete, sign and date an original or facsimile letter of transmittal, have the signatures guaranteed if required by the letter of transmittal, and mail or otherwise deliver the letter of transmittal to the exchange agent before the expiration date of the exchange offer. You may also tender your outstanding notes by means of The Depository Trust Company's Automatic Tenders Over the Participant Terminal System ("ATOP"), subject to the terms and procedures of that system. If delivery is made through ATOP, you must transmit any agent's message to the exchange agent account at The Depository Trust Company. The term "agent's message" means a message, transmitted to The Depository Trust Company and received by the exchange agent and forming a part for a book-entry transfer, that states that The Depository Trust Company has received an express acknowledgement that you agree to be bound by the letter of transmittal and that we may enforce the letter of transmittal against you. In addition;

- the exchange agent must receive certificates, if any, for the outstanding notes, along with the letter of transmittal;

- the exchange agent must receive a timely confirmation of the transfer by book-entry of those outstanding notes before the expiration of the exchange offer, if the book-entry procedure is available, into the exchange agent's account at The Depository Trust Company, as set forth in the procedure for book-entry transfer described below; or

- you must comply with the guaranteed delivery procedures described below.

To be tendered effectively, the exchange agent must receive the Letter of Transmittal and other required documents at the address set forth below under "-- Exchange Agent" before the expiration of the exchange offer.

If you tender your outstanding notes and do not withdraw them before the expiration date of the exchange offer, you will be deemed to have an agreement with us in accordance with the terms and subject to the conditions set forth in this prospectus and in the letter of transmittal.

THE METHOD OF DELIVERY OF OUTSTANDING NOTES AND THE LETTER OF TRANSMITTAL AND ALL OTHER REQUIRED DOCUMENTS TO THE EXCHANGE AGENT IS AT YOUR RISK. INSTEAD OF DELIVERY BY MAIL, WE RECOMMEND THAT YOU USE AN OVERNIGHT OR HAND DELIVERY SERVICE, PROPERLY INSURED. IN ALL CASES, YOU SHOULD ALLOW SUFFICIENT TIME TO ASSURE DELIVERY TO THE EXCHANGE AGENT BEFORE THE EXPIRATION DATE OF THE EXCHANGE OFFER. YOU SHOULD NOT SEND YOUR LETTER OF TRANSMITTAL OR OUTSTANDING NOTES TO US. YOU MAY REQUEST YOUR RESPECTIVE BROKER, DEALERS, COMMERCIAL BANKS, TRUST COMPANIES, OR NOMINEES TO EFFECT THE ABOVE TRANSACTIONS FOR YOU.

Any beneficial owner whose outstanding notes are registered in the name of a broker, dealer, commercial bank, trust company, or other nominee and who wishes to tender its outstanding notes should contact the registered holder promptly and instruct that registered holder to tender the outstanding notes on the beneficial owner's behalf. If the beneficial owner wishes to tender its outstanding notes on the owner's own behalf, that owner must, before completing and executing the letter of transmittal and delivering its outstanding notes, either make appropriate arrangements to register ownership of the outstanding notes in that owner's name or obtain a properly completed assignment from the registered holder. The transfer of registered ownership of outstanding notes may take considerable time.

Signatures on a letter of transmittal or a notice of withdrawal must be guaranteed by an eligible institution unless the related outstanding notes tendered are tendered:

- by a registered holder who has not completed the box entitled "Special Payment Instructions" or "Special Delivery Instructions" on the letter of transmittal; or

- for the account of an eligible institution.

If signatures on a letter of transmittal or a notice of withdrawal are required to be guaranteed, each of the following is deemed an eligible institution:

- a member firm of a registered national securities exchange or of the National Association of Securities Dealers, Inc.;

- a commercial bank;

- a trust company having an officer or correspondent in the United States; or

- an eligible guarantor institution as provided by Rule 17Ad-15 of the Exchange Act.

If the letter of transmittal is signed by a person other than the registered holder of any outstanding notes, the outstanding notes must be endorsed or accompanied by a properly completed bond power, signed by the registered holder as his, her or its name appears on the outstanding notes.

If trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity sign the letter of transmittal or any outstanding notes or bond power, those persons should so indicate when signing, and unless we waive evidence satisfactory to us of their authority to so act must be submitted with the letter of transmittal.

We will determine all questions as to the validity, form, eligibility, including time of receipt, acceptance of tendered outstanding notes, and withdrawal of tendered outstanding notes, in our sole discretion. All of these determinations by us will be final and binding. We reserve the absolute right to reject any and all outstanding notes not properly tendered or any outstanding notes our acceptance of which would, in the opinion of our counsel, be unlawful. We also reserve the right to waive any defects, irregularities or conditions of tender as to particular outstanding notes. Our interpretation of the terms and conditions of the

exchange offer, including the instructions in the letter of transmittal will be final and binding on all parties. Unless waived, any defects or irregularities in connection with tenders of outstanding notes must be cured within the time we determine. Although we intend to notify holders of outstanding notes of defects or irregularities with respect to tenders of outstanding notes, neither we, nor the exchange agent, or any other person will incur any liability for failure to give this notification. Tenders of outstanding notes will not be deemed to have been made until defects or irregularities have been cured or waived. Any outstanding notes received by the exchange agent that are not properly tendered and as to which the defects or irregularities have not been cured or waived will be returned by the exchange agent to the tendering holders of outstanding notes, unless otherwise provided in the letter of transmittal, as soon as practicable following the expiration date of the exchange offer.

In addition, we reserve the right, in our sole discretion, to purchase or make offers for any outstanding notes that remain outstanding subsequent to the expiration date of the exchange offer or, as set forth above under "-- Conditions," to terminate the exchange offer and, to the extent permitted by applicable law and the terms of our agreements relating to our outstanding indebtedness, purchase outstanding notes in the open market, in privately negotiated transactions or otherwise. The terms of any purchases or offers could differ from the terms of the exchange offer.

If the holder of outstanding notes is a broker-dealer participating in the exchange offer that will receive exchange notes for its own account in exchange for outstanding notes that were acquired as a result of market-making activities or other trading activities, that broker-dealer will be required to acknowledge in the letter of transmittal that it will deliver a prospectus in connection with any resale of the exchange notes and otherwise agree to comply with the procedures described above under "-- Resale of the Exchange Notes"; however, by so acknowledging and delivering a prospectus, that broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act.

In all cases, issuance of exchange notes under the exchange offer will be made only after timely receipt by the exchange agent of certificates for the outstanding notes or a timely confirmation of book-entry transfer of outstanding notes into the exchange agent's account at The Depository Trust Company, a properly completed and duly executed letter of transmittal, and all other required documents. If any tendered outstanding notes are not accepted for any reason set forth in the terms and conditions of the exchange offer or if outstanding notes are submitted for a greater principal amount of outstanding notes than the holder of outstanding notes desires to exchange, the unaccepted or portion of non-exchanged outstanding notes will be returned as promptly as practicable after the expiration or termination of the exchange offer, or, in the case of outstanding notes tendered by book-entry transfer into the exchange agent's account at The Depository Trust Company pursuant to the book-entry transfer procedures described below, the unaccepted or portion of non-exchanged outstanding notes will be credited to an account maintained with The Depository Trust Company, without expense to the tendering holder of outstanding notes.

BOOK-ENTRY TRANSFER

The exchange agent will make a request to establish an account with respect to the outstanding notes at The Depository Trust Company for the purposes of the exchange offer within two business days after the date of this prospectus, and any financial institution that is a participant in The Depository Trust Company's systems may make book-entry delivery of outstanding notes by causing The Depository Trust Company to transfer the outstanding notes into the exchange agent's account at The Depository Trust Company in accordance with The Depository Trust Company's procedures for transfer. However, although delivery of outstanding notes may be effected through book-entry transfer at The Depository Trust Company, the letter of transmittal or facsimile thereof, with any required signature guarantees and any other required documents, must, in any case, be transmitted to and received by the exchange agent at the address set forth below under "-- Exchange Agent" on or before the expiration date of the exchange offer, unless the holder either (1) complies with the guaranteed delivery procedures described below or (2) sends an agent's message through ATOP.

GUARANTEED DELIVERY PROCEDURES

Holders who wish to tender their outstanding notes and (1) whose outstanding notes are not immediately available or (2) who cannot deliver their outstanding notes, the letter of transmittal, or any other required documents to the exchange agent prior to the expiration date, may effect a tender if:

- the tender is made through an eligible institution;

- before the expiration date of the exchange offer, the exchange agent receives from the eligible institution a properly completed and duly executed notice of guaranteed delivery, by facsimile transmission, mail or hand delivery, setting forth the name and address of the holder, the certificate number(s) of the outstanding notes and the principal amount of outstanding notes tendered and stating that the tender is being made thereby and guaranteeing that, within three New York Stock Exchange trading days after the expiration of the exchange offer, the letter of transmittal, together with the certificate(s) representing the outstanding notes in proper form for transfer or a confirmation of book-entry transfer, as the case may be, and any other documents required by the letter of transmittal will be deposited by the eligible institution with the exchange agent; and

- the exchange agent receives the properly completed and executed letter of transmittal, as well as the certificate(s) representing all tendered outstanding notes in proper form for transfer and other documents required by the letter of transmittal within three New York Stock Exchange trading days after the expiration date of the exchange offer.

Upon request to the exchange agent, a notice of guaranteed delivery will be sent to holders who wish to tender their outstanding notes according to the guaranteed delivery procedures set forth above.

WITHDRAWAL OF TENDERS

Except as otherwise provided, tenders of outstanding notes may be withdrawn at any time before 5:00 p.m., New York City time, on the expiration date of the exchange offer.

To withdraw a tender of outstanding notes in the exchange offer, a written or facsimile transmission notice of withdrawal must be received by the exchange agent at its address set forth herein prior to 5:00 p.m., New York City time, on the expiration date of the exchange offer. Any notice of withdrawal must:

- specify the name of the person who deposited the outstanding notes to be withdrawn;

- identify the outstanding notes to be withdrawn;

- be signed by the holder in the same manner as the original signature on the letter of transmittal by which the outstanding notes were tendered or be accompanied by documents of transfer sufficient to have the exchange agent register the transfer of the outstanding notes in the name of the person withdrawing the tender; and

- specify the name in which any outstanding notes are to be registered, if different from the name of the person who deposited the outstanding notes to be withdrawn.

We will determine all questions as to the validity, form, and eligibility of the notices, whose determination will be final and binding on all parties. Any outstanding notes withdrawn will be deemed not to have been validly tendered for purposes of the exchange offer, and no exchange notes will be issued with respect to those outstanding notes unless the outstanding notes withdrawn are validly retendered.

Any outstanding notes that have been tendered but that are not accepted for payment will be returned to the holder of those outstanding notes, or in the case of outstanding notes tendered by book-entry transfer, will be credited to an account maintained with The Depository Trust Company, without cost to the holder as soon as practicable after withdrawal, rejection of tender or termination of the exchange offer. Properly withdrawn outstanding notes may be retendered by following one of the procedures described above under "-- Procedures for Tendering" at any time prior to the expiration date of the exchange offer.

TERMINATION OF CERTAIN RIGHTS

All rights given to holder of outstanding notes under the registration rights agreement will terminate upon the consummation of the exchange offer except with respect to our duty:

- to use our reasonable best efforts to keep the registration statement continuously effective during the 180-day period following the closing of the exchange offer; and

- to provide copies of the latest version of this prospectus to any broker-dealer that requests copies of this prospectus for use in connection with any resale by that broker-dealer of exchange notes received for its own account pursuant to the exchange offer in exchange for outstanding notes acquired for its own account as a result of market-making or other trading activities, subject to the conditions described above under "-- Resale of the Exchange Notes."

EXCHANGE AGENT

The Bank of New York has been appointed exchange agent for the exchange offer. Questions and requests for assistance, requests for additional copies of this prospectus or the letter of transmittal, and requests for copies of the notice of guaranteed delivery with respect to the outstanding notes should be addressed to the exchange agent as follows:

By Hand or Overnight Courier:
The Bank of New York
101 Barclay Street
New York, New York 10286
Corporate Trust Services Window
Ground Level
Attention:

By Registered or Certified Mail:
The Bank of New York
101 Barclay Street, 7E
New York, New York 10286
Attention:

By Telephone (to confirm receipt of facsimile):

By Facsimile (for Eligible Institutions only):

FEES AND EXPENSES

We will pay the expenses of soliciting tenders in connection with the exchange offer. The principal solicitation is being made by mail; however, additional solicitation may be made by telecopier, telephone, or in person by our officers and regular employees and by officers and regular employees of our affiliates.

We have not retained any dealer-manager in connection with the exchange offer and will not make any payments to broker-dealers or others soliciting acceptances of the exchange offer. We, however, will pay the exchange agent reasonable and customary fees for its services and will reimburse the exchange agent for its reasonable out-of-pocket expenses in connection with the exchange offer.

We estimate that our cash expenses in connection with the exchange offer will be approximately $75,000. These expenses include registration fees, fees and expenses of the exchange agent, accounting and legal fees, and printing costs, among others.

We will pay all transfer taxes, if any, applicable to the exchange of the outstanding notes for exchange notes. The tendering holder of outstanding notes, however, will pay applicable taxes if certificates representing outstanding notes not tendered or accepted for exchange are to be delivered to, or are to be issued in the name of, any person other than the registered holder of outstanding notes tendered, or:

- if tendered, the certificates representing outstanding notes are registered in the name of any person other than the person signing the letter of transmittal; or

- if a transfer tax is imposed for any reason other than the exchange of the outstanding notes in the exchange offer.

If satisfactory evidence of payment of the transfer taxes or exemption from payment of transfer taxes is not submitted with the Letter of Transmittal, the amount of the transfer taxes will be billed directly to the tendering holder and the exchange notes need not be delivered until the transfer taxes are paid.

CONSEQUENCES OF FAILURE TO EXCHANGE

Participation in the exchange offer is voluntary. Holders of the outstanding notes are urged to consult their financial and tax advisors in making their own decisions on what action to take.

Outstanding notes that are not exchanged for the exchange notes in the exchange offer will not retain any rights under the registration rights agreement and will remain restricted securities for purposes of the federal securities laws. Accordingly, the outstanding notes may not be offered, sold, pledged, or otherwise transferred except:

- to us or any of our subsidiaries;
- to a "Qualified Institutional Buyer" within the meaning of Rule 144A under the Securities Act purchasing for its own account or for the account of a qualified institutional buyer in a transaction meeting the requirements of Rule 144A;
- under an exemption from registration under the Securities Act provided by Rule 144, if available;
- under an exemption from registration under the Securities Act provided by Rule 904, if available; or
- under an effective registration statement under the Securities Act,

and, in each case, in accordance with all other applicable securities laws and the terms of the indenture governing the outstanding notes.

ACCOUNTING TREATMENT

For accounting purposes, we will recognize no gain or loss as a result of the exchange offer. The exchange notes will be recorded at the same carrying value as the outstanding notes, as reflected in our accounting records on the date of the exchange. The expenses of the exchange offer will be amortized over the remaining term of the exchange notes.

DESCRIPTION OF NOTES

The outstanding notes were, and the exchange notes will be, issued under an Indenture, dated as of April 23, 2002 (the "Indenture"), between the Company and The Bank of New York, as Trustee (the "Trustee"), a copy of which can be obtained from the Company at its address set forth elsewhere herein. All references in this section to "the Notes" include the outstanding notes and the exchange notes. The following summary of specific provisions of the Indenture does not purport to be complete and is subject to, and is qualified in its entirety by reference to, the Trust Indenture Act of 1939, as amended (the "TIA"), all of the provisions of the Indenture, including the definitions therein of terms, and those terms made a part of the Indenture by reference to the TIA. As used in this Description of Notes, the term "Company" or "we" refers to PolyOne Corporation and not any of its Subsidiaries.

Definitions of specified terms are set forth under "Certain Definitions" and throughout this description. Capitalized terms that are used but not otherwise defined herein have the meanings assigned to them in the Indenture, and those definitions are incorporated herein by reference.

GENERAL

The Notes will mature on May 1, 2012, and will accrue interest at a rate of 8.875% per annum. The Notes will bear interest from April 23, 2002, payable on May 1 and November 1 of each year, commencing November 1, 2002. We will make each interest payment to the holders of record of the Notes at the close of business on the April 15 or October 15 preceding such interest payment date. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

The Notes will be general unsecured obligations of the Company ranking senior to all existing and future subordinated Indebtedness of the Company and pari passu with all existing and future unsubordinated Indebtedness of the Company. The Notes will be junior to any senior secured obligations of the Company to the extent of the value of the assets securing those secured obligations. The Company and some of its domestic subsidiaries have agreed to secure the Company's obligations under its revolving credit facility and some letters of credit, bank guarantees and hedging instruments with some of the Company's and these subsidiaries' real property, all of the Company's and these subsidiaries' equipment located on this real property, all of the Company's and these subsidiaries' inventory, all of the Company's and these subsidiaries' accounts receivable (subject to a priority security interest granted to the purchasers under the Company's receivables sale facility), all of the Company's and these subsidiaries' deposit accounts and substantially all of the Company's and these subsidiaries' intellectual property, as well as the capital stock of these subsidiaries. These subsidiaries have also agreed to guarantee the obligations of the Company under the revolving credit facility and the letters of credit, bank guarantees and hedging instruments. In addition, if the Company exceeds the specified limits of secured debt permitted by the indentures governing the existing notes of the Company or the Company's guarantee of the SunBelt notes as the Company borrows under the revolving credit facility, the Company will be required to equally and ratably secure the Notes, such existing notes and the SunBelt guarantee with the collateral securing borrowings under the revolving credit facility and the letters of credit, bank guarantees and hedging instruments for so long as these specified limits are exceeded. Accordingly, depending on the amount drawn under the revolving credit facility, the Notes could become secured.

The obligations of the Company under the revolving credit facility will be secured and guaranteed until the debt-to-EBITDA ratio of the Company is less than 3.50 to 1.0 for any two consecutive fiscal quarters. If the revolving credit facility becomes unsecured, the Notes will not be secured by the collateral described above.

The Notes will not be guaranteed by any of the subsidiaries of the Company. Accordingly, the Notes will be effectively subordinated to all existing and future debt of the subsidiaries of the Company. The Notes will be issued only in fully registered form without coupons, in denominations of $1,000 and any integral multiple thereof. The Notes are exchangeable and transfers thereof will be registered without charge therefor, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Interest on overdue principal and premium, if any, and, to the extent permitted by law, on overdue installments of interest will accrue at the rate of interest borne by the Notes.

Principal and premium, if any, and interest on the Notes will be payable at the office or agency of the Company maintained for such purposes in The City of New York, or, at the option of the Company, such payments may be made by check mailed to a holder at its registered address or, at the election of any holder in the manner prescribed by the Indenture, by wire transfer of immediately available funds.

If any interest payment date or redemption date or the maturity date of the Notes is not a business day at any place of payment, then payment of the principal, premium, if any, and interest on the Notes may be made on the next business day at that place of payment.

ADDITIONAL NOTES

The Indenture does not limit the amount of the Notes that we may issue under the Indenture, and we may issue additional Notes ("Additional Notes") under the Indenture. The Notes are initially being offered in the aggregate principal amount of $200.0 million. The Notes and the Additional Notes, if any, will be treated as a single class for all purposes of the Indenture, including waivers, amendments and redemptions. Unless the context otherwise requires, for all purposes of the Indenture and this "Description of Notes," references to the Notes include any Additional Notes actually issued.

OPTIONAL REDEMPTION

The Company may redeem the Notes in whole at any time or in part from time to time, at its option, on at least 30 but not more than 60 days' prior notice, at a redemption price equal to the greater of:

- 100% of the principal amount of such Notes being redeemed on the redemption date, and

- the Make Whole Amount,

plus, in each case, accrued and unpaid interest and Liquidated Damages, if any, on the Notes to the redemption date.

Unless the Company defaults in its payment of the redemption price, on and after the redemption date, interest will cease to accrue on the Notes or portions of the Notes called for redemption and those Notes will cease to be outstanding.

"Comparable Treasury Issue" means the United States Treasury security selected by a Reference Treasury Dealer as having a maturity comparable to the remaining term of the Notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such Notes.

"Comparable Treasury Price" means, with respect to any redemption date, (1) the average of the five Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest such Reference Treasury Dealer Quotations, or (2) if the Trustee obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations.

"Make Whole Amount" means the sum of the present values of the remaining scheduled payments of principal of the Notes to be redeemed on the redemption date and the scheduled payments of interest thereon from the redemption date (but excluding any interest accrued to the redemption date) to originally scheduled maturity, discounted to the redemption date (assuming a 360-day year consisting of twelve 30-day months) on a semi-annual basis at the Special Adjusted Treasury Rate from the respective dates after the redemption date on which such principal and interest would have been payable.

"Reference Treasury Dealer" means Salomon Smith Barney Inc. and its successor and, at the option of the Company, other primary U.S. government securities dealers in New York City selected by the Company.

"Reference Treasury Dealer Quotations" means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Trustee, of the bid and asked prices for the Comparable

Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Trustee by such Reference Treasury Dealer at 5:00 p.m. on the third business day preceding such redemption date.

"Special Adjusted Treasury Rate" means, with respect to any date of redemption, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such date of redemption, plus 50 basis points.

SINKING FUND; MANDATORY REDEMPTION

We are not required to make any mandatory redemption or sinking fund payments with respect to the Notes.

CERTAIN COVENANTS

Limitation on Liens. The Company will not, and will not permit any of its Subsidiaries to, incur or suffer to exist any Lien on property or assets now owned or hereafter acquired to secure Indebtedness without making, or causing such Subsidiary to make, effective provision for securing the Notes (and, if the Company so determines, any other Indebtedness of the Company which is not subordinate to the Notes or of such Subsidiary) equally and ratably with such Indebtedness as to such property or assets so long as such Indebtedness is so secured.

The foregoing restrictions will not apply to:

(1) Liens in respect of Indebtedness existing at the Issue Date;

(2) Liens on property existing at the time of acquisition thereof;

(3) Liens on property of a Person existing at the time such Person is merged into or consolidated with the Company or any Subsidiary;

(4) Liens on property of the Company or any Subsidiary in favor of the United States of America, any state thereof or any instrumentality of either to secure certain payments pursuant to any contract or statute;

(5) Liens to secure Indebtedness incurred for the purpose of financing all or any part of the purchase price or the cost of construction or improvement of the property subject to such Liens, and securing only the property so purchased, constructed or improved;

(6) Liens for taxes or assessments or other governmental charges or levies, Liens imposed by law, such as mechanics' and materialmen's Liens, for sums not due or sums being contested in good faith and with respect to which adequate reserves are being maintained, to the extent required by GAAP, and Liens securing reimbursement obligations with respect to trade letters of credit, banker's acceptances and sight drafts incurred in the ordinary course of business which encumber documents and other property relating to such trade letters of credit, banker's acceptances and sight drafts;

(7) Liens to secure obligations under worker's compensation laws or similar legislation, including Liens with respect to judgments which are not currently dischargeable;

(8) Liens created by or resulting from any litigation or other proceeding which is being contested in good faith by appropriate proceedings, including Liens arising out of judgment or awards against the Company or any Subsidiary with respect to which the Company or such Subsidiary is in good faith prosecuting an appeal or proceedings for review or for which the time to make an appeal has not yet expired; or final unappealable judgment Liens which are satisfied within 15 days of the date of judgment; or Liens incurred by the Company or any Subsidiary for the purpose of obtaining a stay or discharge in the course of any litigation or other proceeding to which the Company or such Subsidiary is a party; and

(9) Liens to secure any extension, renewal or refinancing (or successive extensions, renewals or refinancings), in whole or in part, of any Indebtedness secured by Liens referred to in the foregoing clauses (1) to (8) so long as such Liens do not extend to any other property and the Indebtedness so secured is not increased.

In addition to the foregoing, the Company or any Subsidiary may incur a Lien to secure Indebtedness or enter into a Sale and Leaseback Transaction, without equally and ratably securing the Notes, if the sum of (a) the amount of Indebtedness subject to a Lien entered into after Issue Date and otherwise prohibited by the Indenture, and (b) the Attributable Value of Sale and Leaseback Transactions entered into under clause (1) of the covenant described under "-- Limitation on Sale and Leaseback Transactions" does not exceed 10% of Consolidated Net Tangible Assets of the Company at the time of such determination.

In addition, if on and after the Issue Date any Capital Markets Debt of the Company or any Subsidiary or the SunBelt Guarantee becomes secured by a Lien, then the Company will cause the Notes to be secured equally and ratably by a Lien on the same property as such Lien for so long as such Capital Markets Debt or SunBelt Guarantee remains secured.

"Capital Markets Debt" means any Indebtedness that is a security (other than syndicated commercial loans) that is eligible for resale in the United States pursuant to Rule 144A under the Act or outside the United States pursuant to Regulation S of the Act or a security (other than syndicated commercial loans) that is sold or subject to resale pursuant to a registration statement under the Act. As of the Issue Date, the Company's Capital Market Debt includes its 6.875% Debentures, 7.5% Debentures, 9.375%, Senior Notes and medium term notes.

"Consolidated Net Tangible Assets" of a Person and its Subsidiaries means the sum of the Tangible Assets of such Person and its Subsidiaries after deducting all current liabilities and eliminating intercompany items, all determined in accordance with GAAP, including appropriate deductions for any minority interest in Tangible Assets of such Subsidiaries after deducting all current liabilities of such Subsidiaries as determined in accordance with GAAP.

"SunBelt Guarantee" means the Guarantee by the Company of the Guaranteed Secured Senior Notes due 2017, Series G of SunBelt Chlor Alkali Partnership pursuant to a Guarantee dated December 22, 1997 by the Company.

"Tangible Assets" of any Person means, at any date, the gross book value as shown by the accounting books and records of such Person of all its property both real and personal, less the net book value of (i) all its licenses, patents, patent applications, copyrights, trademarks, trade names, goodwill, non-compete agreements or organizational expenses and other like intangibles, (ii) unamortized Indebtedness discount and expense, (iii) all reserves for depreciation, obsolescence, depletion and amortization of its properties and (iv) all other proper reserves which in accordance with GAAP should be provided in connection with the business conducted by such Person.

Limitation on Sale and Leaseback Transactions. The Company will not, and will not permit any of its Subsidiaries, to enter into any Sale and Leaseback Transaction (except for a period not exceeding 36 months) unless (1) the Company or such Subsidiary would be entitled to incur a Lien to secure Indebtedness in an amount equal to the Attributable Value of the Sale and Leaseback Transaction in accordance with the "-- Limitation on Liens" covenant above, without equally and ratably securing the Notes; or (2) the Company or the Subsidiary applies or commits to apply within 120 days an amount equal to the net proceeds of the property sold pursuant to the Sale and Leaseback Transaction to the redemption of the Notes or to the redemption or repayment of Company Indebtedness which is pari passu to the Notes.

"Attributable Value" means, as to any particular lease under which any Person is at the time liable and at any date as of which the amount thereof is to be determined, the total net amount of rent required to be paid by such Person under such lease during the initial term thereof as determined in accordance with GAAP, discounted from such initial term date to the date of determination at a rate per annum equal to the discount rate which would be applicable to a Capital Lease Obligation with a like term in accordance with GAAP. The net amount of rent required to be paid under any such lease for any such period shall be the lesser of:

(1) the aggregate amount of rent payable by the lessee with respect to such period after excluding amounts required to be paid on account of insurance, taxes, assessments, utility, operating and labor costs and similar charges and (2) in the case of any lease which is terminable by the lessee upon the payment of a penalty, the net amount calculated pursuant to (1) but adjusted to also include the amount of such penalty and to exclude any rent which would otherwise be required to be paid under such lease subsequent to the first date upon which it may be so terminated.

"Capital Lease Obligations" of any Person means the obligations to pay rent or other amounts under a lease of (or other Indebtedness arrangements conveying the right to use) real or personal property of such Person which are required to be classified and accounted for as a capital lease or a liability on the face of a balance sheet of such Person in accordance with GAAP, and the amount of such obligations shall be the capitalized amount thereof in accordance with GAAP and the stated maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be terminated by the lessee without payment of a penalty.

"Sale and Leaseback Transaction" means with respect to any Person an arrangement with any bank, insurance company or other lender or investor (or pool thereof) or to which lender or investor (or pool thereof) is a party, providing for the leasing by such Person or any of its Subsidiaries of any property or asset of such Person or any of its Subsidiaries which has been or is being sold or transferred by such Person or such Subsidiary more than 270 days after the acquisition thereof or the completion of construction or commencement of operation thereof to such lender or investor or to any Person to whom funds have been or are to be advanced by such lender or investor on the security of such property or asset.

Consolidation, Merger and Sale of Assets. The Company will not consolidate with or merge into any other Person or convey, transfer or lease its properties and assets substantially as an entirety to any Person, and the Company will not permit any Person to consolidate with or merge into the Company or convey, transfer or lease its properties and assets substantially as an entirety to the Company, unless:

(1) in case the Company consolidates with or merges into another Person or conveys, transfers or leases its properties and assets substantially as an entirety to any Person, the Person formed by such consolidation or into which the Company is merged or the Person which acquires by conveyance or transfer, or which leases, the properties and assets of the Company substantially as an entirety is a corporation, partnership or trust is organized and validly existing under the laws of the United States of America, any State thereof or the District of Columbia and expressly assumes, by an indenture supplemental to the Indenture, executed and delivered to the Trustee, in form satisfactory to the Trustee, the due and punctual payment of the principal of and any premium, if any, and interest on all the Notes and the performance or observance of every covenant of the Indenture and the Registration Rights Agreement on the part of the Company to be performed or observed;

(2) immediately after giving effect to such transaction and treating any Indebtedness which becomes an obligation of the Company or any Subsidiary as a result of such transaction as having been incurred by the Company or such Subsidiary at the time of such transaction, no Event of Default, and no event which, after notice or lapse of time or both, would become an Event of Default, has occurred and is continuing;

(3) if, as a result of any such consolidation or merger or such conveyance, transfer or lease, properties or assets of the Company would become subject to a Lien which would not be permitted by the Indenture, the Company or such successor Person, as the case may be, takes such steps as would be necessary effectively to secure the Notes equally and ratably with (or prior to) all Indebtedness secured thereby; and

(4) the Company delivers to the Trustee an officers' certificate and an opinion of counsel, each stating that such consolidation, merger, conveyance, transfer or lease and, if a supplemental indenture is required in connection with such transaction, such supplemental indenture comply with the Indenture and that all conditions precedent in the Indenture relating to such transaction have been complied with.

Upon any consolidation of the Company with, or merger of the Company into, any other Person or any conveyance, transfer or lease of the properties and assets of the Company substantially as an entirety in accordance with the preceding paragraph, the successor Person formed by such consolidation or into which the Company is merged or to which such conveyance, transfer or lease is made will succeed to, and be substituted for, and may exercise every right and power of, the Company under the Indenture with the same effect as if such successor Person had been named as the Company therein, and thereafter, except in the case of a lease, the predecessor Person will be relieved of all obligations and covenants under the Indenture and the Notes.

Guarantees by Subsidiaries. The Company will not permit any Subsidiary, directly or indirectly, to Guarantee or secure the payment of any other Indebtedness of the Company (other than the Credit Facility) unless such Subsidiary simultaneously executes and delivers a supplemental indenture to the Indenture providing for a Guarantee of the payment of the Notes by such Subsidiary (a "Subsidiary Guarantee"). If the Guaranteed Indebtedness is subordinated in right of payment to the Notes, pursuant to a written agreement to that effect, the Guarantee of such Guaranteed Indebtedness must be subordinated in right of payment to the Subsidiary Guarantee to at least the extent that the Guaranteed Indebtedness is subordinated to the Notes.

A Subsidiary Guarantee will terminate upon:

(1) a sale or other disposition (including by way of consolidation or merger) of the Subsidiary Guarantor or the sale or disposition of all or substantially all the assets of the Subsidiary (other than to the Company or a Subsidiary or an Affiliate) otherwise permitted by the Indenture; or

(2) the release or discharge of the Guarantee or security that enabled the creation of the Subsidiary Guarantee and all other Guarantees of Indebtedness of the Company by such Subsidiary; provided that no Event of Default, or event which, after notice or lapse of time or both, would become an Event of Default, has occurred and is continuing or would result therefrom.

SEC Reports. So long as the Notes are outstanding, whether or not the Company is then subject to Section 13(a) or 15(d) of the Exchange Act, the Company will electronically file with the SEC, the annual reports, quarterly reports and other periodic reports that the Company would be required to file with the SEC pursuant to Section 13(a) or 15(d) if the Company were so subject, and such documents will be filed with the SEC on or prior to the respective dates (the "Required Filing Dates") by which the Company would be required so to file such documents if the Company were so subject, unless, in any case, if such filings are not then permitted by the SEC.

If such filings with the SEC are not then permitted by the SEC, or such filings are not generally available on the Internet free of charge, the Company will, within 15 days of each Required Filing Date, transmit by mail to holders of the Notes, as their names and addresses appear in the Note register, without cost to such holders, and file with the Trustee copies of the annual reports, quarterly reports and other periodic reports that the Company would be required to file with the SEC pursuant to Section 13(a) or 15(d) of the Exchange Act if the Company were subject to such Section 13(a) or 15(d), and promptly upon written request, supply copies of such documents to any prospective holder or beneficial owner at Company's cost.

In addition, the Company has agreed that, for so long as any Notes remain outstanding and constitute "restricted securities" under Rule 144, it will furnish to the holders and to securities analysts and prospective investors, upon their request, the information required to be delivered pursuant to Rule 144A(d)(4) under the Act.

EVENTS OF DEFAULT, NOTICE AND WAIVER

Each of the following constitutes an Event of Default with respect to the Notes (whatever the reason for such Event of Default and whether it is voluntary or involuntary or effected by operation of law or pursuant

to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(a) default in the payment of any interest on the Notes when it becomes due and payable, and continuance of such default for a period of 30 days;

(b) default in the payment of the principal of or any premium on the Notes when due, whether at maturity, upon redemption, by declaration or otherwise;

(c) failure to perform any other covenant in the Indenture and continuance of such default or breach for 60 days after written notice from the Trustee or holders of at least 25% in aggregate principal amount of the Notes;

(d) a default under any bond, debenture, note or other evidence of Indebtedness for money borrowed by the Company having an aggregate principal amount outstanding of at least $25,000,000, or under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Company having an aggregate principal amount outstanding of at least $25,000,000, whether such Indebtedness now exists or shall hereafter be created, which default is a payment default upon final maturity of such Indebtedness or shall have resulted in such Indebtedness becoming or being declared due and payable prior to the date on which it would otherwise have become due and payable, without such Indebtedness having been discharged or such acceleration having been rescinded or annulled, in each such case, within a period of 10 days after written notice from the Trustee or holder of at least 25% in aggregate principal amount of the Notes then outstanding; or

(e) specified events of bankruptcy, insolvency or reorganization involving the Company.

If an Event of Default (other than in clause (e) of the preceding paragraph) has occurred and is continuing with respect to the Notes, either the Trustee or the holders of not less than 25% in aggregate principal amount of the Notes then outstanding, by written notice to the Company, may declare the principal amount of and accrued interest and premium, if any, on the Notes immediately due and payable. If an Event of Default specified in clause (e) of the preceding paragraph occurs, the principal amount of and accrued interest and premium, if any, on the Notes will automatically, without any declaration or other action on the part of the Trustee or any holder of the Notes, become immediately due and payable.

The holders of at least a majority in aggregate principal amount of the outstanding Notes, by written notice to the Trustee, may rescind and annul a declaration of acceleration and its consequences if:

(i) all existing Events of Default, other than the nonpayment of the principal of and premium, if any, and interest, if any, on such Notes that have become due solely by such declaration of acceleration, have been cured or waived; and

(ii) the rescission would not conflict with any judgment or decree of a court of competent jurisdiction.

If a default occurs and is continuing with respect to the Notes, the Trustee will give to the holders of the Notes notice of such default as and to the extent provided by the Indenture and the TIA.

MODIFICATION

The Indenture and the rights of holders of the Notes may be amended or supplemented, and noncompliance in any particular instance with any provision may be waived, in each case by the Company and the Trustee with the written consent of the holders of not less than a majority of the aggregate principal amount of the Notes then outstanding; provided, however, that no such amendment, supplement or waiver will:

- extend the fixed maturity of any Notes, or

- reduce the principal amount thereof or any premium thereon, or

- reduce the rate or extend the time of payment of interest thereon, or

- reduce any premium payable upon the redemption thereon, or

- reduce the percentage required for modification, or

- change the place of payment where, or the coin or currency in which, any Note or any premium thereon is payable, or

- impair the right to institute suit for the enforcement of any such payment on or after the stated maturity thereof,

without the consent of the holder of such Notes.

The Indenture provides that the Company and the Trustee may enter into supplemental indentures or amend the Indenture without the consent of the holders of the Notes to:

- provide for the assumption of the Company's obligations to the holders of Notes in case of a merger or consolidation permitted by the Indenture,

- evidence the assumption by a successor corporation of the Company's obligations, and covenants for the protection of the holders of the Notes,

- provide for or release Guarantees by Subsidiaries as required by the Indenture,

- cure any ambiguity or correct any inconsistency in the Indenture,

- add to the covenants of the Company for the benefit of the holders or to surrender any right or power conferred in the Indenture upon the Company,

- make any change that does not adversely affect the rights of the holders,

- modify or amend the Indenture to permit the qualification of indentures supplemental thereto, or

- comply with any requirement of the SEC in connection with qualification of the Indenture under the TIA or otherwise.

SATISFACTION AND DISCHARGE OF THE INDENTURE; DEFEASANCE; COVENANT DEFEASANCE

The Indenture will be discharged upon cancellation of all outstanding Notes or, with specified limitations, upon deposit with the Trustee of funds sufficient for the repayment or redemption thereof.

The Indenture provides that the Company, at its option:

(a) will be discharged from any and all obligations in respect of the Notes, except for specified obligations to register the transfer or exchange of the Notes, replace stolen, lost or mutilated the Notes, maintain paying agencies and hold moneys for payment in trust, or

(b) need not comply with specified restrictive covenants of the Indenture, including those described under "-- Certain Covenants," without such noncompliance being deemed or resulting in an Event of Default,

in each case if the Company deposits, or causes to be deposited, irrevocably in trust with the Trustee money or U.S. Government Obligations, or any combination thereof, which through the payment of interest thereon and principal thereof in accordance with their terms will provide money in an amount sufficient to pay all the principal of and interest and premium, if any, on, the Notes on the dates such payments are due in accordance with the terms of the Notes.

To exercise any such option, among other things:

- the Company must deliver to the Trustee an officers' certificate and an opinion of counsel to the effect that the deposit and related defeasance would not cause the holders of the Notes to recognize income, gain or loss for federal income tax purposes and, in the case of a defeasance pursuant to clause (a) of

this paragraph, such opinion will (1) state that since the Issue Date there has been a change in the applicable federal income tax law or (2) be accompanied by a private letter ruling to that effect received from the United States Internal Revenue Service or a revenue ruling pertaining to a comparable form of transaction to that effect published by the United States Internal Revenue Service,

- no event which is, or after notice or lapse of time or both would become an Event of Default (other than specified in clause (e) of the first paragraph under "-- Event of Default, Notice and Waiver") has occurred and is continuing at the time of such deposit or, with regard to any such event specified in clause (e) of the first paragraph under "-- Event of Default, Notice and Waiver," at any time on or prior to the 90th day after the date of such deposit (it being understood that this condition will not be deemed satisfied until after such 90th day),

- such exercise may not result in a breach or violation of, or constitute a default under, any other agreement or instrument to which the Company is a part or by which it is bound, and

- the Company must deliver to the Trustee an officers' certificate and an opinion of counsel, each stating that all conditions precedent with respect to such exercise have been complied with.

THE TRUSTEE

The Trustee in its individual or any other capacity may become the owner or pledgee of Notes and may otherwise deal with the Company or any Affiliate of the Company with the same rights it would have if it were not Trustee. However, in the event that the Trustee acquires any conflicting interest, it must eliminate such conflict within 90 days, apply to the SEC for permission to continue as Trustee or resign.

The holders of no less than a majority in principal amount of the then outstanding Notes will have the right to direct the time, method and place of conducting any proceeding for exercising any remedy available to the applicable Trustee, subject to specified exceptions. The Indenture provides that in case an Event of Default shall occur and be continuing, the Trustee will be required, in the exercise of its power, to use the degree of care of a prudent man in the conduct of his own affairs. Subject to such provisions, the Trustee will not be under any obligation to exercise any rights or powers under the Indenture at the request of any holder of Notes, unless such holder has offered to the Trustee security and indemnity satisfactory to it against any loss, liability or expense.

NO PERSONAL LIABILITY OF DIRECTORS, OFFICERS, AFFILIATES, EMPLOYEES AND STOCKHOLDERS

No director, officer, employee, incorporator, Affiliate or holder of capital stock of the Company will have any liability for any obligations of the Company under the Notes or the Indenture or for any claim based on, in respect of, or by reason of, such obligations. Each holder of Notes, by accepting a Note, waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. This waiver may not be effective to waive liabilities under the federal securities laws and it is the view of the SEC that such a waiver is against public policy.

PAYMENT, TRANSFER AND EXCHANGE

The Company will be required to maintain an office or agency at which the principal of (and premium, if any, on), interest and Liquidated Damages, if any, on the Notes will be payable. The Company will initially designate the office of the agent of the Trustee in New York City as an office where such principal, premium, if any, interest and Liquidated Damages, if any, will be payable. The Company may from time to time designate additional offices or agencies, approve a change in the location of any office or agency and rescind the designation of any office or agency.

All moneys paid by the Company to the Trustee or a paying agent for the payment of principal of (or premium, if any, on) or interest, if any, on any Notes that remain unclaimed for two years after such principal, premium, if any, or interest, if any, or Liquidated Damages, if any, becomes due and payable will be repaid to the Company, and the holder of such Notes will (subject to applicable abandoned property or similar laws) thereafter, as an unsecured general creditor, look only to the Company.

Subject to the terms of the Indenture, Notes may be presented for registration of transfer and for exchange (i) at each office or agency required to be maintained by the Company, as described above, and (ii) at each other office or agency that the Company may designate from time to time for such purposes. Registration of transfers and exchanges will be effected if the transfer agent is satisfied with the evidence of ownership and identity of the Person making the request and if the transfer form thereon is duly executed and the transfer agent is otherwise satisfied that the transfer is being made in accordance with the Indenture and applicable law. See "Book-Entry; Delivery and Form" and "Notice to Investors" for a description of additional transfer restrictions applicable to the Notes.

No service charge will be made for any registration of transfer or exchange of Notes, but the Company may require payment of any tax or other governmental charge payable in connection therewith.

GOVERNING LAW

The Indenture and the Notes will be governed by, and construed in accordance with, the laws of the State of New York without giving effect to principles of conflicts of law to the extent the application of the law of another jurisdiction would be required thereby.

CERTAIN DEFINITIONS

"Affiliate" of any specified Person means any other Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "control" when used with respect to any Person means the power to direct or cause the direction of the management and policies of such Person, directly or indirectly, whether through the ownership of Voting Stock, by contract or otherwise; provided, that beneficial ownership of 10% or more of the Voting Stock of a Person shall be deemed to be control. For the purposes of this definition, the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Credit Facility" means the Five-Year Credit Agreement, as amended, among the Company, the lenders party thereto and Citicorp USA, Inc., as administrative agent, including any notes, guarantees, collateral and security documents (including mortgages, pledge agreements and other security arrangements), instruments and agreements executed in connection therewith, and in each case as amended or refinanced from time to time, including any agreement or agreements extending the maturity of, or refinancing (including increasing the amount of borrowings or other Indebtedness outstanding or available to be borrowed thereunder), all or any portion of the Indebtedness under such agreement, and any successor or replacement agreement or agreements with the same or any other agents, creditor, lender or group of creditors or lenders.

"GAAP" means generally accepted accounting principles in the United States of America, which are in effect on the Issue Date.

"Guarantee" by any Person means any obligation, contingent or otherwise, directly or indirectly guaranteeing any Indebtedness or other obligation of any other Person (the "primary obligor"), direct or indirect, contingent or otherwise, of such Person:

- to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness of such Person (or to advance or supply funds for the purchase of any security for the payment of such Indebtedness); or

- to purchase property, securities or services for the purpose of assuring the holder of such Indebtedness of the payment of such Indebtedness; or

- to maintain working capital, equity capital or other financial statement condition or liquidity of the primary obligor to enable the primary obligor to pay such Indebtedness (and the terms "Guaranteed and Guaranteeing" shall have meanings correlative to the foregoing);

provided, however, that the term "Guarantee" shall not include endorsements for collection or deposit in the ordinary course of business and provided, further, that the term "Guarantee" shall not include contracts made in the ordinary course of business of the Company and its Subsidiaries for the purchase of utilities, services

and raw materials that require payment to be made to the provider of the utilities, services or raw materials regardless of whether delivery is ever made of such utilities, services or raw materials so long as the quantities thereof do not exceed the Company's or the Subsidiaries' reasonably anticipated consumption thereof. The amount of the Guarantee shall be equal to the amount of the obligation covered thereby.

"Indebtedness" means, with respect to any Person, without duplication, and whether or not contingent:

(1) every obligation of such Person for borrowed money or evidenced by a note, bond, debenture or similar instrument, including obligations incurred in connection with the acquisition of property (other than accounts payable describe in clause (3) below), assets or business;

(2) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar facilities issued for the account of such Person;

(3) every obligation of such Person issued or assumed as the deferred purchase price of property (but excluding trade accounts payable or accrued liabilities arising in the ordinary course of business which are not overdue by more than 90 days or which are being contested in good faith);

(4) the amount of every Capital Lease Obligation of such Person;

(5) the maximum fixed redemption or repurchase price of Redeemable Stock of such person;

(6) every obligation of such person under interest rate swap or similar agreements, or foreign currency or commodity hedge, exchange or similar agreements of such Person;

(7) the Attributable Value with respect to any Sale and Leaseback Transaction to which such Person is party; and

(8) every obligation of the type referred to in clauses (1) through (7) of another person and all dividends of another Person for the payment of which, in either case, such Person has Guaranteed or is responsible or liable, directly or indirectly, as obligor, Guarantor or otherwise.

"Issue Date" means the date on which the Notes are originally issued.

"Lien" means, with respect to any asset, any mortgage, deed of trust, lien, pledge, charge, debenture, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law (including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in any asset and any filing of, or agreement to give, any financing statement under the UCC or equivalent statutes) of any jurisdiction other than to evidence a lease.

"Liquidated Damages" has the meaning set forth under the registration rights agreement, dated as of April 23, 2002, among the Company and the initial purchasers of the outstanding notes.

"Paying Agent" has the meaning set forth in the Indenture.

"Person" means any individual, corporation, partnership, limited liability company, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision thereof or other entity of any kind.

"Redeemable Stock" means any equity security that by its terms or otherwise is required to be redeemed prior to the final stated maturity of the Notes or is redeemable or exchangeable into Indebtedness (other than Redeemable Stock) at the option of the holder thereof at any time prior to the final stated maturity of the Notes. For purposes hereof, the "maximum fixed redemption or repurchase price" of any Redeemable Stock which does not have a fixed repurchase price shall be calculated in accordance with the terms of such Redeemable Stock as if such Redeemable Stock were purchased on any date on which Indebtedness shall be required to be determined pursuant to the Indenture, and if such price is based upon, or measured by, the fair market value of such Redeemable Stock, such fair market value to be determined in good faith by the Board of Directors of the issuer (or managing general partner of the issuer) of such Redeemable Stock.

"SEC" means the Securities and Exchange Commission.

"Subsidiary" means any corporation, association or other business entity which more than 50% of the Voting Stock is owned, directly or indirectly, by the Company, or by the Company and one or more other Subsidiaries.

"U.S. Government Obligations" means direct obligations fully guaranteed or insured by the United States of America (including any agency or instrumentality thereof) for the payment of which the full faith and credit of the United States of America is pledged and which are not callable at the issuer's option.

"Voting Stock" means the stock which ordinarily has voting power for the election of directors, whether at all times or only so long as no senior class of stock has such voting power by reason of any contingency.

BOOK-ENTRY, DELIVERY AND FORMS

THE GLOBAL NOTES

The exchange notes will be initially issued in the form of one or more registered notes in global form, without interest coupons (collectively, the "Global Note"). The Global Note will be deposited on the issue date with, or on behalf of, The Depository Trust Company ("DTC") and registered in the name of Cede & Co., as nominee of DTC, or will remain in the custody of the Trustee pursuant to the FAST Balance Certificate Agreement between DTC and the Trustee.

Except as set forth below, the Global Note may be transferred, in whole and not in part, solely to another nominee of DTC or to a successor of DTC or its nominee. Beneficial interests in a Global Notes may not be exchanged for notes in physical, certificated form ("Certificated Notes") except in the limited circumstances described below.

All interests in a Global Note may be subject to the procedures and requirements of DTC.

EXCHANGES AMONG THE GLOBAL NOTES

Any beneficial interest in one of the Global Notes that is transferred to a person who takes delivery in the form of an interest in another Global Note will, upon transfer, cease to be an interest in such Global Note and become an interest in the other Global Note and, accordingly, will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to beneficial interests in such other Global Note for as long as it remains such an interest.

CERTAIN BOOK-ENTRY PROCEDURES FOR THE GLOBAL NOTES

The descriptions of the operations and procedures of DTC set forth below are provided solely as a matter of convenience. These operations and procedures are solely within the control of the respective settlement systems and are subject to change by them from time to time. The Company does not take any responsibility for these operations or procedures, and investors are urged to contact the system or its participants directly to discuss these matters.

DTC has advised the Company that it is:

- a limited purpose trust company organized under the laws of the State of New York;
- a "banking organization" within the meaning of the New York Banking Law;
- a member of the Federal Reserve System;
- a "clearing corporation" within the meaning of the Uniform Commercial Code, as amended; and
- a "clearing agency" registered pursuant to Section 17A of the Exchange Act.

DTC was created to hold securities for its participants (collectively, the "Participants") and facilitates the clearance and settlement of securities transactions between Participants through electronic book-entry changes to the accounts of its Participants, thereby eliminating the need for physical transfer and delivery of

certificates. DTC's Participants include securities brokers and dealers (including the initial purchasers), banks and trust companies, clearing corporations and certain other organizations. Indirect access to DTC's system is also available to other entities such as banks, brokers, dealers and trust companies (collectively, the "Indirect Participants") that clear through or maintain a custodial relationship with a Participant, either directly or indirectly. Investors who are not Participants may beneficially own securities held by or on behalf of DTC only through Participants or Indirect Participants.

The laws of some jurisdictions may require that certain purchasers of securities take physical delivery of such securities in definitive form. Accordingly, the ability to transfer interests in the exchange notes represented by a Global Note to such persons may be limited. In addition, because DTC can act only on behalf of its Participants, who in turn act on behalf of persons who hold interests through Participants, the ability of a person having an interest in exchange notes represented by a Global Note to pledge or transfer such interest to persons or entities that do not participate in DTC's system, or to otherwise take actions in respect of such interest, may be affected by the lack of a physical definitive security in respect of such interest.

So long as DTC or its nominee is the registered owner of a Global Note, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the exchange notes represented by the Global Note for all purposes under the indenture. Except as provided below, owners of beneficial interests in a Global Note will not be entitled to have notes represented by such Global Note registered in their names, will not receive or be entitled to receive physical delivery of Certificated Notes, and will not be considered the owners or holders thereof under the indenture for any purpose, including with respect to the giving of any direction, instruction or approval to the Trustee thereunder. Accordingly, each holder owning a beneficial interest in a Global Note must rely on the procedures of DTC and, if such holder is not a Participant or an Indirect Participant, on the procedures of the Participant through which such holder owns its interest, to exercise any rights of a holder of exchange notes under the indenture or such Global Note. We understand that under existing industry practice, in the event that we request any action of holders of notes, or a holder that is an owner of a beneficial interest in a Global Note desires to take any action that DTC, as the holder of such Global Note, is entitled to take, DTC would authorize the Participants to take such action and the Participants would authorize holders owning through such Participants to take such action or would otherwise act upon the instruction of such holders. Neither we nor the trustee will have any responsibility or liability for any aspect of the records relating to or payments made on account of exchange notes by DTC, or for maintaining, supervising or reviewing any records of DTC relating to such notes.

Payments with respect to the principal of, and premium, if any, and interest on, any exchange notes represented by a Global Note registered in the name of DTC or its nominee on the applicable record date will be payable by the Trustee to or at the direction of DTC or its nominee in its capacity as the registered holder of the Global Note representing such exchange notes under the indenture. Under the terms of the indenture, we and the trustee may treat the persons in whose names the exchange notes, including the Global Notes, are registered as the owners thereof for the purpose of receiving payment thereon and for any and all other purposes whatsoever. Accordingly, neither we nor the trustee has or will have any responsibility or liability for the payment of such amounts to owners of beneficial interests in a Global Note (including principal, premium, if any and interest). Payments by the Participants and the Indirect Participants to the owners of beneficial interests in a Global Note will be governed by standing instructions and customary industry practice and will be the responsibility of the Participants or the Indirect Participants and DTC.

Transfers between Participants in DTC will be effected in accordance with DTC's procedures, and will be settled in same-day funds.

CERTIFICATED NOTES

If:

- we notify the trustee in writing that DTC is no longer willing or able to act as a depositary or DTC ceases to be registered as a clearing agency under the Exchange Act for the Global Notes, and in each

case, a successor depositary for the Global Notes is not appointed within 90 days of such notice or cessation;

- we, at our option, notify the trustee in writing that we elect to cause the issuance of the Notes in exchange for all or any part of the notes represented by a Global Note or Global Notes; or

- an Event of Default has occurred and is continuing and the registrar has received a request from DTC,

then DTC shall surrender such Global Note or Global Notes to the trustee for cancellation and we shall execute, and the trustee shall authenticate and deliver Certificated Notes in exchange for such Global Note or Global Notes. Upon any such issuance, the trustee is required to register such Certificated Notes in the name of such person or persons (or the nominee of any thereof) and cause the same to be delivered thereto.

Neither we nor the trustee shall be liable for any delay by DTC or any Participant or Indirect Participant in identifying the beneficial owners of the related exchange notes and each such person may conclusively rely on, and shall be protected in relying on, instructions from DTC for all purposes (including with respect to the registration and delivery, and the respective principal amounts, of the exchange notes to be issued).

FEDERAL INCOME TAX CONSEQUENCES OF THE EXCHANGE OFFER

Because the exchange notes should not differ materially in kind or extent from the outstanding notes, your exchange of outstanding notes for exchange notes should not constitute a taxable disposition of the outstanding notes for United States federal income tax purposes. As a result, you should not recognize income, gain or loss on your exchange of outstanding notes for exchange notes, your holding period for the exchange notes should generally include your holding period for outstanding notes, your adjusted tax basis on the exchange notes should generally be the same as your adjusted tax basis in your outstanding notes and the United States federal income tax consequences associated with owning the exchange notes should continue to apply to the exchange notes.

SPECIFIC FEDERAL INCOME TAX CONSEQUENCES TO NON-U.S. HOLDERS

This section describes the principal United States federal income tax consequences to Non-U.S. Holders (as defined below) that hold the exchange notes as capital assets for United States federal income tax purposes. Not all of the rules discussed in this section will apply to you if you are a member of a class of holders subject to special rules, such as:

- a dealer in securities or currencies,

- a trader in securities that elects to use a mark-to-market method of accounting for your securities holdings,

- a bank,

- a life insurance company,

- a tax-exempt organization,

- a person that owns exchange notes that are a hedge or that are hedged against interest rate risks,

- a person that owns exchange notes as part of a straddle or conversion transaction for tax purposes, or

- a person whose functional currency for tax purposes is not the U.S. dollar.

This section is based on the Internal Revenue Code of 1986, as amended, its legislative history, existing and proposed regulations under the Internal Revenue Code, published rulings and court decisions, all as currently in effect. These laws are subject to change, possibly on a retroactive basis.

This discussion is for general information and does not address any tax consequences arising under the laws of any state, local or foreign taxing jurisdiction. Non-U.S. Holders should consult their tax advisors as to the particular consequences to them of acquiring, holding or disposing of the exchange notes under United States federal income laws or the laws of any state, local or foreign taxing jurisdiction.

NON-U.S. HOLDERS

As used in this prospectus, the term "Non-U.S. Holder" means a beneficial owner of an exchange note that is, for United States federal income tax purposes:

- a nonresident alien individual,

- a foreign corporation,

- an estate the income of which is not subject to United States federal income taxation on a net income basis; or

- a trust that (1) is either not subject to the supervision of a court within the United States or does not have any United States person with authority to control all substantial decisions of the trust and (2) does not have a valid election in effect under applicable Treasury regulations to be treated as a United States person.

If a partnership, including any entity treated as a partnership for United States federal income tax purposes, is a holder of an exchange note, the United States federal income tax treatment of a partner in such a partnership will generally depend on the status of the partner and the activities of the partnership. Partners in such a partnership should consult their tax advisors as to the particular United States federal income tax consequences applicable to them of acquiring, holding or disposing of the exchange notes.

Under United States federal income and estate tax law, and subject to the discussion of backup withholding below, if you are a Non-U.S. Holder of an exchange note:

- We generally will not be required to deduct United States withholding tax from payments of interest to you if:

  1. you do not actually or constructively own 10% or more of the total combined voting power of all classes of our stock entitled to vote,

  2. you are not a controlled foreign corporation that is directly or indirectly related to us through stock ownership,

  3. you are not a bank whose receipt of interest on an exchange note is pursuant to a loan agreement entered into in the ordinary course of business, and

  4. the U.S. payor does not have actual knowledge or reason to know that you are a United States person and:

     a. you have furnished to the U.S. payor an Internal Revenue Service Form W-8BEN or an acceptable substitute form upon which you certify, under penalties of perjury, that you are a non-United States person,

     b. in the case of payments made outside the United States to you at an offshore account (generally, an account maintained by you at a bank or other financial institution at any location outside the United States), you have furnished to the U.S. payor documentation that establishes your identity and your status as a non-United States person,

     c. the U.S. payor has received a withholding certificate (furnished on an appropriate Internal Revenue Service Form W-8 or an acceptable substitute form or statement) from a person claiming to be a (1) withholding foreign partnership, (2) qualified intermediary, or (3) securities clearing organization, bank or other financial institution that holds customers' securities in the ordinary course of its trade or business, and such person is permitted to certify under U.S. Treasury regulations, and does certify, either that it assumes primary withholding tax responsibility with respect to the interest payment or has received an Internal Revenue Service Form W-8BEN (or acceptable substitute form) from you or from other holders of exchange notes on whose behalf it is receiving payment, or

d. the U.S. payor otherwise possesses documentation upon which it may rely to treat the payment as made to a non-United States person in accordance with U.S. Treasury regulations.

- Generally, no deduction for any United States federal withholding tax will be made from any principal payments or from gain that you realize on the sale, exchange or other disposition of your exchange note. In addition, a Non-U.S. Holder of an exchange note will not be subject to United States federal income tax on gain realized on the sale, exchange or other disposition of such note, unless: (1) that gain or income is effectively connected with the conduct of a trade or business in the United States by the Non-U.S. Holder or (2) the Non-U.S. Holder is an individual who is present in the United States for 183 days or more in the taxable year of that disposition, and certain other conditions are met. If you conduct a U.S. trade or business or if you are an individual who is present in the United States for 183 days or more in the taxable year of disposition and you are not otherwise a resident of the United States for United States federal income tax purposes, you should consult your tax advisor regarding the United States federal income tax consequences of a sale, exchange or other disposition of an exchange note.

Further, generally, an exchange note held by an individual who at death is not a citizen or resident of the United States should not be includible in the individual's gross estate for United States federal estate tax purposes if:

- the decedent did not actually or constructively own 10% or more of the total combined voting power of all classes of our stock entitled to vote at the time of death, and

- the income on the exchange note would not have been, if received at the time of death, effectively connected with a United States trade or business of the decedent.

BACKUP WITHHOLDING AND INFORMATION REPORTING

Generally, information returns will be filed with the United States Internal Revenue Service in connection with payments on the exchange notes and proceeds from the sale or other disposition of the exchange notes. You may be subject to backup withholding tax on these payments unless you comply with certain certification procedures to establish that you are not a United States person. The certification procedures required to claim an exemption from withholding tax on interest described above will satisfy the certification requirements necessary to avoid backup withholding as well. The amount of any backup withholding from a payment to you will be allowed as a credit against your United States federal income tax liability and may entitle you to a refund, provided that the required information is furnished to the Internal Revenue Service.

PLAN OF DISTRIBUTION

Except as discussed below, a broker-dealer may not participate in the exchange offer in connection with a distribution of the exchange notes. Each broker-dealer that receives exchange notes for its own account under the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of the exchange notes. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of exchange notes received for its own account in exchange for outstanding notes where those outstanding notes were acquired as a result of market-making activities or other trading activities. We have agreed that for a period of 180 days after the expiration date of the exchange offer, we will make this prospectus, as amended or supplemented, available to any broker-dealer for use in connection with any resale. In addition, until , 2002, all dealers effecting transactions in the exchange notes may be required to deliver a prospectus.

We will not receive any proceeds from any sale of exchange notes by broker-dealers. Exchange notes received by broker-dealers for their own account under the exchange offer may be sold from time to time in one or more transactions in the over-the-counter market, in negotiated transactions, through the writing of options on the exchange notes or a combination of those methods of resale, at market prices prevailing at the time of resale, at prices related to the prevailing market prices, or negotiated prices. Any resale may be made directly to purchasers or through brokers or dealers who may receive compensation in the form of commissions or concessions from any broker-dealer and/or the purchasers of any exchange notes. Any broker or dealer that participates in a distribution of the exchange notes may be deemed to be an "underwriter" within the meaning of the Securities Act, and any profit on the resale of exchange notes and any commissions or concessions received by those persons may be deemed to be underwriting compensation under the Securities Act. The letter of transmittal states that by acknowledging that it will deliver and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act.

For a period of 180 days after the expiration date of the exchange offer, we will promptly send additional copies of this prospectus and any amendment or supplement to this prospectus to any broker-dealer that requests such documents in the letter of transmittal. We have agreed to pay all expenses incident to the exchange offer other than commissions or concessions of any brokers or dealers and expenses of counsel for the holders of the exchange notes and will indemnify the holders of the exchange notes, including any broker-dealers, against some liabilities, including some liabilities under the Securities Act.

LEGAL MATTERS

The validity of the exchange notes offered hereby will be passed upon for us by Wendy C. Shiba, Chief Legal Officer of PolyOne. As of March 31, 2002, Ms. Shiba owned 40,000 shares of restricted stock of PolyOne and had been granted options to purchase 12,318 common shares. In addition, as of that date, she owned 85 common shares of PolyOne through her participation in the 401(k) plan of PolyOne.

EXPERTS

Ernst & Young LLP, independent auditors, have audited PolyOne Corporation's consolidated financial statements and schedule included or incorporated by reference in PolyOne's Annual Report on Form 10-K for the year ended December 31, 2001, as set forth in their reports, which are incorporated by reference in this prospectus and elsewhere in the registration statement and which, as of December 31, 2001 and 2000 and for the years ended December 31, 2001 and 2000 and the period from April 30, 1999 through December 31, 1999, are based in part on the reports of Arthur Andersen LLP. PolyOne's financial statements and schedule are incorporated by reference in reliance on Ernst & Young LLP's report, given on their authority as experts in accounting and auditing.

The consolidated financial statements of Oxy Vinyls, LP as of December 31, 2001 and 2000 and for the years ended December 31, 2001 and 2000 and the period from April 30, 1999 through December 31, 1999 incorporated by reference into this registration statement have been audited by Arthur Andersen LLP,

independent public accountants, as indicated in their report with respect thereto, which is attached as Exhibit 13.2 to PolyOne Corporation's Form 10-K for the year ended December 31, 2001 and is incorporated by reference into this registration statement in reliance upon the authority of said firm as experts in giving said reports.

WHERE YOU CAN FIND MORE INFORMATION

We file reports, proxy statements, and other information with the SEC. These reports, proxy statements and other information can be read and copied at the SEC's Public Reference Room at Room 1024, Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the Public Reference Room. The SEC maintains an Internet site at http://www.sec.gov that contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC, including PolyOne. In addition, our common shares are listed on the New York Stock Exchange and our reports and other information can be inspected at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005.

INCORPORATION BY REFERENCE

The SEC allows us to "incorporate by reference" the documents that we file with the SEC. This means that we can disclose information to you by referring you to those documents. Any information we incorporate in this manner is considered part of this prospectus except to the extent updated and superseded by information contained in this prospectus. Some information we file with the SEC after the date of this prospectus and until this offering is completed will automatically update and supersede the information contained in this prospectus.

We incorporate by reference the following documents that we have filed with the SEC and any filings that we will make with the SEC in the future under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 until this offering is completed:

- Annual Report on Form 10-K for the year ended December 31, 2001;

- Amendment No. 1 to the Annual Report on Form 10-K/A;

- Current Reports on Form 8-K filed with the SEC on January 16, 2002, February 8, 2002, February 14, 2002, April 8, 2002, April 11, 2002, April 15, 2002, April 19, 2002 and May 1, 2002; and

- Current Report on Form 8-K/A filed with the SEC on May 2, 2002.

We will provide without charge, upon written or oral request, a copy of any or all of the documents which are incorporated by reference into this prospectus. Requests should be directed to: PolyOne Corporation, Attention: Dennis Cocco, Chief Investor & Communications Officer, Suite 36-5000, 200 Public Square, Cleveland, Ohio 44114-2304, telephone number: (216) 589-4018.

You should rely only on the information contained in or incorporated by reference into this prospectus. We have not authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not making an offer to sell these securities in any jurisdiction were the offer or sale is not permitted. You should assume that the information appearing in this prospectus is accurate as of the date hereof only. Our business, financial condition, results of operations and prospects may change after that date.

$200,000,000

POLYONE CORPORATION
8.875% SENIOR NOTES DUE 2012

[POLYONE LOGO]

PROSPECTUS

, 2002

PART II

ITEM 20. INDEMNIFICATION OF DIRECTORS AND OFFERS

Under Ohio law, Ohio corporations are authorized to indemnify directors, officers, employees, and agents within prescribed limits and must indemnify them under certain circumstances. Ohio law does not provide statutory authorization for a corporation to indemnify directors, officers, employees and agents for settlements, fines or judgments in the context of derivative suits. However, it provides that directors (but not officers, employees and agents) are entitled to mandatory advancement of expenses, including attorney's fees, incurred in defending any action, including derivative actions, brought against the director, provided that the director agrees to cooperate with the corporation concerning the matter and to repay the amount advanced if it is proved by clear and convincing evidence that his act or failure to act was done with deliberate intent to cause injury to the corporation or with reckless disregard to the corporation's best interests.

Ohio law does not authorize payment of judgments to a director, officer, employee or agent after a finding of negligence or misconduct in a derivative suit absent a court order. Indemnification is permitted, however, to the extent such person succeeds on the merits. In all other cases, if a director, officer, employee or agent acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation, indemnification is discretionary except as otherwise provided by a corporation's articles, code of regulations or by contract except with respect to the advancement of expenses of directors.

Under Ohio law, a director is not liable for monetary damages unless it is proved by clear and convincing evidence that his action or failure to act was undertaken with deliberate intent to cause injury to the corporation or with reckless disregard for the best interests of the corporation. There is, however, no comparable provision limiting the liability of officers, employees or agents of a corporation. The statutory right to indemnification is not exclusive in Ohio, and Ohio corporations may, among other things, procure insurance for such persons.

Our articles of incorporation state that we shall indemnify each director and officer to the fullest extent permitted by applicable law, except as may be otherwise provided in our code of regulations. Any modification to our articles of incorporation and any amendment of the Ohio General Corporation Law that does not have retroactive application shall not limit the right of our directors or officers to indemnification with respect to any act or omission occurring prior to such modification, amendment or repeal.

Our code of regulations provides that we (1) shall indemnify any person made or threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative (other than an action by us or in our right) by reason of the fact that he or she is or was our director or officer, and (2) may indemnify any person made or threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative (other than an action by us or in our right) by reason of the fact that he or she is or was our employee or agent, or is or was serving at our request as a director, officer, employee, agent of, or participant in another corporation, partnership, joint venture, trust, or other enterprise, against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit, or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to our best interests, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful.

In addition, our code of regulations provides that we (1) shall indemnify any person made or threatened to be made a party to any threatened, pending or completed action or suit by us or in our right to procure a judgment in our favor by reason of the fact that he or she is or was our director or officer, and (2) may indemnify any person made or threatened to be made a party to any threatened, pending, or completed action or suit by or in our right to procure a judgment in our favor by reason of the fact that he or she is or was our employee or agent or is or was serving at our request as a director, officer, employee, agent of, or participant in another corporation, partnership, joint venture, trust, or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection with the defense or settlement of such action or suit if he or she acted in good faith and in a manner he or she reasonably believed to be in

or not opposed to our best interests except that no indemnification shall be made in respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his or her duty to us unless and only to the extent that the court of common pleas or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the court of common pleas or such other court shall deem proper.

Under the terms of our directors' and officers' liability and company reimbursement insurance policy, our directors and officers are insured against certain liabilities, including liabilities arising under the Securities Act of 1933.

ITEM 21. EXHIBITS

The following is a list of all exhibits filed as part of this registration statement on Form S-4, including those incorporated by reference.

EXHIBIT NUMBER	DESCRIPTION OF EXHIBITS
3.1	Articles of Incorporation of PolyOne Corporation, incorporated by reference to the corresponding exhibit to PolyOne's Form 10-K for the year ended December 31, 2000 (File No. 1-16091).
3.2	Regulations of PolyOne Corporation, incorporated by reference to the corresponding exhibit to PolyOne's Form 10-K for the year ended December 31, 2000 (File No. 1-16091).
4.1	Indenture, dated as of April 23, 2002, by and between PolyOne Corporation, as issuer, and The Bank of New York, as trustee, including the form of PolyOne's 8.875% Senior Notes due May 1, 2012.
4.2	Indenture, dated as of December 1, 1995, between The Geon Company and NBD Bank, as trustee, incorporated by reference to the corresponding exhibit to Geon's Form 10-K for the year ended December

31, 1996 (File No. 1-11804). 4.3 Indenture, dated as of November 9, 1996, between M. A. Hanna Company and NBD, as trustee, incorporated by reference to the corresponding exhibit to Hanna's Registration Statement on Form S-3 filed on June 12, 1996 (Registration No. 333-05763). 4.4 Indenture, dated as of September 15, 1991, between M. A. Hanna Company and Ameritrust Company, National Association, as trustee, incorporated by reference to the corresponding exhibit to Hanna's Form S-3 filed on September 18, 1991 (Registration No. 33-42439). 4.5 Registration Rights Agreement, dated as of April 23, 2002, by and among PolyOne Corporation and Salomon Smith Barney Inc. and Deutsche Bank Securities Inc., as representatives of the initial purchasers. 5.1 Opinion of Wendy C. Shiba, Chief Legal Officer of PolyOne Corporation. 12.1 Ratio of Earnings to Fixed Charges. 23.1 Consent of Ernst & Young LLP. 23.2 Consent of Arthur Andersen LLP. 23.3 Consent of Wendy C. Shiba, Chief Legal Officer of PolyOne Corporation (included in Exhibit 5.1). 24.1 Power of attorney. 25.1 Statement of Eligibility

under the Trust Indenture Act of 1939 on Form T-1. 99.1 Letter of Transmittal. 99.2 Notice of Guaranteed Delivery. 99.3 Letter regarding Exchange Offer. 99.4 Letter to Depository Trust Company Participants.

ITEM 22. UNDERTAKINGS

(a) The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would be not exceed that which was registered) and any deviation from the low and high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement; and

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement; provided, however, that paragraphs (1)(i) and (1)(ii) do not apply if the registration statement is on Form S-3 or Form S-8, and the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the Commission by the registrant pursuant to Section 13 or 15(b) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement.

(2) That, for the purpose of determining any liability under Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(b) The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

(d) The undersigned registrant hereby undertakes to respond to requests for information that is incorporated by reference into the prospectus pursuant to Items 4, 10(b), 11, 13 of this form, within one

business day of receipt of such request, and to send the incorporated documents by first class mail or other equally prompt means. This includes information contained in documents filed subsequent to the effective date of the registration statement through the date of responding to the request.

(e) The undersigned registrant hereby undertakes to supply by means of a post-effect amendment all information concerning a transaction, and the company being acquired involved therein, that was not the subject of and included in the registration statement when it became effective.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Cleveland, State of Ohio, on May 2, 2002.

POLYONE CORPORATION

By: /s/ W. DAVID WILSON

W. David Wilson
Vice President and Chief Financial Officer

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed below by the following persons in the capacities indicated as of May 2, 2002.

SIGNATURES	TITLE
-- *	Chairman of the Board of Directors,
---	President, Chief Executive Officer and Thomas A. Waltermire Director (Principal Executive Officer)
/s/ W. DAVID WILSON	Vice President and Chief Financial Officer --
-	(Principal Financial Officer)
W. David Wilson *	Corporate Controller and Assistant
---	Treasurer (Principal Accounting Officer)
Gregory P. Smith *	Director -
-- James K. Baker *	Director -

-- J. Douglas Campbell * Director -

-- Carol A. Cartwright * Director

--- Gale Duff-Bloom * Director

--- Wayne R. Embry * Director -

-- Robert A. Garda * Director -

-- David H. Hoag * Director -

-- D. Larry Moore * Director -

-- Farah M. Walters

* The undersigned by signing his name hereto does sign and execute this registration statement pursuant to the Powers of Attorney executed by the above-named directors and officers of the registrant, which are being filed herewith the SEC on behalf of such directors and officers.

By: /s/ W. DAVID WILSON May 2, 2002

W. David Wilson
Attorney-in-Fact

EXHIBIT INDEX

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4.2	Indenture, dated as of December 1, 1995, between The Geon Company and NBD Bank, as trustee, incorporated by reference to the corresponding exhibit to Geon's Form 10-K for the year ended December 31, 1996 (File No. 1-11804).
4.3	Indenture, dated as of November 9, 1996, between M. A. Hanna Company and NBD, as trustee, incorporated by reference to the corresponding exhibit to Hanna's Registration Statement on

Form S-3 filed on June 12, 1996 (Registration No. 333-05763). 4.4 Indenture, dated as of September 15, 1991, between M. A. Hanna Company and Ameritrust Company, National Association, as trustee, incorporated by reference to the corresponding exhibit to Hanna's Form S-3 filed on September 18, 1991 (Registration No. 33-42439). 4.5 Registration Rights Agreement, dated as of April 23, 2002, by and among PolyOne Corporation and Salomon Smith Barney Inc. and Deutsche Bank Securities Inc., as representatives of the initial purchasers. 5.1 Opinion of Wendy C. Shiba, Chief Legal Officer of PolyOne Corporation. 12.1 Ratio of Earnings to Fixed Charges. 23.1 Consent of Ernst & Young LLP. 23.2 Consent of Arthur Andersen LLP. 23.3 Consent of Wendy C. Shiba, Chief Legal Officer of PolyOne Corporation (included in Exhibit 5.1). 24.1 Power of attorney. 25.1 Statement of Eligibility under the Trust Indenture Act of 1939 on Form T-1. 99.1 Letter of Transmittal. 99.2 Notice of Guaranteed Delivery. 99.3 Letter regarding Exchange Offer. 99.4 Letter to Depository Trust Company Participants.

Exhibit 4.1

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INDENTURE

between

POLYONE CORPORATION,

as Issuer,

and

THE BANK OF NEW YORK,

as Trustee

8.875% Senior Notes due 2012

Dated as of April 23, 2002

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CROSS-REFERENCE TABLE*

Trust Indenture Act Section	Indenture Section
310(a)(1)	709; 7.11
(a)(2)	709; 7.11
(a)(3)	709
(a)(4)	709
(a)(5)	709; 7.11
(b)	7.03; 709; 7.11
(c)	709
311(a)	7.12
(b)	7.12
(c)	n/a
312(a)	2.06
(b)	10.03
(c)	10.03
313(a)	7.07
(b)(1)	7.07
(b)(2)	7.07; 7.09
(c)	7.07; 10.02
(d)	7.07
314(a)(1),(2),(3)	4.03; 10.05
(a)(4)	4.04
(b)	n/a
(c)(1)	10.04
(c)(2)	10.04
(c)(3)	n/a
(d)	n/a
(e)	10.05
(f)	n/a
315(a)	7.01(b); 7.02
(b)	7.02; 10.02
(c)	7.01(a)
(d)	7.01(c)
(e)	6.11
316(a)(last sentence)	2.12
(a)(1)(A)	6.05
(a)(1)(B)	6.04
(a)(2)	n/a
(b)	6.07
(c)	2.17; 9.04
317(a)(1)	6.08
(a)(2)	6.09
(b)	2.05
318(a)	10.01
(b)	n/a
(c)	10.01

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"n/a" means not applicable.

* This Cross-Reference Table shall not, for any purpose, be deemed to be a part of the Indenture.

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Indenture, dated as of April 23, 2002, between PolyOne Corporation, an Ohio corporation (the "Company"), as issuer, and The Bank of New York, a New York banking corporation, as trustee (the "Trustee").

RECITALS OF THE COMPANY

The Company has duly authorized the execution and delivery of this Indenture to provide for the issuance of its 8.875% Senior Notes due 2012, and, if and when issued in exchange for Initial Notes (as defined herein) as provided in the Registration Rights Agreement (as defined herein), its 8.875% Senior Notes due 2012.

All things necessary to make this Indenture a valid agreement of the Company, in accordance with its terms, have been done.

Upon the issuance of the Exchange Notes (as defined herein), if any, or the effectiveness of any Shelf Registration Statement (as defined herein), this Indenture shall be subject to, and shall be governed by, the provisions of the Trust Indenture Act of 1939, as amended, that are required or deemed to be part of and to govern indentures qualified thereunder.

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

For and in consideration of the premises and the purchase of the Notes by the Holders thereof, it is mutually covenanted and agreed for the equal and ratable benefit of the Holders of the Initial Notes, and if and when issued, the Exchange Notes, as follows:

ARTICLE I

DEFINITIONS AND INCORPORATION BY REFERENCE

SECTION 1.01. DEFINITIONS.

"Additional Notes" means 8.875% or any other series of Senior Notes due 2012 issued from time to time after the Issue Date under the terms of this Indenture (other than issuances pursuant to Section 2.07, 2.08, 2.09, 2.10, 2.13, 3.06, or 9.05 of this Indenture and other than Exchange Notes issued pursuant to an exchange offer for other Notes outstanding under this Indenture).

"Affiliate" of any specified Person means any other Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "control" when used with respect to any Person means the power to direct or cause the direction of the management and policies of such Person, directly or indirectly, whether through the ownership of Voting Stock, by contract or otherwise; provided, that beneficial ownership of 10% or more of the Voting Stock of a Person

shall be deemed to be control. For purposes of this definition, the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Agent" means any Registrar, Paying Agent, authenticating agent, listing agent or co-Registrar.

"Attributable Value" means, as to any particular lease under which any Person is at the time liable and at any date as of which the amount thereof is to be determined, the total net amount of rent required to be paid by such Person under such lease during the initial term thereof as determined in accordance with GAAP, discounted from such initial term date to the date of determination at a rate per annum equal to the discount rate which would be applicable to a Capital Lease Obligation with a like term in accordance with GAAP. The net amount of rent required to be paid under any such lease for any such period shall be the lesser of: (1) the aggregate amount of rent payable by the lessee with respect to such period after excluding amounts required to be paid on account of insurance, taxes, assessments, utility, operating and labor costs and similar charges and (2) in the case of any lease which is terminable by the lessee upon the payment of a penalty, the net amount calculated pursuant to (1) but adjusted to also include the amount of such penalty and to exclude any rent which would otherwise be required to be paid under such lease subsequent to the first date upon which it may be so terminated.

"Bankruptcy Law" means Title 11 of the U.S. Code or any similar federal or state law for the relief of debtors.

"Board of Directors" means, with respect to any Person, the Board of Directors of such Person or any duly authorized committee of such Board of Directors.

"Business Day" means a day that is not a Legal Holiday.

"Capital Lease Obligations" of any Person means the obligations to pay rent or other amounts under a lease of (or other Indebtedness arrangement conveying the right to use) real or personal property of such Person which are required to be classified and accounted for as a capital lease or liability on the face of a balance sheet of such Person in accordance with GAAP, and the amount of such obligations shall be the capitalized amount thereof in accordance with GAAP and the stated maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be terminated by the lessee without payment of a penalty.

"Capital Markets Debt" means any Indebtedness that is a security (other than syndicated commercial loans) that is eligible for resale in the United States pursuant to Rule 144A under the Securities Act or outside the United States pursuant to Regulation S of the Securities Act or a security (other than syndicated commercial loans) that is sold or subject to resale pursuant to a registration statement under the Securities Act. As of the Issue Date, the Com-

pany's Capital Market Debt includes, without limitation, its 6.875% Debentures due 2005, 7.5% Debentures due 2015, 9.375% Senior Notes due 2003 and medium term notes.

"Clearstream" means Clearstream Banking, societe anonyme, Luxembourg, formerly Cedelbank, or its successor.

"Company" means the party named as the Company in the first paragraph of this Indenture until one or more successor corporations shall have become such pursuant to the applicable provisions of this Indenture, and thereafter means such successor or successors.

"Comparable Treasury Issue" means the United States Treasury security selected by a Reference Treasury Dealer as having a maturity comparable to the remaining term of the Notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such Notes.

"Comparable Treasury Price" means, with respect to any redemption date, (1) the average of the five Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest such Reference Treasury Dealer Quotations, or (2) if the Trustee obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations.

"Consolidated Net Tangible Assets" of a Person and its Subsidiaries means the sum of Tangible Assets of such Person and its Subsidiaries after deducting all current liabilities and eliminating intercompany items, all determined in accordance with GAAP, including appropriate deductions for any minority interest in Tangible Assets of such Subsidiaries after deducting all current liabilities of such Subsidiaries as determined in accordance with GAAP.

"Corporate Trust Office" means the principal office of the Trustee at which at any time its corporate trust business shall be administered, which office at the date hereof is located at 101 Barclay Street, Floor 21 West, New York, New York 10286, Attention: Corporate Trust Department, or such other address as the Trustee may designate from time to time by notice to the Holders and the Company, or the principal corporate trust office at any successor Trustee (or such other address as such successor Trustee may designate from time to time by notice to the Holders and the Company).

"Credit Facility" means the Five-Year Credit Agreement, as amended, among the Company, the lenders party thereto and Citicorp USA, Inc., as administrative agent, including any notes, guarantees, collateral and security documents (including mortgages, pledge agreements and other security arrangements), instruments and agreements executed in connection therewith, and in each case as amended or refinanced from time to time, including any agreement or agreements extending the maturity of, or refinancing (including increasing the amount of borrowings or other Indebtedness outstanding or available to be borrowed thereunder), all

or any portion of the Indebtedness under such agreement, and any successor or replacement agreement or agreements with the same or any other agents, creditor, lender or group of creditors or lenders.

"Custodian" means any receiver, trustee, assignee, liquidator, sequestrator or similar official under any Bankruptcy Law.

"Default" means any event which is, or after notice or lapse of time or both would be, an Event of Default.

"Depositary" means The Depository Trust Company, its nominees and their respective successors.

"Dollar" or the symbol "$" each mean the lawful currency of the United States of America.

"Euroclear" means Euroclear Bank, S.A./N.V., or its successor, as operator of the Euroclear System.

"Event of Default" has the meaning specified in Section 6.01.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, or any successor statute, and the rules and regulations of the SEC promulgated thereunder.

"Exchange Notes" refers to (i) the 8.875% Notes due 2012 to be issued pursuant to this Indenture in connection with a registration pursuant to the Registration Rights Agreement and (ii) Additional Notes, if any, issued in the form of 8.875% Senior Notes due 2012 pursuant to a registration statement filed with the SEC under the Securities Act, in each case substantially in the form of Exhibit B.

"Exchange Offer" means, subject to the terms of the Registration Rights Agreement, the offer by the Company to the Holders of the opportunity to exchange their Initial Notes for Exchange Notes pursuant to a registration statement declared effective by the SEC.

"GAAP" means generally accepted accounting principles in the United States of America, which are in effect on the Issue Date.

"Global Notes" has the meaning specified in Section 2.01.

"Guarantee" by any Person means any obligation, contingent or otherwise, directly or indirectly guaranteeing any Indebtedness or other obligation of any other Person (the "primary obligor"), direct or indirect, contingent or otherwise, of such Person:

(1) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation of such Person (or to advance or supply funds for the purchase of any security for the payment of such Indebtedness); or

(2) to purchase property, securities or services for the purpose of assuring the holder of such Indebtedness of the payment of such Indebtedness; or

(3) to maintain working capital, equity capital or other financial statement condition or liquidity of the primary obligor to pay such Indebtedness (and the terms "Guaranteed and Guaranteeing" shall have meanings correlative to the foregoing);

provided, however, that the term "Guarantee" shall not include endorsements for collection or deposit in the ordinary course of business, provided, further, that the term "Guarantee" shall not include contracts made in the ordinary course of business of the Company and its Subsidiaries for the purchase of utilities, services, and raw materials that require payment to be made to the provider of utilities, services or raw materials regardless whether delivery is ever made of such utilities, services or raw materials so long as the quantities thereof do not exceed the Company's or its contracting Subsidiary's reasonably anticipated consumption thereof. The amount of the Guarantee shall be equal to the amount of the obligation covered thereby.

"Holder" means the Person in whose name a Note is registered on the Registrar's books.

"Indebtedness" means, with respect to any Person, without duplication, and whether or not contingent:

(1) every obligation of such Person for borrowed money or evidenced by a note, bond, debenture or similar instrument, including obligations incurred in connection with the acquisition of property (other than accounts payable describe in clause (3) below), assets or business;

(2) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar facilities issued for the account of such Person;

(3) every obligation of such Person issued or assumed as the deferred purchase price of property (but excluding trade accounts payable or accrued liabilities arising in the ordinary course of business which are not overdue by more than 90 days or which are being contested in good faith);

(4) the amount of every Capital Lease Obligation of such Person;

(5) the maximum fixed redemption or repurchase price of Redeemable Stock of such person;

(6) every obligation of such person under interest rate swap or similar agreements, or foreign currency or commodity hedge, exchange or similar agreements of such Person;

(7) the Attributable Value with respect to any Sale and Leaseback Transaction to which such Person is party; and

(8) every obligation of the type referred to in clauses (1) through (7) of another person and all dividends of another Person for the payment of which, in either case, such Person has Guaranteed or is responsible or liable, directly or indirectly, as obligor, Guarantor or otherwise.

"Indenture" means this Indenture, as amended, supplemented or modified from time to time.

"Initial Notes" refers to (i) $200,000,000 aggregate principal amount of 8.875% Senior Notes due 2012 issued on the Issue Date, and (ii) Additional Notes, if any, issued in the form of any other series of Senior Notes due 2012 in a transaction exempt from the registration requirements of the Securities Act, in each case substantially in the form of EXHIBIT A.

"Institutional Accredited Investor" means an institution that is an "accredited investor" as that term is defined in Rule 501(a)(1), (2) or (7) under the Securities Act.

"interest" means, with respect to the Notes, the sum of any interest and any Liquidated Damages, if any, on the Notes.

"Interest Payment Date" means each of May 1 and November 1, commencing November 1, 2002.

"Issue Date" means the date of original issuance of the Notes under this Indenture.

"Legal Holiday" has the meaning specified in Section 10.07.

"Lien" means, with respect to any asset, any mortgage, deed of trust, lien, pledge, charge, debenture, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law (including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in any asset and any filing of, or agreement to give, any financing statement under the UCC or equivalent statutes) of any jurisdiction other than to evidence a lease.

"Liquidated Damages" has the meaning set forth in the Rights Agreement.

"Make Whole Amount" means the sum of the present values of the remaining scheduled payments of principal of the Notes to be redeemed on the redemption date and the scheduled payments of interest thereon from the redemption date (but excluding any interest accrued to the redemption date) to originally scheduled maturity, discounted to the redemption date (assuming a 360-day year consisting of twelve 30-day months) on a semi-annual basis at the Special Adjusted Treasury Rate from the respective dates after the redemption date on which such principal and interest would have been payable.

"Non-U.S. Persons" means a person who is not a "U.S. person" (as defined in Regulation S).

"Notes" means the Initial Notes and the Exchange Notes issued under this Indenture.

"Officer" of any Person means the Chairman of the Board, the Chief Executive Officer, the President, any Vice President, the Treasurer, the Secretary or the Controller of such Person.

"Officers' Certificate" means a certificate signed by two Officers or by an Officer and an Assistant Treasurer, Assistant Secretary or Assistant Controller of any Person.

"Opinion of Counsel" means a written opinion from legal counsel. The counsel may be an employee of or counsel to the Company.

"Participants" has the meaning specified in Section 2.08.

"Paying Agent" has the meaning specified in Section 2.04.

"Person" means an individual, corporation, partnership, limited liability company, joint venture, association, joint stock company, trust, unincorporated organization or government or agency or political subdivision thereof or other entity of any kind.

"Physical Notes" has the meaning specified in Section 2.01.

"Qualified Institutional Buyer" or "QIB" has the meaning set forth in Rule 144A under the Securities Act.

"Redeemable Stock" means any equity security that by its terms or otherwise is required to be redeemed prior to the final stated maturity of the Notes or is redeemable or exchangeable into Indebtedness (other than Redeemable Stock) at the option of the holder thereof at any time prior to the final stated maturity of the Notes. For purposes hereof, the "maximum fixed redemption or repurchase price" of any Redeemable Stock which does not have a fixed repurchase price shall be calculated in accordance with the terms of such Redeemable Stock as if such Redeemable Stock were purchased on any date on which Indebted-

ness shall be required to be determined pursuant to the Indenture, and if such price is base upon, or measured by, the fair market value of such Redeemable Stock, such fair market value to be determined in good faith by the Board of Directors of the issuer (or managing general partner of the issuer) of such Redeemable Stock.

"Redemption Date" means, with respect to any Notes to be redeemed, the date fixed for such redemption pursuant to this Indenture.

"Redemption Price" means the redemption price fixed in accordance with the terms of the Notes, including accrued and unpaid interest, if any, to the date fixed for redemption.

"Reference Treasury Dealer" means Salomon Smith Barney Inc. and its successor and, at the option of the Company, other primary U.S. government securities dealers in New York City selected by the Company.

"Reference Treasury Dealer Quotations" means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Trustee, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Trustee by such Reference Treasury Dealer at 5:00 p.m. on the third business day preceding such redemption date.

"Register" has the meaning specified in Section 2.04.

"Registrar" has the meaning specified in Section 2.04.

"Registration Rights Agreement" means (i) with respect to the Initial Notes issued on the Issue Date, the Registration Rights Agreement, dated April 23, 2002, between the Company and Salomon Smith Barney Inc., Deutsche Bank Securities, Banc One Capital Markets, Inc., J.P. Morgan Securities Inc., McDonald Investments Inc., Lehman Brothers Inc., NatCity Investments, Inc. and BNY Capital Markets, Inc. and (ii) with respect to each issuance of Additional Notes in a transaction exempt from the registration requirements of the Securities Act, the registration rights agreement between the Company and the Person purchasing the Additional Notes.

"Regulation S" means Regulation S promulgated under the Securities Act, as it may be amended from time to time, and any successor provisions thereto.

"Regulation S Global Notes" has the meaning specified in Section 2.01.

"Regulation S Notes" has the meaning specified in Section 2.01.

"Responsible Officer" shall mean, when used with respect to the Trustee, any officer within the corporate trust department of the Trustee, including any vice president, assistant

vice president, assistant secretary, assistant treasurer, trust officer or any other officer of the Trustee who customarily performs functions similar to those performed by the Persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred because of such person's knowledge of and familiarity with the particular subject and who shall have direct responsibility for the administration of this Indenture.

"Restricted Period" has the meaning specified in Section 2.01.

"Rule 144A" means Rule 144A promulgated under the Securities Act, as it may be amended from time to time, and any successor provisions thereto.

"Rule 144A Global Notes" has the meaning specified in Section 2.01.

"Rule 144A Notes" has the meaning specified in Section 2.01.

"Sale and Leaseback Transaction" means with respect to any Person an arrangement with any bank, insurance company or other lender or investor (or pool thereof) or to which lender or investor (or pool thereof) is a party, providing for the leasing by such Person or any of its Subsidiaries of any property or asset of such Person or any of its Subsidiaries which has been or is being sold or transferred by such Person or such Subsidiary more than 270 days after the acquisition thereof or the completion of construction or commencement of operation thereof to such lender or investor or to any Person to whom funds have been or are to be advanced by such lender or investor on the security of such property or asset.

"SEC" means the Securities and Exchange Commission and any government agency succeeding to its functions.

"Securities Act" means the Securities Act of 1933, as amended, or any successor statute and the rules and regulations of the SEC promulgated thereunder.

"Shelf Registration Statement" means the Shelf Registration Statement as defined in the Registration Rights Agreement.

"Special Adjusted Treasury Rate" means, with respect to any date of redemption, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such date of redemption, plus 50 basis points.

"Subsidiary" means any corporation, association or other business entity which more than 50% of the Voting Stock is owned, directly or indirectly, by the Company, or by the Company and one or more other Subsidiaries.

"SunBelt Guarantee" means the Guarantee by the Company of the Guaranteed Secured Senior Notes due 2017, Series G, of SunBelt Chlor Alkali Partnership pursuant to a Guarantee dated December 22, 1997 by the Company.

"Tangible Assets" of any Person means, at any date, the gross book value as shown by the accounting books and records of such Person of all its property both real and personal, less the net book value of (i) all its licenses, patents, patent applications, copyrights, trademarks, trade names, goodwill, non-compete agreements or organizational expenses and other like intangibles, (ii) unamortized Indebtedness discount and expense, (iii) all reserves for depreciation, obsolescence, depletion and amortization of its properties and (iv) all other proper reserves which in accordance with GAAP should be provided in connection with the business conducted by such Person.

"TIA" means the Trust Indenture Act of 1939 (15 U.S. Code Section 77aaa-77bbbb), as in effect on the date of this Indenture; provided, however, that in the event the TIA is amended after such date, "TIA" means, to the extent required by such amendment, the Trust Indenture Act of 1939, as so amended, or any successor statute.

"Transfer Restricted Securities" means securities that bear or are required to bear the legend set forth in Section 2.02(a).

"Transfer Restricted Securities Legend" means the legend initially set forth on the Notes in the form set forth in Section 2.02(a).

"Trustee" means the party named as such in this Indenture until a successor replaces it and thereafter, means the successor.

"U.S. Government Obligations" means direct obligations fully guaranteed or insured by the United States of America (including any agency or instrumentality thereof) for the payment of which the full faith and credit of the United States of America is pledged and which are not callable at the issuer's option.

"Voting Stock" means the stock which ordinarily has voting power for the election of directors, whether at all times or only so long as no senior class of stock has such voting power by reason of any contingency.

SECTION 1.02. INCORPORATION BY REFERENCE OF TRUST INDENTURE ACT.

Whenever this Indenture refers to a provision of the TIA, the provision is incorporated by reference in and made a part of this Indenture.

The following TIA terms used in this Indenture have the following meanings:

"Commission" means the SEC;

"indenture securities" means the Notes;

"indenture security holder" means a Holder;

"indenture to be qualified" means this Indenture;

"indenture trustee" or "institutional trustee" means the Trustee; and

"obligor" on the indenture securities means the Company and any other obligor on the Notes.

All other TIA terms used in this Indenture that are defined by the TIA, defined by TIA reference to another statute or defined by SEC rule have the meanings assigned to them by such definitions.

SECTION 1.03. RULES OF CONSTRUCTION.

Unless the context otherwise requires:

(i) a term has the meaning assigned to it;

(ii) an accounting term not otherwise defined has the meaning assigned to it in accordance with GAAP;

(iii) "or" is not exclusive;

(iv) "including" means including without limitation;

(v) words in the singular include the plural, and in the plural include the singular;

(vi) provisions apply to successive events and transactions; and

(vii) statements relating to the payment of principal and interest shall include, without duplication, the payment of premium, if any, and Liquidated Damages, if any.

ARTICLE II

THE NOTES

SECTION 2.01. FORM AND DATING.

The Initial Notes, the Exchange Notes and the Trustee's certificate of authentication shall be substantially in the form annexed hereto as EXHIBITS A and B with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture. The Notes may have notations, legends or endorsements required by law or stock exchange agreements to which the Company is subject. Each Note shall be dated the date of its authentication. The Notes shall be in minimum denominations of $1,000 and integral multiples thereof. The terms and provisions contained in the form of the Note annexed hereto as EXHIBIT A and EXHIBIT B shall constitute, and are hereby expressly made, a part of this Indenture. To the extent applicable, the Company and the Trustee, by their execution and delivery of this Indenture, expressly agree to such terms and provisions and to be bound thereby.

The Notes offered and sold in reliance on Rule 144A ("Rule 144A Notes") shall be issued initially in the form of one or more permanent Global Notes ("Rule 144A Global Notes") in definitive, fully registered form without interest coupons, in substantially the form of EXHIBIT A, which shall be deposited on behalf of the purchasers of the Notes represented thereby with the Trustee, at the Trustee's office in New York City, as custodian for the Depositary, and registered in the name of the Depositary or a nominee of the Depositary, duly executed by the Company and authenticated by the Trustee as hereinafter provided and shall bear the legend set forth in Section 2.02(b). Rule 144A Global Notes shall be substantially in the form set forth in EXHIBIT A attached hereto. The aggregate principal amount of the Rule 144A Global Notes may from time to time be increased or decreased by adjustments made on the records of the Registrar, in accordance with the instructions given by the Holder thereof, as hereinafter provided.

Initial Notes offered and sold in offshore transactions to Non-U.S. Persons (as defined in Regulation S under the Securities Act) ("Regulation S Notes") in reliance on Regulation S shall be issued on the Issue Date, and Additional Notes offered and sold in offshore transactions to Non-U.S. Persons in reliance on Regulation S shall be issued, initially in the form of a global Note, without interest coupons, substantially in the form set forth in EXHIBIT A (the "Regulation S Global Notes"). Prior to the 40th day following the later of commencement of the offering of the Notes and the Issue Date (such period through and including the 40th day, the "Restricted Period"), beneficial interests in the Regulation S Global Note may only be held through Euroclear or Clearstream (or a successor agency to either or both of them), and any resale or transfer of such interests to U.S. persons shall not be permitted during such period unless such resale or transfer is made in accordance with the procedures set forth in this Arti-

cle II, including, without limitation, receipt by the Trustee of a written certification from the transferor of the beneficial interest in the form provided herein to the effect that such transfer is being made to (i) a person whom the transferor reasonably believes is a Qualified Institutional Buyer within the meaning of Rule 144A under the Securities Act in a transaction meeting the requirements of such Rule or (ii) an Institutional Accredited Investor purchasing for its own account or for the account of such an Institutional Accredited Investor, subject to delivery of the letters and opinions contemplated by this Indenture. The Regulation S Global Note will be deposited with the Trustee, as custodian for the Depositary, duly executed by the Issuers and authenticated by the Trustee as hereinafter provided. The Regulation S Global Note may be represented by more than one certificate, if so required by the Depositary's rules regarding the maximum principal amount to be represented by a single certificate. The aggregate principal amount of the Regulation S Global Note may from time to time be increased or decreased by adjustments made on the records of the Trustee, as custodian for the Depositary or its nominee, as hereinafter provided.

The Rule 144A Global Notes and the Regulation S Global Notes are sometimes referred to herein as the "Global Notes."

Notes transferred to Institutional Accredited Investors shall be issued in the form of permanent certificated Notes (the "Physical Notes") in registered form. Notes issued in exchange for interests in the Global Notes pursuant to Section 2.08 may be in the form of Physical Notes in registered form. The Physical Notes shall be substantially in the form set forth in EXHIBIT A attached hereto.

The definitive Notes shall be typed, printed, lithographed or engraved or produced by any combination of these methods or may be produced in any other manner permitted by the rules of any securities exchange on which the Notes may be listed, all as determined by the Officers executing such Notes, as evidenced by their execution of such Notes.

SECTION 2.02. RESTRICTIVE LEGENDS.

(a) TRANSFER RESTRICTED SECURITIES LEGEND.

(i) Each Global Note and Physical Note that constitutes a Restricted Security or is sold in compliance with Regulation S shall bear the following legend (the "Private Placement Legend") on the face thereof until after the second anniversary of the later of the Issue Date and the last date on which the Company or any Affiliate of the Company was the owner of such Note (or any predecessor note) (or such shorter period of time as permitted by Rule 144(k) under the Securities Act or any successor provision thereunder), or such longer period of time as may be required under the Securities Act or applicable state securities laws in the opinion of counsel for the Company, unless otherwise agreed by the Company and the Holder thereof:

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") AND NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN (OR THEREIN) MAY BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS. THE HOLDER HEREOF, BY ITS ACCEPTANCE OF THIS SECURITY, AGREES FOR THE BENEFIT OF THE ISSUER THAT THIS SECURITY MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED PRIOR TO THE EXPIRATION OF THE HOLDING PERIOD APPLICABLE THERETO UNDER RULE 144(K) UNDER THE SECURITIES ACT WHICH IS APPLICABLE TO THIS SECURITY (THE "RESALE RESTRICTION TERMINATION DATE") OTHER THAN (1) TO EITHER ISSUER OR ITS SUBSIDIARIES, (2) SO LONG AS THIS SECURITY IS ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT ("RULE 144A"), TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" WITHIN THE MEANING OF RULE 144A PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, IN EACH CASE TO WHOM NOTICE IS GIVEN THAT THE RESALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A (AS INDICATED BY THE BOX CHECKED BY THE TRANSFEROR ON THE CERTIFICATE OF TRANSFER ON THE REVERSE OF THIS SECURITY IF THIS SECURITY IS NOT IN BOOK-ENTRY FORM), (3) TO A NON-"U.S. PERSON" IN AN "OFFSHORE TRANSACTION" (AS SUCH TERMS ARE DEFINED IN REGULATION S UNDER THE SECURITIES ACT) IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT (AS INDICATED BY THE BOX CHECKED BY THE TRANSFEROR ON THE CERTIFICATE OF TRANSFER ON THE REVERSE OF THIS SECURITY IF THIS SECURITY IS NOT IN BOOK-ENTRY FORM), (4) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, INCLUDING THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT, IF AVAILABLE, OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, SUBJECT IN EACH OF THE FOREGOING CASES TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF ITS PROPERTY OR THE PROPERTY OF SUCH INVESTOR ACCOUNT OR ACCOUNTS BE AT ALL

TIMES WITHIN ITS OR THEIR CONTROL, AND SUBJECT TO THE RIGHT OF THE ISSUER OR THE TRUSTEE FOR THE SECURITIES PRIOR TO ANY SUCH SALE, PLEDGE OR OTHER TRANSFER PURSUANT TO CLAUSE (4) ABOVE TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATIONS AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM. THIS LEGEND WILL BE REMOVED UPON REQUEST OF THE HOLDER ON OR AFTER THE RESALE RESTRICTION TERMINATION DATE.

(ii) Upon any sale or transfer of a Transfer Restricted Security in compliance with Rule 144 under the Securities Act or pursuant to an effective registration statement under the Securities Act, the Registrar shall permit the Holder thereof to exchange such Transfer Restricted Security for a Note that does not bear the Transfer Restricted Securities Legend, and shall rescind any restriction on the transfer of such Transfer Restricted Security.

(iii) Notwithstanding the foregoing, upon consummation of the Exchange Offer, the Company shall issue, and upon receipt of an authentication order in accordance with Section 2.03 hereof, the Trustee shall authenticate the Exchange Notes in exchange for the Initial Notes accepted for exchange in the Exchange Offer, and the Registrar shall rescind any restriction on the transfer of such security.

(b) GLOBAL NOTE LEGEND. Each Global Note, whether or not an Exchange Note, shall also bear the following legend on the face thereof:

UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR SECURITIES IN DEFINITIVE FORM, THIS SECURITY MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY, OR BY ANY SUCH NOMINEE OF THE DEPOSITARY, OR BY THE DEPOSITARY OR NOMINEE OF SUCH SUCCESSOR DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY. UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO AN ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT HEREON IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY

PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

TRANSFERS OF THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF CEDE & CO. OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN SECTION 2.09 OF THE INDENTURE REFERRED TO HEREIN.

SECTION 2.03. EXECUTION AND AUTHENTICATION.

Two Officers shall sign the Notes for the Company by manual or facsimile signature. If an Officer whose signature is on a Note no longer holds that office at the time the Note is authenticated, the Note shall be valid nevertheless.

A Note shall not be valid until authenticated by the manual signature of the Trustee. The signature shall be conclusive evidence that the Note has been authenticated under this Indenture.

The Trustee shall, upon a written order of the Company signed by one Officer of the Company, authenticate for original issue (i) Initial Notes on the Issue Date in aggregate principal amount of $200,000,000, (ii) Additional Notes in accordance with Section 2.18, and (iii) upon completion of an Exchange Offer (and thereafter as appropriate), Exchange Notes for like principal amount of Initial Notes, including any Additional Notes, in accordance with the Registration Rights Agreement and Section 2.07 hereof.

The Trustee may appoint an authenticating agent reasonably acceptable to the Company to authenticate Notes. Unless limited by the terms of such appointment, an authenticating agent may authenticate Notes whenever the Trustee may do so. Each reference in this Indenture to authentication by the Trustee includes authentication by such agent. An authenticating agent has the same rights as an Agent to deal with the Company or an Affiliate of the Company.

SECTION 2.04. REGISTRAR AND PAYING AGENT.

The Company shall maintain an office or agency where Notes may be presented for registration of transfer or for exchange (the "Registrar") and an office or agency where Notes may be presented for payment (the "Paying Agent"). The Registrar shall keep a register of the Notes (the "Register") and of their transfer and exchange. The Company may appoint one or more co-Registrars and one or more additional Paying Agents. The term "Paying Agent" in-

cludes any additional paying agent and the term "Registrar" includes any additional registrar. The Company may change any Paying Agent or Registrar without prior notice to any Holder.

The Company shall enter into an appropriate agency agreement with any Agent not a party to this Indenture, which shall incorporate the terms of the TIA and implement the terms of this Indenture which relate to such Agent. The Company shall give prompt written notice to the Trustee of the name and address of any Agent who is not a party to this Indenture. If the Company fails to appoint or maintain another entity as Registrar or Paying Agent, the Trustee shall act as such. The Company or any Affiliate of the Company may act as Paying Agent or Registrar; provided, however, that none of the Company, its Subsidiaries or the Affiliates of the foregoing shall act (i) as Paying Agent in connection with redemptions, offers to purchase, discharges and defeasance, as otherwise specified in this Indenture, and (ii) as Paying Agent or Registrar if a Default or Event of Default has occurred and is continuing.

The Company hereby initially appoints the Trustee as Registrar and Paying Agent in the United States.

SECTION 2.05. PAYING AGENT TO HOLD ASSETS IN TRUST.

Not later than 11:00 a.m. (New York time) on each due date of the principal and interest on any Notes, the Company shall deposit with one or more Paying Agents money in immediately available funds sufficient to pay such principal and interest so becoming due. The Company shall require each Paying Agent other than the Trustee to agree in writing that the Paying Agent shall hold in trust for the benefit of Holders or the Trustee all money held by the Paying Agent for the payment of principal of and interest on the Notes and shall promptly notify the Trustee of any failure by the Company (or any other obligor on the Notes) in making any such payment. While any such failure continues, the Trustee may require a Paying Agent to pay all money held by it to the Trustee and to account for any funds disbursed. The Company at any time may require, for the purpose of obtaining the satisfaction and discharge of this Indenture or for any other purpose, a Paying Agent to pay all money held by it to the Trustee. Upon payment over to the Trustee, the Paying Agent (if other than the Company or a Subsidiary of the Company) shall have no further liability for the money so paid over to the Trustee.

If the Company or any Subsidiary of the Company or any Affiliate of any of them acts as Paying Agent, it shall, prior to or on each due date of any principal of or interest on the Notes, segregate and hold in a separate trust fund for the benefit of the Holders a sum of money sufficient with monies held by all other Paying Agents, to pay such principal or interest so becoming due until such sum of money shall be paid to such Holders or otherwise disposed of as provided in this Indenture, and will promptly notify the Trustee of its actions or failure to act.

SECTION 2.06. HOLDER LISTS.

The Trustee shall preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of Holders and shall otherwise comply with Section 312(a) of the TIA. If the Trustee is not the Registrar, the Company shall furnish to the Trustee prior to or on each Interest Payment Date for the Notes and at such other times as the Trustee may request in writing a list in such form and as of such date as the Trustee may reasonably require of the names and addresses of Holders, relating to such Interest Payment Date or request, as the case may be; provided that, as long as the Trustee is the Registrar, no such list need be furnished.

SECTION 2.07. GENERAL PROVISIONS RELATING TO TRANSFER AND EXCHANGE.

The Notes are issuable only in registered form. A Holder may transfer a Note only by written application to the Registrar or another transfer agent stating the name of the proposed transferee and otherwise complying with the terms of this Indenture. No such transfer shall be effected until, and such transferee shall succeed to the rights of a Holder only upon, final acceptance and registration of the transfer by the Registrar in the Register. Prior to the registration of any transfer by a Holder as provided herein, the Company, the Trustee, and any agent of the Company shall treat the person in whose name the Note is registered as the owner thereof for all purposes whether or not the Note shall be overdue, and neither the Company, the Trustee, nor any such agent shall be affected by notice to the contrary. Furthermore, any Holder of a Global Note shall, by acceptance of such Global Note, agree that transfers of beneficial interests in such Global Note may be effected only through a book-entry system maintained by the Holder of such Global Note (or its agent) and that ownership of a beneficial interest in the Note shall be required to be reflected in a book-entry. Notwithstanding the foregoing, in the case of a Transfer Restricted Security, a beneficial interest in a Global Note being transferred in reliance on an exemption from the registration requirements of the Securities Act other than in accordance with Rule 144, Rule 144A and Regulation S may only be transferred for a Physical Note.

When Notes are presented to the Registrar or another transfer agent with a request to register the transfer or to exchange them for an equal principal amount of Notes of other authorized denominations (including an exchange of Notes for Exchange Notes), the Registrar shall register the transfer or make the exchange as requested if its requirements for such transactions are met (including that such Notes are duly endorsed or accompanied by a written instrument of transfer duly executed by the Holder thereof or by an attorney who is authorized in writing to act on behalf of the Holder); provided that no exchanges of Notes for Exchange Notes shall occur until an exchange offer registration statement shall have been declared effective by the SEC and that any Notes that are exchanged for Exchange Notes shall be cancelled by the Trustee. Subject to Section 2.03, to permit registrations of transfers and exchanges, the Company shall execute and the Trustee shall authenticate Notes at the Registrar's

request. No service charge shall be made for any registration of transfer or exchange or redemption of the Notes, but the Company may require payment of a sum sufficient to cover any transfer tax or similar governmental charge payable in connection therewith (other than any such transfer taxes or other similar governmental charge payable upon exchanges pursuant to Section 2.13, 3.06 or 9.05 hereof).

Neither the Registrar nor any other transfer agent nor the Company shall be required to:

(i) issue, register the transfer of or exchange any Note during a period beginning at the opening of business 15 Business Days before the day of any selection of Notes for redemption under Section 3.02 hereof and ending at the close of business on the day of selection; or

(ii) register the transfer of or exchange any Note so selected for redemption in whole or in part, except the unredeemed portion of any Note being redeemed in part; or

(iii) register the transfer of or exchange any Note during a period beginning at the opening of business 15 Business Days before an Interest Payment Date and ending at the close of business of the Interest Payment Date.

The Trustee shall have no obligation or duty to monitor, determine or inquire as to compliance with any restrictions on transfer imposed under this Indenture or under applicable law with respect to any transfer of any interest in any Note other than to require delivery of such certificates and other documentation or evidence as are expressly required by, and to do so if and when expressly required by the terms of, this Indenture, and to examine the same to determine substantial compliance as to form with the express requirements hereof.

SECTION 2.08. BOOK-ENTRY PROVISIONS FOR GLOBAL NOTES.

(a) Each Global Notes initially shall:

(i) be registered in the name of the Cede & Co. as the nominee of the Depositary;

(ii) be delivered to the Trustee as custodian for the Depositary; and

(iii) bear legends as set forth in Section 2.02 hereof.

Members of, or participants in, the Depositary ("Participants") shall have no rights under this Indenture with respect to any Global Note held on their behalf by the Depositary, or the Trustee as its custodian, or under such

Global Note, and the Depositary may be treated by the Company, the Trustee and any agent of the Company or the Trustee as the absolute owner of such Global Note for all purposes whatsoever. Notwithstanding the foregoing, nothing contained herein shall prevent the Company, the Trustee or any agent of the Company or the Trustee, from giving effect to any written certification, proxy or other authorization (which may be in electronic form) furnished by the Depositary or impair, as between the Depositary and the Participants, the operation of customary practices governing the exercise of the rights of a Holder of any Note.

(b) Transfers of a Global Note shall be limited to transfers of such Global Note in whole, but not in part, to the Depositary, its successors or their respective nominees. Beneficial owners may transfer their interests in Global Notes in accordance with the rules and procedures of the Depositary and the provisions of Section 2.09 hereof.

(c) Any beneficial interest in one of the Global Notes that is transferred to a person who takes delivery in the form of an interest in another Global Note will, upon transfer, cease to be an interest in such Global Note and become an interest in such other Global Note and, accordingly, will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to beneficial interests in such other Global Note for as long as it retains such an interest.

(d) The registered Holder of a Global Note may grant proxies and otherwise authorize any Person, including Participants and Persons that may hold interests through Participants, to take any action which a Holder is entitled to take under this Indenture or the Notes.

(e) If at any time:

(i) the Company notifies the Trustee in writing that the Depositary is no longer willing or able to continue to act as a depository or the Depositary ceases to be registered as a clearing agency under the Exchange Act for the Global Notes, and in each case a successor depository for the Global Notes is not appointed by the Company within 90 days of such notice or cessation;

(ii) the Company, at its option, notifies the Trustee in writing that it elects to cause the issuance of the Notes in definitive form under this Indenture in exchange for all or any part of the Notes represented by a Global Note or Global Notes; or

(iii) an Event of Default has occurred and is continuing and the Registrar has received a request from the Depositary,

the Depositary shall surrender such Global Note or Global Notes to the Trustee for cancellation and then the Company shall execute, and the Trustee shall authenticate and deliver in exchange for such Global Note or Global Notes, Physical Notes, in an aggregate principal

amount equal to the principal amount of such Global Note or Global Notes. Such Physical Notes shall be registered in such names as the Depositary shall identify in writing as the beneficial owners of the Notes represented by such Global Note or Notes (or any nominee thereof).

(f) Notwithstanding the foregoing, in connection with any transfer of a portion of the beneficial interests in a Global Note to beneficial owners pursuant to paragraph (e) of this Section 2.08, the Registrar shall reflect on its books and records the date and a decrease in the principal amount of such Global Note in an amount equal to the principal amount of the beneficial interest in such Global Note to be transferred, and the Company shall execute, and the Trustee shall authenticate and deliver, one or more Physical Notes of like tenor and amount.

SECTION 2.09. SPECIAL TRANSFER PROVISIONS.

(a) TRANSFERS TO NON-QIB INSTITUTIONAL ACCREDITED INVESTORS AND NON-U.S. PERSONS. The following provisions shall apply with respect to the registration of any proposed transfer of a Note constituting a Restricted Security to any Institutional Accredited Investor which is not a QIB or to any Non-U.S. Person:

(i) the Registrar shall register the transfer of any Note constituting a Restricted Security whether or not such Note bears the Private Placement Legend, if (x) the requested transfer is after the second anniversary of the Issue Date (provided, however, that neither the Company nor any Affiliate of the Company has held any beneficial interest in such Note, or portion thereof, at any time on or prior to the second anniversary of the Issue Date) or (y) (1) in the case of a transfer to an Institutional Accredited Investor which is not a QIB (excluding Non-U.S. Persons), the proposed transferee has delivered to the Registrar a certificate substantially in the form of EXHIBIT C hereto and any legal opinions and certifications required thereby or (2) in the case of a transfer to a Non-U.S. Person, the proposed transferor has delivered to the Registrar a certificate substantially in the form of EXHIBIT D hereto; and

(ii) if the proposed transferor is a Participant holding a beneficial interest in the Global Note, upon receipt by the Registrar of (x) the certificate, if any, required by paragraph (i) above and (y) written instructions given in accordance with the Depositary's and the Registrar's procedures; whereupon (a) the Registrar shall reflect on its books and records the date and (if the transfer does not involve a transfer of outstanding Physical Notes) a decrease in the principal amount of such Global Note in an amount equal to the principal amount of the beneficial interest in the Global Note to be transferred, and (b) the Company shall execute and the Trustee shall authenticate and deliver, one or more Physical Notes of like tenor and amount; and

(iii) in the case of a transfer to a non-U.S. Person, if the proposed transferee is a Participant, and the Notes to be transferred consist of Physical Notes which after transfer are to be evidenced by an interest in a Regulation S Global Note, upon receipt by the Registrar of written instructions given in accordance with the Depositary's and the Registrar's procedures, the Registrar shall reflect on its books and records the date and an increase in the principal amount of such Regulation S Global Note in an amount equal to the principal amount of the Physical Notes to be transferred, and the Trustee shall cancel the Physical Notes so transferred.

(b) TRANSFERS TO QIBS. The following provisions shall apply with respect to the registration of any proposed transfer of a Note constituting a Restricted Security to a QIB (excluding transfers to Non-U.S. Persons):

(i) the Registrar shall register the transfer if such transfer is being made by a proposed transferor who has checked the box provided for on the form of Note stating, or has otherwise advised the Company and the Registrar in writing, that the sale has been made in compliance with the provisions of Rule 144A to a transferee who has signed the certification provided for on the form of Note stating, or has otherwise advised the Company and the Registrar in writing, that it is purchasing the Note for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a QIB within the meaning of Rule 144A, and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Company as it has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon its foregoing representations in order to claim the exemption from registration provided by Rule 144A; and

(ii) if the proposed transferee is a Participant, and the Notes to be transferred consist of Physical Notes which after transfer are to be evidenced by an interest in a Global Note, upon receipt by the Registrar of written instructions given in accordance with the Depositary's and the Registrar's procedures, the Registrar shall reflect on its books and records the date and an increase in the principal amount of such Global Note in an amount equal to the principal amount of the Physical Notes to be transferred, and the Trustee shall cancel the Physical Notes so transferred.

(c) TRANSFER RESTRICTED SECURITIES LEGEND. Upon the transfer, exchange or replacement of Notes not bearing the Transfer Restricted Securities Legend, the Registrar shall deliver Notes that do not bear the Transfer Restricted Securities Legend. Upon the transfer, exchange or replacement of Notes bearing the Transfer Restricted Securities Legend, the Registrar shall deliver only Notes that bear the Transfer Restricted Securities Legend unless (i) the requested transfer is after the second anniversary of the Issue Date (provided, however, that neither the Company nor any Affiliate of the Company has held any beneficial interest in

such Note, or portion thereof, at any time prior to or on the second anniversary of the Issue Date), or (ii) there is delivered to the Registrar an Opinion of Counsel reasonably satisfactory to the Company and the Trustee to the effect that neither such legend nor the related restrictions on transfer are required in order to maintain compliance with the provisions of the Securities Act.

(d) CERTAIN TRANSFERS IN CONNECTION WITH AND AFTER THE EXCHANGE OFFER. Notwithstanding any other provision of this Indenture:

(i) no Exchange Note may be exchanged by the Holder thereof for an Initial Note;

(ii) accrued and unpaid interest on the Initial Notes being exchanged in the Exchange Offer shall be due and payable on the next Interest Payment Date for the Exchange Notes following the Exchange Offer and shall be paid to the Holder on the relevant record date of the Exchange Notes issued in respect of the Initial Note being exchanged; and

(iii) interest on the Initial Note being exchanged in the Exchange Offer shall cease to accrue on the date of completion of the Exchange Offer and interest on the Exchange Notes to be issued in the Exchange Offer shall accrue from the date of the completion of the Exchange Offer.

(e) GENERAL. By its acceptance of any Note bearing the Transfer Restricted Securities Legend, each Holder of such a Note acknowledges the restrictions on transfer of such Note set forth in this Indenture and agrees that it will transfer such Note only as provided in this Indenture. The Registrar shall not register a transfer of any Note unless such transfer complies with the restrictions on transfer of such Note set forth in this Indenture. The Registrar shall be entitled to receive and rely on written instructions from the Company verifying that such transfer complies with such restrictions on transfer. In connection with any transfer of Notes, each Holder agrees by its acceptance of the Notes to furnish the Registrar or the Company such certifications, legal opinions or other information as either of them may reasonably require to confirm that such transfer is being made pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act; provided that the Registrar shall not be required to determine (but may rely on a determination made by the Company with respect to) the sufficiency of any such certifications, legal opinions or other information.

The Registrar shall retain copies of all letters, notices and other written communications received pursuant to Section 2.08 hereof or this Section 2.09. The Company shall have the right to inspect and make copies of all such letters, notices or other written communications at any reasonable time upon the giving of reasonable written notice to the Registrar.

SECTION 2.10. REPLACEMENT NOTES.

If a mutilated Note is surrendered to the Trustee or if the Holder of a Note claims that the Note has been lost, destroyed or wrongfully taken, the Company shall issue and the Trustee shall authenticate a replacement Note if the requirements of the Trustee and the Company are met; provided that, if any such Note has been called for redemption in accordance with the terms thereof, the Trustee may pay the Redemption Price thereof on the Redemption Date without authenticating or replacing such Note. The Trustee or the Company may, in either case, require the Holder to provide an indemnity bond sufficient in the judgment of each of the Trustee and the Company to protect the Company, the Trustee or any Agent from any loss which any of them may suffer if a Note is replaced or if the Redemption Price therefor is paid pursuant to this Section 2.10. The Company may charge the Holder who has lost a Note for its expenses in replacing a Note.

Every replacement Note is an obligation of the Company and shall be entitled to the benefits of this Indenture equally and proportionately with any and all other Notes duly issued hereunder.

SECTION 2.11. OUTSTANDING NOTES.

The Notes outstanding at any time are all the Notes authenticated by the Trustee, except for (i) those cancelled by it, (ii) those delivered to it for cancellation and (iii) those described in this Section as not outstanding.

If a Note is replaced pursuant to Section 2.10 hereof, it ceases to be outstanding and interest ceases to accrue unless the Trustee receives proof satisfactory to it that the replaced Note is held by a bona fide purchaser.

If all principal of and interest on any Note are considered paid under Section 4.01 hereof, such Note ceases to be outstanding and interest on it ceases to accrue.

Except as provided in Section 2.12 hereof, a Note does not cease to be outstanding because the Company or an Affiliate of the Company holds such Note.

SECTION 2.12. TREASURY NOTES.

In determining whether the Holders of the required principal amount of Notes have concurred in any direction, waiver or consent, Notes owned by the Company or an Affiliate of the Company shall be considered as though they are not outstanding.

SECTION 2.13. TEMPORARY NOTES.

Until definitive Notes are ready for delivery, the Company may prepare and execute, and the Trustee shall authenticate upon a written order of the Company signed by one Officer of the Company, temporary Notes. Temporary Notes shall be substantially in the form of definitive Notes but may have variations that the Company considers appropriate for temporary Notes. Without unreasonable delay, the Company shall prepare, and the Trustee shall authenticate, definitive Notes in exchange for temporary Notes. Holders of temporary Notes shall be entitled to all of the benefits of this Indenture.

SECTION 2.14. CANCELLATION.

The Company at any time may deliver Notes to the Trustee for cancellation. The Registrar and Paying Agent shall forward to the Trustee any Notes surrendered to them for registration of transfer, exchange, payment or repurchase. The Trustee shall cancel all Notes surrendered for registration of transfer, exchange, payment, repurchase, redemption, replacement or cancellation and shall dispose of them in accordance with its customary procedures or, upon the Company's written request, return such cancelled Notes to the Company (subject to the record retention requirements of the Exchange Act). The Company may not issue new Notes to replace Notes that it has paid or redeemed or that have been delivered to the Trustee for cancellation.

SECTION 2.15. CUSIP NUMBERS.

The Company in issuing the Notes may use CUSIP numbers (if then generally in use), and the Trustee shall use the same in notices of redemption or exchange as a convenience to Holders; provided that any such notice shall state that no representation is made as to the correctness of such numbers either as printed on the Notes or as contained in any such notice and that reliance may be placed only on the other identification numbers printed on the Notes, and any such redemption shall not be affected by any defect in or omission of such numbers. The Company shall promptly notify the Trustee of any change in CUSIP numbers.

SECTION 2.16. DEFAULTED INTEREST.

If the Company fails to make a payment of interest on the Notes, it shall pay such defaulted interest plus (to the extent lawful) any interest payable on the defaulted interest, in any lawful manner. It may elect to pay such defaulted interest, plus any such interest payable on it, to the Persons who are Holders of such Notes on which the interest is due on a subsequent special record date. The Company shall notify the Trustee in writing of the amount of defaulted interest proposed to be paid on each such Note. The Company shall fix any such record date and payment date for such payment. At least 15 days before any such record date, the Company shall mail to Holders affected thereby a notice that states the record date, Interest Payment Date, and amount of such interest to be paid.

SECTION 2.17. SPECIAL RECORD DATES.

The Company may, but shall not be obligated to, set a record date for the purpose of determining the identity of Holders of Notes entitled to consent to any supplement, amendment or waiver permitted by this Indenture. If a record date is fixed, the Holders of Notes outstanding on such record date, and no other Holders, shall be entitled to consent to such supplement, amendment or waiver or revoke any consent previously given, whether or not such Holders remain Holders after such record date. No consent shall be valid or effective for more than 90 days after such record date unless consents from Holders of the principal amount of Notes required hereunder for such amendment or waiver to be effective shall have also been given and not revoked within such 90-day period.

SECTION 2.18. ISSUANCE OF ADDITIONAL NOTES.

The Company shall be entitled to issue Additional Notes under this Indenture which shall have identical terms as the Notes issued on the Issue Date, other than with respect to the date of issuance, issue price, and amount of interest payable on the first payment date applicable thereto (and, if such Additional Notes shall be issued in the form of Exchange Notes, other than with respect to transfer restrictions); provided however, no Additional Notes may be issued if an Event of Default has occurred and is continuing. The Initial Notes issued on the Issue Date, any Additional Notes and all Exchange Notes issued in exchange therefor shall be treated as a single class for all purposes under this Indenture.

With respect to any Additional Notes, the Company shall set forth in a resolution of its Board of Directors and in a Officers' Certificate, a copy of each of which shall be delivered to the Trustee, the following information:

(1) the aggregate principal amount of such Additional Notes to be authenticated and delivered pursuant to this Indenture;

(2) the issue price, the issue date and the CUSIP number of such Additional Notes and the amount of interest payable on the first payment date applicable thereto; provided, however, that no Additional Notes may be issued at a price that would cause such Additional Notes to have "original issue discount" within the meaning of Section 1273 of the Internal Revenue Code of 1986, as amended; and

(3) whether such Additional Notes shall be Notes bearing the Transfer Restricted Securities Legend and issued in the form of Initial Notes or shall be unrestricted notes issued in the form of Exchange Notes.

ARTICLE III

REDEMPTION

SECTION 3.01. NOTICES TO TRUSTEE.

If the Company elects to redeem Notes pursuant to the redemption provision of Section 3.07 hereof, it shall notify the Trustee and the Paying Agent of the intended Redemption Date, the principal amount of Notes to be redeemed, CUSIP numbers of the Notes to be redeemed, and the Redemption Price.

The Company shall give each notice provided for in this Section 3.01 and an Officers' Certificate at least 30 days, but not more than 60 days, before the Redemption Date (unless a shorter period shall be satisfactory to the Trustee and the Paying Agent), except with respect to notice of the Redemption Price. An Officers' Certificate containing the Redemption Price determined as of a date not more than five Business Days prior to the Redemption Date shall be delivered to the Trustee no later than two Business Days prior to the Redemption Date.

SECTION 3.02. SELECTION OF NOTES TO BE REDEEMED.

If fewer than all the Notes are to be redeemed, the Trustee shall select the Notes to be redeemed from the outstanding Notes by a method that complies with the requirements of any exchange on which the Notes are listed, or, if the Notes are not listed on an exchange, on a pro rata basis or by lot or in accordance with any other method the Trustee considers fair and appropriate.

Notes and portions thereof that the Trustee selects shall be in amounts equal to the minimum authorized denomination for Notes to be redeemed or any integral multiple thereof. Provisions of this Indenture that apply to Notes called for redemption also apply to portions of Notes called for redemption. The Trustee shall notify the Company promptly in writing of the Notes or portions of Notes to be called for redemption.

SECTION 3.03. NOTICE OF REDEMPTION.

At least 30 days but not more than 60 days before the Redemption Date, the Company shall mail a notice of redemption by first-class mail to each Holder whose Notes are to be redeemed at the address of such Holder appearing in the Register.

The notice shall identify the Notes to be redeemed and shall state:

(i) the Redemption Date;

(ii) the Redemption Price;

(iii) if fewer than all outstanding Notes are to be redeemed, the portion of the principal amount of the Notes to be redeemed and that, after the Redemption Date, upon surrender of such Note, a new Note in principal amount equal to the unredeemed portion will be issued;

(iv) the name and address of each Paying Agent;

(v) that Notes called for redemption must be surrendered to the Paying Agent to collect the Redemption Price;

(vi) that, unless the Company defaults in payment of the Redemption Price, interest on Notes called for redemption ceases to accrue interest on and after the Redemption Date; and

(vii) CUSIP number, if any, of the Notes to be redeemed.

At the Company's written request, the Trustee shall give the notice of redemption in the Company's name and at its expense. The notice mailed in the manner herein provided shall be conclusively presumed to have been duly given when mailed to the Holder or, when first published, as applicable, whether or not the Holder receives such notice. In any case, failure to give such notice by mail or any defect in the notice to the Holder of any Notes shall not affect the validity of the proceeding for the redemption of any other Notes.

SECTION 3.04. EFFECT OF NOTICE OF REDEMPTION.

Once notice of redemption is mailed, Notes called for redemption become due and payable on the Redemption Date at the Redemption Price. Upon surrender to the Paying Agent, such Notes shall be paid at the Redemption Price.

SECTION 3.05. DEPOSIT OF REDEMPTION PRICE.

Prior to or no later than 10:00 a.m. (New York time) on the Redemption Date, the Company shall deposit with the Trustee or with the Paying Agent an amount of money sufficient to pay the Redemption Price of all Notes to be redeemed on that date. The Paying Agent shall promptly return to the Company any amount of money not required for that purpose.

SECTION 3.06. NOTES REDEEMED IN PART.

Upon surrender of a Note that is redeemed in part, the Company shall execute and the Trustee shall authenticate for the Holder at the expense of the Company, a new Note equal in principal amount to the unredeemed portion of the Note surrendered.

SECTION 3.07. OPTIONAL REDEMPTION.

The Company may, at its option, redeem the Notes, in whole, at any time, or in part, from time to time, at the Redemption Price equal to the greater of:

(i) 100% of the principal amount of the Notes being redeemed on the Redemption Date; and

(ii) the Make Whole Amount

plus, in each case, accrued and unpaid interest, if any, on the Notes to the Redemption Date.

Unless the Company defaults in its payment of the Redemption Price, on and after the Redemption Date, interest will cease to accrue on the Notes or portions of the Notes called for redemption and those Notes will cease to be outstanding.

SECTION 3.08. NO MANDATORY REDEMPTION.

The Company shall not be required to make any mandatory redemption payments with respect to the Notes. The Notes shall not have any benefit of a sinking fund.

ARTICLE IV

COVENANTS

SECTION 4.01. PAYMENT OF NOTES.

The Company shall pay, or cause to be paid, the principal of and interest on the Notes on the dates and in the manner provided in this Indenture and the Notes. Principal and interest shall be considered paid on the date due if the Paying Agent, if other than the Company, a Subsidiary of the Company or any Affiliate of any of them, holds as of 10:00 a.m. (New York time) on that date immediately available funds designated for and sufficient to pay all principal and interest then due. If the Company or any Subsidiary of the Company or any Affiliate of any of them acts as Paying Agent, principal or interest shall be considered paid on the due date if the entity acting as Paying Agent complies with the second paragraph of Section 2.05 hereof.

The Company shall pay interest on overdue principal and interest on overdue installments of interest, to the extent lawful, at the rate per annum specified therefor in the Notes.

SECTION 4.02. MAINTENANCE OF OFFICE OR AGENCY.

The Company shall maintain in the Borough of Manhattan, The City of New York an office or agency (which may be an office of the Trustee or an Affiliate of the Trustee or Registrar) where the Notes may be surrendered for registration of transfer or exchange and where notices and demands to or upon the Company in respect of the Notes and this Indenture may be served. The Company shall give prompt written notice to the Trustee of the location, and any change in the location, of such office or agency. If at any time the Company fails to maintain any such required office or agency or fails to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the principal Corporate Trust Office of the Trustee.

The Company may also from time to time designate one or more other offices or agencies where the Notes may be presented or surrendered for any or all such purposes and may from time to time rescind such designations; provided, however, that no such designation or rescission shall in any manner relieve the Company of its obligation to maintain an office or agency in the Borough of Manhattan, The City of New York. The Company shall give prompt written notice to the Trustee of any such designation or rescission and of any change in the location of any such other office or agency.

The Company hereby designates the principal Corporate Trust Office of the Trustee as its office or agency in The Borough of Manhattan, The City of New York in accordance with Section 2.04 hereof.

SECTION 4.03. REPORTS.

(a) So long as the Notes are outstanding, whether or not the Company is then subject to Section 13(a) or 15(d) of the Exchange Act, the Company shall electronically file with the SEC, the annual reports, quarterly reports and other periodic reports that the Company would be required to file with the SEC pursuant to Section 13(a) or 15(d) if the Company were so subject, and such documents shall be filed with the SEC on or prior to the respective dates (the "Required Filing Dates") by which the Company would be required so to file such documents if the Company were so subject, unless, in any case, if such filings are not then permitted by the SEC.

(b) If such filings with the SEC are not then permitted by the SEC, or such filings are not generally available on the Internet free of charge, the Company shall, within 15 days of each Required Filing Date, transmit by mail to Holders of the Notes, as their names and addresses appear in the Register, without cost to such holders, and file with the Trustee copies of the annual reports, quarterly reports and other periodic reports that the Company would be required to file with the SEC pursuant to Section 13(a) or 15(d) of the Exchange Act if the Company were subject to such Section 13(a) or 15(d), and promptly upon written request,

supply copies of such documents to any prospective holder or beneficial owner at Company's cost. Delivery of such reports, information and documents to the Trustee is for informational purposes only and the Trustee's receipt of such shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the company's compliance with any of its covenants hereunder (as to which the Trustee is entitled to rely exclusively on Officers' Certificates).

(c) So long as any Notes remain outstanding and constitute "restricted securities" under Rule 144, the Company shall furnish to the Holders and to securities analysts and prospective investors, upon their request, the information required to be delivered pursuant to Rule 144A(d)(4) under the Act.

SECTION 4.04. COMPLIANCE CERTIFICATE.

The Company shall deliver to the Trustee, within 120 days after the end of each fiscal year of the Company starting with the Company's fiscal year ending December 31, 2002, an Officers' Certificate one of the signers of which is the principal executive, principal financial or principal accounting officer, stating that in the course of the performance by the signers of their duties as officers of the Company, they would normally have knowledge of any failure by the Company to comply with all conditions, or Default by the Company with respect to any covenants, under this Indenture, and further stating whether or not they have knowledge of any such failure or Default and, if so, specifying each such failure or Default and the nature thereof. For purposes of this Section, such compliance shall be determined without regard to any period of grace or requirement of notice provided for in this Indenture. The certificate need not comply with Section 10.04 hereof.

SECTION 4.05. PAYMENT OF TAXES AND OTHER CLAIMS.

The Company shall pay or discharge or cause to be paid or discharged, before the same shall become delinquent, (1) all material taxes, assessments and governmental charges levied or imposed upon the Company or any Subsidiary or upon the income, profits or property of the Company or any Subsidiary, and (2) all material lawful claims for labor, materials and supplies which, if unpaid, might by law become a lien upon the property of the Company or any Subsidiary; provided, however, that the Company shall not be required to pay or discharge or cause to be paid or discharged any such tax, assessment, charge or claim whose amount, applicability or validity is being contested in good faith by appropriate proceedings.

SECTION 4.06. CORPORATE EXISTENCE.

Subject to Article V hereof, the Company shall do or cause to be done all things necessary to preserve and keep in full force and effect its and its Subsidiaries' existence, rights (charter and statutory) and franchises; provided, however, that the Company shall not be required to preserve any such right, franchise or existence of a Subsidiary if the Company shall

determine that the preservation thereof is no longer desirable in the conduct of the business of the Company and that the loss thereof is not disadvantageous in any material respect to the Holders.

SECTION 4.07. LIMITATION ON LIENS.

(a) The Company shall not, and shall not permit any of its Subsidiaries to, incur or suffer to exist any Lien on property or assets now owned or hereafter acquired to secure Indebtedness without making, or causing such Subsidiary to make, effective provision for securing the Notes (and, if the Company so determines, any other Indebtedness of the Company which is not subordinate to the Notes or of such Subsidiary) equally and ratably with such Indebtedness as to such property or assets so long as such Indebtedness is so secured.

The foregoing restrictions will not apply to:

(1) Liens in respect of Indebtedness existing at the Issue Date;

(2) Liens on property existing at the time of acquisition thereof;

(3) Liens on property of a Person existing at the time such Person is merged into or consolidated with the Company or any Subsidiary;

(4) Liens on property of the Company or any Subsidiary in favor of the United States of America, any state thereof or any instrumentality of either to secure certain payments pursuant to any contract or statute;

(5) Liens to secure Indebtedness incurred for the purpose of financing all or any part of the purchase price or the cost of construction or improvement of the property subject to such Liens, and securing only the property so purchased, constructed or improved;

(6) Liens for taxes or assessments or other governmental charges or levies, Liens imposed by law, such as mechanics' and materialmen's Liens, for sums not due or sums being contested in good faith and with respect to which adequate reserves are being maintained, to the extent required by GAAP, and Liens securing reimbursement obligations with respect to trade letters of credit, banker's acceptances and sight drafts incurred in the ordinary course of business which encumber documents and other property relating to such trade letters of credit, banker's acceptances and sight drafts;

(7) Liens to secure obligations under worker's compensation laws or similar legislation, including Liens with respect to judgments which are not currently dischargeable;

(8) Liens created by or resulting from any litigation or other proceeding which is being contested in good faith by appropriate proceedings, including Liens arising out of judgment or awards against the Company or any Subsidiary with respect to which the Company or such Subsidiary is in good faith prosecuting an appeal or proceedings for review or for which the time to make an appeal has not yet expired; or final unappealable judgment Liens which are satisfied within 15 days of the date of judgment; or Liens incurred by the Company or any Subsidiary for the purpose of obtaining a stay or discharge in the course of any litigation or other proceeding to which the Company or such Subsidiary is a party; and

(9) Liens to secure any extension, renewal or refinancing (or successive extensions, renewals or refinancings), in whole or in part, of any Indebtedness secured by Liens referred to in the foregoing clauses (1) to (8) so long as such Liens do not extend to any other property and the Indebtedness so secured is not increased.

In addition to the foregoing, the Company or any Subsidiary may incur a Lien to secure Indebtedness or enter into a Sale and Leaseback Transaction, without equally and ratably securing the Notes, if the sum of (a) the amount of Indebtedness subject to a Lien entered into after Issue Date and otherwise prohibited by the Indenture, and (b) the Attributable Value of Sale and Leaseback Transactions entered into under clause (1) of Section 4.08 hereof does not exceed 10% of Consolidated Net Tangible Assets of the Company at the time of such determination.

(b) In addition, if on and after the Issue Date any Capital Markets Debt of the Company or any Subsidiary or the SunBelt Guarantee becomes secured by a Lien, then the Company shall cause the Notes to be secured equally and ratably by a Lien on the same property as such Lien so long as such Capital Markets Debt or the SunBelt Guarantee remains secured.

SECTION 4.08. LIMITATION ON SALE AND LEASEBACK TRANSACTIONS.

The Company shall not, nor shall it permit any of its Subsidiaries to, enter into any Sale and Leaseback Transaction (except for a period not exceeding 36 months) unless (1) the Company or such Subsidiary would be entitled to incur a Lien to secure Indebtedness in an amount equal to the Attributable Value of the Sale and Leaseback Transaction in accordance with Section 4.07 of this Indenture without equally and ratably securing the Notes; or (2) the Company or the Subsidiary applies or commits to apply within 120 days an amount equal to the net proceeds of the property sold pursuant to the Sale and Leaseback Transaction to the redemption of the Notes or to the redemption or repayment of Company Indebtedness which is pari passu to the Notes.

SECTION 4.09. GUARANTEES BY SUBSIDIARIES.

(a) The Company shall not permit any Subsidiary, directly or indirectly, to Guarantee or secure the payment of any other Indebtedness of the Company (other than the Credit Facility) unless such Subsidiary simultaneously executes and delivers a supplemental indenture to the Indenture providing for a Guarantee of the payment of the Notes by such Subsidiary (a "Subsidiary Guarantee"). If the Guaranteed Indebtedness is subordinated in right of payment to the Notes, pursuant to a written agreement to that effect, the Guarantee of such Guaranteed Indebtedness must be subordinated in right of payment to the Subsidiary Guarantee of the Notes to at least the extent that the Guaranteed Indebtedness is subordinated to the Notes.

(b) A Subsidiary Guarantee shall terminate upon:

(1) a sale or other disposition (including by way of consolidation or merger) of the Subsidiary Guarantor or the sale or disposition of all or substantially all the assets of the Subsidiary (other than to the Company or a Subsidiary or an Affiliate) otherwise permitted by the Indenture; or

(2) the release or discharge of the Guarantee or security that enabled the creation of such Subsidiary Guarantee and all other Guarantees of Indebtedness of the Company by such Subsidiary; provided that no Event of Default, or event which, after notice or lapse of time or both, would become an Event of Default, has occurred and is continuing or would result therefrom.

ARTICLE V

MERGER, ETC.

SECTION 5.01. WHEN COMPANY MAY MERGE, ETC.

The Company shall not consolidate with or merge into any other Person or convey, transfer or lease its properties and assets substantially as an entirety to any Person, and the Company shall not permit any Person to consolidate with or merge into the Company or convey, transfer or lease its properties and assets substantially as an entirety to the Company, unless:

(1) in case the Company consolidates with or merges into another Person or conveys, transfers or leases its properties and assets substantially as an entirety to any Person, the Person formed by such consolidation or into which the Company is merged or the Person which acquires by conveyance or transfer, or which leases, the

properties and assets of the Company substantially as an entirety is a corporation, partnership or trust is organized and validly existing under the laws of the United States of America, any State thereof or the District of Columbia and expressly assumes, by an indenture supplemental to the Indenture, executed and delivered to the Trustee, in form satisfactory to the Trustee, the due and punctual payment of the principal of and any premium, if any, and interest on all the Notes and the performance or observance of every covenant of this Indenture and the Registration Rights Agreement on the part of the Company to be performed or observed;

(2) immediately after giving effect to such transaction and treating any Indebtedness which becomes an obligation of the Company or any Subsidiary as a result of such transaction as having been incurred by the Company or such Subsidiary at the time of such transaction, no Event of Default, and no event which, after notice or lapse of time or both, would become an Event of Default, has occurred and is continuing;

(3) if, as a result of any such consolidation or merger or such conveyance, transfer or lease, properties or assets of the Company would become subject to a Lien which would not be permitted by this Indenture, the Company or such successor Person, as the case may be, takes such steps as would be necessary effectively to secure the Notes equally and ratably with (or prior to) all Indebtedness secured thereby; and

(4) the Company delivers to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger, conveyance, transfer or lease and, if a supplemental indenture is required in connection with such transaction, such supplemental indenture comply with the Indenture and that all conditions precedent in this Indenture relating to such transaction have been complied with.

SECTION 5.02. SUCCESSOR CORPORATION SUBSTITUTED.

Upon any consolidation of the Company with, or merger of the Company into, any other Person, or any conveyance, transfer or lease of the properties and assets substantially as an entirety in accordance with Section 5.01 of this Indenture, the successor Person formed by such consolidation or into which the Company is merged or to which such conveyance, transfer or lease is made shall succeed to, and be substituted for, and may exercise every right and power of, the Company under this Indenture with the same effect as if such successor Person had been named as the Company herein. In the event of any such transfer or conveyance, but not any such lease, the Company shall be discharged from all obligations and covenants under the Notes and this Indenture.

ARTICLE VI

DEFAULTS AND REMEDIES

SECTION 6.01. EVENTS OF DEFAULT.

Each of the following constitutes an Event of Default with respect to the Notes (whatever the reason for such Event of Default and whether it is voluntary or involuntary or effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(a) default in the payment of any interest on the Notes when it becomes due and payable, and continuance of such default for a period of 30 days;

(b) default in the payment of the principal of or any premium on the Notes when due, whether at maturity, upon redemption, by declaration or otherwise;

(c) failure to perform any other covenant in the Indenture and continuance of such default or breach for 60 days after written notice from the Trustee or Holders of at least 25% in aggregate principal amount of the Notes;

(d) a default under any bond, debenture, note or other evidence of Indebtedness for money borrowed by the Company having an aggregate principal amount outstanding of at least $25,000,000, or under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Company having an aggregate principal amount outstanding of at least $25,000,000, whether such Indebtedness now exists or shall hereafter be created, which default is a payment default upon final maturity of such Indebtedness or shall have resulted in such Indebtedness becoming or being declared due and payable prior to the date on which it would otherwise have become due and payable, without such Indebtedness having been discharged or such acceleration having been rescinded or annulled, in each such case, within a period of 10 days after written notice from the Trustee or Holders of at least 25% in aggregate principal amount of the Notes then outstanding; or

(e) the Company pursuant to or within the meaning of any Bankruptcy Law:

(i) commences a voluntary case or proceeding;

(ii) consents to the entry of an order for relief against it in an involuntary case or proceeding;

(iii) consents to the appointment of a Custodian of it or for all or substantially all of its property; or

(iv) makes a general assignment for the benefit of its creditors; and

(f) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that:

(i) is for relief against the Company in an involuntary case or proceeding;

(ii) appoints a Custodian for the Company or for all or substantially all of its property; or

(iii) orders the winding up or liquidation of the Company,

and any such order or decree under this clause (f) remains unstayed and in effect for 60 days.

SECTION 6.02. ACCELERATION.

If an Event of Default with respect to outstanding Notes (other than an Event of Default specified in paragraph (e) or (f) of Section 6.01 of this Indenture) occurs and is continuing, the Trustee or the Holders of not less than 25% in aggregate principal amount of the outstanding Notes, by written notice to the Company, may declare due and payable 100% of the principal amount of all Notes and premium, if any, plus any accrued and unpaid interest to the date of payment. Upon a declaration of acceleration, such principal and premium, if any, and accrued and unpaid interest to the date of payment shall be due and payable. If an Event of Default specified in paragraph (e) or (f) of Section 6.01 of this Indenture occurs, all unpaid principal and accrued interest on the Notes shall automatically become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holder.

The Holders of a majority in aggregate principal amount of the outstanding Notes by written notice to the Trustee may rescind and annul an acceleration and its consequences if (i) all existing Events of Default, other than the nonpayment of principal of and premium, if any, and interest, if any, on the Notes which have become due solely because of the acceleration, have been cured or waived and (ii) the rescission would not conflict with any judgment or decree of a court of competent jurisdiction.

SECTION 6.03. OTHER REMEDIES.

If an Event of Default with respect to outstanding Notes occurs and is continuing, the Trustee may pursue any available remedy by proceeding at law or in equity to collect the pay-

ment of principal and premium, if any, of or interest on the Notes or to enforce the performance of any provision of the Notes or this Indenture, including, without limitation, seeking recourse against any guarantor, if any.

The Trustee may maintain a proceeding even if it does not possess any of the Notes or does not produce any of them in the proceeding. A delay or omission by the Trustee or any Holder in exercising any right or remedy accruing upon the Event of Default shall not impair the right or remedy or constitute a waiver of or acquiescence in the Event of Default. No remedy is exclusive of any other remedy. All remedies are cumulative to the extent permitted by law.

SECTION 6.04. WAIVER OF PAST DEFAULTS.

Subject to Sections 6.07 and 9.02 of this Indenture, the Holders of at least a majority in principal amount of the outstanding Notes by notice to the Trustee may waive an existing Default or Event of Default except a Default or Event of Default in the payment of the principal of or any premium or interest on any Note (provided, however, that, subject to Section 6.07, the Holders of a majority in principal amount of the then outstanding Notes may rescind an acceleration and its consequences, including any related payment default that resulted from such acceleration). When a Default or Event of Default is waived, it is deemed cured and ceases.

SECTION 6.05. CONTROL BY MAJORITY.

The Holders of not less than a majority in principal amount of then outstanding Notes have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on it. However, the Trustee may refuse to follow any direction that (i) conflicts with law or this Indenture, (ii) the Trustee determines may be unduly prejudicial to the rights of other Holders or (iii) may involve the Trustee in personal liability. The Trustee may take any other action which it deems proper which is not inconsistent with any such direction.

SECTION 6.06. LIMITATION ON SUITS.

Subject to the provisions of Section 6.07 of this Indenture, no Holder of Notes may pursue any remedy with respect to this Indenture or the Notes unless:

(i) the Holder gives to the Trustee written notice stating that an Event of Default is continuing;

(ii) the Holders of at least 25% in aggregate principal amount of the outstanding Notes make a written request to the Trustee to pursue the remedy;

(iii) such Holder or Holders offer to the Trustee indemnity reasonably satisfactory to the Trustee against any loss, liability, cost or expense;

(iv) the Trustee does not comply with the request within 60 days after receipt of the request and the offer of indemnity; and

(v) during such 60-day period, the Holders of at least a majority in principal amount of the outstanding Notes do not give the Trustee a direction inconsistent with the request.

A Holder may not use this Indenture to prejudice the rights of another Holder or to obtain a preference or priority over another Holder.

SECTION 6.07. RIGHTS OF HOLDERS TO RECEIVE PAYMENT.

Notwithstanding any other provision of this Indenture, the right of any Holder of a Note to receive payment of principal and premium, if any, of or interest, if any, on the Note on or after the respective due dates expressed or provided for in the Note, or to bring suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of the Holder.

SECTION 6.08. COLLECTION SUIT BY TRUSTEE.

If an Event of Default specified in Section 6.01(a) or (b) of this Indenture occurs and is continuing with respect to Notes, the Trustee may recover judgment in its own name and as trustee of an express trust against the Company for the whole amount of principal and premium, if any, and accrued interest, if any, remaining unpaid on the outstanding Notes, together with (to the extent lawful) interest on overdue principal and premium, if any, and interest, and such further amount as shall be sufficient to cover the costs and, to the extent lawful, expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel and any other amounts due the Trustee under Section 7.07 of this Indenture.

SECTION 6.09. TRUSTEE MAY FILE PROOFS OF CLAIM.

The Trustee may file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee and the Holders allowed in any judicial proceeding relative to the Company, its creditors or its property and shall be entitled and empowered to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same, and any Custodian in any such judicial proceedings is hereby authorized by each Holder to make such payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due to it for the reasonable compensation, expenses, dis-

bursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 7.07 of this Indenture. Nothing contained in this Indenture shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Notes or the rights of any Holder thereof, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

SECTION 6.10. PRIORITIES.

If the Trustee collects any amount of money pursuant to this Article VI, it shall pay out the money in the following order:

First: to the Trustee, its agents and attorneys for amounts due under Section 7.07 of this Indenture, including payment of all reasonable compensation, expense and liabilities incurred, and all advances made by the trustee and the costs and expenses of collection;

Second: to Holders for amounts due and unpaid on the Notes for principal and premium, if any, and interest, if any, ratably, without preference or priority of any kind, according to the amounts due and payable on the Notes for principal and interest, respectively; and

Third: to the Company or any other obligors on the Notes, as their interests may appear, or to such party as a court of competent jurisdiction may direct.

The Trustee, upon prior written notice to the Company, may fix a record date and payment date for any payment to Holders pursuant to this Section 6.10. The Trustee shall notify the Company in writing reasonably in advance of any such record date and payment date.

SECTION 6.11. UNDERTAKING FOR COSTS.

In any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as a Trustee, a court in its discretion may require the filing by any party litigant in the suit of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees and expenses, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section 6.11 does not apply to a suit by the Trustee, a suit by a Holder pursuant to Section 6.07 of this Indenture or a suit by Holders of more than 10% in aggregate principal amount of the outstanding Notes.

SECTION 6.12. STAY, EXTENSION AND USURY LAWS.

The Company covenants (to the extent that it may lawfully do so) that it shall not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay, extension or usury law wherever enacted, now or at any time hereafter in force, that may affect the covenants or the performance of this Indenture; and the Company (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law, and covenants that it shall not, by resort to any such law, hinder, delay or impede the execution of any power herein granted to the Trustee, but shall suffer and permit the execution of every such power as though no such law has been enacted.

ARTICLE VII

TRUSTEE

SECTION 7.01. DUTIES OF TRUSTEE.

(a) If an Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(b) Except during the continuance of an Event of Default:

(1) the Trustee need perform only those duties that are specifically set forth in this Indenture or the TIA, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(2) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; provided, however, that in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Trustee, the Trustee shall examine the certificates and opinions to determine whether or not, on their face, they conform to the requirements of this Indenture (but need not investigate or confirm the accuracy of mathematical calculations or other facts stated therein).

(c) The Trustee may not be relieved from liability for its own negligent action, its own negligent failure to act or its own willful misconduct except that:

(1) this paragraph does not limit the effect of paragraph (b) of this Section 7.01;

(2) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer or other officer, unless it is proved that the Trustee was negligent in ascertaining the pertinent facts; and

(3) the Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Section 6.05 of this Indenture.

(d) Whether or not therein expressly so provided, every provision of this Indenture that in any way relates to the Trustee is subject to paragraphs (a), (b), (c) and (e) of this Section 7.01.

(e) No provision of this Indenture shall require the Trustee to expend or risk its own funds or incur any liability. The Trustee may refuse to perform any duty or exercise any right or power unless it receives indemnity satisfactory to it against any loss, liability, cost or expense (including, without limitation, reasonable fees of counsel).

(f) The Trustee shall not be obligated to pay interest on any money or other assets received by it except in accordance with this Indenture unless otherwise agreed in writing with the Company. Assets held in trust by the Trustee need not be segregated from other funds except to the extent required by law.

(g) The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Company, personally or by agent or attorney at the sole cost of the Company and shall incur no liability or additional liability of any kind by reason of such inquiry or investigation.

(h) The Trustee shall not be deemed to have notice of any Default or Event of Default unless a Responsible Officer of the Trustee has actual knowledge thereof or unless written notice of any event which is in fact such a default is received by the Trustee at the Corporate Trust Office of the Trustee, and such notice references the Notes and this Indenture.

(i) The rights, privileges, protections, immunities and benefits given to the Trustee, including, without limitation, its right to be indemnified, are extended to, and shall be

enforceable by, the Trustee in each of its capacities hereunder, and to each agent, Custodian and other Person employed to act hereunder.

(j) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request of any of the Holders pursuant to this Indenture, unless such Holders shall have offered to the Trustee security or indemnity satisfactory to the Trustee against any loss, liability or expense which might be incurred by it in compliance with such request.

SECTION 7.02. RIGHTS OF TRUSTEE.

Subject to Section 315(a) through (d) of the TIA:

(a) The Trustee may conclusively rely on any document or other writing believed by it to be genuine and to have been signed or presented by the proper person. The Trustee need not investigate any fact or matter stated in the document.

(b) Before the Trustee acts or refrains from acting, it may require an Officers' Certificate or an Opinion of Counsel, or both. The Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on the Officers' Certificate or Opinion of Counsel.

(c) The Trustee may act through attorneys and agents and shall not be responsible for the misconduct or negligence of any attorney or agent appointed with due care.

(d) The Trustee shall not be liable for any action it takes or omits to take in good faith which it believes to be authorized or within the rights or powers conferred upon it by this Indenture, unless the Trustee's conduct constitutes negligence, willful misconduct or bad faith.

(e) The Trustee may consult with counsel of its selection and the advice of such counsel as to matters of law shall be full and complete authorization and protection in respect of any action taken, omitted or suffered by it hereunder in good faith and in accordance with the advice or opinion of such counsel.

(f) Unless otherwise specifically provided in this Indenture, any demand, request, direction or notice from the Company shall be sufficient if signed by an Officer of the Company.

(g) the Trustee may request that the Company deliver an Officers' Certificate setting forth the names of individuals and/or titles of officers authorized at such time to take specified actions pursuant to this Indenture, which Officers' Certificate

may be signed by any person authorized to sign an Officers' Certificate, including any person specified as so authorized in any such certificate previously delivered and not superseded.

SECTION 7.03. INDIVIDUAL RIGHTS OF TRUSTEE.

The Trustee in its individual or any other capacity may become the owner or pledgee of Notes and may otherwise deal with the Company or any Affiliate of the Company with the same rights it would have if it were not Trustee. However, in the event that the Trustee acquires any conflicting interest (as such term is defined in Section 310(b) of the TIA), it must eliminate such conflict within 90 days, apply to the SEC for permission to continue as Trustee (to the extent permitted under Section 310(b) of the TIA) or resign. Any agent may do the same with like rights and duties. The Trustee is also subject to Sections 7.10 and 7.11 of this Indenture.

SECTION 7.04. [Intentionally Omitted]

SECTION 7.05. TRUSTEE'S DISCLAIMER.

The Trustee or any Agent (i) makes no representation as to the validity or adequacy of this Indenture or the Notes, (ii) is not accountable for the Company's use of the proceeds from the Notes, and (iii) is not responsible for any statement in the Notes other than its certificate of authentication and the Statement of Eligibility and Qualification on Form T-1 to be supplied to the Company in connection with the Exchange Offer.

SECTION 7.06. NOTICE OF DEFAULTS.

If a Default or Event of Default with respect the Notes occurs and is continuing, and if it is actually known to the Trustee, the Trustee shall mail to Holders a notice of the Default or Event of Default within 90 days after the occurrence thereof. Except in the case of a Default or Event of Default in payment of any such Note, the Trustee may withhold the notice if and so long as it in good faith determines that withholding the notice is in the interests of the Holders.

SECTION 7.07. REPORTS BY TRUSTEE TO HOLDERS.

The Trustee shall transmit to Holders such reports concerning the Trustee and its actions under this Indenture as may be required by Section 313 of the TIA at the times and in the manner provided by the TIA, which initially shall be not less than every twelve months commencing on April 23, 2003 and may be dated as of a date up to 60 days prior to such transmission.

A copy of each report at the time of its mailing to Holders shall be filed with the SEC, if required, and each stock exchange, if any, on which the Notes are listed. The Company shall promptly notify the Trustee when the Notes become listed or delisted on any stock exchange.

SECTION 7.08. COMPENSATION AND INDEMNITY.

The Company shall pay to the Trustee from time to time such compensation as shall be agreed in writing between the Company and the Trustee for its services hereunder. The Trustee's compensation shall not be limited by any law on compensation of a trustee of an express trust. The Company shall reimburse the Trustee upon request for all reasonable disbursements, advances and expenses incurred by it, including in particular, but without limitation, those incurred in connection with the enforcement of any remedies hereunder. Such expenses may include the reasonable fees and out-of-pocket expenses of the Trustee's agents and counsel.

Except as set forth in the next paragraph, the Company shall indemnify and hold harmless the Trustee and any predecessor trustee against any and all loss, liability, damage, claim or expense, including taxes (other than taxes based upon, measured by or determined by the income of the Trustee) incurred by it arising out of or in connection with the acceptance or administration of the trust under this Indenture. The Trustee shall notify the Company promptly of any claim for which it may seek indemnity. The Company shall defend such claim and the Trustee shall cooperate in such defense. The Trustee may have separate counsel, which counsel must be reasonably acceptable to the Company, and the Company shall pay the reasonable fees and out-of-pocket expenses of such counsel.

The Company need not reimburse any expense or indemnify against any loss, liability, cost or expense incurred by the Trustee through gross negligence, willful misconduct or bad faith.

To secure the Company's payment obligations in this Section 7.08, the Trustee shall have a lien prior to the Notes on all money or property held or collected by the Trustee, except that held in trust to pay the principal of and interest on particular Notes. The Trustee's right to receive payment of any amounts due under this Section 7.08 will not be subordinate to any other liability or indebtedness of the Company.

The Company's obligations pursuant to this Section 7.08 shall survive the satisfaction and discharge of this Indenture. When the Trustee incurs expenses or renders services after an Event of Default specified in paragraph (e) or (f) of Section 6.01 of this Indenture occurs, the expenses and the compensation for the services are intended to constitute expenses of administration under any Bankruptcy Law.

The provisions of this Section shall survive the termination of this Indenture.

SECTION 7.09. REPLACEMENT OF TRUSTEE.

The Trustee shall comply with Section 313(b) of the TIA to the extent applicable.

A resignation or removal of the Trustee and appointment of a successor Trustee shall become effective only upon the successor Trustee's acceptance of appointment as provided in this Section 7.09.

The Trustee may resign and be discharged from the trust hereby created with respect to the Notes by so notifying the Company in writing no later than 15 Business days prior to the date of the proposed resignation. The Holders of a majority in principal amount of the then outstanding Notes may remove the Trustee by so notifying the Trustee and the Company in writing. The Company must remove the Trustee if:

(i) the Trustee fails to comply with Section 7.11 of this Indenture or Section 310 of the TIA;

(ii) the Trustee is adjudged a bankrupt or an insolvent or an order for relief is entered with respect to the Trustee under any Bankruptcy Law;

(iii) a Custodian or public officer takes charge of the Trustee or its property; or

(iv) the Trustee becomes incapable of acting.

If the Trustee is removed by the Company or by the Holders of not less than a majority in aggregate principal amount of the Notes and such Holders do not promptly appoint a successor Trustee (but in no event later than 15 Business Days after such removal by the Holders), or if the Trustee resigns or a vacancy exists in the office of the Trustee for any reason, the Company shall appoint a successor Trustee.

Any Holder of Notes may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee if the Trustee fails to comply with Section 7.11 of this Indenture.

If an instrument of acceptance by a successor Trustee shall not have been delivered to the Trustee within 30 days after the giving of such notice of resignation or removal, the resigning or removed Trustee, as the case may be, may petition, at the expense of the Company, any court of competent jurisdiction for the appointment of a successor Trustee.

A successor Trustee shall deliver a written acceptance of its appointment to the retiring Trustee and to the Company. Thereupon the resignation or removal of the retiring Trustee shall become effective, and the successor Trustee shall have all the rights, powers and duties

of the Trustee under this Indenture. The Company shall mail a notice of the successor Trustee's succession to the Holders. The retiring Trustee shall promptly transfer all property held by it as Trustee to the successor Trustee, subject to the lien provided for in Section 7.08 of this Indenture. Notwithstanding replacement of the Trustee pursuant to this Section 7.09, the Company's obligations under Section 7.08 of this Indenture shall continue for the benefit of the retiring Trustee with respect to expenses, losses and liabilities incurred by it prior to such replacement.

In case of the appointment hereunder of a successor Trustee, the Company, the retiring Trustee and the Trustee shall execute and deliver an indenture supplemental hereto wherein each successor Trustee shall accept such appointment and which shall:

(i) contain such provisions as shall be necessary or desirable to transfer and confirm to, and to vest in, the Trustee all the rights, powers, trusts and duties of the retiring Trustee to which the appointment of such successor Trustee relates;

(ii) contain such provisions as shall be necessary or desirable to confirm that all the rights, powers, trusts and duties of the retiring Trustee as to which the retiring Trustee is not retiring shall continue to be vested in the retiring Trustee; and

(iii) add to or change any of the provisions of this Indenture as shall be necessary or desirable to provide for or facilitate the administration of the trusts hereunder by the Trustees.

Upon the execution and deliver of such supplemental Indenture, the resignation or removal of the retiring Trustee shall become effective to the extent provided therein and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee with respect to the Notes to which the appointment of such successor Trustee relates.

SECTION 7.10. SUCCESSOR TRUSTEE BY MERGER, ETC.

Subject to Section 7.11 of this Indenture, if the Trustee consolidates with, merges or converts into, or transfers all or substantially all of its corporate trust business to, another corporation or national banking association, the successor entity without any further act shall be the successor Trustee.

SECTION 7.11. ELIGIBILITY; DISQUALIFICATION.

The Trustee shall at all times satisfy the requirements of Section 310(a)(1), (2) and (5) of the TIA. The Trustee shall at all times have a combined capital and surplus of at least $50 million as set forth in its most recent published annual report of condition. The Trustee is subject to Section 310(b) of the TIA.

SECTION 7.12. PREFERENTIAL COLLECTION OF CLAIMS AGAINST THE COMPANY.

The Trustee is subject to Section 311(a) of the TIA, excluding any creditor relationship listed in Section 311(b) of the TIA. A Trustee who has resigned or been removed shall be subject to Section 311(a) of the TIA to the extent indicated therein.

SECTION 7.13. TRUSTEE'S APPLICATION FOR INSTRUCTIONS FROM THE COMPANY.

Any application by the Trustee for written instructions from the Company may, at the option of the Trustee, set forth in writing any action proposed to be taken or omitted by the Trustee under this Indenture and the date on and/or after which such action shall be taken or such omission shall be effective. The Trustee shall not be liable for any action taken by, or omission of, the Trustee in accordance with a proposal included in such application on or after the date specified in such application (which date shall not be less than three Business Days after the date any officer of the Company actually received such application, unless any such officer shall have consented in writing to any earlier date) unless prior to taking any such action (or the effective date in the case of an omission), the Trustee shall have received written instructions in response to such application specifying the action to be taken or omitted.

SECTION 7.14. APPOINTMENT OF CO-TRUSTEE.

(a) Notwithstanding any other provisions of this Indenture, at any time, for the purpose of meeting any legal requirement of any relevant jurisdiction, the Trustee shall have the power and may execute and deliver all instruments necessary to appoint one or more Persons to act as a co-trustee or co-trustees, or separate trustee or separate trustees in such capacity and for the benefit of the Holders, subject to the other provisions of this Section, such powers, duties, obligations, rights and trusts as the Trustee may consider necessary or desirable. No co-trustee or separate trustee hereunder shall be required to meet the terms of eligibility as a successor trustee under Section 7.11 and no notice to Holders of the appointment of any co-trustee or separate trustee shall be required under Section 7.09 of this Indenture.

(b) Every separate trustee and co-trustee shall, to the extent permitted by law, be appointed and act subject to the following provisions and conditions:

(i) all rights, powers, duties and obligations conferred or imposed upon the Trustee shall be conferred or imposed upon and exercised or performed by the Trustee under this Indenture and such separate trustee or co-trustee jointly (it being understood that such separate trustee or co-trustee is not authorized to act separately without the Trustee joining in such act except to the extent that under any law of any jurisdiction in which any particular act or acts are to be performed the Trustee shall be incompetent or unqualified to perform such act or acts, in which event such rights, powers, duties

and obligations shall be exercised and performed singly by such separate trustee or co-trustee, but solely at the direction of the Trustee);

(ii) no trustee hereunder shall be personally liable by reason of any act or omission of any other trustee hereunder; and

(iii) the Trustee may at any time accept the resignation of or remove any separate trustee or co-trustee.

(c) Any notice, request or other writing given to the Trustee shall be deemed to have been given to each of the then separate trustees and co-trustees, as effectively as if given to each of them. Every instrument appointing any separate trustee or co-trustee shall refer to this Indenture and the conditions of this Article VII.

(d) Any separate trustee or co-trustee may at any time constitute the Trustee its agent or attorney-in-fact with full power and authority, to the extent not prohibited by law, to do any lawful act under or in respect of this Indenture on its behalf and in its name. If any separate trustee or co-trustee shall die, become incapable or acting, resign or be removed, all of its rights, remedies and trusts shall vest in and be exercised by the Trustee, to the extent permitted by law, without the appointment of a new or successor trustee.

(e) To the extent any co-trustee or separate trustee is not an affiliate of the Trustee, the appointment of the co-trustee shall be subject to the prior written consent of the Company, which consent shall not be reasonably withheld.

ARTICLE VIII

DISCHARGE OF INDENTURE

SECTION 8.01. SATISFACTION AND DISCHARGE OF INDENTURE.

This Indenture shall cease to be of further effect (except as to any surviving rights of registration of transfer or exchange of Notes herein expressly provided for), and the Trustee, at the expense of the Company, shall execute proper instruments acknowledging satisfaction and discharge of this Indenture, when:

(i) either:

(a) all Notes previously authenticated and delivered (other than Notes which have been destroyed, lost or stolen and which have been replaced or paid) have been delivered to the Trustee for cancellation; or

(b) all such Notes not previously delivered to the Trustee for cancellation have become due and payable (whether at stated maturity, early redemption or otherwise);

and, in the case of clause (b) above, the Company has deposited, or caused to be deposited, irrevocably with the Trustee as trust funds in trust for the purpose of making the following payments, specifically pledged as security for and dedicated solely to the benefit of the Holders of Notes, cash in U.S. Dollars and/or U.S. Government Obligations which through the payment of interest and principal in respect thereof, in accordance with their terms, will provide (and without reinvestment and assuming no tax liability will be imposed on such Trustee), not later than one day before the due date of any payment of money, an amount in cash, sufficient, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee, to pay principal of and interest and premium, if any, on all the Notes on the dates such payments of principal or interest and premium, if any, are due to maturity or redemption;

(ii) the Company has paid or caused to be paid all other sums payable hereunder by the Company with respect to the Notes; and

(iii) the Company has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent herein provided for relating to the satisfaction and discharge of this Indenture with respect to the Notes have been complied with.

Notwithstanding the satisfaction and discharge of this Indenture, the obligations of the Company to the Trustee under Section 7.08 of this Indenture shall survive, and, if money will have been deposited with the Trustee pursuant to subclause (b) of clause (i) of this Section, the obligations of the Trustee under Sections 8.02 and 8.05 of this Indenture shall survive.

SECTION 8.02. APPLICATION OF TRUST FUNDS; INDEMNIFICATION.

(a) Subject to the provisions of Section 8.05 of this Indenture, all money and U.S. Government Obligations deposited with the Trustee pursuant to Section 8.01, 8.03 or 8.04 of this Indenture and all money received by the Trustee in respect of U.S. Government Obligations deposited with the Trustee pursuant to Sections 8.01, 8.03 or 8.04 of this Indenture, shall be held in trust and applied by it, in accordance with the provisions of the Notes and this Indenture, to the payment, either directly or through any Paying Agent as the Trustee may determine, to the persons entitled thereto, of the principal and interest for whose payment such money has been deposited with or received by the Trustee.

(b) The Company shall pay and shall indemnify the Trustee against any tax, fee or other charge imposed on or assessed against U.S. Government Obligations deposited

pursuant to Sections 8.01, 8.03 or 8.04 of this Indenture or the interest and principal received in respect of such obligations other than any payable by or on behalf of Holders.

(c) The Trustee shall deliver or pay to the Company from time to time upon the request of the Company any U.S. Government Obligations or money held by it as provided in Sections 8.01, 8.03 or 8.04 of this Indenture which, in the opinion of a nationally recognized firm of independent certified public accountants expressed in a written certification thereof delivered to the Trustee, are then in excess of the amount thereof which then would have been required to be deposited for the purpose for which such U.S. Government Obligations or money were deposited or received. This provision shall not authorize the sale by the Trustee of any U.S. Government Obligations held under this Indenture.

SECTION 8.03. LEGAL DEFEASANCE.

The Company shall be deemed to have been discharged from its obligations with respect to all of the outstanding Notes on the 91st day after the date of the deposit referred to in subparagraph (a) of this Section 8.03, and the provisions of this Indenture, as it relates to such outstanding Notes, shall no longer be in effect (and the Trustee, at the expense of the Company, shall, upon the request of the Company, execute proper instruments acknowledging the same), except as to:

(i) the rights of Holders of Notes to receive, solely from the trust funds described in subparagraph (a) of this Section 8.03(iii), payments of the principal of or interest on the outstanding Notes on the date such payments are due;

(ii) the Company's obligations with respect to such Notes under Sections 2.04, 2.05, 2.07, 2.08, 2.09 and 2.10 of this Indenture; and

(iii) the rights, powers, trust and immunities of the Trustee hereunder and the duties of the Trustee under Section 8.02 of this Indenture and the duty of the Trustee to authenticate Notes issued on registration of transfer or exchange;

provided that the following conditions shall have been satisfied:

(a) the Company shall have deposited, or caused to be deposited, irrevocably with the Trustee as trust funds in trust for the purpose of making the following payments, specifically pledged as security for and dedicated solely to the benefit of the Holders of Notes, cash in U.S. Dollars and/or U.S. Government Obligations which through the payment of interest and principal in respect thereof, in accordance with their terms, will provide (and without reinvestment and assuming no tax liability will be imposed on such Trustee), not later than one day before the due date of any payment of money, an amount in cash, sufficient, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof de-

livered to the Trustee, to pay principal and premium, if any, of and interest on all the Notes on the dates such payments of principal and premium, if any, and interest are due to maturity or redemption;

(b) such deposit will not result in a breach or violation of, or constitute a default under any other agreement or instrument to which the Company is a party or by which it is bound;

(c) no Default or Event of Default shall have occurred and be continuing on the date of such deposit and 91 days shall have passed after the deposit has been made, and, during such 91 day period, no Default specified in Section 6.01(e) or (f) of this Indenture with respect to the Company occurs which is continuing at the end of such period;

(d) the Company shall have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel that will (A) state that, since the Issue Date, there has been a change in the applicable U.S. federal income tax law, or (B) be accompanied by a private letter ruling received from the Internal Revenue Service or a revenue ruling pertaining to a comparable form of transaction published by the Internal Revenue Service, in either case to the effect that, and based thereon such Opinion of Counsel shall confirm that, the Holders will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such deposit, defeasance and discharge and will be subject to U.S. federal income tax on the same amount and in the same manner and at the same times as would have been the case if such deposit, defeasance and discharge had not occurred;

(e) the Company shall have delivered to the Trustee an Officers' Certificate stating that the deposit was not made by the Company with the intent of preferring the Holders over any other creditors of the Company or with the intent of defeating, hindering, delaying or defrauding any other creditors of the Company;

(f) such deposit shall not result in the trust arising from such deposit constituting an "investment company" (as defined in the Investment Company Act of 1940, as amended), or such trust shall be qualified under such Act or exempt from regulation thereunder; and

(g) the Company shall have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent relating to the defeasance contemplated by this Section 8.03 have been complied with.

SECTION 8.04. COVENANT DEFEASANCE.

On and after the 91st day after the date of the deposit referred to in subparagraph (a) of Section 8.03 of this Indenture, the Company may omit to comply with any term, provision or condition set forth under Sections 4.07, 4.08 and 4.09 of this Indenture as well as any additional covenants contained in a supplemental indenture hereto (and the failure to comply with any such provisions shall not constitute a Default or Event of Default under Section 6.01 of this Indenture) and the occurrence of any event described in paragraph (a) of Section 6.01 of this Indenture shall not constitute a Default or Event of Default hereunder, provided that the following conditions shall have been satisfied:

(i) With reference to this Section 8.04, the Company has deposited, or caused to be deposited, irrevocably (except as provided in Section 8.05 of this Indenture) with the Trustee as trust funds in trust, specifically pledged as security for, and dedicated solely to, the benefit of the Holders, cash in U.S. Dollars and/or U.S. Government Obligations which through the payment of principal and interest in respect thereof, in accordance with their terms, will provide (and without reinvestment and assuming no tax liability will be imposed on such Trustee), not later than one day before the due date of any payment of money, an amount in cash, sufficient, in the opinion of a nationally recognized firm of independent certified public accountants expressed in a written certification thereof delivered to the Trustee, to pay principal and interest and premium, if any, on all the Notes on the dates such payments of principal and interest and premium, if any, are due to maturity or redemption;

(ii) Such deposit will not result in a breach or violation of, or constitute a default under any other agreement or instrument to which the Company is a party or by which it is bound;

(iii) No Default or Event of Default with respect to the Notes shall have occurred and be continuing on the date of such deposit and 91 days shall have passed after the deposit has been made, and, during such 91 day period, no Default with respect to the Notes specified in Section 6.01(e) or (f) hereof with respect to the Company occurs which is continuing at the end of such period;

(iv) The Company shall have delivered to the Trustee an Opinion of Counsel confirming that Holders of the Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such deposit and defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred;

(v) The Company shall have delivered to the Trustee an Officers' Certificate stating the deposit was not made by the Company with the intent of preferring the Holders of the Notes over any other creditors of the Company or with the intent of defeating, hindering, delaying or defrauding any other creditors of the Company;

(vi) such deposit shall not result in the trust arising from such deposit constituting an "investment company" (as defined in the Investment Company Act of 1940, as amended), or such trust shall be qualified under such Act or exempt from regulation thereunder; and

(vii) The Company shall have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent herein provided for relating to the defeasance contemplated by this Section 8.04 have been complied with.

SECTION 8.05. REPAYMENT TO COMPANY.

The Trustee and the Paying Agent shall pay to the Company upon request any money held by them for the payment of principal or interest that remains unclaimed for two years after the date upon which such payment shall have become due. After payment to the Company, Holders entitled to the money must look to the Company for payment as general creditors unless an applicable abandoned property or similar law designates another Person.

ARTICLE IX

AMENDMENTS, SUPPLEMENTS AND WAIVERS

SECTION 9.01. WITHOUT CONSENT OF HOLDERS.

Without the consent of any Holder, the Company and the Trustee may, at any time, amend this Indenture or the Notes or enter into a supplemental indenture to:

(a) provide for the assumption of the Company's obligations to the Holders of Notes in the case of a merger or consolidation pursuant to Article V of this Indenture;

(b) evidence the assumption by a successor corporation of the Company's obligations, and covenants for the protection of the Holders of the Notes;

(c) provide for or release Guarantees by Subsidiaries as required by Section 4.09 of this Indenture;

(d) add to the covenants of the Company for the benefit of the Holders or to surrender any right or power herein conferred upon the Company;

(e) cure any ambiguity or correct any inconsistency in the Indenture;

(f) make any change that does not adversely affect the rights of Holders;

(g) modify or amend the Indenture to permit the qualification of indentures supplemental thereto; or

(h) comply with any requirement of the SEC in connection with qualification of the Indenture under the TIA or otherwise.

SECTION 9.02. WITH CONSENT OF HOLDERS.

Except as provided below in this Section 9.02, this Indenture or the Notes may be amended or supplemented, and noncompliance in any particular instance with any provision of this Indenture or the Notes may be waived, in each case with the written consent of the Holders of not less than a majority in principal amount of the then outstanding Notes.

Without the consent of each Holder of Notes, an amendment, supplement or waiver under this Section 9.02 may not:

(a) extend the fixed maturity of any Notes; or

(b) reduce the principal amount thereof or any premium thereon; or

(c) reduce the rate or extend the time of payment of interest thereon; or

(d) reduce any premium payable upon the redemption thereon; or

(e) reduce the percentage required for modification; or

(f) change the place of payment where, or the coin or currency in which, any Note or any premium thereon is payable; or

(g) impair the right to institute suit for the enforcement of any such payment on or after the stated maturity thereof.

It shall not be necessary for the consent of the Holders under this Section 9.02 to approve the particular form of any proposed amendment or waiver, but it shall be sufficient if such consent approves the substance thereof.

After an amendment or waiver under this Section 9.02 becomes effective, the Company shall mail to Holders affected thereby a notice briefly describing the amendment or waiver. Any failure of the Company to mail such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such amended or supplemental indenture or waiver.

SECTION 9.03. COMPLIANCE WITH TRUST INDENTURE ACT.

Every amendment to this Indenture or the Notes shall be set forth in a supplemental indenture that complies with the TIA as then in effect.

SECTION 9.04. REVOCATION AND EFFECT OF CONSENTS.

Until an amendment, supplement or waiver becomes effective, a consent to it by a Holder is a continuing consent by the Holder and every subsequent Holder of a Note or portion of a Note that evidences the same debt as the consenting Holder's Note, even if notation of the consent is not made on any Note; provided, however, that unless a record date shall have been established pursuant to Section 2.17 of this Indenture, any such Holder or subsequent Holder may revoke the consent as to its Note or portion of a Note if the Trustee receives written notice of revocation before the date the amendment, supplement or waiver becomes effective. An amendment, supplement or waiver becomes effective on receipt by the Trustee of consents from the Holders of the requisite percentage principal amount of the outstanding Notes, and thereafter shall bind every Holder of Notes; provided, however, if the amendment, supplement or waiver makes a change described in any of the clauses (a) through (g) of Section 9.02 of this Indenture, the amendment, supplement or waiver shall bind only each Holder of a Note which has consented to it and every subsequent Holder of a Note or portion of a Note that evidences the same indebtedness as the consenting Holder's Note.

SECTION 9.05. NOTATION ON OR EXCHANGE OF NOTES.

If an amendment, supplement or waiver changes the terms of a Note:

(a) the Trustee may require the Holder of a Note to deliver such Note to the Trustee, the Trustee may place an appropriate notation on the Note about the changed terms and return it to the Holder and the Trustee may place an appropriate notation on any Note thereafter authenticated; or

(b) if the Company or the Trustee so determines, the Company in exchange for the Note shall issue and the Trustee shall authenticate a new Note that reflects the changed terms.

Failure to make the appropriate notation or issue a new Note shall not affect the validity and effect of such amendment, supplement or waiver.

SECTION 9.06. TRUSTEE TO SIGN AMENDMENT, ETC.

The Trustee shall sign any amendment authorized pursuant to this Article IX if the amendment does not adversely affect the rights, duties, liabilities or immunities of the Trustee. If it does, the Trustee may but need not sign it. In signing or refusing to sign such amendment, the Trustee shall be entitled to receive and shall be fully protected in relying upon an Officers' Certificate and an Opinion of Counsel as conclusive evidence that such amendment is authorized or permitted by this Indenture.

ARTICLE X

MISCELLANEOUS

SECTION 10.01. TRUST INDENTURE ACT CONTROLS.

This Indenture is subject to the provisions of the TIA which are required to be part of this Indenture, and shall, to the extent applicable, be governed by such provisions.

SECTION 10.02. NOTICES.

Any notice or communication to the Company or the Trustee is duly given if in writing and delivered in person or mailed by first-class mail to the address set forth below:

If to the Company, addressed to the Company:

PolyOne Corporation
Suite 36-500, 200 Public Square
Cleveland, Ohio 44114
Attention: Treasurer

with a copy to:

Jones Day Reavis & Pogue
901 Lakeside Avenue
Cleveland, Ohio 44114-1190
Attention: Christopher M. Kelly, Esq.

If to the Trustee or Paying Agent in The City of New York:

The Bank of New York
101 Barclay Street, Floor 21W
New York, New York 10286
Attention: Corporate Trust Administration

The Company or the Trustee by notice to the other may designate additional or different addresses for subsequent notices or communications.

Any notice or communication to a Holder shall be mailed by first-class mail to his address shown on the Register kept by the Registrar. Failure to mail a notice or communication to a Holder or any defect in such notice or communication shall not affect its sufficiency with respect to other Holders.

If a notice or communication is mailed or sent in the manner provided above within the time prescribed, it is duly given, whether or not the addressee receives it, except that notice to the Trustee shall only be effective upon receipt thereof by the Trustee.

If the Company mails a notice or communication to Holders, it shall mail a copy to the Trustee and each Agent at the same time.

SECTION 10.03. COMMUNICATION BY HOLDERS WITH OTHER HOLDERS.

Holders may communicate pursuant to Section 312(b) of the TIA with other Holders with respect to their rights under the Notes or this Indenture. The Company, the Trustee, the Registrar and anyone else shall have the protection of Section 312(c) of the TIA.

SECTION 10.04. CERTIFICATE AND OPINION AS TO CONDITIONS PRECEDENT.

Upon any request or application by the Company to the Trustee to take any action under this Indenture (except for the first issuance of Notes), the Company shall furnish to the Trustee:

(i) an Officers' Certificate (which shall include the statements set forth in Section 10.05 of this Indenture) stating that, in the opinion of the signers, all conditions precedent and covenants, if any, provided for in this Indenture relating to the proposed action have been complied with; and

(ii) an Opinion of Counsel (which shall include the statements set forth in Section 10.05 of this Indenture) stating that, in the opinion of such counsel, all such conditions precedent and covenants have been complied with.

SECTION 10.05. STATEMENTS REQUIRED IN CERTIFICATE OR OPINION.

Each certificate (other than certificates provided pursuant to Section 4.04 of this Indenture) or opinion with respect to compliance with a condition or covenant provided for in this Indenture shall include:

(i) a statement that each individual signing such certificate or opinion has read such covenant or condition;

(ii) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(iii) a statement that, in the opinion of each such person, he or she has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(iv) a statement as to whether or not, in the opinion of each such person, such condition or covenant has been complied with; provided, however, that with respect to matters of fact, an Opinion of Counsel may rely on an Officers' Certificate or certificate of public officials.

SECTION 10.06. RULES BY TRUSTEE AND AGENTS.

The Trustee may make reasonable rules for action by or for a meeting of Holders. The Registrar or Paying Agent may make reasonable rules and set reasonable requirements for its functions.

SECTION 10.07. LEGAL HOLIDAYS.

A "Legal Holiday" is a Saturday, a Sunday or a day on which banking institutions in The City of New York are not required or authorized to be open. If a payment date is a Legal Holiday at a place of payment, payment may be made at that place on the next succeeding day that is not a Legal Holiday, and no interest shall accrue for the intervening period.

SECTION 10.08. DUPLICATE ORIGINALS.

The parties may sign any number of copies of this Indenture. One signed copy is enough to prove this Indenture.

SECTION 10.09. GOVERNING LAW.

THIS INDENTURE AND THE NOTES SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK

WITHOUT GIVING EFFECT TO PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THE APPLICATION OF THE LAW OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

SECTION 10.10. NO ADVERSE INTERPRETATION OF OTHER AGREEMENTS.

This Indenture may not be used to interpret another indenture, loan or debt agreement of the Company or any of its Subsidiaries. Any such indenture, loan or debt agreement may not be used to interpret this Indenture.

SECTION 10.11. SUCCESSORS.

All agreements of the Company under the Notes and this Indenture shall bind their respective successors. All agreements of the Trustee in this Indenture shall bind its successor.

SECTION 10.12. SEVERABILITY.

In case any provision in the Notes or in this Indenture is invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 10.13. COUNTERPART ORIGINALS.

This Indenture may be signed in one or more counterparts. Each signed copy shall be an original, but all of them together represent the same agreement.

SECTION 10.14 NO PERSONAL LIABILITY.

No director, officer, employee, incorporator, Affiliate or holder of capital stock of the Company shall have any liability for any obligations of the Company under the Notes or the Indenture or for any claim based on, in respect of, or by reason of, such obligations. Each Holder of Notes, by accepting a Note, waives and releases all such liability. The waiver and release shall be part of the consideration for the issuance of the Notes.

IN WITNESS WHEREOF, the parties have caused this Indenture to be duly executed as of the date first written above.

POLYONE CORPORATION

By: /s/ W. David Wilson

Name: W. David Wilson
Title: Vice President and Chief Financial Officer

THE BANK OF NEW YORK, AS TRUSTEE

By: /s/ Paul J. Schmalzel

Name: Paul J. Schmalzel
Title: Vice President

EXHIBIT A

[Form of Initial Note]

[FACE OF NOTE]

UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR SECURITIES IN DEFINITIVE FORM, THIS SECURITY MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY, OR BY ANY SUCH NOMINEE OF THE DEPOSITARY, OR BY THE DEPOSITARY OR NOMINEE OF SUCH SUCCESSOR DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY. UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO AN ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT HEREON IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

TRANSFERS OF THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF CEDE & CO. OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN SECTION 2.09 OF THE INDENTURE REFERRED TO HEREIN.(1)

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") AND NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN (OR THEREIN) MAY BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT

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(1) This legend should be included only if the Note is issued in global form.

SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS. THE HOLDER HEREOF, BY ITS ACCEPTANCE OF THIS SECURITY, AGREES FOR THE BENEFIT OF THE ISSUER THAT THIS SECURITY MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED PRIOR TO THE EXPIRATION OF THE HOLDING PERIOD APPLICABLE THERETO UNDER RULE 144(K) UNDER THE SECURITIES ACT WHICH IS APPLICABLE TO THIS SECURITY (THE "RESALE RESTRICTION TERMINATION DATE") OTHER THAN (1) TO EITHER ISSUER OR ITS SUBSIDIARIES, (2) SO LONG AS THIS SECURITY IS ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT ("RULE 144A"), TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" WITHIN THE MEANING OF RULE 144A PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, IN EACH CASE TO WHOM NOTICE IS GIVEN THAT THE RESALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A (AS INDICATED BY THE BOX CHECKED BY THE TRANSFEROR ON THE CERTIFICATE OF TRANSFER ON THE REVERSE OF THIS SECURITY IF THIS SECURITY IS NOT IN BOOK-ENTRY FORM), (3) TO A NON-"U.S. PERSON" IN AN "OFFSHORE TRANSACTION" (AS SUCH TERMS ARE DEFINED IN REGULATION S UNDER THE SECURITIES ACT) IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT (AS INDICATED BY THE BOX CHECKED BY THE TRANSFEROR ON THE CERTIFICATE OF TRANSFER ON THE REVERSE OF THIS SECURITY IF THIS SECURITY IS NOT IN BOOK-ENTRY FORM), (4) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, INCLUDING THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT, IF AVAILABLE, OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, SUBJECT IN EACH OF THE FOREGOING CASES TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF ITS PROPERTY OR THE PROPERTY OF SUCH INVESTOR ACCOUNT OR ACCOUNTS BE AT ALL TIMES WITHIN ITS OR THEIR CONTROL, AND SUBJECT TO THE RIGHT OF THE ISSUER OR THE TRUSTEE FOR THE SECURITIES PRIOR TO ANY SUCH SALE, PLEDGE OR OTHER TRANSFER PURSUANT TO CLAUSE (4) ABOVE TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATIONS AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM. THIS LEGEND WILL BE REMOVED UPON REQUEST OF THE HOLDER ON OR AFTER THE RESALE RESTRICTION TERMINATION DATE.

POLYONE CORPORATION

8.875% Senior Note due 2012

CUSIP No. $

POLYONE CORPORATION, an Ohio corporation (the "Company", which term includes any successor under the Indenture hereinafter referred to), for value received, promises to pay to , or its registered assigns, the principal sum of $ ($) on May 1, 2012.

Interest Payment Dates: May 1 and November 1, commencing November 1, 2002.

Regular Record Dates: April 15 and October 15.

Reference is hereby made to the further provisions of this Note set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

IN WITNESS WHEREOF, the Company has caused this Note to be executed manually or by facsimile by its duly authorized officers.

Dated: April 23, 2002 POLYONE CORPORATION

By:

Name:
Title:

By:

Name:
Title:

Trustee's Certificate of Authentication

This is one of the 8.875% Senior Notes due 2012 referred to in the within-mentioned Indenture.

THE BANK OF NEW YORK,
as Trustee

By:

Authorized Signatory

Dated: April 23, 2002

[REVERSE SIDE OF NOTE](2)

POLYONE CORPORATION

8.875% Senior Note due 2012

Capitalized terms used herein but not defined shall have the meanings assigned to them in the Indenture referred to below unless otherwise indicated.

1. INTEREST

POLYONE CORPORATION, an Ohio corporation (such entity, and its successors and assigns under the Indenture, the "Company"), promises to pay interest on the principal amount of this Note at the rate per annum shown above. The Company will pay interest semi-annually on May 1 and November 1 of each year, commencing November 1, 2002. Interest on the Notes will accrue from the most recent date on which interest has been paid or, if no interest has been paid, from April 23, 2002. Interest will be computed on the basis of a 360-day year of twelve 30-day months. The Company shall pay interest on overdue principal at the rate borne by the Notes, and it shall pay interest on overdue installments of interest at the same rate to the extent lawful.

2. METHOD OF PAYMENT

The Company will pay interest on the Notes (except defaulted interest) to the Persons who are registered holders of Notes at the close of business on the record date immediately preceding the interest payment date even if Notes are canceled on registration of transfer or registration of exchange (including pursuant to an Exchange Offer (as defined in the Registration Rights Agreement)) after the record date. Holders must surrender Notes to a Paying Agent to collect principal payments. The Company will pay to the Paying Agent the principal and premium, if any, of and interest on the Notes in money of the United States that at the time of payment is legal tender for payment of public and private debts. The Company may, however, at its option, pay principal and premium, if any, and interest by U.S. Dollar check drawn on a bank in The City of New York mailed to the address of the Holder as such address shall appear in the Register, provided, however, that if such Holder has submitted an application to the Registrar not later than the relevant record date, the Company shall wire transfer in immediately available funds such payment in lieu of a check, which application shall remain in effect until the Holder notifies, in writing, the Registrar to the contrary.

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(2) Appropriate modifications shall be made to reflect the terms of Additional Notes.

3. PAYING AGENT AND REGISTRAR

Initially, The Bank of New York, a New York banking corporation (the "Trustee"), will act as Paying Agent and Registrar. The Company may appoint and change any Paying Agent, Registrar or co-registrar without notice. The Company may act as Paying Agent, Registrar, co-Registrar or transfer agent.

4. INDENTURE

The Company issued the Notes under an Indenture dated as of April 23, 2002 (the "Indenture"), between the Company and the Trustee. This Note is one of a duly authorized issue of Initial Notes of the Company designated as its 8.875% Senior Notes due 2012 (the "Exchange Notes"). The Notes include the Initial Notes and the Exchange Notes (as defined in the Indenture) issued in exchange for the Initial Notes pursuant to the Registration Rights Agreement. The Initial Notes and the Exchange Notes are treated as a single class of Notes under the Indenture. The terms of the Notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939 (15 U.S.C. ss. 77aaa-77bbbb) as in effect on the date of the Indenture (the "TIA"). Terms defined in the Indenture and not defined herein have the meanings ascribed thereto in the Indenture. The Notes are subject to all such terms, and Holders are referred to the Indenture and the TIA for a statement of those terms. Any conflict between this Note and the Indenture will be governed by the Indenture.

5. OPTIONAL REDEMPTION

The Notes may be redeemed at the Company's option, in whole or in part, at any time or from time to time, on at least 30 days but not more than 60 days' prior notice, at a price equal to the greater of: (i) 100% of the principal amount being redeemed on the Redemption Date, and (ii) the Make Whole Amount (as defined in the Indenture), plus, in each case, accrued and unpaid interest and Liquidated Damages, if any, on the Notes to the Redemption Date.

Unless the Company defaults in its payment of the Redemption Price, on and after the Redemption Date, interest will cease to accrue on the Notes or portions of the Notes called for redemption and those Notes will cease to be outstanding.

6. NOTICE OF REDEMPTION

Notice of redemption will be mailed by first-class mail at least 30 days but not more than 60 days before the redemption date to each Holder of Notes to be redeemed at his registered address. Notes in denominations larger than $1,000 may be redeemed in part but only in whole multiples of $1,000. If a notice or communication is sent in the manner provided in the Indenture, it is duly given, whether or not the addressee receives it. Failure to send a notice or

communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders.

7. REGISTRATION RIGHTS AGREEMENT

The Holder of this Note is entitled to the benefits of a Registration Rights Agreement, dated as of April 23, 2002, among the Company and the Initial Purchasers named therein (as such may be amended from time to time, the "Registration Rights Agreement"). Capitalized terms used in this subsection but not defined herein have the meanings assigned to them in the Registration Rights Agreement.

If (i) within 90 days after the Issue Date, neither the Exchange Offer Registration Statement nor, if applicable, the Shelf Registration Statement has been filed with the Commission; (ii) within 180 days after the Issue Date, the Exchange Offer Registration Statement or the Shelf Registration Statement, as applicable, has not been declared effective; (iii) within 225 days after the Issue Date, the Exchange Offer has not been consummated; or (iv) after either the Exchange Offer Registration Statement or the Shelf Registration Statement has been declared effective, such Registration Statement thereafter ceases to be effective or usable (subject, in the case of the Shelf Registration Statement, to the exceptions set forth in the Registration Rights Agreement) in connection with resales of Initial Notes or Exchange Notes in accordance with and during the periods specified in Sections 2 and 3 of the Registration Rights Agreement (each such event referred to in clauses (i) through (iv), a "Registration Default"), liquidated damages ("Liquidated Damages") will accrue on the Initial Notes and the Exchange Notes from and including the date on which any such Registration Default shall occur to but excluding the date on which all Registration Defaults have been cured. Liquidated Damages will accrue at a rate equal to 0.25% per annum of the aggregate principal amount of the Notes during the 90-day period immediately following the occurrence of any Registration Default and shall increase by 0.25% per annum for each subsequent 90-day period during which such Registration Default continues, but in no event shall such Liquidated Damages exceed .50% per annum. Any amounts of Liquidated Damages will be payable in cash on each Interest Payment Date, commencing with the first such date occurring after any such Liquidated Damages commence to accrue.

8. RESTRICTIVE COVENANTS

The Indenture imposes certain limitations on the ability of the Company among other things, to create liens and engage in sale and leaseback transactions. In addition, the Indenture imposes certain limitations on the ability of a Subsidiary to Guarantee or secure the payment of Indebtedness of the Company and the Company to engage in mergers and consolidations or transfers of all or substantially all of its assets. The Indenture requires the Company to deliver to the Trustee an Officers' Certificate within 120 days after the end of each fiscal year stating

whether or not the signers thereof know of any Default or Event of Default under such restrictive covenants.

9. DENOMINATIONS; TRANSFER; EXCHANGE

The Notes are in registered form, without coupons, and in denominations of $1,000 and integral multiples of $1,000. A Holder may transfer or exchange Notes in accordance with the Indenture. The Registrar may require a Holder, among other things, to furnish appropriate endorsements or transfer documents and to pay any taxes and fees required by law or permitted by the Indenture, including any transfer tax or other similar governmental charge payable in connection therewith. The Registrar need not register the transfer of or exchange any Notes selected for redemption (except, in the case of a Note to be redeemed in part, the portion of the Note not to be redeemed) or any Notes for a period of 15 days before a selection of Notes to be redeemed or 15 days before an interest payment date.

10. PERSONS DEEMED OWNERS

The registered Holder of this Note may be treated as the owner of it for all purposes.

11. UNCLAIMED MONEY

If money for the payment of principal or interest remains unclaimed for two years, the Trustee or Paying Agent shall pay the money back to the Company at its written request unless an abandoned property or similar law designates another Person. After any such payment, Holders entitled to the money must look only to the Company and not to the Trustee for payment.

12. DISCHARGE AND DEFEASANCE

Subject to certain conditions, the Company at any time may terminate some or all of its obligations under the Notes and the Indenture if the Company deposits with the Trustee money or U.S. Government Obligations for the payment of principal and interest on the Notes to redemption or maturity, as the case may be.

13. AMENDMENT, WAIVER

Subject to certain exceptions set forth in the Indenture, (i) the Indenture or the Notes may be amended with the consent of the Holders of not less than a majority in principal amount outstanding of the Notes and (ii) any past default or noncompliance with any provision may be waived with the consent of the Holders of not less than a majority in principal amount outstanding of the Notes. Subject to certain exceptions set forth in the Indenture, without the consent of any Holder, the Company and the Trustee may amend the Indenture or the Notes to cure any ambiguity or correct any inconsistency, to comply with Article V of the

Indenture, to add Guarantees or release Guarantors when permitted by the Indenture, to add additional covenants or surrender rights and powers conferred on the Company, to modify or amend the Indenture to permit the qualification of the Indenture under the TIA or otherwise, to make any change that does not adversely affect the rights of any Holder or to comply with any request of the SEC in connection with qualifying the Indenture under the TIA.

14. DEFAULTS AND REMEDIES

If an Event of Default occurs and is continuing, the Trustee or the Holders of at least 25% in aggregate principal amount of the Notes then outstanding may declare all the Notes to be due and payable. Certain events of bankruptcy or insolvency are Events of Default which will result in the Notes being due and payable immediately upon the occurrence of such Events of Default.

Holders may not enforce the Indenture or the Notes except as provided in the Indenture. The Trustee may refuse to enforce the Indenture or the Notes unless it is offered reasonable indemnity or security. Subject to certain limitations, Holders of a majority in principal amount of the Notes may direct the Trustee in its exercise of any trust or power. The Trustee may withhold from Holders notice of any continuing Default (except a Default in payment of principal or interest) if and so long as a committee of its trust officers determines that withholding notice is in the interest of the Holders.

15. TRUSTEE DEALINGS WITH THE COMPANY

Subject to certain limitations imposed by the TIA, the Trustee under the Indenture, in its individual or any other capacity, may become the owner or pledgee of Notes and may otherwise deal with and collect obligations owed to it by the Company or any of its Affiliates and may otherwise deal with the Company or any of its Affiliates with the same rights it would have if it were not Trustee.

16. NO PERSONAL LIABILITY

No director, officer, employee, incorporator, Affiliate or holder of capital stock of the Company shall have any liability for any obligations of the Company under the Notes or the Indenture or for any claim based on, in respect of, or by reason of, such obligations. Each Holder of Notes, by accepting a Note, waives and releases all such liability. The waiver and release shall be part of the consideration for the issuance of the Notes.

17. GOVERNING LAW

The Indenture and the Notes shall be governed by, and construed in accordance with, the laws of the State of New York without giving effect to applicable principles of conflict of

laws to the extent that the application of the laws of another jurisdiction would be required thereby.

18. AUTHENTICATION

This Note shall not be valid until an authorized signatory of the Trustee (or an authenticating agent) manually signs the certificate of authentication on the other side of this Security.

19. ABBREVIATIONS

Customary abbreviations may be used in the name of a Holder or an assignee, such as TEN COM (= tenants in common), TEN ENT (= tenants by the entireties), JT TEN (= joint tenants with rights of survivorship and not as tenants in common), CUST (= custodian), and U/G/M/A (= Uniform Gift to Minors Act).

20. CUSIP NUMBERS

Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures the Company has caused CUSIP numbers to be printed on the Notes and has directed the Trustee to use CUSIP numbers in notices of redemption as a convenience to Holders. No representation is made as to the accuracy of such numbers either as printed on the Notes or as contained in any notice of redemption and reliance may be placed only on the other identification numbers placed thereon.

The Company will furnish to any Holder upon written request and without charge to the Holder a copy of the Indenture. Requests may be made as follows:

POLYONE CORPORATION
Suite 36-5000, 200 Public Square
Cleveland, Ohio 44114
Attention: Treasurer

ASSIGNMENT FORM

To assign this Note, fill in the form below and have your signature guaranteed: (I) or (we) assign and transfer this Note to:

- ---

(Insert assignee's soc. sec. or tax I.D. no.)

- ---
- ---
- ---
- ---

(Print or type assignee's name, address and zip code)

and irrevocably appoint
to transfer this Note on the books of the Company. The agent may substitute another to act for him.

Dated: _____ Your Name:

(Print your name exactly as it appears on the face of this Note)

Your Signature:

(Sign exactly as your name appears on the face of this Note)

Signature Guarantee:

(Signature must be guaranteed)

SIGNATURE GUARANTEE

Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

[THE FOLLOWING PROVISION TO BE INCLUDED ON ALL NOTES OTHER THAN EXCHANGE NOTES, AND UNLEGENDED PHYSICAL NOTES]

In connection with any transfer of this Note occurring prior to the date which is the earlier of the end of the period referred to in Rule 144(k) under the Securities Act, the undersigned confirms that without utilizing any general solicitation or general advertising that:

[Check One]

[ ] (a) this Note is being transferred in compliance with the exemption from registration under the Securities Act of 1933 provided by Rule 144A thereunder.

or

[ ] (b) this Note is being transferred other than in accordance with (a) above and documents are being furnished which comply with the conditions of transfer set forth in this Note and the Indenture.

If none of the foregoing boxes is checked, the Trustee or other Registrar shall not be obligated to register this Note in the name of any Person other than the Holder hereof unless and until the conditions to any such transfer of registration set forth herein and in Section 2.09 of the Indenture shall have been satisfied.

Date: _____

_____

NOTICE: The signature to this assignment must correspond with the name as written upon the face of the within-mentioned instrument in every particular, without alteration or any change whatsoever.

Signature Guarantee:

_____

(Signature must be guaranteed)

SIGNATURE GUARANTEE

Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

TO BE COMPLETED BY PURCHASER IF (a) ABOVE IS CHECKED.

The undersigned represents and warrants that it is purchasing this Note for its own account or an account with respect to which it exercises sole investment discretion, in each case for investment and not with a view to distribution, and that it and any such account is a "Qualified Institutional Buyer" within the meaning of Rule 144A under the Securities Act of 1933 and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Company as the undersigned has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon the undersigned's foregoing representations in order to claim the exemption from registration provided by Rule 144A.

Date:

NOTICE: To be executed by an executive officer

SCHEDULE OF EXCHANGES OF DEFINITIVE NOTE(3)

The following exchanges of a part of this Global Note for Physical Notes have been made:

Date of Exchange	Amount of decrease in Principal Amount of this Global Note	Amount of increase in Principal Amount of this Global Note	Principal Amount of this Global Note following such decrease (or increase)	Signature of authorized Signatory of Trustee or Note Custodian

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(3) This schedule should be included only if the Note is issued in global form.

EXHIBIT B

[Form of Exchange Note]

[FACE OF NOTE]

UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR SECURITIES IN DEFINITIVE FORM, THIS SECURITY MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY, OR BY ANY SUCH NOMINEE OF THE DEPOSITARY, OR BY THE DEPOSITARY OR NOMINEE OF SUCH SUCCESSOR DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY. UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO AN ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT HEREON IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

TRANSFERS OF THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF CEDE & CO. OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN SECTION 2.09 OF THE INDENTURE REFERRED TO HEREIN.(1)

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(1) This legend should be included only if the Note is issued in global form.

POLYONE CORPORATION

8.875% Senior Note due 2012

CUSIP No. $

POLYONE CORPORATION, an Ohio corporation (the "Company", which term includes any successor under the Indenture hereinafter referred to), for value received, promises to pay to , or its registered assigns, the principal sum of $ ($) on May 1, 2012.

Interest Payment Dates: May 1 and November 1 commencing November 1, 2002.

Regular Record Dates: April 15 and October 15.

Reference is hereby made to the further provisions of this Note set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

IN WITNESS WHEREOF, the Company has caused this Note to be executed manually or by facsimile by its duly authorized officers.

Dated: POLYONE CORPORATION

By:

Name:
Title:

By:

Name:
Title:

Trustee's Certificate of Authentication

This is one of the 8.875% Senior Notes due 2012 referred to in the within-mentioned Indenture.

THE BANK OF NEW YORK
as Trustee

By:

Authorized Signatory

Dated:

[REVERSE SIDE OF NOTE](2)

POLYONE CORPORATION

8.875% Senior Note due 2012

Capitalized terms used herein but not defined shall have the meanings assigned to them in the Indenture referred to below unless otherwise indicated.

1. INTEREST

POLYONE CORPORATION, an Ohio corporation (such entity, and its successors and assigns under the Indenture, the "Company"), promises to pay interest on the principal amount of this Note at the rate per annum shown above. The Company will pay interest semi-annually on May 1 and November 1 of each year, commencing November 1, 2002. Interest on the Notes will accrue from the most recent date on which interest has been paid or, if no interest has been paid, from April 23, 2002. Interest will be computed on the basis of a 360-day year of twelve 30-day months. The Company shall pay interest on overdue principal at the rate borne by the Notes, and it shall pay interest on overdue installments of interest at the same rate to the extent lawful.

2. METHOD OF PAYMENT

The Company will pay interest on the Notes (except defaulted interest) to the Persons who are registered holders of Notes at the close of business on the record date immediately preceding the interest payment date even if Notes are canceled on registration of transfer or registration of exchange (including pursuant to an Exchange Offer (as defined in the Registration Rights Agreement)) after the record date. Holders must surrender Notes to a Paying Agent to collect principal payments. The Company will pay to the Paying Agent the principal and premium, if any, of and interest on the Notes in money of the United States that at the time of payment is legal tender for payment of public and private debts. The Company may, however, at its option, pay principal and premium, if any, and interest by U.S. Dollar check drawn on a bank in The City of New York mailed to the address of the Holder as such address shall appear in the Register, provided, however, that if such Holder has submitted an application to the Registrar not later than the relevant record date, the Company shall wire transfer in immediately available funds such payment in lieu of a check, which application shall remain in effect until the Holder notifies, in writing, the Registrar to the contrary.

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(2) Appropriate modifications shall be made to reflect the terms of Additional Notes.

3. PAYING AGENT AND REGISTRAR

Initially, The Bank of New York, a New York banking corporation (the "Trustee"), will act as Paying Agent and Registrar. The Company may appoint and change any Paying Agent, Registrar or co-registrar without notice. The Company may act as Paying Agent, Registrar, co-Registrar or transfer agent.

4. INDENTURE

The Company issued the Notes under an Indenture dated as of April 23, 2002 (the "Indenture"), between the Company and the Trustee. This Note is one of a duly authorized issue of Initial Notes of the Company designated as its 8.875% Senior Notes due 2012 (the "Exchange Notes"). The Notes include the Initial Notes and the Exchange Notes (as defined in the Indenture) issued in exchange for the Initial Notes pursuant to the Registration Rights Agreement. The Initial Notes and the Exchange Notes are treated as a single class of Notes under the Indenture. The terms of the Notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939 (15 U.S.C. ss. 77aaa-77bbbb) as in effect on the date of the Indenture (the "TIA"). Terms defined in the Indenture and not defined herein have the meanings ascribed thereto in the Indenture. The Notes are subject to all such terms, and Holders are referred to the Indenture and the TIA for a statement of those terms. Any conflict between this Note and the Indenture will be governed by the Indenture.

5. OPTIONAL REDEMPTION

The Notes may be redeemed at the Company's option, in whole or in part, at any time or from time to time, on at least 30 days but not more than 60 days' prior notice, at a price equal to the greater of: (i) 100% of the principal amount being redeemed on the Redemption Date, and (ii) the Make Whole Amount (as defined in the Indenture), plus, in each case, accrued and unpaid interest and Liquidated Damages, if any, on the Notes to the Redemption Date.

Unless the Company defaults in its payment of the Redemption Price, on and after the Redemption Date, interest will cease to accrue on the Notes or portions of the Notes called for redemption and those Notes will cease to be outstanding.

6. NOTICE OF REDEMPTION

Notice of redemption will be mailed by first-class mail at least 30 days but not more than 60 days before the redemption date to each Holder of Notes to be redeemed at his registered address. Notes in denominations larger than $1,000 may be redeemed in part but only in whole multiples of $1,000. If a notice or communication is sent in the manner provided in the Indenture, it is duly given, whether or not the addressee receives it. Failure to send a notice or

communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders.

7. RESTRICTIVE COVENANTS

The Indenture imposes certain limitations on the ability of the Company among other things, to create liens and engage in sale and leaseback transactions. In addition, the Indenture imposes certain limitations on the ability of a Subsidiary to Guarantee or secure the payment of Indebtedness of the Company and the Company to engage in mergers and consolidations or transfers of all or substantially all of its assets. The Indenture requires the Company to deliver to the Trustee an Officers' Certificate within 120 days after the end of each fiscal year stating whether or not the signers thereof know of any Default or Event of Default under such restrictive covenants.

8. DENOMINATIONS; TRANSFER; EXCHANGE

The Notes are in registered form, without coupons, and in denominations of $1,000 and integral multiples of $1,000. A Holder may transfer or exchange Notes in accordance with the Indenture. The Registrar may require a Holder, among other things, to furnish appropriate endorsements or transfer documents and to pay any taxes and fees required by law or permitted by the Indenture, including any transfer tax or other similar governmental charge payable in connection therewith. The Registrar need not register the transfer of or exchange any Notes selected for redemption (except, in the case of a Note to be redeemed in part, the portion of the Note not to be redeemed) or any Notes for a period of 15 days before a selection of Notes to be redeemed or 15 days before an interest payment date.

9. PERSONS DEEMED OWNERS

The registered Holder of this Note may be treated as the owner of it for all purposes.

10. UNCLAIMED MONEY

If money for the payment of principal or interest remains unclaimed for two years, the Trustee or Paying Agent shall pay the money back to the Company at its written request unless an abandoned property or similar law designates another Person. After any such payment, Holders entitled to the money must look only to the Company and not to the Trustee for payment.

11. DISCHARGE AND DEFEASANCE

Subject to certain conditions, the Company at any time may terminate some or all of its obligations under the Notes and the Indenture if the Company deposits with the Trustee

money or U.S. Government Obligations for the payment of principal and interest on the Notes to redemption or maturity, as the case may be.

12. AMENDMENT, WAIVER

Subject to certain exceptions set forth in the Indenture, (i) the Indenture or the Notes may be amended with the consent of the Holders of not less than a majority in principal amount outstanding of the Notes and (ii) any past default or noncompliance with any provision may be waived with the consent of the Holders of not less than a majority in principal amount outstanding of the Notes. Subject to certain exceptions set forth in the Indenture, without the consent of any Holder, the Company and the Trustee may amend the Indenture or the Notes to cure any ambiguity or correct any inconsistency, to comply with Article V of the Indenture, to add Guarantees or release guarantors when permitted by the Indenture, to add additional covenants or surrender rights and powers conferred on the Company, to modify or amend the Indenture to permit the qualification of the Indenture under the TIA or otherwise, to make any change that does not adversely affect the rights of any Holder or to comply with any request of the SEC in connection with qualifying the Indenture under the TIA.

13. DEFAULTS AND REMEDIES

If an Event of Default occurs and is continuing, the Trustee or the Holders of at least 25% in aggregate principal amount of the Notes then outstanding may declare all the Notes to be due and payable. Certain events of bankruptcy or insolvency are Events of Default which will result in the Notes being due and payable immediately upon the occurrence of such Events of Default.

Holders may not enforce the Indenture or the Notes except as provided in the Indenture. The Trustee may refuse to enforce the Indenture or the Notes unless it is offered reasonable indemnity or security. Subject to certain limitations, Holders of a majority in principal amount of the Notes may direct the Trustee in its exercise of any trust or power. The Trustee may withhold from Holders notice of any continuing Default (except a Default in payment of principal or interest) if and so long as a committee of its trust officers determines that withholding notice is in the interest of the Holders.

14. TRUSTEE DEALINGS WITH THE COMPANY

Subject to certain limitations imposed by the TIA, the Trustee under the Indenture, in its individual or any other capacity, may become the owner or pledgee of Notes and may otherwise deal with and collect obligations owed to it by the Company or any of its Affiliates and may otherwise deal with the Company or any of its Affiliates with the same rights it would have if it were not Trustee.

15. NO PERSONAL LIABILITY

No director, officer, employee, incorporator, Affiliate or holder of capital stock of the Company shall have any liability for any obligations of the Company under the Notes or the Indenture or for any claim based on, in respect of, or by reason of, such obligations. Each Holder of Notes, by accepting a Note, waives and releases all such liability. The waiver and release shall be part of the consideration for the issuance of the Notes.

16. GOVERNING LAW

The Indenture and the Notes shall be governed by, and construed in accordance with, the laws of the State of New York without giving effect to applicable principles of conflict of laws to the extent that the application of the laws of another jurisdiction would be required thereby.

17. AUTHENTICATION

This Note shall not be valid until an authorized signatory of the Trustee (or an authenticating agent) manually signs the certificate of authentication on the other side of this Security.

18. ABBREVIATIONS

Customary abbreviations may be used in the name of a Holder or an assignee, such as TEN COM (= tenants in common), TEN ENT (= tenants by the entireties), JT TEN (= joint tenants with rights of survivorship and not as tenants in common), CUST (= custodian), and U/G/M/A (= Uniform Gift to Minors Act).

19. CUSIP NUMBERS

Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures the Company has caused CUSIP numbers to be printed on the Notes and has directed the Trustee to use CUSIP numbers in notices of redemption as a convenience to Holders. No representation is made as to the accuracy of such numbers either as printed on the Notes or as contained in any notice of redemption and reliance may be placed only on the other identification numbers placed thereon.

The Company will furnish to any Holder upon written request and without charge to the Holder a copy of the Indenture. Requests may be made as follows:

POLYONE CORPORATION
Suite 36-5000, 200 Public Square
Cleveland, Ohio 44114
Attention: Treasurer

ASSIGNMENT FORM

To assign this Note, fill in the form below and have your signature guaranteed: (I) or (we) assign and transfer this Note to:

- ---

(Insert assignee's soc. sec. or tax I.D. no.)

- ---
- ---
- ---
- ---

(Print or type assignee's name, address and zip code)

and irrevocably appoint
to transfer this Note on the books of the Company. The agent may substitute another to act for him.

Dated: _____ Your Name: _____

(Print your name exactly as it appears on the face of this Note)

Your Signature: _____

(Sign exactly as your name appears on the face of this Note)

Signature Guarantee: _____

(Signature must be guaranteed)

SIGNATURE GUARANTEE

Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

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EXHIBIT C

[Form of Certificate to Be Delivered in
Connection with Transfers to non-QIB Institutional Accredited Investors]

[Date]

The Bank of New York
101 Barclay Street, Floor 21W
New York, New York 10286

Attention:

Re: POLYONE CORPORATION

Ladies and Gentlemen:

In connection with our proposed purchase of $ aggregate principal amount of 8.875% Senior Notes due 2012 (the "Notes") of PolyOne Corporation (the "Company"), we confirm that:

(1) We are an institutional "accredited investor" (as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act of 1933, as amended (the "Securities Act")) and have such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of our investment in the Notes, and we and any accounts for which we are acting are each able to bear the economic risk of our or their investment.

(2) We are acquiring the Notes purchased by us for our own account or for one or more accounts (each of which is an institutional "accredited investor") as to each of which we exercise sole investment discretion.

(3) We are not acquiring the Notes with a view to distribution thereof or with any present intention of offering or selling any Notes, except as permitted below; provided that the disposition of our property and the property of any accounts for which we are acting as fiduciary will remain at all times within our control.

(4) We understand that any subsequent transfer of the Notes is subject to certain restrictions and conditions set forth in the Indenture dated as of April 23, 2002 (the "Indenture") relating to the Notes and the undersigned agrees to be bound by, and

not to resell, pledge or otherwise transfer the Notes except in compliance with such restrictions and conditions and the Securities Act.

(5) We understand that the offer and sale of the Notes have not been registered under the Securities Act, and that the Notes may not be offered or sold except as permitted in the following sentence. We agree, on our own behalf and on behalf of any accounts for which we are acting as hereinafter stated, that if we should sell any Notes prior to the expiration of the holding period applicable to sales of the Notes under Rule 144(k) of the Securities Act, we will do so only (A) to the Company or any subsidiary thereof, (B) to a "Qualified Institutional Buyer" (as defined in Rule 144A under the Securities Act) in compliance with Rule 144A under the Securities Act, (C) to an institutional "accredited investor" (as defined above) that, prior to such transfer, furnishes to you a signed letter substantially in the form of this letter and, an opinion of counsel acceptable to the Company that such transfer is in compliance with the Securities Act, (D) outside the United States in accordance with Rule 904 under the Securities Act, (E) pursuant to the exemption from registration provided by Rule 144 under the Securities Act (if available) or (F) pursuant to a registration statement which has been declared effective under the Securities Act (and continues to be effective at the time of such transfer), and we further agree to provide to any person purchasing any of the Notes from us a notice advising such purchaser that resales of the Notes are restricted as stated herein.

(6) We understand that, on any proposed resale of any Notes, we will be required to furnish to you and the Company such certifications, legal opinions and other information as you and the Company may reasonably require to confirm that the proposed sale complies with the foregoing restrictions. We further understand that the Notes purchased by us will be in certificated form and will bear a legend to the foregoing effect.

Each of the Company, the Trustee and the initial purchasers of the Notes are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby.

Very truly yours,

By: _____

Name:

Title:

EXHIBIT D

[Form of Certificate to Be Delivered
in Connection with Transfers Pursuant to Regulation S]

[Date]

The Bank of New York
101 Barclay Street, Floor 21W
New York, New York 10286

Attention:

Re: POLYONE CORPORATION

Ladies and Gentlemen:

In connection with our proposed sale of $ aggregate principal amount of 8.875% Senior Notes due 2012 (the "Notes") of PolyOne Corporation (the "Company"), we confirm that such sale has been effected pursuant to and in accordance with Regulation S under the U.S. Securities Act of 1933, as amended (the "Securities Act") and, accordingly, we represent that:

(1) the offer of the Notes was not made to a person in the United States;

(2) at the time the buy order was originated, the transferee was outside the United States or we and any person acting on our behalf reasonably believed that the transferee was outside the United States;

(3) no directed selling efforts have been made by us in the United States in contravention of the requirements of Rule 903(b) or Rule 904(b) of Regulation S under the Securities Act, as applicable; and

(4) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act.

Each of the Company, the Trustee and the initial purchasers of the Notes are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby. Terms used in this certificate have the meanings set forth in Regulation S under the Securities Act.

Very truly yours,

By: _____
Name:
Title:

Exhibit 4.5

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REGISTRATION RIGHTS AGREEMENT

REGISTERED EXCHANGE OFFER

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POLYONE CORPORATION

8.875% Senior Notes due 2012

REGISTRATION RIGHTS AGREEMENT

New York, New York
April 23, 2002

Salomon Smith Barney Inc.
Deutsche Bank Securities Inc.
As Representatives of the Initial Purchasers
c/o Salomon Smith Barney Inc.
388 Greenwich Street
New York, New York 10013

Dear Sirs:

PolyOne Corporation, a corporation organized under the laws of the state of Ohio (the "Company"), proposes to issue and sell to Salomon Smith Barney Inc., Deutsche Bank Securities Inc., Banc One Capital Markets, Inc., J.P. Morgan Securities Inc., McDonald Investments Inc., Lehman Brothers Inc., NatCity Investments, Inc. and BNY Capital Markets, Inc. (the "Initial Purchasers"), upon the terms set forth in a purchase agreement dated April 18 (the "Purchase Agreement"), its 8.875% Senior Notes due 2012 (the "Securities") relating to the initial placement of the Securities (the "Initial Placement"). The Securities are to be issued under an indenture (the "Indenture") to be dated as of April 23, 2002 between the Company and The Bank of New York, as trustee (the "Trustee"). To induce the Initial Purchasers to enter into the Purchase Agreement and to satisfy a condition of your obligations thereunder, the Company agrees with you for your benefit and the benefit of the holders from time to time of the Securities (including the Initial Purchasers) (each a "Holder" and, together, the "Holders" for as long as such Person holds Securities), as follows:

1. DEFINITIONS. Capitalized terms used herein without definition shall have their respective meanings set forth in the Purchase Agreement. As used in this Agreement, the following capitalized defined terms shall have the following meanings:

"Act" shall mean the Securities Act of 1933, as amended, and the rules and regulations of the Commission promulgated thereunder.

"Affiliate" of any specified Person shall mean any other Person that, directly or indirectly, is in control of, is controlled by, or is under common control with, such specified Person. For purposes of this definition, "control" of a Person shall mean the power, direct or indirect, to direct or cause the direction of the management and policies of such Person whether by contract or otherwise; and the terms "controlling" and "controlled" shall have meanings correlative to the foregoing.

"Broker-Dealer" shall mean any broker or dealer registered as such under the Exchange Act.

"Business Day" shall mean any day other than a Saturday, a Sunday or a legal holiday or a day on which banking institutions or trust companies are authorized or obligated by law to close in New York City.

"Commission" shall mean the Securities and Exchange Commission.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Commission promulgated thereunder.

"Exchange Offer Registration Period" shall mean the 180-day period following the consummation of the Registered Exchange Offer, exclusive of any period during which any stop order shall be in effect suspending the effectiveness of the Exchange Offer Registration Statement.

"Exchange Offer Registration Statement" shall mean a registration statement of the Company on an appropriate form under the Act with respect to the Registered Exchange Offer, all amendments and supplements to such registration statement, including post-effective amendments thereto, in each case including the Prospectus contained therein, all exhibits thereto and all material incorporated by reference therein.

"Exchanging Dealer" shall mean any Holder (which may include any Initial Purchaser) that is a Broker-Dealer and elects to exchange for New Securities any Securities that it acquired for its own account as a result of market-making activities or other trading activities (but not directly from the Company or any Affiliate of the Company) for New Securities.

"Final Memorandum" shall have the meaning set forth in the Purchase Agreement.

"Holder" shall have the meaning set forth in the preamble hereto.

"Indenture" shall mean the Indenture relating to the Securities, dated as of April 23, 2002, between the Company and The Bank of New York, as trustee, as the same may be amended from time to time in accordance with the terms thereof.

"Initial Placement" shall have the meaning set forth in the preamble hereto.

"Initial Purchasers" shall have the meaning set forth in the preamble hereto.

"Issue Date" shall mean the date of original issuance of the Securities.

"Losses" shall have the meaning set forth in Section 6(d) hereof.

"Majority Holders" shall mean the Holders of a majority of the aggregate principal amount of Securities registered under a Registration Statement.

"Managing Underwriters" shall mean the investment banker or investment bankers and manager or managers that shall administer an underwritten offering.

"New Securities" shall mean debt securities of the Company identical in all material respects to the Securities (except that the liquidated damages provisions and the transfer restrictions and restrictive legends shall be eliminated, as appropriate) and to be issued under the Indenture.

"Person" shall mean an individual, partnership, corporation, trust or unincorporated organization, or a government agency or a political subdivision thereof.

"Prospectus" shall mean the prospectus included in any Registration Statement (including, without limitation, a prospectus that discloses information previously omitted from a prospectus filed as part of an effective registration statement in reliance upon Rule 430A under the Act), as amended or supplemented by any prospectus supplement, with respect to the terms of the offering of any portion of the Securities or the New Securities covered by such Registration Statement, and all amendments and supplements thereto and all material incorporated by reference therein.

"Purchase Agreement" shall have the meaning set forth in the preamble hereto.

"Registered Exchange Offer" shall mean the proposed offer of the Company to issue and deliver to the Holders of the Securities that are not prohibited by any law or policy of the Commission from participating in such offer, in exchange for the Securities, a like aggregate principal amount of the New Securities.

"Registration Statement" shall mean any Exchange Offer Registration Statement or Shelf Registration Statement that covers any of the Securities or the New Securities

pursuant to the provisions of this Agreement, any amendments and supplements to such registration statement, including post-effective amendments (in each case including the Prospectus contained therein), all exhibits thereto and all material incorporated by reference therein.

"Securities" shall have the meaning set forth in the preamble hereto.

"Shelf Registration" shall mean a registration effected pursuant to Section 3 hereof.

"Shelf Registration Period" shall have the meaning set forth in Section 3(c) hereof.

"Shelf Registration Statement" shall mean a "shelf" registration statement of the Company pursuant to the provisions of Section 3 hereof which covers some or all of the Securities or New Securities, as applicable, on an appropriate form under Rule 415 under the Act, or any similar rule that may be adopted by the Commission, amendments and supplements to such registration statement, including post-effective amendments, in each case including the Prospectus contained therein, all exhibits thereto and all material incorporated by reference therein.

"Trustee" shall mean the trustee with respect to the Securities under the Indenture.

"underwriter" shall mean any underwriter of Securities in connection with an offering thereof under a Shelf Registration Statement.

2. REGISTERED EXCHANGE OFFER. (a) The Company shall prepare and, not later than 90 days following the date of the original issuance of the Securities (or if such 90th day is not a Business Day, the next succeeding Business Day), shall use its reasonable best efforts to file with the Commission the Exchange Offer Registration Statement with respect to the Registered Exchange Offer. The Company shall use its reasonable best efforts to cause the Exchange Offer Registration Statement to become effective under the Act within 180 days of the date of the original issuance of the Securities (or if such 180th day is not a Business Day, the next succeeding Business Day).

(b) Upon the effectiveness of the Exchange Offer Registration Statement, the Company shall promptly commence the Registered Exchange Offer, it being the objective of such Registered Exchange Offer to enable each Holder electing to exchange Securities for New Securities (assuming that such Holder is not an Affiliate of the Company, acquires the New Securities in the ordinary course of such Holder's business, is not engaged in and does not intend to engage in and has no arrangements or understandings with any Person to participate in the distribution of the New Securities, is not a broker-dealer tendering Securities ac-

quired directly from the Company for its own account and is not prohibited by any law or policy of the Commission from participating in the Registered Exchange Offer) to trade such New Securities from and after their receipt without any limitations or restrictions under the Act and under state securities or blue sky laws.

(c) In connection with the Registered Exchange Offer, the Company shall:

(i) mail to each Holder a copy of the Prospectus forming part of the Exchange Offer Registration Statement, together with an appropriate letter of transmittal and related documents;

(ii) keep the Registered Exchange Offer open for not less than 20 Business Days after the date notice thereof is mailed to the Holders (or, in each case, longer if required by applicable law);

(iii) if the Company receives notice from an Exchanging Dealer on the letter of transmittal that such Exchanging Dealer holds Securities acquired for the account of such Exchanging Dealer as a result of market making or other trading activities, use its reasonable best efforts to keep the Exchange Offer Registration Statement continuously effective, supplemented and amended as required under the Act to ensure that it is available for sales of New Securities by Exchanging Dealers during the Exchange Offer Registration Period;

(iv) utilize the services of a depositary for the Registered Exchange Offer with an address in the Borough of Manhattan in New York City, which may be the Trustee;

(v) permit Holders to withdraw tendered Securities at any time prior to the close of business, New York time, on the last Business Day on which the Registered Exchange Offer is open by sending to the entity specified in the Prospectus, a facsimile or letter setting forth the name of such Holder, the principal amount of Securities delivered for exchange and a statement that such Holder is withdrawing such Holder's election to have such Securities exchanged;

(vi) prior to effectiveness of the Exchange Offer Registration Statement, provide a supplemental letter to the Commission (A) stating that the Company is conducting the Registered Exchange Offer in reliance on the position of the Commission in EXXON CAPITAL HOLDINGS CORPORATION (pub. avail. May 13, 1988) and MORGAN STANLEY AND CO., INC. (pub. avail. June 5, 1991); and (B) including a representation that the Company has not entered into any arrangement or understanding with any Person to distribute the New Securities to be received in the Registered Exchange Offer and that, to the best of the Company's information and belief, each Holder participating in

the Registered Exchange Offer is acquiring the New Securities in the ordinary course of business and has no arrangement or understanding with any Person to participate in the distribution of the New Securities; and

(vii) comply in all respects with all applicable laws relating to the Registered Exchange Offer.

(d) As soon as reasonably practicable after the close of the Registered Exchange Offer, the Company shall:

(i) accept for exchange all Securities duly tendered and not validly withdrawn pursuant to the Registered Exchange Offer in accordance with the Exchange Offer Registration Statement and letter of transmittal which shall be an exhibit thereto;

(ii) deliver to the Trustee for cancellation in accordance with Section 4(s) all Securities so accepted for exchange; and

(iii) cause the Trustee promptly to authenticate and deliver to each Holder of Securities a principal amount of New Securities equal to the principal amount of the Securities of such Holder so accepted for exchange.

(e) Accordingly, each Holder participating in the Registered Exchange Offer shall be required to represent to the Company that, at the time of the consummation of the Registered Exchange Offer:

(i) any New Securities received by such Holder will be acquired in the ordinary course of business;

(ii) such Holder will have no arrangement or understanding with any Person to participate in the distribution of the Securities or the New Securities within the meaning of the Act; and

(iii) such Holder is not an Affiliate of the Company.

(f) If any Initial Purchaser determines that it is not eligible to participate in the Registered Exchange Offer with respect to the exchange of Securities constituting any portion of an unsold allotment, at the request of such Initial Purchaser, the Company shall issue and deliver to such Initial Purchaser or the Person purchasing New Securities registered under a Shelf Registration Statement as contemplated by Section 3 hereof from such Initial Purchaser, in exchange for such Securities, a like principal amount of New Securities. The Company shall use its reasonable best efforts to cause the CUSIP Service Bureau to issue the same CUSIP number for such New Securities as for New Securities issued pursuant to the Registered Exchange Offer.

3. SHELF REGISTRATION. (a) If (i) due to any change in law or applicable interpretations thereof by the Commission's staff, the Company determines upon advice of its outside counsel that it is not permitted to effect the Registered Exchange Offer as contemplated by Section 2 hereof; or (ii) for any other reason the Registered Exchange Offer is not consummated within 225 days of the Issue Date; (iii) any Initial Purchaser so requests with respect to Securities that are not eligible to be exchanged for New Securities in the Registered Exchange Offer and that are held by it following consummation of the Registered Exchange Offer; (iv) any Holder (other than an Initial Purchaser) is not eligible to participate in the Registered Exchange Offer; or (v) in the case of any Initial Purchaser that participates in the Registered Exchange Offer or acquires New Securities pursuant to Section 2(f) hereof, such Initial Purchaser does not receive freely tradeable New Securities in exchange for Securities constituting any portion of an unsold allotment (it being understood that (x) the requirement that an Initial Purchaser deliver a Prospectus containing the information required by Item 507 and 508 of Regulation S-K under the Act in connection with sales of New Securities acquired in exchange for such Securities shall result in such New Securities being not "freely tradeable"; and (y) the requirement that an Exchanging Dealer deliver a Prospectus in connection with sales of New Securities acquired in the Registered Exchange Offer in exchange for Securities acquired as a result of market-making activities or other trading activities shall not result in such New Securities being not "freely tradeable"), the Company shall effect a Shelf Registration Statement in accordance with subsection (b) below.

(b) The Company shall as promptly as reasonably practicable (but in no event more than 60 days after so required or requested pursuant to this Section 3), file with the Commission and thereafter shall use its reasonable best efforts to cause to be declared effective under the Act a Shelf Registration Statement relating to the offer and sale of the Securities or the New Securities, as applicable, by the Holders thereof from time to time in accordance with the methods of distribution elected by a majority of such Holders and set forth in such Shelf Registration Statement; PROVIDED, HOWEVER, that nothing in this Section 3(b) shall require the filing of a Shelf Registration Statement prior to the deadline for filing the Exchange Offer Registration Statement set forth in Section 2(a); PROVIDED, FURTHER, that no Holder (other than an Initial Purchaser) shall be entitled to have the Securities held by it covered by such Shelf Registration Statement unless such Holder agrees in writing to be bound by all of the provisions of this Agreement applicable to such Holder; and PROVIDED, FURTHER, that with respect to New Securities received by an Initial Purchaser in exchange for Securities constituting any portion of an unsold allotment, the Company may, if permitted by current interpretations by the Commission's staff, file a post-effective amendment to the Exchange Offer Registration Statement containing the information required by Item 507 and 508 of Regulation S-K, as applicable, in satisfaction of its obligations under this subsection with respect thereto, and any such Exchange Offer Registration Statement, as so amended, shall be referred to herein as, and governed by the provisions herein applicable to, a Shelf Registration Statement.

(c) The Company shall use its reasonable best efforts to keep the Shelf Registration Statement continuously effective, supplemented and amended as required by the Act, in order to permit the Prospectus forming part thereof to be usable by Holders for a period of two years from the original issuance date of the Securities or such shorter period that will terminate when all the Securities or New Securities, as applicable, covered by the Shelf Registration Statement have been sold pursuant to the Shelf Registration Statement or cease to be outstanding (in any such case, such period being called the "Shelf Registration Period"). The Company shall be deemed not to have used its reasonable best efforts to keep the Shelf Registration Statement effective during the requisite period if it voluntarily takes any action that would result in Holders of Securities or New Securities covered thereby not being able to offer and sell such Securities or New Securities during that period, unless (A) such action is required by applicable law; or (B) such action is taken by the Company in good faith and for valid business reasons (not including avoidance of the Company's obligations hereunder), including the acquisition or divestiture of assets, so long as the Company promptly thereafter complies with the requirements of Section 4(k) hereof, if applicable.

4. If (i) within 90 days after the Issue Date, neither the Exchange Offer Registration Statement nor, if applicable, the Shelf Registration Statement has been filed with the Commission; (ii) within 180 days after the Issue Date, the Exchange Offer Registration Statement or the Shelf Registration Statement, as applicable, has not been declared effective; (iii) within 225 days after the Issue Date, the Exchange Offer has not been consummated; or (iv) after either the Exchange Offer Registration Statement or the Shelf Registration Statement has been declared effective, such Registration Statement thereafter ceases to be effective or usable (other than as permitted by the proviso to Section 5(k)) in connection with resales of Securities or New Securities in accordance with and during the periods specified in Sections 2 and 3 of this Agreement (each such event referred to in clauses (i) through (iv), a "Registration Default"), liquidated damages ("Liquidated Damages") will accrue on the Securities and the New Securities from and including the date on which any such Registration Default shall occur but excluding the date on which all Registration Defaults have been cured. Liquidated Damages will accrue at a rate equal to 0.25% per annum of the aggregate principal amount of the Notes during the 90-day period immediately following the occurrence of any Registration Default and shall increase by 0.25% per annum for each subsequent 90-day period during which such Registration Default continues, but in no event shall such Liquidated Damages exceed 0.50% per annum. The Company shall notify the Trustee within five Business Days after each and every Registration Default. Any amounts of Liquidated Damages due pursuant to this Section 4 will be payable in cash semiannually on each May 1 and November 1 (to the Holders of record on the April 15 and October 15 immediately preceding such dates), commencing with the first such date occurring after any such Liquidated Damages commence to accrue

5. ADDITIONAL REGISTRATION PROCEDURES. In connection with any Shelf Registration Statement and, to the extent applicable, any Exchange Offer Registration Statement, the following provisions shall apply:

(a) The Company shall:

(i) furnish to you, not less than five Business Days prior to the filing thereof with the Commission, a copy of the Exchange Offer Registration Statement or the Shelf Registration Statement, as the case may be, and each amendment thereto and each amendment or supplement, if any, to the Prospectus included therein (and, upon written request, all documents incorporated by reference therein after the initial filing) and shall use its reasonable best efforts to reflect in each such document, when so filed with the Commission, such comments as you reasonably propose, PROVIDED, HOWEVER, that such comments are furnished to the Company within three Business Days after receipt of the copy of the Exchange Offer Registration Statement;

(ii) include the information in substantially the form set forth in Annex A hereto on the facing page of the Exchange Offer Registration Statement, in substantially the form in Annex B hereto in the forepart of the Exchange Offer Registration Statement in a section setting forth details of the Exchange Offer, in substantially the form in Annex C hereto in the underwriting or plan of distribution section of the Prospectus contained in the Exchange Offer Registration Statement, and in substantially the form in Annex D hereto in the letter of transmittal delivered pursuant to the Registered Exchange Offer; and

(iii) in the case of the Shelf Registration Statement, include the names of the Holders that propose to sell Securities or New Securities pursuant to the Shelf Registration Statement as selling security holders and the applicable information required by Item 507 of Regulation S-X as provided by the Holders.

(b) The Company shall ensure that:

(i) any Registration Statement, any amendment thereto, any Prospectus forming part thereof and any amendment or supplement thereto complies in all material respects with the Act and the rules and regulations thereunder; and

(ii) any Registration Statement and related Prospectus and any amendment thereto does not, when it becomes effective, contain an untrue

statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; PROVIDED, HOWEVER, that with respect to a Shelf Registration Statement, the Company makes no representation or warranty as to the information contained in or omitted from such Shelf Registration Statement or Prospectus, or any amendment thereto, in reliance upon and in conformity with information furnished in writing to the Company by or on behalf of the Holders whose Securities are registered thereunder specifically for inclusion therein.

(c) The Company shall advise you, the Holders of Securities or New Securities covered by any Shelf Registration Statement and any Exchanging Dealer under any Exchange Offer Registration Statement that has provided in writing to the Company a telephone or facsimile number and address for notices, and, if requested by you or any such Holder or Exchanging Dealer, shall confirm such advice in writing (which notice pursuant to clauses (ii)-(v) hereof shall be accompanied by an instruction to suspend the use of the Prospectus until the Company shall have remedied the basis for such suspension):

(i) when a Registration Statement or any amendment thereto has been filed with the Commission and when the Registration Statement or any post-effective amendment thereto has become effective;

(ii) of any request by the Commission for any amendment or supplement to the Registration Statement or the Prospectus or for additional information;

(iii) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or the initiation of any proceedings for that purpose;

(iv) of the receipt by the Company of any notification with respect to the suspension of the qualification of the securities included therein for sale in any jurisdiction or the initiation of any proceeding for such purpose; and

(v) of the happening of any event that requires any change in the Registration Statement or the Prospectus so that, as of such date, the statements therein are not misleading and do not omit to state a material fact required to be stated therein or necessary to make the statements therein (in the case of the Prospectus, in the light of the circumstances under which they were made) not misleading; PROVIDED that such notice need not identify the reasons for such event that requires such change in the Registration Statement.

(d) The Company shall use its reasonable best efforts to obtain the withdrawal of any order suspending the effectiveness of any Registration Statement or the qualification of the securities therein for sale in any jurisdiction at the earliest possible time.

(e) The Company shall furnish to each Holder of Securities or New Securities covered by any Shelf Registration Statement, without charge, at least one copy of such Shelf Registration Statement and any post-effective amendment thereto, including, upon written request, all material incorporated therein by reference, and, if the Holder so requests in writing, all exhibits thereto.

(f) The Company shall, during the Shelf Registration Period, deliver to each Holder of Securities or New Securities covered by any Shelf Registration Statement, without charge, as many copies of the Prospectus (including each preliminary Prospectus) included in such Shelf Registration Statement and any amendment or supplement thereto as such Holder may reasonably request. The Company consents to the use of the Prospectus or any amendment or supplement thereto by each of the selling Holders of securities in connection with the offering and sale of the securities covered by the Prospectus, or any amendment or supplement thereto, included in the Shelf Registration Statement.

(g) The Company shall furnish to each Exchanging Dealer which so requests, without charge, at least one copy of the Exchange Offer Registration Statement and any post-effective amendment thereto, including, upon written request, all material incorporated by reference therein, and, if the Exchanging Dealer so requests in writing, all exhibits thereto.

(h) The Company shall promptly deliver to each Initial Purchaser, each Exchanging Dealer and each other Person required to deliver a Prospectus during the Exchange Offer Registration Period, without charge, as many copies of the Prospectus included in such Exchange Offer Registration Statement and any amendment or supplement thereto as any such Person may reasonably request. The Company consents to the use of the Prospectus or any amendment or supplement thereto by any Initial Purchaser, any Exchanging Dealer and any such other Person that may be required to deliver a Prospectus following the Registered Exchange Offer in connection with the offering and sale of the New Securities covered by the Prospectus, or any amendment or supplement thereto, included in the Exchange Offer Registration Statement.

(i) Prior to the Registered Exchange Offer or any other offering of Securities or New Securities pursuant to any Registration Statement, the Company shall arrange, if necessary, for the qualification of the Securities or the New Securities for sale under the laws of such jurisdictions as any Holder shall reasonably request and will

maintain such qualification in effect so long as required; PROVIDED that in no event shall the Company be obligated to qualify to do business in any jurisdiction where it is not then so qualified or to take any action that would subject it to taxation or service of process in suits, other than those arising out of the Initial Placement, the Registered Exchange Offer or any offering pursuant to a Shelf Registration Statement, in any such jurisdiction where it is not then so subject.

(j) The Company shall cooperate with the Holders to facilitate the timely preparation and delivery of certificates representing New Securities or Securities to be issued or sold pursuant to any Registration Statement free of any restrictive legends and in such denominations and registered in such names as Holders may request.

(k) Upon the occurrence of any event contemplated by subsections (c)(ii) through (v) above, the Company shall promptly prepare a post-effective amendment to the applicable Registration Statement or an amendment or supplement to the related Prospectus or file any other required document so that, as thereafter delivered, the Prospectus will not include an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; PROVIDED that the Company shall not be required to amend or supplement a Shelf Registration Statement or Prospectus on no more than two occasions, for a reasonable period of time, but not in excess of 90 days in any consecutive 12-month period if the Company determines reasonably and in good faith that such amendment or supplement would require the disclosure of non-public material information that, in the reasonable judgment of the Company, would be detrimental to the Company if so disclosed or would otherwise materially adversely affect a financing, acquisition, disposition, merger or other material transaction. In such circumstances, the period of effectiveness of the Exchange Offer Registration Statement provided for in Section 2 and the Shelf Registration Statement provided for in Section 3(b) shall each be extended by the number of days from and including the date of the giving of a notice of suspension pursuant to Section 4(c) to and including the date when the Initial Purchasers, the Holders and any known Exchanging Dealer shall have received such amended or supplemented Prospectus pursuant to this Section 4. As soon as practicable following receipt of notice from the Company in accordance with Section 4(c), each Holder and Exchange Dealer agrees to suspend use of the Prospectus until such Holder and Exchange Dealer receive copies of the amended or supplemented Prospectus or until it receives written notice from the Company that use of the applicable Prospectus may be resumed.

(l) Not later than the effective date of any Registration Statement, the Company shall provide a CUSIP number for the Securities or the New Securities, as the case may be, registered under such Registration Statement and provide the Trustee

with printed certificates for such Securities or New Securities, in a form eligible for deposit with The Depository Trust Company.

(m) The Company shall comply with all applicable rules and regulations of the Commission and shall make generally available to its security holders as soon as practicable after the effective date of the applicable Registration Statement an earnings statement satisfying the provisions of Section 11(a) of the Act and Rule 158 thereunder.

(n) The Company shall cause the Indenture to be qualified under the Trust Indenture Act in a timely manner.

(o) The Company may require each Holder of securities to be sold pursuant to any Shelf Registration Statement to furnish to the Company such information regarding the Holder and the distribution of such securities as the Company may from time to time reasonably require for inclusion in such Registration Statement. The Company may exclude from such Shelf Registration Statement the Securities of any Holder that unreasonably fails to furnish such information within a reasonable time after receiving such request.

(p) In the case of any Shelf Registration Statement, the Company shall enter into such and take all other appropriate actions (including if requested by Holders representing 20% of the principal amount of Securities covered by such Shelf Registration Statement an underwriting agreement in customary form) in order to expedite or facilitate the registration or the disposition of the Securities, and in connection therewith, if an underwriting agreement is entered into, cause the same to contain indemnification provisions and procedures no less favorable than those set forth in Section 6 (or such other provisions and procedures acceptable to the Majority Holders and the Managing Underwriters, if any, with respect to all parties to be indemnified pursuant to Section 6).

(q) In the case of any Shelf Registration Statement, if requested by the Holders or any underwriters, the Company shall:

(i) make reasonably available for inspection by the Holders of Securities to be registered thereunder, any underwriter participating in any disposition pursuant to such Shelf Registration Statement, and any attorney, accountant or other agent retained by the Holders or any such underwriter all relevant financial and other records, pertinent corporate documents and properties of the Company and its subsidiaries during normal business hours at the offices where such information is typically kept;

(ii) cause the Company's officers, directors and employees to supply all relevant information reasonably requested by the Holders or any such underwriter, attorney, accountant or agent in connection with any such Shelf Registration Statement as is customary for similar due diligence examinations during normal business hours at the offices where such information is typically kept; PROVIDED, HOWEVER, that any information that is designated in writing by the Company, in good faith, as confidential at the time of delivery of such information shall be kept confidential by the Holders or any such underwriter, attorney, accountant or agent, unless such disclosure is made in connection with a court proceeding or required by law, or such information becomes available to the public generally or through a third party without an accompanying obligation of confidentiality, PROVIDED, FURTHER, that prior notice shall be provided as practicable to the Company of the potential disclosure of any information in connection with a court proceeding or required by law to permit the Company to obtain a protective order or take such other action to prevent disclosure of such information;

(iii) make such representations and warranties to the Holders of Securities registered thereunder and the underwriters, if any, in form, substance and scope as are customarily made by issuers to underwriters in primary underwritten offerings and covering matters including, but not limited to, those set forth in the Purchase Agreement as may reasonably be requested;

(iv) obtain opinions of counsel to the Company and updates thereof (which counsel and opinions (in form, scope and substance) shall be reasonably satisfactory to the Managing Underwriters, if any) addressed to each selling Holder and the underwriters, if any, covering such matters as are customarily covered in opinions requested in underwritten offerings and such other matters as may be reasonably requested by such Holders and underwriters;

(v) obtain "cold comfort" letters and updates thereof from the independent certified public accountants of the Company (and, if necessary, any other independent certified public accountants of any subsidiary or equity affiliate of the Company or of any business acquired by the Company for which financial statements and financial data are, or are required to be, included in the Registration Statement), addressed to each selling Holder of Securities registered thereunder and the underwriters, if any, in customary form and covering matters of the type customarily covered in "cold comfort" letters in connection with primary underwritten offerings; and

(vi) deliver such documents and certificates as may be reasonably requested by the Majority Holders and the Managing Underwriters, if any, in-

cluding those to evidence compliance with Section 5(k) and with any customary conditions contained in the underwriting agreement or other agreement entered into by the Company.

The actions set forth in clauses (iii), (iv), (v) and (vi) of this Section 5(q) shall be performed at (A) the effectiveness of such Registration Statement and each post-effective amendment thereto; and (B) each closing under any underwriting or similar agreement as and to the extent required thereunder.

(r) [Intentionally Omitted]

(s) If a Registered Exchange Offer is to be consummated, upon delivery of the Securities by Holders to the Company (or to such other Person as directed by the Company) in exchange for the New Securities, the Company shall mark, or caused to be marked, on the Securities so exchanged that such Securities are being canceled in exchange for the New Securities. In no event shall the Securities be marked as paid or otherwise satisfied.

(t) The Company will use its reasonable best efforts (i) if the Securities have been rated prior to the initial sale of such Securities, to confirm such ratings will apply to the Securities or the New Securities, as the case may be, covered by a Registration Statement; or (ii) if the Securities were not previously rated, to cause the Securities covered by a Registration Statement to be rated with at least one nationally recognized statistical rating agency, if so requested by Majority Holders with respect to the related Registration Statement or by any Managing Underwriters.

(u) In the event that any Broker-Dealer shall underwrite any Securities or participate as a member of an underwriting syndicate or selling group or "assist in the distribution" (within the meaning of the Rules and the By-Laws of the National Association of Securities Dealers, Inc.) thereof, whether as a Holder of such Securities or as an underwriter, a placement or sales agent or a broker or dealer in respect thereof, or otherwise, the Company will assist such Broker-Dealer in complying with the requirements of such Rules and By-Laws, including, without limitation, by:

(i) if such Rules or By-Laws shall so require, engaging a "qualified independent underwriter" (as defined in such Rules) to participate in the preparation of the Registration Statement, to exercise usual standards of due diligence with respect thereto and, if any portion of the offering contemplated by such Registration Statement is an underwritten offering or is made through a placement or sales agent, to recommend the yield of such Securities;

(ii) indemnifying any such qualified independent underwriter to the extent of the indemnification of underwriters provided in Section 6 hereof; and

(iii) providing such information to such Broker-Dealer as may be required in order for such Broker-Dealer to comply with the requirements of such Rules.

(v) The Company shall use its reasonable best efforts to take all other steps necessary to effect the registration of the Securities or the New Securities, as the case may be, covered by a Registration Statement.

6. REGISTRATION EXPENSES. The Company shall bear all expenses incurred in connection with the performance of its obligations under Sections 2, 3 and 5 hereof (other than any underwriting discounts or commissions in the event of an underwritten offering) and, in the event of any Shelf Registration Statement, will reimburse the Holders for the reasonable fees and disbursements of one firm or counsel designated by the Majority Holders to act as counsel for the Holders in connection therewith, and, in the case of any Exchange Offer Registration Statement, will reimburse the Initial Purchasers for the reasonable fees and disbursements of counsel acting in connection therewith.

7. INDEMNIFICATION AND CONTRIBUTION. (a) The Company agrees to indemnify and hold harmless each Holder of Securities or New Securities, as the case may be, covered by any Registration Statement (including each Initial Purchaser and, with respect to any Prospectus delivery as contemplated in Section 5(h) hereof, each Exchanging Dealer), the directors, officers, employees and agents of each such Holder and each Person who controls any such Holder within the meaning of either the Act or the Exchange Act against any and all losses, claims, damages or liabilities, joint or several, to which they or any of them may become subject under the Act, the Exchange Act or other Federal or state statutory law or regulation, at common law or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement as originally filed or in any amendment thereof, or in any preliminary Prospectus or the Prospectus, or in any amendment thereof or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and agrees to reimburse each such indemnified party, as incurred, for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action; provided, HOWEVER, that the Company will not be liable in any case to the extent that any such loss, claim, damage or liability arises out of or is based upon any such untrue statement or alleged untrue statement or omission or alleged omission made therein in reliance upon and in conformity with written information furnished to the Company by or on behalf of any such Holder specifically for inclusion therein; PROVIDED, FURTHER, that with respect to any prelimi-

nary Prospectus of a Shelf Registration Statement, the indemnity contained herein this Section 7(a) shall not inure to the benefit of a Holder from whom the person asserting any such losses, claims, damages or liabilities purchased the Securities concerned, to the extent that a Prospectus relating to such Securities was required to be delivered by such Holder under the Act in connection with such purchase, the Company delivered such Prospectus to such Holder sufficiently in advance of the written confirmation of the sale of the Securities and in sufficient quantity and any such losses, claims, damages or liabilities result from the fact that a copy of such Prospectus was not delivered to such person at or prior to the written confirmation of the sale of the Securities to such person. This indemnity agreement will be in addition to any liability which the Company may otherwise have.

The Company also agrees to indemnify or contribute as provided in Section 7(d) to Losses of each any underwriter of Securities or New Securities, as the case may be, registered under a Shelf Registration Statement, their directors, officers, employees or agents and each Person who controls such underwriter on substantially the same basis as that of the indemnification of the Initial Purchasers and the selling Holders provided in this Section 7(a) and shall, if requested by any Holder, enter into an underwriting agreement reflecting such agreement, as provided in Section 5(p) hereof.

(b) Each Holder of securities covered by a Registration Statement (including each Initial Purchaser and, with respect to any Prospectus delivery as contemplated in Section 5(h) hereof, each Exchanging Dealer) severally and not jointly agrees to indemnify and hold harmless the Company each of its directors each of its officers who signs such Registration Statement and each Person who controls the Company within the meaning of either the Act or the Exchange Act, to the same extent as the foregoing indemnity from the Company to each such Holder, but only with reference to written information relating to such Holder furnished to the Company by or on behalf of such Holder specifically for inclusion in the documents referred to in the foregoing indemnity. This indemnity agreement will be in addition to any liability which any such Holder may otherwise have.

(c) Promptly after receipt by an indemnified party under this Section 7 or notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under this Section, notify the indemnifying party in writing of the commencement thereof; but the failure so to notify the indemnifying party (i) will not relieve it from liability under paragraph (a) or (b) above unless and to the extent it did not otherwise learn of such action and such failure results in the forfeiture by the indemnifying party of substantial rights and defenses; and (ii) will not, in any event, relieve the indemnifying party from any obligations to any indemnified party other than the indemnification obligation provided in paragraph (a) or (b) above. The indemnifying party shall be entitled to appoint counsel of the indemnifying party's choice at the indemnifying party's expense to represent the indemnified party in any action for which indemnification is sought (in

which case the indemnifying party shall not thereafter be responsible for the fees and expenses of any separate counsel retained by the indemnified party or parties except as set forth below); PROVIDED, HOWEVER, that such counsel shall be reasonably satisfactory to the indemnified party. Notwithstanding the indemnifying party's election to appoint counsel to represent the indemnified party in an action, the indemnified party shall have the right to employ separate counsel (including local counsel), and the indemnifying party shall bear the reasonable fees, costs and expenses of such separate counsel if (i) the use of counsel chosen by the indemnifying party to represent the indemnified party would present such counsel with a conflict of interest; (ii) the actual or potential defendants in, or targets of, any such action include both the indemnified party and the indemnifying party and the indemnified party shall have reasonably concluded that there may be legal defenses available to it and/or other indemnified parties which are different from or additional to those available to the indemnifying party; (iii) the indemnifying party shall not have employed counsel reasonably satisfactory to the indemnified party to represent the indemnified party within a reasonable time after notice of the institution of such action; or (iv) the indemnifying party shall authorize the indemnified party to employ separate counsel at the expense of the indemnifying party. It is understood, however, that the indemnifying party shall, in connection with any one such action or separate but substantially similar or related actions in the same jurisdiction arising out of the same general circumstances, be liable for the fees and expenses of only one firm of attorneys (in addition to local counsel) at any time for all such indemnified parties. An indemnifying party will not, without the prior written consent of the indemnified parties, settle or compromise or consent to the entry of any judgment with respect to any pending or threatened claim, action, suit or proceeding in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified parties are actual or potential parties to such claim or action) unless such settlement, compromise or consent includes an unconditional release of each indemnified party from all liability arising out of such claim, action, suit or proceeding.

(d) In the event that the indemnity provided in paragraph (a) or (b) of this Section is unavailable to or insufficient to hold harmless an indemnified party for any reason, then each applicable indemnifying party shall have a joint and several obligation to contribute to the aggregate losses, claims, damages and liabilities (including legal or other expenses reasonably incurred in connection with investigating or defending same) (collectively "Losses") to which such indemnified party may be subject in such proportion as is appropriate to reflect the relative benefits received by such indemnifying party, on the one hand, and such indemnified party, on the other hand, from the Initial Placement and the Registration Statement which resulted in such Losses; PROVIDED, HOWEVER, that in no case shall any Initial Purchaser or any subsequent Holder of any Security or New Security be responsible, in the aggregate, for any amount in excess of the amount by which the total price at which such Security, or in the case of a New Security, applicable to the Security that was exchangeable into such New Security, as set forth on the cover page of the Final Memorandum, exceeds the amount of any damages that such Initial Purchaser or Holder has otherwise been required to pay in connection with the

statements or omissions which resulted in such Losses, nor shall any underwriter be responsible for any amount in excess of the underwriting discount or commission applicable to the securities purchased by such underwriter under the Registration Statement which resulted in such Losses. If the allocation provided by the immediately preceding sentence is unavailable for any reason, the indemnifying party and the indemnified party shall contribute in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of such indemnifying party, on the one hand, and such indemnified party, on the other hand, in connection with the statements or omissions which resulted in such Losses as well as any other relevant equitable considerations. Benefits received by the Company shall be deemed to be equal to the sum of (x) the total net proceeds from the Initial Placement (before deducting expenses) as set forth on the cover page of the Final Memorandum and (y) the total amount of Liquidated Damages which the Company was not required to pay as a result of registering the securities covered by the Registration Statement which resulted in such Losses. Benefits received by the Initial Purchasers shall be deemed to be equal to the total purchase discounts and commissions as set forth on the cover page of the Final Memorandum, and benefits received by any other Holders shall be deemed to be equal to the value of receiving Securities or New Securities, as applicable, registered under the Act. Benefits received by any underwriter shall be deemed to be equal to the total underwriting discounts and commissions, as set forth on the cover page of the Prospectus forming a part of the Registration Statement which resulted in such Losses. Relative fault shall be determined by reference to, among other things, whether any alleged untrue statement or omission relates to information provided by the indemnifying party, on the one hand, or by the indemnified party, on the other hand, the intent of the parties and their relative knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. The parties agree that it would not be just and equitable if contribution were determined by pro rata allocation (even if the Holders were treated as one entity for such purpose) or any other method of allocation which does not take account of the equitable considerations referred to above. Notwithstanding the provisions of this paragraph (d), no Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation. For purposes of this Section, each Person who controls a Holder within the meaning of either the Act or the Exchange Act and each director, officer, employee and agent of such Holder shall have the same rights to contribution as such Holder, and each Person who controls the Company within the meaning of either the Act or the Exchange Act, each officer of the Company who shall have signed the Registration Statement and each director of the Company shall have the same rights to contribution as the Company, subject in each case to the applicable terms and conditions of this paragraph (d).

(e) The provisions of this Section will remain in full force and effect, regardless of any investigation made by or on behalf of any Holder or the Company or any of the officers, directors or controlling Persons referred to in this Section hereof, and will survive the sale by a Holder of securities covered by a Registration Statement.

8. UNDERWRITTEN REGISTRATIONS. (a) If any of the Securities or New Securities, as the case may be, covered by any Shelf Registration Statement are to be sold in an underwritten offering, the Managing Underwriters shall be selected by the Majority Holders and, in the case of a Managing Underwriter that is not an Initial Purchaser, with the consent of the Company (not to be unreasonably withheld).

(b) No Person may participate in any underwritten offering pursuant to any Shelf Registration Statement, unless such Person (i) agrees to sell such Person's Securities or New Securities, as the case may be, on the basis reasonably provided in any underwriting arrangements approved by the Persons entitled hereunder to approve such arrangements; and (ii) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents reasonably required under the terms of such underwriting arrangements.

9. NO INCONSISTENT AGREEMENTS. The Company has not, as of the date hereof, entered into, nor shall it, on or after the date hereof, enter into, any agreement with respect to its securities that is inconsistent with the rights granted to the Holders herein or otherwise conflicts with the provisions hereof.

10. AMENDMENTS AND WAIVERS. The provisions of this Agreement, including the provisions of this sentence, may not be amended, qualified, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given, unless the Company has obtained the written consent of the Majority Holders (or, after the consummation of any Registered Exchange Offer in accordance with Section 2 hereof, of New Securities); PROVIDED that, with respect to any matter that directly or indirectly affects the rights of any Initial Purchaser hereunder, the Company shall obtain the written consent of each such Initial Purchaser against which such amendment, qualification, supplement, waiver or consent is to be effective. Notwithstanding the foregoing (except the foregoing proviso), a waiver or consent to departure from the provisions hereof with respect to a matter that relates exclusively to the rights of Holders whose Securities or New Securities, as the case may be, are being sold pursuant to a Registration Statement and that does not directly or indirectly affect the rights of other Holders may be given by the Majority Holders, determined on the basis of Securities or New Securities, as the case may be, being sold rather than registered under such Registration Statement.

11. NOTICES. All notices and other communications provided for or permitted hereunder shall be made in writing by hand-delivery, first-class mail, telex, telecopier or air courier guaranteeing overnight delivery:

(a) if to a Holder, at the most current address given by such holder to the Company in accordance with the provisions of this Section 10, which address initially

is, with respect to each Holder, the address of such Holder maintained by the Registrar under the Indenture, with a copy in like manner to Salomon Smith Barney Inc.;

(b) if to you, initially at the respective addresses set forth in the Purchase Agreement; and

(c) if to the Company, initially at its address set forth in the Purchase Agreement.

All such notices and communications shall be deemed to have been duly given: at the time delivered by hand, if personally delivered; two Business Days after being deposited in the mail, postage prepaid, if mailed; when answered back, if telexed; when receipt is acknowledged, if telecopied; and on the next Business Day if timely delivered to an air courier guaranteeing overnight delivery.

The Initial Purchasers or the Company by notice to the other parties may designate additional or different addresses for subsequent notices or communications.

12. SUCCESSORS. This Agreement shall inure to the benefit of and be binding upon the successors and assigns of each of the parties, including, without the need for an express assignment or any consent by the Company thereto, subsequent Holders of Securities and the New Securities. The Company hereby agrees to extend the benefits of this Agreement to any Holder of Securities and the New Securities, and any such Holder may specifically enforce the provisions of this Agreement as if an original party hereto.

13. COUNTERPARTS. This Agreement may be in signed counterparts, each of which shall an original and all of which together shall constitute one and the same agreement.

14. HEADINGS. The headings used herein are for convenience only and shall not affect the construction hereof.

15. APPLICABLE LAW. This Agreement shall be governed by and construed in accordance with the laws of the State of New York applicable to contracts made and to be performed in the State of New York.

16. SEVERABILITY. In the event that any one of more of the provisions contained herein, or the application thereof in any circumstances, is held invalid, illegal or unenforceable in any respect for any reason, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions hereof shall not be in any way impaired or affected thereby, it being intended that all of the rights and privileges of the parties shall be enforceable to the fullest extent permitted by law.

17. SECURITIES HELD BY THE COMPANY, ETC. Whenever the consent or approval of Holders of a specified percentage of principal amount of Securities or New Securities is required hereunder, Securities or New Securities, as applicable, held by the Company or its Affiliates (other than subsequent Holders of Securities or New Securities if such subsequent Holders are deemed to be Affiliates solely by reason of their holdings of such Securities or New Securities) shall not be counted in determining whether such consent or approval was given by the Holders of such required percentage.

If the foregoing is in accordance with your understanding of our agreement, please sign and return to us the enclosed duplicate hereof, whereupon this Agreement and your acceptance shall represent a binding agreement among the Company and the several Initial Purchasers.

Very truly yours,

POLYONE CORPORATION

By: /s/ W. David Wilson

Name: W. David Wilson
Title: Vice President and Chief Financial Officer

The foregoing Agreement is hereby confirmed
and accepted as of the date first above written.

SALOMON SMITH BARNEY INC.
DEUTSCHE BANK SECURITIES INC.
As Representatives of the Initial
Purchasers

By: SALOMON SMITH BARNEY INC.

By: /s/ Robert Jeffries

Robert Jeffries
Managing Director

For themselves and the other several Initial
Purchasers.

ANNEX A

Each Broker-Dealer that receives New Securities for its own account pursuant to the Exchange Offer must acknowledge that it will deliver a prospectus in connection with any resale of such New Securities. The Letter of Transmittal states that by so acknowledging and by delivering a prospectus, a Broker-Dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act. This Prospectus, as it may be amended or supplemented from time to time, may be used by a Broker-Dealer in connection with resales of New Securities received in exchange for Securities where such Securities were acquired by such Broker-Dealer as a result of market-making activities or other trading activities. The Company has agreed that, starting on the Expiration Date (as defined herein) and ending on the close of business 180 days after the Expiration Date, it will make this Prospectus, as amended or supplemented, available to any Broker-Dealer for use in connection with any such resale. See "Plan of Distribution."

ANNEX B

Each Broker-Dealer that receives New Securities for its own account in exchange for Securities, where such Securities were acquired by such Broker-Dealer as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of such New Securities. See "Plan of Distribution."

ANNEX C

PLAN OF DISTRIBUTION

Each Broker-Dealer that receives New Securities for its own account pursuant to the Exchange Offer must acknowledge that it will deliver a prospectus in connection with any resale of such New Securities. This Prospectus, as it may be amended or supplemented from time to time, may be used by a Broker-Dealer in connection with resales of New Securities received in exchange for Securities where such Securities were acquired as a result of market-making activities or other trading activities. The Company has agreed that, starting on the Expiration Date and ending on the close of business 180 days after the Expiration Date, it will make this Prospectus, as amended or supplemented, available to any Broker-Dealer for use in connection with any such resale. In addition, until _____, 200__, all dealers effecting transactions in the New Securities may be required to deliver a prospectus.

The Company will not receive any proceeds from any sale of New Securities by Brokers-Dealers. New Securities received by Broker-Dealers for their own account pursuant to the Exchange Offer may be sold from time to time in one or more transactions in the over-the-counter market, in negotiated transactions, through the writing of options on the New Securities or a combination of such methods of resale, at market prices prevailing at the time of resale, at prices related to such prevailing market prices or negotiated prices. Any such resale may be made directly to purchasers or to or through brokers or dealers who may receive compensation in the form of commissions or concessions from any such Broker-Dealer and/or the purchasers of any such New Securities. Any Broker-Dealer that resells New Securities that were received by it for its own account pursuant to the Exchange Offer and any broker or dealer that participates in a distribution of such New Securities may be deemed to be an "underwriter" within the meaning of the Securities Act and any profit of any such resale of New Securities and any commissions or concessions received by any such Persons may be deemed to be underwriting compensation under the Act. The Letter of Transmittal states that by acknowledging that it will deliver and by delivering a prospectus, a Broker-Dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Act.

For a period of 180 days after the Expiration Date, the Company will promptly send additional copies of this Prospectus and any amendment or supplement to this Prospectus to any Broker-Dealer that requests such documents in the Letter of Transmittal. The Company has agreed to pay all expenses incident to the Exchange Offer (including the expenses of one counsel for the holders of the Securities) other than commissions or concessions of any brokers or dealers and will indemnify the holders of the Securities (including any Broker-Dealers) against certain liabilities, including liabilities under the Act.

[If applicable, add information required by Regulation S-K Items 507 and/or 508.]

CHECK HERE IF YOU ARE A BROKER-DEALER AND WISH TO RECEIVE 10 ADDITIONAL COPIES OF THE PROSPECTUS AND 10 COPIES OF ANY AMENDMENTS OR SUPPLEMENTS THERETO.

Name: _____
Address: _____
_____

If the undersigned is not a Broker-Dealer, the undersigned represents that it acquired the New Securities in the ordinary course of its business, it is not engaged in, and does not intend to engage in, a distribution of New Securities and it has not arrangements or understandings with any Person to participate in a distribution of the New Securities. If the undersigned is a Broker-Dealer that will receive New Securities for its own account in exchange for Securities, it represents that the Securities to be exchanged for New Securities were acquired by it as a result of market-making activities or other trading activities and acknowledges that it will deliver a prospectus in connection with any resale of such New Securities; however, by so acknowledging and by delivering a prospectus, the undersigned will not be deemed to admit that it is an "underwriter" within the meaning of the Act.

Exhibit 5.1

[POLYONE CORPORATION LETTERHEAD]

May 2, 2002

Securities and Exchange Commission
450 5th Street, N.W. Judiciary Plaza
Washington, D.C. 20549

Re: Registration Statement on Form S-4 filed by PolyOne Corporation

Ladies and Gentlemen:

I am the Vice President, Chief Legal Officer and Secretary for PolyOne Corporation, an Ohio corporation (the "Company"), and have acted as such in connection with (i) the offer to exchange (the "Senior Note Exchange Offer") $1,000 principal amount at maturity of the Company's 8.875% Senior Notes due 2012 (the "Exchange Notes") for each $1,000 principal amount at maturity of the Company's outstanding 8.875% Senior Notes due 2012 (the "Private Notes") and (ii) the preparation of the prospectus (the "Prospectus") contained in the registration statement on Form S-4 (the "Registration Statement") filed on May 2, 2002 with the Securities and Exchange Commission by the Company for the purpose of registering the Exchange Notes under the Securities Act of 1933 (the "Act"). The Private Notes have been, and the Exchange Notes will be, issued pursuant to an Indenture, dated as of April 23, 2002 (the "Indenture"), between the Company and The Bank of New York, as Trustee.

In connection with the opinions expressed herein, I or attorneys under my supervision have examined such documents and records, including an examination of originals and copies certified or otherwise identified to our satisfaction, and matters of law as I have deemed necessary for purposes of this opinion. Based upon the foregoing and subject to the qualifications and limitations stated herein, I am of the opinion that:

(1) The Exchange Notes have been duly authorized.

(2) When the Exchange Notes, substantially in the form as set forth on an exhibit to the Indenture as filed as Exhibit 4.1 to the Registration Statement, have been duly executed by the Company and authenticated by the Trustee in accordance with the Indenture and duly delivered in exchange for the Private Notes in accordance with the Senior Note Exchange Offer in the manner described in the Registration Statement, the Exchange Notes will be valid and binding obligations of the Company and will be entitled to the benefits of the Indenture.

I am admitted to practice law in the State of New York and have been granted corporate status in the State of Ohio to perform legal services on behalf of the Company. My examination of matters of law in connection with the opinions expressed herein has been limited to, and accordingly my opinions herein are limited to, the laws of the State of New York, which are expressed to govern the Exchange Notes, and the Ohio General Corporation Law, including the applicable provisions of the Ohio Constitution and the reported judicial

decisions interpreting such law. I express no opinion with respect to any other law of the State of Ohio or any other jurisdiction. I further express no opinion as to any state securities or blue sky laws.

I hereby consent to the filing of this opinion as Exhibit 5.1 to the Registration Statement and the reference to me under the caption "Legal Matters" in the Prospectus constituting a part of the Registration Statement. In giving such consent, I do not thereby admit that I am included in the category of persons whose consent is required under Section 7 of the Act or the rules and regulations of the Securities and Exchange Commission promulgated thereunder.

Very truly yours,

/s/ Wendy C. Shiba

Wendy C. Shiba
Vice President, Chief Legal
Officer and Secretary

EXHIBIT 12.1

POLYONE CORPORATION
RATIO OF EARNINGS TO FIXED CHARGES
(IN MILLIONS)

	2001 (1)	2000	1999	1998	1997
Earnings:					
Consolidated pre-tax income from continuing operations before minority interest and earnings of equity affiliates	(60.5)	(10.9)	164.3	19.9	34.9
Share of distributed earnings of equity affiliates	5.4	32.3	4.6	3.2	-
Share of pre-tax loss of equity affiliates with guaranteed debt	(8.6)	-	(9.3)	(0.1)	(1.2)
Add, fixed charges	60.6	43.7	34.2	33.7	28.0
Add, amortization of capitalized interest	0.8	0.8	1.8	1.9	1.8
Subtract, interest capitalized	(1.1)	-	(0.7)	-	(5.2)
	(3.4)	65.9	194.9	58.6	58.3
Fixed charges:					
Interest expense	41.5	36.3	17.3	15.6	11.3
Capitalized interest	1.1	-	0.7	-	5.2
Net amortization of debt discount and premium and issuance expenses	0.4	0.4	0.4	0.4	0.6
Interest portion of rental expense (2)	8.5	7.0	7.0	10.7	10.7
Interest expense relating to guaranteed debt of equity affiliates	9.1	-	8.8	7.0	0.2
	60.6	43.7	34.2	33.7	28.0
Ratio of earnings to fixed charges	--	1.5x	5.7x	1.7x	2.1x

(1) Earnings in 2001 were insufficient to cover fixed charges by $64.0 million. Accordingly, such ratio is not presented.

(2) The interest factor represents approximately one-third of lease expense, which management believes is representative of the interest component of lease expense.

EXHIBIT 23.1

CONSENT OF ERNST & YOUNG LLP, INDEPENDENT AUDITORS

We consent to the reference to our firm under the caption "Experts" in the Registration Statement (Form S-4) and related Prospectus of PolyOne Corporation for the registration of $200,000,000 of 8.875% Senior Notes due 2012 and to the incorporation by reference therein of our reports dated January 30, 2002, with respect to the consolidated financial statements of PolyOne Corporation incorporated by reference in its Annual Report (Form 10-K) for the year ended December 31, 2001 and our report dated March 28, 2002, with respect to the related financial statement schedule included therein, filed with the Securities and Exchange Commission.

/s/ERNST & YOUNG LLP

Cleveland, Ohio
May 2, 2002

Exhibit 23.2

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation by reference in this registration statement of our report on the consolidated financial statements of OxyVinyls, LP dated January 28, 2002, which is attached as Exhibit 13.2 to PolyOne Corporation's Form 10-K for the year ended December 31, 2001, and to all references to our Firm included in this registration statement.

/s/ Arthur Andersen LLP

Dallas, Texas,
April 30, 2002

Exhibit 24.1

DIRECTOR AND/OR OFFICER OF
POLYONE CORPORATION

REGISTRATION STATEMENT ON FORM S-4

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each of the undersigned directors and/or officers of PolyOne Corporation, an Ohio corporation (the "Company"), hereby constitutes and appoints Thomas A. Waltermire, W. David Wilson, John Rastetter and Wendy C. Shiba, and each of them, as the true and lawful attorney-in-fact or attorneys-in-fact, with full power of substitution and resubstitution, for each of the undersigned and in the name, place and stead of each of the undersigned, to sign and file with the Securities and Exchange Commission under the Securities Act of 1933 (the "Securities Act") one or more Registration Statement(s) on Form S-4 relating to the registration of the Company's 8.875% Senior Notes due 2012, with any and all amendments, supplements and exhibits thereto, including pre-effective and post-effective amendments or supplements, with full power and authority to do and perform any and all acts and things whatsoever required, necessary or desirable to be done in the premises, hereby ratifying and approving the act of said attorneys and any of them and any such substitute.

This Power of Attorney may be executed in multiple counterparts, each of which shall be deemed an original with respect to the person executing it.

Executed as of this 24th day of April 2002.

/s/ Thomas A. Waltermire - ---------- Thomas A. Waltermire President, Chief Executive Officer & Director	/s/ Carol A. Cartwright ---------- Carol A. Cartwright Director	/s/ David H. Hoag ---------- David H. Hoag Director
/s/ W. David Wilson - ---------- W. David Wilson Chief Financial Officer	/s/ Gale Duff-Bloom ---------- Gale Duff-Bloom Director	/s/ D. Larry Moore ---------- D. Larry Moore Director
/s/ Gregory P. Smith - ---------- Gregory P. Smith Controller	/s/ Wayne R. Embry ---------- Wayne R. Embry Director	/s/ Farah M. Walters ---------- Farah M. Walters Director
/s/ James K. Baker - ---------- James K. Baker Director	/s/ Robert A. Garda ---------- Robert A. Garda Director	
/s/ J. Douglas Campbell - ---------- J. Douglas Campbell Director	/s/ Gordon D. Harnett ---------- Gordon D. Harnett Director	

EXHIBIT 25.1

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FORM T-1

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

STATEMENT OF ELIGIBILITY
UNDER THE TRUST INDENTURE ACT OF 1939 OF A
CORPORATION DESIGNATED TO ACT AS TRUSTEE

CHECK IF AN APPLICATION TO DETERMINE
ELIGIBILITY OF A TRUSTEE PURSUANT TO
SECTION 305(b)(2) [ ]

THE BANK OF NEW YORK
(Exact name of trustee as specified in its charter)

New York (State of incorporation if not a U.S. national bank)	13-5160382 (I.R.S. employer identification no.)
One Wall Street, New York, N.Y. (Address of principal executive offices)	10286 (Zip code)

PolyOne Corporation
(Exact name of obligor as specified in its charter)

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

8.875% Senior Notes Due 2012
(Title of the indenture securities)

==========

1. GENERAL INFORMATION. FURNISH THE FOLLOWING INFORMATION AS TO THE TRUSTEE:

(a) NAME AND ADDRESS OF EACH EXAMINING OR SUPERVISING AUTHORITY TO WHICH IT IS SUBJECT.

Name Address
Superintendent of Banks of the State 2 Rector Street, New York, of New York N.Y. 10006, and Albany, N.Y. 12203 Federal Reserve Bank of New York 33 Liberty Plaza, New York, N.Y. 10045 Federal Deposit Insurance Corporation Washington, D.C. 20429 New York Clearing House Association New York, New York 10005

(b) WHETHER IT IS AUTHORIZED TO EXERCISE CORPORATE TRUST POWERS.

Yes.

2. AFFILIATIONS WITH OBLIGOR.

IF THE OBLIGOR IS AN AFFILIATE OF THE TRUSTEE, DESCRIBE EACH SUCH AFFILIATION.

None.

16. LIST OF EXHIBITS.

EXHIBITS IDENTIFIED IN PARENTHESES BELOW, ON FILE WITH THE COMMISSION, ARE INCORPORATED HEREIN BY REFERENCE AS AN EXHIBIT HERETO, PURSUANT TO RULE 7a-29 UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, (THE "ACT") AND 17 C.F.R. 229.10(d).

1. A copy of the Organization Certificate of The Bank of New York (formerly Irving Trust Company) as now in effect, which contains the authority to commence business and a grant of powers to exercise corporate trust powers. (Exhibit 1 to Amendment No. 1 to Form T-1 filed with Registration Statement No. 33-6215, Exhibits 1a and 1b to Form T-1 filed with Registration Statement No. 33-21672 and Exhibit 1 to Form T-1 filed with Registration Statement No. 33-29637.)

4. A copy of the existing By-laws of the Trustee. (Exhibit 4 to Form T-1 filed with Registration Statement No. 33-31019.)

6. The consent of the Trustee required by Section 321(b) of the Act. (Exhibit 6 to Form T-1 filed with Registration Statement No. 33-44051.)

7. A copy of the latest report of condition of the Trustee published pursuant to law or to the requirements of its supervising or examining authority.

SIGNATURE

Pursuant to the requirements of the Act, the Trustee, The Bank of New York, a corporation organized and existing under the laws of the State of New York, has duly caused this statement of eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in The City of New York, and State of New York, on the 1st day of May, 2002.

THE BANK OF NEW YORK

By: /s/ MING SHIANG

Name: MING SHIANG
Title: VICE PRESIDENT

EXHIBIT 7

==========

Consolidated Report of Condition of

THE BANK OF NEW YORK

of One Wall Street, New York, N.Y. 10286
And Foreign and Domestic Subsidiaries,
a member of the Federal Reserve System, at the close of business December 31, 2001, published in accordance with a call made by the Federal Reserve Bank of this District pursuant to the provisions of the Federal Reserve Act.

		Dollar Amounts In Thousands
ASSETS		
Cash and balances due from depository institutions:		
Noninterest-bearing balances and currency and coin		$ 3,163,218
Interest-bearing balances		5,923,554
Securities:		
Held-to-maturity securities		1,210,537
Available-for-sale securities		9,596,941
Federal funds sold and Securities purchased under agreements to resell		4,723,579
Loans and lease financing receivables:		
Loans and leases held for sale		1,104,560
Loans and leases, net of unearned income	36,204,516	
LESS: Allowance for loan and lease losses	608,227	
Loans and leases, net of unearned income and allowance		35,596,289
Trading Assets		8,039,857
Premises and fixed assets (including capitalized leases)		836,786
Other real estate owned		1,292
Investments in unconsolidated subsidiaries and associated companies		207,616
Customers' liability to this bank on acceptances outstanding		292,295
Intangible assets		
Goodwill		1,579,965
Other intangible assets		18,971
Other assets		5,723,285
		==========

Total assets		$78,018,745
LIABILITIES		
Deposits:		
In domestic offices		$28,786,182
Noninterest-bearing	12,264,352	
Interest-bearing	16,521,830	
In foreign offices, Edge and Agreement subsidiaries, and IBFs		27,024,257
Noninterest-bearing	407,933	
Interest-bearing	26,616,325	
Federal funds purchased and securities sold under agreements to repurchase		1,872,762
Trading liabilities		2,181,529
Other borrowed money: (includes mortgage indebtedness and obligations under capitalized leases)		1,692,630
Bank's liability on acceptances executed and outstanding		336,900
Subordinated notes and debentures		1,940,000
Other liabilities		7,217,748
Total liabilities		$71,052,008
EQUITY CAPITAL		
Common stock		1,135,284
Surplus		1,050,729
Retained earnings		4,266,676
Accumulated other comprehensive income		13,733
Other equity capital components		0
Total equity capital		6,466,422
Total liabilities and equity capital		$78,015,745

I, Thomas J. Mastro, Senior Vice President and Comptroller of the above-named bank do hereby declare that this Report of Condition has been prepared in conformance with the instructions issued by the Board of Governors of the Federal Reserve System and is true to the best of my knowledge and belief.

Thomas J. Mastro,
Senior Vice President and Comptroller

We, the undersigned directors, attest to the correctness of this Report of Condition and declare that it has been examined by us and to the best of our knowledge and belief has been

prepared in conformance with the instructions issued by the Board of Governors of the Federal Reserve System and is true and correct.

Thomas A. Renyi
Gerald L. Hassell — Directors
Alan R. Griffith

THE EXCHANGE OFFER WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON _____, 2002 UNLESS EXTENDED (THE "EXPIRATION DATE").

LETTER OF TRANSMITTAL

OFFER TO EXCHANGE

8.875% SENIOR NOTES DUE 2012
WHICH HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933,
FOR ANY AND ALL OUTSTANDING
8.875% SENIOR NOTES DUE 2012
OF
POLYONE CORPORATION

DELIVER TO:
THE BANK OF NEW YORK, EXCHANGE AGENT

By Registered or Certified Mail:	By Hand or Overnight Delivery:	Facsimile Transmission Number:
The Bank of New York	The Bank of New York	(For Eligible Institutions Only)
20 Broad Street	20 Broad Street	
New York, New York 10286	New York, New York 10286	
Attention:	Attention:	Confirm Receipt of Facsimile by Telephone:

Your delivery of this letter of transmittal will not be valid unless you deliver it to one of the addresses, or transmit it to the facsimile number, set forth above. Please carefully read this entire document, including the instructions, before completing this letter of transmittal. DO NOT DELIVER THIS LETTER OF TRANSMITTAL TO POLYONE.

By completing this letter of transmittal, you acknowledge that you have received and reviewed our prospectus dated _____, 2002 and this letter of transmittal, which together constitute the "Exchange Offer." This letter of transmittal and the prospectus have been delivered to you in connection with PolyOne's offer to exchange $1,000, or integrals thereof, in principal amount at maturity of its 8.875% Senior Notes due 2012, which have been registered under the Securities Act of 1933 (the "Exchange Notes") for $1,000, or integrals thereof, in principal amount at maturity of its outstanding 8.875% Senior Notes due 2012 (the "Outstanding Notes"). Currently, $200,000,000 in principal amount of the Outstanding Notes are issued and outstanding.

PolyOne reserves the right, at any time or from time to time, to extend this exchange offer at its discretion, in which event the Expiration Date will mean the latest date to which the offer exchange is extended.

This letter of transmittal is to be completed by the Holder (this term is defined below) of Outstanding Notes if:

(1) the Holder is delivering certificates for Outstanding Notes with this document, or

(2) the tender of certificates for Outstanding Notes will be made by book-entry transfer to the account maintained by The Bank of New York, the exchange agent, for the Outstanding Notes and the Exchange Notes, at The Depository Trust Company ("DTC") according to the procedures described in the prospectus under the heading "The Exchange Offer--Procedures for Tendering." Please note that delivery of documents required by this letter of transmittal to DTC does not constitute delivery to the exchange agent.

A Holder may also tender its Outstanding Notes by means of DTC's Automated Tenders Over the Participant Terminal System ("ATOP"), subject to the terms and procedures of that system. If delivery is made through ATOP, the Holder must transmit an agent's message to the exchange account at DTC. The term "agent's message" means a message, transmitted to DTC and received by the exchange agent and forming a part of a book-entry transfer, that states that DTC has received an express acknowledgement that the Holder agrees to be bound by the letter of transmittal and that PolyOne may enforce the letter of transmittal against the Holder.

You must tender your Outstanding Notes according to the guaranteed delivery procedures described in this document if:

(1) your Outstanding Notes are not immediately available;

(2) you cannot deliver your Outstanding Notes, this letter of transmittal and all required documents to the exchange agent on or before the Expiration Date; or

(3) you are unable to obtain confirmation of a book-entry tender of your Outstanding Notes into the exchange agent's account at DTC on or before the Expiration Date.

More complete information about guaranteed delivery procedures is contained in the prospectus under the heading "The Exchange Offer--Guaranteed Delivery Procedures." You should also read Instruction 1 to determine whether or not this section applies to you.

As used in this letter of transmittal, the term "Holder" means (1) any person in whose name Outstanding Notes are registered on the books of PolyOne, (2) any other person who has obtained a properly executed bond power from a registered Holder or (3) any person whose Outstanding Notes are held of record by DTC who desires to deliver such notes by book-entry transfer at DTC. If you decide to tender your Outstanding Notes, you must complete this entire letter of transmittal.

You must follow the instructions in this letter of transmittal--please read this entire document carefully. If you have questions or need help, or if you would like additional copies of the prospectus and this letter of transmittal, you should contact the exchange agent at (212) _____ or at its address set forth above.

Please describe your Outstanding Notes below.

DESCRIPTION OF OUTSTANDING NOTES

NAME(S) AND ADDRESS(ES) OF REGISTERED HOLDERS(S) (PLEASE COMPLETE, IF BLANK)	CERTIFICATE NUMBER(S)	AGGREGATE PRINCIPAL AMOUNT OF OUTSTANDING NOTES REPRESENTED BY CERTIFICATE(S)	PRINCIPAL AMOUNT OF OUTSTANDING NOTES TENDERED*
		TOTAL	

* You will be deemed to have tendered the entire principal amount of Outstanding Notes represented in the column labeled "Aggregate Principal Amount of Outstanding Notes Represented by Certificate(s)" unless you indicate otherwise in the column labeled "Principal Amount of Outstanding Notes Tendered."

If you need more space, list the certificate numbers and principal amount of Outstanding Notes on a separate schedule, sign the schedule and attach it to this letter of transmittal.

[ ] CHECK HERE IF YOU HAVE ENCLOSED OUTSTANDING NOTES WITH THIS LETTER OF TRANSMITTAL.

[ ] CHECK HERE IF YOU WILL BE TENDERING OUTSTANDING NOTES BY BOOK-ENTRY TRANSFER MADE TO THE EXCHANGE AGENT'S ACCOUNT AT DTC.

COMPLETE THE FOLLOWING ONLY IF YOU ARE AN ELIGIBLE INSTITUTION (THIS TERM IS DEFINED BELOW):

Name of Tendering Institution

Account Number:

Transaction Code Number:

[ ] CHECK HERE IF YOU ARE DELIVERING TENDERED OUTSTANDING NOTES THROUGH A NOTICE OP GUARANTEED DELIVERY AND HAVE ENCLOSED THAT NOTICE WITH THIS LETTER OF TRANSMITTAL.

COMPLETE THE FOLLOWING ONLY IF YOU ARE AN ELIGIBLE INSTITUTION:

Name(s) of Registered Holder(s) of Outstanding Notes:

- ---

Date of Execution of Notice of Guaranteed Delivery:

- ---

Window Ticket Number (if available):

- ---

Name of Institution that Guaranteed Delivery:

- ---

Account Number (if delivered by book-entry transfer):

- ---

[ ] CHECK HERE IF YOU ARE A BROKER-DEALER AND WISH TO RECEIVE 10 ADDITIONAL COPIES OF THE PROSPECTUS AND 10 COPIES OF ANY AMENDMENTS OR SUPPLEMENTS THERETO.

Name of Broker-Dealer:

- ---

Address to which copies of the Prospectus are to be delivered:

- ---

- ---

- ---

SPECIAL ISSUANCE INSTRUCTIONS
(SEE INSTRUCTIONS 4, 5 AND 6)

Complete this section ONLY if: (1) certificates for untendered Outstanding Notes are to be issued in the name of someone other than you; (2) certificates for Exchange Notes issued in exchange for tendered and accepted Outstanding Notes are to be issued in the name of someone other than you; or (3) Outstanding Notes tendered by book-entry transfer that are not exchanged are to be returned by credit to an account maintained at DTC.

Issue Certificate(s) to:

Name

(PLEASE PRINT)

Address

- ---

- ---
(INCLUDE ZIP CODE)

- ---
(TAXPAYER IDENTIFICATION OR SOCIAL SECURITY NUMBER)

- ---

- ---

SPECIAL DELIVERY INSTRUCTIONS
(SEE INSTRUCTIONS 4, 5 AND 6)

Complete this section ONLY if certificates for untendered Outstanding Notes, or Exchange Notes issued in exchange for tendered and accepted Outstanding Notes are to be sent to someone other than you, or to you at an address other than the address shown above.

Mail and deliver Certificate(s) to:

Name

(PLEASE PRINT)

Address

- ---

- ---
(INCLUDE ZIP CODE)

(PLEASE ALSO COMPLETE SUBSTITUTE FORM W-9)

Ladies and Gentlemen:

According to the terms and conditions of the Exchange Offer, I hereby tender to PolyOne Corporation the principal amount of Outstanding Notes indicated above. At the time these notes are accepted by PolyOne, and exchanged for the same principal amount of Exchange Notes, I will sell, assign, and transfer to PolyOne all right, title and interest in and to the Outstanding Notes I have tendered. I am aware that the exchange agent also acts as the agent of PolyOne. By executing this document, I irrevocably appoint the exchange agent as my agent and attorney-in-fact for the tendered Outstanding Notes with full power of substitution to:

1. deliver certificates for the Outstanding Notes, or transfer ownership of the Outstanding Notes on the account books maintained by DTC, to PolyOne and deliver all accompanying evidences of transfer and authenticity to PolyOne; and

2. present the Outstanding Notes for transfer on the books of PolyOne, receive all benefits and exercise all rights of beneficial ownership of these Outstanding Notes, according to the terms of the Exchange Offer. The power of attorney granted in this paragraph is irrevocable and coupled with an interest.

I represent and warrant that I have full power and authority to tender, sell, assign and transfer the Outstanding Notes that I am tendering. I represent and warrant that PolyOne will acquire good and unencumbered title to the Outstanding Notes, free and clear of all liens, restrictions, charges and encumbrances and that the Outstanding Notes will not be subject to any adverse claim at the time PolyOne acquires them. I further represent that:

1. any Exchange Notes I will acquire in exchange for the Outstanding Notes I have tendered will be acquired in the ordinary course of business;

2. I have not engaged in, do not intend to engage in, and have no arrangement with any person to engage in, a distribution of any Exchange Notes issued to me; and

3. I am not an "affiliate" (as defined in Rule 405 under the Securities Act) of PolyOne Corporation.

I understand that the Exchange Offer is being made in reliance on interpretations contained in letters issued to third parties by the staff of the Securities and Exchange Commission ("Commission"). These letters provide that the Exchange Notes issued in exchange for the Outstanding Notes in the Exchange Offer may be offered for resale, resold, and otherwise transferred by a Holder of Exchange Notes, unless that person is an "affiliate" of PolyOne within the meaning of Rule 405 under the Securities Act, without compliance with the registration and prospectus delivery provisions of the Securities Act. The Exchange Notes must be acquired in the ordinary course of the Holder's business and the Holder must not be engaging in, must not intend to engage in, and must not have any arrangement or understanding with any person to participate in, a distribution of the Exchange Notes.

If I am a broker-dealer that will receive Exchange Notes for my own account in exchange for Outstanding Notes that were acquired as a result of market-making activities or other trading activities (a "Participating Broker-Dealer"), I acknowledge that I will deliver a prospectus in connection with any resale of the Exchange Notes. However, by this acknowledgment and by delivering a prospectus, I will not be deemed to admit that I am an "underwriter" within the meaning of the Securities Act.

Upon request, I will execute and deliver any additional documents deemed by the exchange agent or PolyOne to be necessary or desirable to complete the assignment, transfer and purchase of the Outstanding Notes I have tendered.

I understand that PolyOne will be deemed to have accepted validly tendered Outstanding Notes when PolyOne gives oral or written notice of acceptance to the exchange agent.

If, for any reason, any tendered Outstanding Notes are not accepted for exchange in the Exchange Offer, certificates for those unaccepted Outstanding Notes will be returned to me without charge at the address shown below or at a different address if one is listed under "Special Delivery Instructions." Any unaccepted Outstanding Notes which had been tendered by book-entry transfer will be credited to an account at DTC, as soon as reasonably possible after the Expiration Date.

All authority granted or agreed to be granted by this letter of transmittal will survive my death, incapacity or, if I am a corporation or institution, my dissolution and every obligation under this letter of transmittal is binding upon my heirs, personal representatives, successors and assigns.

I understand that tenders of Outstanding Notes according to the procedures described in the prospectus under the heading "The Exchange Offer--Procedures for Tendering" and in the instructions included in this document constitute a binding agreement between myself and PolyOne subject to the terms and conditions of the Exchange Offer.

Unless I have described other instructions in this letter of transmittal under the section "Special Issuance Instructions," please issue the certificates representing Exchange Notes issued and accepted in exchange for my tendered and accepted Outstanding Notes in my name, and issue any replacement certificates for Outstanding Notes not tendered or not exchanged in my name. Similarly, unless I have instructed otherwise under the section "Special Delivery Instructions," please send the certificates representing the Exchange Notes issued in exchange for tendered and accepted Outstanding Notes and any certificates for Outstanding Notes that were not tendered or not exchanged, as well as any accompanying documents, to me at the address shown below my signature. If the "Special Issuance Instructions" and the "Special Delivery Instructions" are completed, please issue the certificates representing the Exchange Notes issued in exchange for my tendered and accepted Outstanding Notes in the name(s) of, and/or return any Outstanding Notes that were not tendered or exchanged and send such certificates to, the person(s) so indicated. I understand that if PolyOne does not accept any of the tendered Outstanding Notes for exchange, PolyOne has no obligation to transfer any Outstanding Notes from the name of the registered Holder(s) according to my instructions in the "Special Issuance Instructions" and "Special Delivery Instructions" sections of this document.

PLEASE SIGN HERE WHETHER OR NOT
OUTSTANDING NOTES ARE BEING PHYSICALLY TENDERED HEREBY

- ---------- ----------
(Date)

- ---------- ----------
Signature(s) of Registered Holder(s) or Authorized Signatory (Date)

Area Code and Telephone Number(s):
- ----------

Tax Identification or Social Security Number(s):
- ----------

The above lines must be signed by the registered Holder(s) of Outstanding Notes as their name(s) appear(s) on the certificate for the Outstanding Notes or by person(s) authorized to become registered Holders(s) by a properly completed bond power from the registered Holder(s). A copy of the completed bond power must be delivered with this letter of transmittal. If any Outstanding Notes tendered through this letter of transmittal are held of record by two or more joint Holders, then all such Holders must sign this letter of transmittal. If the signature is by trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or other person acting in a fiduciary or representative capacity, then such person must (1) state his or her full title below and (2) unless waived by PolyOne, submit evidence satisfactory to PolyOne of such person's authority to act on behalf of the Holder. See Instruction 4 for more information about completing this letter of transmittal.

Name(s):
- ----------

- ----------

Capacity:
- ----------

- ----------

Address:
- ----------

- ----------
(INCLUDE ZIP CODE)

Signature(s) Guaranteed by an Eligible Institution, if required by Instruction 4:

- ----------

- ----------
(TITLE)

- ----------
(NAME OF FIRM)

Dated , 2002

Please complete the Substitute Form W-9 below.

PAYOR'S NAME: THE BANK OF NEW YORK

SUBSTITUTE FORM W-9 Department of Treasury Internal Revenue Service	PART 1 - PLEASE PROVIDE YOUR TIN IN THE BOX AT RIGHT AND CERTIFY BY SIGNING AND DATING BELOW:	Social Security Number OR Employer Identification Number
Payer's Request for Taxpayer Identification Number ("TIN") Certification	PART 2 - Certification - Under Penalties of Perjury, I certify that: (1) The number shown on this form is my correct TIN (or I am waiting for a number to be issued to me) and (2) I am not subject to backup withholding because (a) I am exempt from backup withholding, (b) I have not been notified by the Internal Revenue Service ("IRS") that I am subject to backup withholding as a result of failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding.	
	PART 3 - Awaiting TIN [ ]	

CERTIFICATION INSTRUCTIONS - You must cross out item (2) in the box above if you have been notified by the IRS that you are currently subject to backup withholding because of underreporting interest or dividends on your tax return.

Signature _____ Date _____, 2002

NOTE: IF YOU DO NOT COMPLETE AND RETURN THIS FORM YOU MAY BE SUBJECT TO BACKUP WITHHOLDING OF 30% OF PAYMENTS MADE TO YOU UNDER THIS EXCHANGE OFFER. FOR MORE INFORMATION, PLEASE REVIEW THE ENCLOSED GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9.

NOTE: YOU MUST COMPLETE THE FOLLOWING CERTIFICATE IF YOU CHECKED THE BOX IN PART 3.

CERTIFICATE OF AWAITING TAXPAYER IDENTIFICATION NUMBER

I certify under penalties of perjury that a taxpayer identification number has not been issued to me, and either (a) I have mailed or delivered an application to receive a taxpayer identification number to the appropriate Internal Revenue Center or Social Security Administration Office or (b) I intend to mail or deliver an application in the near future. I understand that if I do not provide a taxpayer identification number within sixty (60) days, 30% of all reportable payments made to me thereafter will be withheld until I provide a number.

Signature _____ Date _____

INSTRUCTIONS
PART OF THE TERMS AND CONDITIONS OF THE
EXCHANGE OFFER

1. DELIVERY OF THIS LETTER OF TRANSMITTAL AND OUTSTANDING NOTES. The tendered Outstanding Notes or a confirmation of book-entry delivery, as well as a properly completed and executed copy or facsimile of this letter of transmittal or an agent's message through ATOP and any other required documents must be received by the exchange agent at its address listed on the cover of this document before 5:00 p.m., New York City time, on the Expiration Date. YOU ARE RESPONSIBLE FOR THE DELIVERY OF THE OUTSTANDING NOTES, THIS LETTER OF TRANSMITTAL AND ALL REQUIRED DOCUMENTS TO THE EXCHANGE AGENT. EXCEPT UNDER THE LIMITED CIRCUMSTANCES DESCRIBED BELOW, THE DELIVERY OF THESE DOCUMENTS WILL BE CONSIDERED TO HAVE BEEN MADE ONLY WHEN ACTUALLY RECEIVED OR CONFIRMED BY THE EXCHANGE AGENT. WHILE THE METHOD OF DELIVERY IS AT YOUR RISK AND CHOICE, POLYONE RECOMMENDS THAT YOU USE AN OVERNIGHT OR HAND DELIVERY SERVICE RATHER THAN REGULAR MAIL. YOU SHOULD SEND YOUR DOCUMENTS WELL BEFORE THE EXPIRATION DATE TO ENSURE RECEIPT BY THE EXCHANGE AGENT. YOU MAY REQUEST THAT YOUR BROKER, DEALER, COMMERCIAL BANK, TRUST COMPANY OR NOMINEE DELIVER YOUR OUTSTANDING NOTES, THIS LETTER OF TRANSMITTAL AND ALL REQUIRED DOCUMENTS TO THE EXCHANGE AGENT. DO NOT SEND YOUR OUTSTANDING NOTES TO POLYONE.

If you wish to tender your Outstanding Notes, but:

(a) your Outstanding Notes are not immediately available;

(b) you cannot deliver your Outstanding Notes, this letter of transmittal and all required documents to the exchange agent before the Expiration Date; or

(c) you are unable to complete the book-entry tender procedure before the Expiration Date,

you must tender your Outstanding Notes according to the guaranteed delivery procedure. A summary of this procedure follows, but you should read the section in the prospectus titled "The Exchange Offer--Guaranteed Delivery Procedure" for more complete information. As used in this letter of transmittal, an "Eligible Institution" is any participant in a Recognized Signature Guarantee Medallion Program within the meaning of Rule 17Ad-15 of the Exchange Act.

For a tender made through the guaranteed delivery procedure to be valid, the exchange agent must receive a properly completed and executed Notice of Guaranteed Delivery or a facsimile of that notice before 5:00 p.m., New York City time, on the Expiration Date. The Notice of Guaranteed Delivery must be delivered by an Eligible Institution and must:

(a) state your name and address;

(b) list the certificate numbers and principal amounts of the Outstanding Notes being tendered;

(c) state that tender of your Outstanding Notes is being made through the Notice of Guaranteed Delivery; and

(d) guarantee that this letter of transmittal, or a facsimile of it, the certificates representing the Outstanding Notes, or a confirmation of DTC book-entry transfer, and all other required documents will be deposited with the exchange agent by the Eligible Institution within three New York Stock Exchange trading days after the Expiration Date.

The exchange agent must receive your Outstanding Notes certificates, or a confirmation of DTC book entry, in proper form for transfer, this letter of transmittal and all required documents within three New York Stock Exchange trading days after the Expiration Date or your tender will be invalid and may not be accepted for exchange.

PolyOne has the sole right to decide any questions about the validity, form, eligibility, time of receipt, acceptance or withdrawal of tendered Outstanding Notes, and its decision will be final and binding. PolyOne's interpretation of the terms and conditions of the Exchange Offer, including the instructions contained in this letter of transmittal and in the prospectus under the heading "The Exchange Offer--Conditions," will be final and binding on all parties.

PolyOne has the absolute right to reject any or all of the tendered Outstanding Notes if:

(1) the Outstanding Notes are not properly tendered; or

(2) in the opinion of counsel, the acceptance of those Outstanding Notes would be unlawful.

PolyOne may also decide to waive any conditions, defects or invalidity of tender of Outstanding Notes and accept such Outstanding Notes for exchange. Any defect or invalidity in the tender of Outstanding Notes that is not waived by PolyOne must be cured within the period of time set by PolyOne.

It is your responsibility to identify and cure any defect or invalidity in the tender of your Outstanding Notes. Your tender of Outstanding Notes will not be considered to have been made until any defect is cured or waived. Neither PolyOne, the exchange agent nor any other person is required to notify you that your tender was invalid or defective, and no one will be liable for any failure to notify you of such a defect or invalidity in your tender of Outstanding Notes. As soon as reasonably possible after the Expiration Date, the exchange agent will return to the Holder tendering any Outstanding Notes that were invalidly tendered if the defect of invalidity has not been cured or waived.

2. TENDER BY HOLDER. You must be a Holder of Outstanding Notes in order to participate in the Exchange Offer. If you are a beneficial holder of Outstanding Notes who wishes to tender, but you are not the registered Holder, you must arrange with the registered Holder to execute and deliver this letter of transmittal on his, her or its behalf. Before completing and executing this letter of transmittal and delivering the registered Holder's Outstanding Notes, you must either make appropriate arrangements to register ownership of the Outstanding Notes in your name, or obtain a properly executed bond power from the registered Holder. The transfer of registered ownership of Outstanding Notes may take a long period of time.

3. PARTIAL TENDERS. If you are tendering less than the entire principal amount of Outstanding Notes represented by a certificate, you should fill in the principal amount you are tendering in the third column of the box entitled "Description of Outstanding Notes." The entire principal amount of Outstanding Notes listed on the certificate delivered to the exchange agent will be deemed to have been tendered unless you fill in the appropriate box. If the entire principal amount of all Outstanding Notes is not tendered, a certificate will be issued for the principal amount of those untendered Outstanding Notes not tendered.

Unless a different address is provided in the appropriate box on this letter of transmittal, certificate(s) representing Exchange Notes issued in exchange for any tendered and accepted Outstanding Notes will be sent to the registered Holder at his or her registered address, promptly after the Outstanding Notes are accepted for exchange. In the case of Outstanding Notes tendered by book-entry transfer, any untendered Outstanding Notes and any Exchange Notes issued in exchange for tendered and accepted Outstanding Notes will be credited to accounts at DTC.

4. SIGNATURES ON THE LETTER OF TRANSMITTAL; BOND POWERS AND ENDORSEMENTS; GUARANTEE OF SIGNATURES.

- - If you are the registered Holder of the Outstanding Notes tendered with this document, and are signing this letter of transmittal, your signature must match exactly with the name(s) written on the face of the Outstanding Notes. There can be no alteration, enlargement or change in your signature in any manner. If certificates representing the Exchange Notes, or certificates issued to replace any Outstanding Notes you have not tendered are to be issued to you as the registered Holder, do not endorse any tendered Outstanding Notes, and do not provide a separate bond power.

- - If you are not the registered Holder, or if Exchange Note or any replacement Outstanding Note certificates will be issued to someone other than you, you must either properly endorse the Outstanding Notes you have tendered or deliver with this letter of transmittal a properly completed separate bond power. Please note that the signatures on any endorsement or bond power must be guaranteed by an Eligible Institution.

- - If you are signing this letter of transmittal but are not the registered Holder(s) of any Outstanding Notes listed on this document under the "Description of Outstanding Notes," the Outstanding Notes tendered must be endorsed or accompanied by appropriate bond powers, in each case signed in the name of the registered Holder(s) exactly as it appears on the Outstanding Notes. Please note that the signatures on any endorsement or bond power must be guaranteed by an Eligible Institution.

- - If this letter of transmittal, any Outstanding Notes tendered or any bond powers are signed by trustees, executors, administrators, guardians, attorneys-in-fact, offices of corporations or others acting in a fiduciary or representative capacity, that person must indicate their title or capacity when signing. Unless waived by PolyOne, evidence satisfactory to PolyOne of that person's authority to act must be submitted with this letter of transmittal. Please note that the signatures on any endorsement or bond power must be guaranteed by an Eligible Institution.

- - All signatures on this letter of transmittal must be guaranteed by an Eligible Institution unless one of the following situations apply:

  - If this letter of transmittal is signed by the registered Holder(s) of the Outstanding Notes tendered with this letter of transmittal and such Holder(s) has not completed the box titled "Special Issuance Instructions" or the box titled "Special Delivery Instructions;" or

  - If the Outstanding Notes are tendered for the account of an Eligible Institution.

5. SPECIAL ISSUANCE AND DELIVERY INSTRUCTIONS. If different from the name and address of the person signing this letter of transmittal, you should indicate, in the applicable box or boxes, the name and address where Outstanding Notes issued in replacement for any untendered or tendered but unaccepted Outstanding Notes should be issued or sent. If replacement Original Notes are to be issued in a different name, you must indicate the taxpayer identification or social security number of the person named.

6. TRANSFER TAXES. PolyOne will pay all transfer taxes, if any, applicable to the exchange of Outstanding Notes in the Exchange Offer. However, transfer taxes will be payable by you (or by the tendering Holder if you are signing this letter on behalf of a tendering Holder) if:

- - certificates representing Exchange Notes or notes issued to replace any Outstanding Notes not tendered or accepted for exchange are to be delivered to, or are to be registered or issued in the name of, a person other than the registered Holder;

- - tendered Outstanding Notes are registered in the name of any person other than the person signing this letter of transmittal; or

- - a transfer tax is imposed for any reason other than the exchange of Outstanding Notes according to the Exchange Offer. If satisfactory evidence of the payment of those taxes or an exemption from payment is not submitted with this letter of transmittal, the amount of those transfer taxes will be billed directly to the

tendering Holder. Until those transfer taxes are paid, PolyOne will not be required to deliver any Exchange Notes required to be delivered to, or at the direction of, such tendering Holder.

Except as provided in this Instruction 6, it is not necessary for transfer tax stamps to be attached to the Outstanding Notes listed in this letter of transmittal.

7. FORM W-9. You must provide the exchange agent with a correct Taxpayer Identification Number ("TIN") for the Holder on the enclosed Form W-9. If the Holder is an individual, the TIN is his or her social security number. If you do not provide the required information on the Form W-9, you may be subject to 30% Federal income tax withholding on certain payments made to the Holders of Exchange Notes. Certain Holders, such as corporations and certain foreign individuals, are not subject to these backup withholding and reporting requirements. For additional information, please read the enclosed Guidelines for Certification of TIN on Substitute Form W-9. To prove to the exchange agent that a foreign individual qualifies as an exempt Holder, the foreign individual must submit a Form W-8, signed under penalties of perjury, certifying as to that individual's exempt status. You can obtain a Form W-8 from the exchange agent.

8. WAIVER OF CONDITIONS. PolyOne may choose, at any time and for any reason, to amend, waive or modify certain of the conditions to the Exchange Offer. The conditions applicable to tenders of Outstanding Notes in the Exchange Offer are described in the prospectus under the heading "The Exchange Offer--Conditions."

9. MUTILATED, LOST, STOLEN OR DESTROYED OUTSTANDING NOTES. If your Outstanding Notes have been mutilated, lost, stolen or destroyed, you should contact the exchange agent at the address listed on the cover page of this document for further instructions.

10. REQUESTS FOR ASSISTANCE OR ADDITIONAL COPIES. If you have questions, need assistance or would like to receive additional copies of the prospectus or this letter of transmittal, you should contact the exchange agent at the address listed in the prospectus. You may also contact your broker, dealer, commercial bank, trust company or other nominee for assistance concerning the Exchange Offer.

GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9

GUIDELINES FOR DETERMINING THE PROPER IDENTIFICATION NUMBER TO GUIDE THE PAYER.--Social Security Numbers have nine digits separated by two hyphens: i.e. 000-00-0000. Employer Identification Numbers have nine digits separated by only one hyphen: i.e. 00-0000000. The table below will help determine the number to give the payer.

FOR THIS TYPE OF ACCOUNT:	GIVE THE SOCIAL SECURITY NUMBER OF--
1. An individual's account	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account(1)
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor(2)
4. a The usual revocable savings trust account (grantor is also trustee)	The grantor-trustee(1)
b So-called trust account that is not a legal or valid trust under State law	The actual owner(1)
5. Sole proprietorship account	The owner(3)

FOR THIS TYPE OF ACCOUNT:	GIVE THE EMPLOYER IDENTIFICATION NUMBER OF--
6. A valid trust, estate, or pension trust	The legal entity (Do not furnish the identifying number of the personal representative or trustee unless the legal entity itself is not designated in the account title.)(4)
7. Corporate account	The corporation
8. Religious, charitable or education organization account	The organization
9. Partnership	The partnership
10. Association, club or other tax exempt organization	The organization
11. A broker or registered nominee	The broker or nominee
12. Account with the Department of Agriculture in the name of a public entity (such as a State or local government, school district or prison) that receives agricultural program payments	The public entity

(1) List first and circle the name of the person whose number you furnish. If only one person on a joint account has a Social Security Number, that person's number must be furnished.

(2) Circle the minor's name and furnish the minor's Social Security Number.

(3) Show the name of the owner. You may also enter your business name. You may use your Social Security Number or Employer Identification Number.

(4) List first and circle the name of the legal trust, estate or pension trust.

NOTE: If no name is circled when there is more than one name, the number will be considered to be that of the first name listed.

GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9

OBTAINING A NUMBER

If you don't have a Taxpayer Identification Number or you don't know your number, obtain Form SS-5, Application for a Social Security Number Card, or Form SS-4, Application for Employer Identification Number, at the local office of the Social Security Administration or the Internal Revenue Service and apply for a number.

PAYEES EXEMPT FROM BACKUP WITHHOLDING

Payees specifically exempted from backup withholding on broker transactions include the following:

- - A corporation.
- - A financial institution.
- - An organization exempt from tax under Section 501(a), an individual retirement plan, or a custodial account under Section 403(b)(7), if the account satisfies the requirements of Section 401(f)(2).
- - The United States or any agency or instrumentality thereof.
- - A State, the District of Columbia, a possession of the United States, or any subdivision or instrumentality thereof.
- - A foreign government, a political subdivision of a foreign government, or any agency or instrumentality thereof.
- - An international organization or any agency or instrumentality thereof.
- - A dealer in securities or commodities required to be registered in the United States, the District of Columbia, or a possession of the United States.
- - A real estate investment trust.
- - A futures commissions merchant registered with the Commodity Futures Trading Commission.
- - A common trust fund operated by a bank under Section 584(a).
- - An entity registered at all times under the Investment Company Act of 1940.
- - A foreign central bank of issue.
- - A person registered under the Investment Advisors Act of 1940 who regularly acts as a broker.

Payments of dividends not generally subject to backup withholding include the following:

- - Payments to nonresident aliens subject to withholding under Section 1441.
- - Payments to partnerships not engaged in a trade or business in the United States and which have at least one nonresident partner.
- - Payments of patronage dividends where the amount received is not paid in money.
- - Payments made by certain foreign organizations.
- - Payments described in Section 404(k) made by an employee stock ownership plan.

Payments of interest not generally subject to backup withholding include the following:

- - Payments of interest on obligations issued by individuals. Note: You may be subject to backup withholding if this interest is $600 or more and is paid in the course of the payer's trade or business and you have not provided your correct Taxpayer Identification Number to the payer.
- - Payments of tax-exempt interest (including tax-exempt interest dividends under Section 852).
- - Payments described in Section 6049(b)(5) to non-resident aliens.
- - Payments on tax-free covenant bonds under Section 1451.
- - Payments made by certain foreign organizations.
- - Payments of mortgage interest to you.

Exempt payees described above should file Substitute Form W-9 to avoid possible erroneous backup withholding. FILE THIS FORM WITH THE PAYER, FURNISH YOUR TAXPAYER IDENTIFICATION NUMBER, WRITE "EXEMPT" ON THE FACE OF THE FORM, SIGN AND DATE THE FORM AND RETURN IT TO THE PAYER.

PRIVACY ACT NOTICE--Section 6109 requires most recipients of dividend, interest or other payments to give Taxpayer Identification Numbers to payers who must report the payments to the IRS. The IRS uses the numbers for identification purposes. Payers must be given the numbers whether or not recipients are required to file tax returns. Payers must generally withhold 30% of taxable interest, dividend and certain other payments to a payee who does not furnish a Taxpayer Identification Number to a payer. Certain penalties may also apply.

PENALTIES

(1) PENALTY FOR FAILURE TO FURNISH TAXPAYER IDENTIFICATION NUMBER.-- If you fail to furnish your Taxpayer Identification Number to a payer, you are subject to a penalty of $50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

(2) CIVIL PENALTY FOR FALSE INFORMATION WITH RESPECT TO WITHHOLDING.-- If you make a false statement with no reasonable basis which results in no imposition of backup withholding, you are subject to a penalty of $500.

(3) CRIMINAL PENALTY FOR FALSIFYING INFORMATION.-- Falsifying certifications or

affirmations may subject you to criminal penalties including fines and/or imprisonment.

FOR ADDITIONAL INFORMATION CONTACT
YOUR TAX CONSULTANT OR THE IRS.

(DO NOT WRITE IN SPACE BELOW)

CERTIFICATE SURRENDERED	OUTSTANDING NOTES TENDERED	OUTSTANDING NOTES ACCEPTED

Delivery Prepared by: _____

Checked by: _____

Date: _____

Exhibit 99.2

NOTICE OF GUARANTEED DELIVERY

FOR

8.875% SENIOR NOTES DUE 2012

OF

POLYONE CORPORATION

As set forth in the Prospectus, dated _____, 2002 (the "Prospectus"), of PolyOne Corporation and in the letter of transmittal, this form or one substantially similar must be used to accept PolyOne's offer to exchange all of its outstanding 8.875% Senior Notes due 2012 (the "Outstanding Notes") for its 8.875% Senior Notes due 2012, which have been registered under the Securities Act of 1933, if certificates for the Outstanding Notes are not immediately available or if the Outstanding Notes, the letter of transmittal or any other required documents cannot be delivered to the exchange agent, or the procedure for book-entry transfer cannot be completed, prior to 5:00 p.m., New York City time, on the Expiration Date (as defined in the Prospectus). This form may be delivered by an Eligible Institution by hand or transmitted by facsimile transmission, overnight courier or mailed to the exchange agent as indicated below.

- ---

THE EXCHANGE OFFER WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON _____, 2002, UNLESS THE OFFER IS EXTENDED (THE "EXPIRATION DATE"). TENDERS OF OUTSTANDING NOTES MAY BE WITHDRAWN AT ANY TIME PRIOR TO 5:00 P.M. ON THE EXPIRATION DATE.

- ---

DELIVER TO:

THE BANK OF NEW YORK,
EXCHANGE AGENT

By Registered or Certified Mail:	By Hand or Overnight Delivery:	Facsimile Transmission Number:
The Bank of New York	The Bank of New York	(For Eligible Institutions Only)
20 Broad Street	20 Broad Street	
New York, New York 10286	New York, New York 10286	
Attention:	Attention:	Confirm Receipt of Facsimile by Telephone:

DELIVERY OF THIS NOTICE TO AN ADDRESS, OR TRANSMISSION OF INSTRUCTIONS VIA A FACSIMILE, OTHER THAN AS SET FORTH ABOVE, DOES NOT CONSTITUTE A VALID DELIVERY.

This form is not to be used to guarantee signatures. If a signature on the letter of transmittal to be used to tender Outstanding Notes is required to be guaranteed by an "Eligible Institution" under the instructions thereto, such signature guarantee must appear in the applicable space provided in the letter of transmittal.

Ladies and Gentlemen:

The undersigned hereby tenders to PolyOne Corporation, upon the terms and subject to the conditions set forth in the Prospectus and the letter of transmittal (which together constitute the "Exchange Offer"), receipt of which is hereby acknowledged, Outstanding Notes pursuant to guaranteed delivery procedures set forth in Instruction 1 of the letter of transmittal.

The undersigned understands that tenders of Outstanding Notes will be accepted only in principal amounts equal to $1,000 or integral multiples thereof. The undersigned understands that tenders of Outstanding Notes pursuant to the Exchange Offer may be withdrawn only in accordance with the procedures set forth in "The Exchange Offer -- Withdrawal of Tenders" section of the Prospectus.

All authority herein conferred or agreed to be conferred by this Notice of Guaranteed Delivery shall survive the death, incapacity or dissolution of the undersigned and every obligation of the undersigned under this Notice of Guaranteed Delivery shall be binding upon the heirs, personal representatives, executors, administrators, successors, assigns, trustees in bankruptcy and other legal representatives of the undersigned.

NOTE: SIGNATURES MUST BE PROVIDED WHERE INDICATED BELOW.

Certificate No(s). for Outstanding Notes (if available)	Principal Amount of Outstanding Notes
- ----------	----------
Principal Amount of Outstanding Notes Tendered	Signature(s)
- ----------	----------
Dated:	If Outstanding Notes will be delivered by book-entry transfer at the Depository Trust Company, Depository Account No.:
- ----------	----------

This Notice of Guaranteed Delivery must be signed by the registered holder(s) of Outstanding Notes exactly as its (their) name(s) appear on certificates of Outstanding Notes or on a security position listing as the owner of Outstanding Notes, or by person(s) authorized to become registered holder(s) by endorsements and documents transmitted with this Notice of Guaranteed Delivery. If signature is by a trustee, executor, administrator, guardian, attorney-in-fact, officer or other person acting in a fiduciary or representative capacity, such person must provide the following information:

PLEASE PRINT NAME(S) AND ADDRESS(ES)

Name(s):

Capacity:

Address(es):

Area Code and Telephone No.:

GUARANTEE

(NOT TO BE USED FOR SIGNATURE GUARANTEE)

The undersigned, a member firm of a registered national securities exchange or of the National Association of Securities Dealers, Inc., or a commercial bank or trust company having an office or correspondent in the United States or an "eligible guarantor institution" within the meaning of Rule 17Ad-15 under the Securities Exchange Act of 1934 (the "Exchange Act"), hereby:

(a) represents that the above named person(s) own(s) the Outstanding Notes to be tendered within the meaning of Rule 14e-4 under the Exchange Act;

(b) represents that such tender of Outstanding Notes complies with Rule 14e-4 under the Exchange Act; and

(c) guarantees that delivery to the exchange agent of certificates for the Outstanding Notes to be tendered, proper form for transfer (or confirmation of the book-entry transfer of such Outstanding Notes into the exchange agent's account at the Depository Trust Company, pursuant to the procedures for book-entry transfer set forth in the prospectus), with delivery of a properly completed and duly executed (or manually signed facsimile) letter of transmittal with any required signatures and any other required documents, will be received by the exchange agent at one of its addresses set forth above within three New York Stock Exchange trading days after the Expiration Date.

I HEREBY ACKNOWLEDGE THAT I MUST DELIVER THE LETTER OF TRANSMITTAL AND OUTSTANDING NOTES TO BE TENDERED TO THE EXCHANGE AGENT WITHIN THE TIME PERIOD SET FORTH AND THAT FAILURE TO DO SO COULD RESULT IN FINANCIAL LOSS TO ME.

Name of Firm	Authorized Signature
Address	Title
Zip Code	Name: (Please Type or Print)
Area Code and Telephone No.:	Dated:

NOTE: DO NOT SEND OUTSTANDING NOTES WITH THIS FORM; OUTSTANDING NOTES SHOULD BE SENT WITH YOUR LETTER OF TRANSMITTAL SO THAT THEY ARE RECEIVED BY THE EXCHANGE AGENT WITHIN THREE NEW YORK STOCK EXCHANGE TRADING DAYS AFTER THE EXPIRATION DATE.

Exhibit 99.3

POLYONE CORPORATION

EXCHANGE OF ALL OUTSTANDING
8.875% SENIOR NOTES DUE 2012
FOR
8.875% SENIOR NOTES DUE 2012

- ---

THE EXCHANGE OFFER WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON _____, 2002 UNLESS EXTENDED (THE "EXPIRATION DATE"). NOTES TENDERED IN THE EXCHANGE OFFER MAY BE WITHDRAWN AT ANY TIME PRIOR TO 5:00 P.M., NEW YORK CITY TIME, ON THE EXPIRATION DATE.

- ---

To Our Clients:

We are enclosing herewith a prospectus, dated _____, 2002, of PolyOne Corporation, and the accompanying letter of transmittal that together constitute the offer by PolyOne (the "Exchange Offer"), to exchange its 8.875% Senior Notes due 2012 (the "Exchange Notes"), which have been registered under the Securities Act of 1933 (the "Securities Act"), for a like principal amount of its issued and outstanding 8.875% Senior Notes due 2012 (the "Outstanding Notes"), upon the terms and subject to the conditions set forth in the Exchange Offer.

The Exchange Offer is not conditioned upon any minimum number of Outstanding Notes being tendered.

We are the holder of record of Outstanding Notes held by us for your own account. A tender of such Outstanding Notes can be made only by us as the record holder and pursuant to your instructions. The letter of transmittal is furnished to you for your information only and cannot be used by you to tender Outstanding Notes held by us for your account.

We request instructions as to whether you wish to tender any or all of the Outstanding Notes held by us for your account pursuant to the terms and conditions of the Exchange Offer. We also request that you confirm that we may, on your behalf, make the representations contained in the letter of transmittal.

Pursuant to the letter of transmittal, each holder of Outstanding Notes will represent to PolyOne that:

(i) any Exchange Notes that the holder will acquire in exchange for Outstanding Notes will be acquired in the ordinary course of business of the holder,

(ii) the holder has not engaged in, does not intend to engage in, and has no arrangement with any person to engage in, a distribution of any Exchange Notes issued to the holder, and

(iii) the holder is not an "affiliate" (as defined in Rule 405 under the Securities Act) of PolyOne.

If the holder is a broker-dealer that will receive Exchange Notes for its own account in exchange for Outstanding Notes, it will represent that the Outstanding Notes were acquired as a result of market-making activities or other trading activities, and it will acknowledge that it will deliver a prospectus meeting the requirements of the Securities Act in connection with any resale of those Exchange Notes. By acknowledging that it will deliver and by delivering a prospectus meeting the requirements of the Securities Act in connection with any resale of those Exchange Notes, the broker-dealer is not deemed to admit that it is an "underwriter" within the meaning of the Securities Act.

Please return your instructions to us in the enclosed envelope within ample time to permit us to submit a tender on your behalf prior to the Expiration Date.

INSTRUCTION TO
BOOK ENTRY TRANSFER PARTICIPANT

To Participant of the DTC:

The undersigned hereby acknowledges receipt of the prospectus, dated _____, 2002 (the "Prospectus") of PolyOne Corporation, and the accompanying letter of transmittal (the "Letter of Transmittal"), that together constitute PolyOne's offer (the "Exchange Offer") to exchange its 8.875% Senior Notes due 2012 (the "Exchange Notes"), for all of its outstanding 8.875% Senior Notes due 2012 (the "Outstanding Notes"). Capitalized terms used but not defined herein have the meanings ascribed to them in the Prospectus or the Letter of Transmittal.

This will instruct you, the DTC participant, as to the action to be taken by you relating to the Exchange Offer with respect to the Outstanding Notes held by you for the account of the undersigned.

The aggregate face amount of the Outstanding Notes held by you for the account of the undersigned is (FILL IN AMOUNT):

$ _____ of the 8.875% Senior Notes due 2012.

With respect to the Exchange Offer, we hereby instruct you (check appropriate box):

[ ] TO TENDER the following amount of Outstanding Notes you hold for our account (Insert Principal Amount Of Outstanding Notes To Be Tendered, If Any):
$ _____.

[ ] NOT TO TENDER any Outstanding Notes you hold for our account.

If we instruct you to tender the Outstanding Notes held by you for our account, it is understood that you are authorized to make, on behalf of us (and, by signing below, we hereby make to you), the representations contained in the Letter of Transmittal that are to be made with respect to us as a beneficial owner, including, but not limited to, the representations, that:

(i) any Exchange Notes that we will acquire in exchange for Outstanding Notes will be acquired in the ordinary course of our business,

(ii) we have not engaged in, do not intend to engage in, and have no arrangement with any person to engage in, a distribution of any Exchange Notes issued to us, and

(iii) we are not an "affiliate" (as defined in Rule 405 under the Securities Act) of PolyOne.

If we are a broker-dealer that will receive Exchange Notes for our own account in exchange for Outstanding Notes, we represent that the Outstanding Notes were acquired as a result of market-making activities or other trading activities, and we acknowledge that we will deliver a prospectus meeting the requirements of the Securities Act in connection with any resale of those Exchange Notes. By acknowledging that we will deliver and by delivering a prospectus meeting the requirements of the Securities Act in connection with any resale of such Exchange Notes, we are not deemed to admit that we are an "underwriter" within the meaning of the Securities Act.

Name of beneficial owner(s):_____

Signature(s):_____

Name(s) (please print):_____

Address:_____

Telephone Number:_____

Taxpayer Identification or Social Security Number:_____

Date:_____

POLYONE CORPORATION
LETTER TO
DEPOSITORY TRUST COMPANY PARTICIPANTS

EXCHANGE OF ALL OUTSTANDING
8.875% SENIOR NOTES DUE 2012
FOR
8.875% SENIOR NOTES DUE 2012

THE EXCHANGE OFFER WILL EXPIRE AT 5:00 P.M. NEW YORK CITY TIME, ON _____, 2002, UNLESS EXTENDED (THE "EXPIRATION DATE").

OUTSTANDING NOTES TENDERED IN THE EXCHANGE OFFER MAY BE WITHDRAWN AT ANY TIME PRIOR TO 5:00 P.M., NEW YORK CITY TIME, ON THE EXPIRATION DATE.

To Depository Trust Company Participants:

We are enclosing herewith the material listed below relating to the offer by PolyOne Corporation, to exchange its 8.875% Senior Notes due 2012 (the "Exchange Notes"), which have been registered under the Securities Act of 1933 (the "Securities Act"), for a like principal amount of its issued and outstanding 8.875% Senior Notes due 2012 (the "Outstanding Notes"), upon the terms and subject to the conditions set forth in PolyOne's Prospectus, dated _____, 2002, and the related letter of transmittal (which together constitute the "Exchange Offer").

Enclosed are copies of the following documents:

1. Prospectus, dated _____, 2002;

2. Letter of Transmittal (together with accompanying Substitute Form W-9 Guidelines);

3. Notice of Guaranteed Delivery; and

4. Letter that may be sent to your clients for whose account you hold Outstanding Notes in your name or in the name of your nominee, with space provided for obtaining such client's instruction with regard to the Exchange Offer.

We urge you to contact your clients promptly. Please note that the Exchange Offer will expire on the Expiration Date unless extended.

The Exchange Offer is not conditioned upon any minimum number of Outstanding Notes being tendered.

Pursuant to the letter of transmittal, each holder of Outstanding Notes will represent to PolyOne that:

(i) any Exchange Notes that the holder will acquire in exchange for Outstanding Notes will be acquired in the ordinary course of business of the holder,

(ii) the holder has not engaged in, does not intend to engage in, and has no arrangement with any person to engage in, a distribution of any Exchange Notes issued to the holder, and

(iii) the holder is not an "affiliate" (as defined in Rule 405 under the Securities Act) of PolyOne.

If the holder is a broker-dealer (whether or not it is also an "affiliate") that will receive Exchange Notes for its own account in exchange for Outstanding Notes, it will represent that the Outstanding Notes were acquired as a result of market-making activities or other trading activities, and it will acknowledge that it will deliver a prospectus meeting the requirements of the Securities Act in connection with any resale of those Exchange Notes. By acknowledging that it will deliver and by delivering a prospectus meeting the requirements of the Securities Act in

connection with any resale of those Exchange Notes, the broker-dealer is not deemed to admit that it is an "underwriter" within the meaning of the Securities Act.

The enclosed Letter to Clients contains an authorization by the beneficial owners of the Outstanding Notes for you to make the foregoing representations.

PolyOne will not pay any fee or commission to any broker or dealer to any other persons (other than the Exchange Agent) in connection with the solicitation of tenders of Outstanding Notes pursuant to the Exchange Offer. PolyOne will pay or cause to be paid any transfer taxes payable on the transfer of Outstanding Notes to it, except as otherwise provided in Instruction 6 of the enclosed letter of transmittal.

Additional copies of the enclosed material may be obtained from the undersigned.

Very truly yours,

THE BANK OF NEW YORK