CROMPTON CORP
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Registration No. 333-119641

PROSPECTUS

CROMPTON CORPORATION

OFFER TO EXCHANGE (I) $375.0 MILLION AGGREGATE PRINCIPAL AMOUNT OF 9 7/8% SENIOR NOTES DUE 2012 (WHICH WE REFER TO AS THE OLD SENIOR NOTES) FOR $375.0 MILLION AGGREGATE PRINCIPAL AMOUNT OF 9 7/8% SENIOR NOTES DUE 2012 (WHICH WE REFER TO AS THE NEW SENIOR NOTES) WHICH HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND FULLY AND UNCONDITIONALLY GUARANTEED BY THE SUBSIDIARY GUARANTORS, AND (II) $225.0 MILLION AGGREGATE PRINCIPAL AMOUNT OF SENIOR FLOATING RATE NOTES DUE 2010 (WHICH WE REFER TO AS THE OLD FLOATING RATE NOTES) FOR $225.0 MILLION AGGREGATE PRINCIPAL AMOUNT OF SENIOR FLOATING RATE NOTES DUE 2010 (WHICH WE REFER TO AS THE NEW FLOATING RATE NOTES) WHICH HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND FULLY AND UNCONDITIONALLY GUARANTEED BY THE SUBSIDIARY GUARANTORS. WE REFER TO THE OLD SENIOR NOTES AND THE OLD FLOATING RATE NOTES TOGETHER AS THE OLD NOTES, AND TO THE NEW SENIOR NOTES AND THE NEW FLOATING RATE NOTES AS THE NEW NOTES.

THE EXCHANGE OFFER WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON FEBRUARY 22, 2005 (THE 21ST BUSINESS DAY AFTER THE LAUNCH OF THE EXCHANGE OFFER), UNLESS WE EXTEND THE EXCHANGE OFFER IN OUR SOLE AND ABSOLUTE DISCRETION.

Terms of the exchange offer:

- We will exchange new notes for all outstanding old notes that are validly tendered and not withdrawn prior to the expiration or termination of the exchange offer.

- You may withdraw tenders of old notes at any time prior to the expiration or termination of the exchange offer.

- The terms of the new notes are substantially identical to those of the outstanding old notes, except that the transfer restrictions and registration rights relating to the old notes do not apply to the new notes.

- The exchange of old notes for new notes will not be a taxable transaction for U.S. federal income tax purposes, but you should see the discussion under the caption "Material United States Federal Income Tax Considerations" for more information.

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

- We issued the old notes in a transaction not requiring registration under the Securities Act, and as a result, their transfer is restricted. We are making the exchange offer to satisfy your registration rights, as a holder of the old notes.

There is no established trading market for the new notes or the old notes.

SEE "RISK FACTORS" BEGINNING ON PAGE 13 FOR A DISCUSSION OF RISKS YOU SHOULD CONSIDER PRIOR TO TENDERING YOUR OUTSTANDING OLD NOTES FOR EXCHANGE.

Neither the Securities and Exchange Commission, or SEC, nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is January 24, 2005.

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This prospectus incorporates by reference important business and financial information about us that is not included in or delivered with this document. Copies of this information are available without charge to any person to whom this prospectus is delivered, upon written or oral request. Written requests should be sent to:

Crompton Corporation
199 Benson Road
Middlebury, Connecticut 06749
Attention: Corporate Communications

Oral requests should be made by telephoning Crompton Investor Relations at (203) 573-2000.

IN ORDER TO OBTAIN TIMELY DELIVERY, YOU MUST REQUEST THE INFORMATION NO LATER THAN FEBRUARY 14, 2005, WHICH IS FIVE BUSINESS DAYS BEFORE THE EXPIRATION DATE OF THE EXCHANGE OFFER.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus includes forward-looking statements. These forward-looking statements are identified by terms and phrases such as "anticipate," "believe," "intend," "estimate," "expect," "continue," "should," "could," "may," "plan," "project," "predict," "will," and similar expressions, and include references to assumptions and relate to our future prospects, developments, and business strategies.

Factors that could cause our actual results to differ materially from those expressed or implied in such forward-looking statements include, but are not limited to:

- general economic conditions;
- the outcome and timing of antitrust investigations and related civil lawsuits to which we are subject;
- our ability to obtain selling price increases;
- pension and other post-retirement benefit plan assumptions;
- energy and raw material prices and availability;
- production capacity;
- changes in interest rates and foreign currency exchange rates;
- changes in technology;
- market demand and customer requirements;
- the enactment of more stringent environmental laws and regulations;
- our ability to realize expected cost savings under our cost reduction initiatives;
- the amount of any additional earn-out payments from General Electric Company;

o our ability to reduce our debt levels; and

o other risks and uncertainties detailed throughout this prospectus.

These forward-looking statements are based on our estimates and assumptions, and on currently available information. The forward-looking statements include information concerning our possible or assumed future results of operations, and our actual results may differ significantly from the results discussed in this prospectus. Forward-looking information is intended to reflect opinions as of the date of this prospectus and we undertake no obligation to revise the forward-looking statements included or incorporated by reference in this prospectus to reflect any future events or circumstances. Factors that could cause or contribute to such differences are discussed in the section entitled "Risk Factors" included in this prospectus.

SUMMARY

The following summary contains basic information about us and this prospectus. It likely does not contain all of the information that is important to you. For a more complete understanding of this prospectus, we encourage you to read this entire document and the documents we have referred you to. Except as otherwise specified in this prospectus, "the Company," "we," "us," and "our" refer to Crompton Corporation and its consolidated subsidiaries.

CROMPTON CORPORATION

COMPANY OVERVIEW

We are a global diversified producer of specialty chemicals (including agricultural chemicals), polymer products, and polymer processing equipment. Our products are used in a wide variety of end-use markets, principally including automotive, transportation, construction, packaging, agriculture, lubricants, plastics for durable and non-durable goods, and personal care products. Most of our chemical products are sold to industrial manufacturing customers for use as additives, ingredients, or intermediates that add value to their end products. We manufacture and sell more than 5,000 products and formulations. Of our 2003 net sales, 53% were to customers in the United States and Canada, 27% to Europe and Africa, 13% to Asia/Pacific, and 7% to Latin America.

We are a market leader in many of our key product lines, including polyvinyl chloride ("PVC") additives, aluminum alkyl catalysts, high-performance castable urethanes, and single-screw extrusion equipment. For the year ended December 31, 2003 and the nine months ended September 30, 2004, we generated net sales of $2.2 billion and $1.9 billion, respectively.

Our businesses are grouped into the following two units and five reporting segments:

POLYMER PRODUCTS

Polymer Additives

Polymer Additives, our largest business segment, supplies specialty additives used to manufacture plastic, rubber, urethane, and petroleum products. We believe our product offerings, which we develop using our application expertise, enable our customers to solve their complex engineering and process challenges. Our additives are used to impart specific qualities in our customers' products, such as strength, durability, heat resistance, or flexibility. We often work with our customers to develop and formulate polymer additives to meet specific manufacturing requirements. Our products are sold to formulators, compounders, and fabricators of vinyl, olefins, styrenics, rubber, polyurethanes, and high performance lubricants, and are ultimately used in the automotive, transportation, packaging, construction, durable and non-durable goods, and telecom industries. For the year ended December 31, 2003 and the nine months ended September 30, 2004, our Polymer Additives business generated sales of $1.2 billion and $1.1 billion, respectively.

Polymers

Our Polymers business is a leading supplier of high-performance castable urethanes and ethylene-propylene-diene-monomer ("EPDM"). Our castable urethane products are abrasion-resistant and durable, and our customers use these customized products to fabricate parts such as solid industrial tires, industrial rollers, mining equipment, and recreational equipment (e.g., skate wheels and golf ball covers). EPDM (sometimes referred to as "crackless rubber") is a material that retains its elasticity despite its exposure to elements such as sunlight and ozone. Over 40% of our EPDM is used in new and replacement automotive parts, including tires, hoses, belts, weather-stripping, brake components, and seals and gaskets. Other applications range from high density, long-lasting commercial roofing membranes to low

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density, liquified viscosity modifiers for better performing lubricants. For the year ended December 31, 2003 and the nine months ended September 30, 2004, our Polymers business generated sales of $285.7 million and $246.3 million, respectively.

Polymer Processing Equipment

Davis-Standard, our Polymer Processing Equipment business, is a global leader in the manufacture of integrated polymer processing systems, including rubber and plastic single-screw extrusion equipment and industrial blow-molding machines. We also provide installation, training, and maintenance services for our equipment, and we refurbish and upgrade polymer processing equipment manufactured by others. Integrated polymer processing systems, which include extruders in combination with other equipment, are used to process polymers into various products such as plastic sheets, extruded shapes, and cast and blown film. For the year ended December 31, 2003 and the nine months ended September 30, 2004, our Polymer Processing Equipment business generated sales of $166.5 million and $125.3 million, respectively.

SPECIALTY PRODUCTS

Crop Protection

Our Crop Protection business focuses on specific niches in four major product lines: fungicides, miticides and other insecticides, growth regulants, and herbicides. We have primarily developed our products for use on high-value cash crops, such as ornamentals, nuts, turf, citrus, and tree and vine fruits, and secondarily for commodity crops, such as soybeans and corn. Our fungicides and insecticides are also used to coat seeds in order to protect the seed during germination and during its initial growth phases. Our dedicated Crop Protection sales force works with growers and distributors to coordinate the use of our products throughout a crop's growth cycle and to address selective regional, climate, and growth challenges. We sell registered crop protection products in more than 100 countries, which lessens our dependence on any one market. Our experience with registering products is a valuable asset, as registration is a significant barrier to entry, particularly in developed countries. Registration of products is a complex process in which we have developed a proficiency over time. We develop and sell our own products, and we also sell and register products manufactured by others on a licensed basis. For the year ended December 31, 2003 and the nine months ended September 30, 2004, our Crop Protection business generated sales of $270.9 million and $251.0 million, respectively.

Refined Products

Our Refined Products business supplies a wide range of high-purity hydrocarbon products, including white oils, petrolatums, specialty waxes, and other refined products. Our products are used as emollients and moisture barriers in personal care products, such as baby oils and cosmetics; as lubricants in refrigerators and air conditioners; and as plasticizers and carriers in plastic products such as PVC pipe and protective barriers for copper telecommunications cables. For the year ended December 31, 2003 and the nine months ended September 30, 2004, our Refined Products business generated sales of $243.2 million and $199.5 million, respectively.

REFINANCING

The old notes were offered as part of a refinancing intended to provide enhanced liquidity and extend our debt maturities. The refinancing included (i) a new five-year $220.0 million Revolving Credit Facility including a $120.0 million revolving credit facility and a $100.0 million pre-funded letter of credit facility, (ii) a new three-year accounts receivable securitization program with an ability to sell up to $125.0 million of domestic accounts receivable, which

represents an increase of $10.0 million from our previous ability to sell up to $115.0 million of domestic accounts receivable, and (iii) the simultaneous consent solicitation and tender offer for any and all of the aggregate principal amount of our outstanding 8.50% Senior Notes due 2005 and 6.125% Senior Notes due 2006. The consent solicitation and tender offer resulted in the retirement of our $350 million aggregate principal amount of our 8.5% Senior Notes and $140 million of our $150 million aggregate principal amount of 6.125% Senior Notes. We refer to these prior transactions collectively as the "Refinancing." When we issued the old notes in August 2004, we entered into a registration rights agreement with the initial purchasers of the old notes. Under the terms of the registration rights agreement, we agreed to file with the SEC and cause to become effective, a registration statement relating to an offer to exchange the old notes for the new notes.

RECENT DEVELOPMENTS

COST REDUCTION PROGRAMS

We have nearly completed an activity-based restructuring initiative intended to determine how to structure our operations in a more cost effective manner. On June 29, 2004, we initiated a voluntary severance program offered to U.S. based employees intended to facilitate the implementation of the activity-based restructuring initiative by decreasing the number of involuntary separations that may otherwise be required once the organizational design phase of the activity-based restructuring initiative is completed. As a result of the voluntary program, 138 U.S. based employees voluntarily elected to terminate their employment. Based on the results of the voluntary program and on the current status of the activity-based restructuring initiative, we estimate that we will involuntary terminate at least 10% of our 5,200 person worldwide workforce. As a result of this initiative, we expect to achieve annual pre-tax savings of approximately $50.0 million, a portion of which will be realized in the fourth quarter of 2004 as a result of terminations that occurred in 2004, with the full benefit realized in 2005. To achieve these savings, we expect to incur one-time restructuring charges that we believe will not exceed $50 million. It is expected that the bulk of the savings will come from streamlining our organization and our work processes. During the third quarter 2004, we recorded a pre-tax charge of $40.2 million, primarily for voluntary and involuntary severance costs.

APPOINTMENT OF EXECUTIVE VICE PRESIDENT, CROP PROTECTION

On November 10, 2004, we announced the appointment of Marcus Meadows-Smith to the position of executive vice president, Crop Protection, effective January 1, 2005, upon the retirement of incumbent Al Ingulli.

INCORPORATION AND PRINCIPAL EXECUTIVE OFFICES

We were incorporated in Delaware in 1999, following the merger of Crompton & Knowles Corporation and Witco Coporation. Our principal executive offices are located at 199 Benson Road, Middlebury, Connecticut 06749 and our telephone number at that address is (203) 573-2000. Our website is located at www.cromptoncorp.com. The information on our website is not part of this prospectus.

SUMMARY DESCRIPTION OF THE EXCHANGE OFFER

Old Notes	$375,000,000 principal amount of 9 7/8% Senior Notes due 2012, $225,000,000 principal amount of Senior Floating Rate Notes due 2010, each of which have been unconditionally guaranteed by most of our domestic subsidiaries.
New Notes	$375,000,000 principal amount of 9 7/8% Senior Notes due 2012, $225,000,000 principal amount of Senior Floating Rate Notes due 2010, each of which have been unconditionally guaranteed by most of our domestic subsidiaries, the issuance of which has been registered under the Securities Act of 1933. The form and terms of the new notes are identical in all

material respects to those of the old notes, except that the transfer restrictions and registration rights relating to the old notes do not apply to the new notes.

Exchange Offer.	We are offering to issue up to $375,000,000 principal amount of new senior notes and related subsidiary gurarantees and $225,000,000 principal amount of new floating rate notes and related subsidiary gurarantees, in exchange for a like principal amount of the old senior notes and related subsidiary gurarantees and old floating rate notes and related subsidiary gurarantees, to satisfy our obligations under the registration rights agreement that we entered into when the old notes were issued in transactions in reliance upon the exemption from registration provided by Rule 144A and Regulation S of the Securities Act.
Expiration Date; Tenders.	The exchange offer will expire at 5:00 p.m., New York City time, on February 22, 2005, unless extended in our sole and absolute discretion. We refer to this as the "expiration date." By tendering your old notes, you represent to us that: o any new notes you receive in the exchange offer are being acquired by you in the ordinary course of your business; o at the time of commencement of the exchange offer, neither you nor

anyone receiving new notes from you, has any arrangement or understanding with any person to participate in the distribution, as defined in the Securities Act, of the new notes in violation of the Securities Act;

- you are not our "affiliate," as defined in Rule 405 under the Securities Act;

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- you are holding old notes that have, or are reasonably likely to have, the status of an unsold allotment in the initial offering;

- if you are not a participating broker-dealer, you are not engaged in, and do not intend to engage in, a distribution of the new notes, as defined in the Securities Act; and

- if you are a broker-dealer, you will receive the new notes for your own account in exchange for old notes that were acquired by you as a result of your market-making or other trading activities and that you will deliver a prospectus in connection with any resale of the new notes you receive. For further information regarding resales of the new notes by

	participating broker-dealers, see the discussion under the caption "Plan of Distribution."
Withdrawal; Non-Acceptance.	You may withdraw any old notes tendered in the exchange offer at any time prior to 5:00 p.m., New York City time, on February 22, 2005. If we decide for any reason not to accept any old notes tendered for exchange, any withdrawn or unaccepted old notes will be credited to the tendering holder's account at The Depository Trust Company, or DTC. For further information regarding the withdrawal of tendered old notes, see the "The Exchange Offer -- Terms of the Exchange Offer; Period for Tendering Old Notes" and the "The Exchange Offer -- Withdrawal Rights."
Conditions to the Exchange Offer.	The exchange offer is subject to customary conditions, which we may waive. See the discussion below under the caption "The Exchange Offer -- Conditions to the Exchange Offer" for more information regarding the conditions to the exchange offer.
Procedures for Tendering Old Notes.	Except as described in the section titled "The Exchange Offer -- Procedures for Tendering Old Notes", a tendering holder must, on or prior to the expiration date transmit an agent's message to the exchange agent at the address listed in this prospectus. In order for your tender to be considered valid, the exchange agent must receive a confirmation

	of book entry transfer of your old notes into the exchange agent's account at DTC prior to the expiration or termination of the exchange offer.
Special Procedures for Beneficial Owners.	If you are a beneficial owner whose old notes are registered in the name of the broker, dealer, commercial bank, trust company or other nominee

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	and you wish to tender your old notes in the exchange offer, you should promptly contact the person in whose name the old notes are registered and instruct that person to tender on your behalf. Any registered holder that is a participant in DTC's book-entry transfer facility system may make book-entry delivery of the old notes by causing DTC to transfer the old notes into the exchange agent's account.
Material Federal Income Tax Considerations	The exchange of the old notes for new notes in the exchange offer will not be a taxable transaction for United States federal income tax purposes. See the discussion under the caption "Material United States Federal Income Tax Considerations" for more information regarding the tax consequences to you of the exchange offer.
Use of Proceeds	We will not receive any proceeds from the exchange offer.
Exchange Agent.	Deutsche Bank Trust Company Americas is the

exchange agent for the exchange offer. You can find the address and telephone number of the exchange agent below under the caption "The Exchange Offer -- Exchange Agent."

Resales	Based on interpretations by the staff of the SEC, as set forth in no action letters issued to third parties, we believe that the new notes you receive in the exchange offer may be offered for resale, resold or otherwise transferred without compliance with the registration and prospectus delivery provisions of the Securities Act. However, you will not be able to freely transfer the new notes if:

- you are our "affiliate," as defined in Rule 405 under the Securities Act;
- you are not acquiring the new notes in the exchange offer in the ordinary course of your business;
- you have an arrangement or understanding with any person to participate in the distribution, as defined in the Securities Act, of the new notes, you will receive in the exchange offer;
- you are a participating broker-dealer that received new notes for its own account in the exchange offer in exchange for old notes that

were acquired as a result of market making or other trading activities; or

- you are holding old notes that have, or are reasonably likely to have, the status of an unsold allotment in the initial offering.

If you fall within one of the exceptions listed above, you must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction involving the new notes. See the discussion below under the caption "The Exchange Offer -- Procedures for Tendering Old Notes" for more information.

Broker-Dealer . . . . Each broker-dealer that receives new notes for its own account pursuant to the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of new notes. By so acknowledging and 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 notes received in exchange for old notes which were received by such broker-dealer as a result of market making activities or other trading activities. We have agreed that for a period of up to 90 days after the expiration date, as defined in this prospectus, we will make this prospectus available to any broker-dealer for use in connection with any such resale. See "Plan of Distribution" for more information.

Registration Rights Agreement	When we issued the old notes in August 2004, we entered into a registration rights agreement with the initial purchasers of the old notes. Under the terms of the registration rights agreement, we agreed to file with the SEC and cause to become effective, a registration statement relating to an offer to exchange the old notes for the new notes.
	If we do not complete the exchange offer before April 16, 2005, the interest rate borne by the old notes will be increased at a rate of 0.25% per annum every 90 days (but shall not exceed 1.0% per annum) until the exchange offer is completed, or until the old notes are freely transferable under Rule 144 of the Securities Act.
	Under some circumstances set forth in the registration rights agreement, holders of old notes, including holders who are not permitted to participate in the exchange offer or who may not freely sell new notes received in the exchange offer, may require us to file and cause to become

effective, a shelf registration statement covering resales of the old notes by these holders.

A copy of the registration rights agreement is incorporated by reference as an exhibit to the registration statement of which this prospectus is a part. See "Description of the New Notes -- Registration Rights and Additional Interest."

CONSEQUENCES OF NOT EXCHANGING OLD NOTES

If you do not exchange your old notes in the exchange offer, your old notes will continue to be subject to the restrictions on transfer described in the legend on the certificate for your old notes. In general, you may offer or sell your old notes only:

- if they are registered under the Securities Act and applicable state securities laws;
- if they are offered or sold under an exemption from registration under the Securities Act and applicable state securities laws; or
- if they are offered or sold in a transaction not subject to the Securities Act and applicable state securities laws.

We do not currently intend to register the old notes under the Securities Act. Under some circumstances, however, holders of the old notes, including holders who are not permitted to participate in the exchange offer or who may not freely resell new notes received in the exchange offer, may require us to file, and to cause to become effective, a shelf registration statement covering resales of old notes by these holders. For more information regarding the consequences of not tendering your old notes and our obligation to file a shelf registration statement, see "The Exchange Offer -- Consequences of Exchanging or Failing to Exchange Old Notes."

SUMMARY DESCRIPTION OF THE NEW NOTES

The summary below describes the principal terms of the new notes. Certain of the terms and conditions described below are subject to important limitations and exceptions. The "Description of the New Notes" section of this prospectus contains a more detailed description of the terms and conditions of the new notes.

Issuer.	Crompton Corporation.
Securities.	Up to $375,000,000 aggregate principal amount of 9 7/8% Senior Notes due 2012, and up to $225,000,000 aggregate principal amount of Senior Floating Rate Notes due 2010.
Maturity.	The new senior notes will mature on August 1, 2012. The new floating rate notes will mature on August 1, 2010.
Interest Rate..	The new senior notes will bear interest at a rate of 9 7/8% per annum. The new floating rate notes will bear interest at a rate per annum equal to LIBOR plus 5.75%. Interest on the new floating rate notes will be reset quarterly.
Interest Payment Dates.	We will pay interest on the new notes on August 1 and February 1, commencing August 1, 2005. Interest on the new notes will accrue from the date of the last interest payment made to holders of the old notes, and if none, from August 16, 2004.
Ranking..	The new notes will be our senior unsecured obligations and will rank equally with all of our existing and future senior unsecured debt and senior to our future subordinated debt. The new notes will be effectively subordinated to any existing or future secured

	indebtedness, including our new Revolving Credit Facility, and our 7.75% Debentures due 2023 and 6.875% Debentures due 2026 to the extent of the assets securing such debt and structurally subordinated to any debt or other liabilities of our subsidiaries which are not guarantors.
Guarantees.	Most of our wholly-owned domestic subsidiaries unconditionally guarantee the new notes.
Optional Redemption..	Except as set forth below, we cannot redeem the new senior notes until August 1, 2008, and the new floating rate notes until August 1, 2007. Thereafter, in each case, we may redeem some or all of the new notes at the redemption prices listed in the "Description of the New Notes" section under the heading "Optional Redemption," plus accrued interest to the date of redemption.

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	We may redeem the new senior notes at any time prior to August 1, 2008, and the new floating rate notes at any time prior to August 1, 2007, at a specified "make-whole" premium.
Optional Redemption After Equity Offerings	At any time (i) prior to August 1, 2007, we may redeem up to 35% of the aggregate principal amount of the new senior notes outstanding at a redemption price equal to 109.875% of the principal amount thereof and (ii) prior to August 1, 2007, we may redeem up to 35% of the

aggregate principal amount of the new floating rate notes outstanding at a redemption price equal to 100% of the principal amount thereof plus a premium equal to the rate per annum on the new floating rate notes applicable on the date on which notice of redemption is given, with money that we raise in one or more equity offerings, as long as:

- we redeem the applicable notes within 180 days of completing the equity offering; and
- at least 65% of the aggregate principal amount of the new notes issued of the applicable series remains outstanding after the redemption of the applicable notes.

Change of Control Offer.. . . . . If a change in control occurs, we must give holders of the new notes the opportunity to sell us their notes at 101% of their face amount, plus accrued interest.

We might not be able to pay you the required price for new notes you present to us at the time of a change of control, because:

- we might not have enough funds at that time; or
- the terms of our other indebtedness may prevent us from making such payment.

Asset Sale Proceeds.. . . . . If we or our subsidiaries engage in certain asset sales, we generally must either invest the net cash proceeds from such sales in our business within a period of time, prepay senior debt or make an offer to purchase a principal amount of the new notes equal to the excess net cash proceeds. However, we may, under certain circumstances, use the proceeds of certain asset sales towards the payment of litigation settlements and/or judgments and related liabilities, and pension related liabilities. The purchase price of the new notes will be 100% of their principal amount, plus accrued interest.

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Certain Indenture Provisions. . . . . The new notes are governed by the same indentures as those governing the old notes, and contain covenants limiting our (and most or all of our subsidiaries') ability to:

o incur additional debt;

o pay dividends or distributions on our capital stock or repurchase our capital stock;

o issue stock of subsidiaries;

o make certain investments;

o create liens on our assets to secure debt;

o enter into transactions with affiliates;

- merge or consolidate with another company; and
- transfer and sell assets.

These covenants are subject to a number of important limitations and exceptions. In addition, during any period that a series of new notes are assigned an investment grade rating by Standard & Poor's and Moody's Investment Service, Inc., our obligation to comply with some of those covenants with respect to such series of notes will be suspended.

Risk Factors. . . . . Investing in the new notes involves substantial risks. See "Risk Factors" for a description of certain of the risks you should consider before investing in the new notes.

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RISK FACTORS

Participating in the exchange offer involves a number of risks. You should carefully consider all of the risks described below, together with the other information contained or incorporated by reference in this prospectus. Any of the events or circumstances described as risks below could result in a significant or material adverse effect on our business, results of operations or financial condition, and a corresponding decline in the market price of, or our ability to repay, the new notes.

RISKS RELATING TO OUR BUSINESS

SIGNIFICANT INCREASES IN THE PRICES OF OUR RAW MATERIALS AND ENERGY HAVE INCREASED OUR OPERATING EXPENSES.

We purchase large amounts of raw materials and energy for our businesses. The costs of these materials, in the aggregate, represent a substantial portion of our operating expenses. The prices and availability of these raw materials vary with market conditions and may be highly volatile. In 2003 and during the nine months ended September 30, 2004, our raw material and energy costs increased approximately $63 million and $60 million, respectively. Over the past few years, we have experienced significant cost increases in our purchases of petrochemicals, tin, soybean oil, other raw materials and our primary energy source, natural gas. The business segments most significantly impacted by these cost increases are polymer additives, polymers and refined products. While we may attempt to match our raw material price increases with corresponding product price increases, we may not be able to immediately raise product prices, if at all. For the year-ended December 31, 2003, our selling prices decreased by approximately $14 million, whereas we have increased selling prices by approximately $42 million during the nine months ended September 30, 2004. Ultimately, our ability to pass on increases in the cost of raw materials to our customers is greatly dependent upon market conditions. There have been in the past, and will likely be in the future, periods of time during which we are unable to pass raw material price increases on to our customers, in whole or in part. This may increase our operating expenses and negatively affect our results of operations.

SIGNIFICANT COMPETITION MAY FORCE US TO REDUCE PRICES, WHICH MAY ADVERSELY IMPACT OUR RESULTS OF OPERATIONS.

We face significant competition in the markets in which we operate. Although competition in specialty chemicals is based upon a number of considerations, such as product innovation, product range and quality, relationships with customers, reliability of delivery, technical support, and distribution capability, price competition does exist in our operating markets due to factors such as industry overcapacity and low-cost competition. As a result of the trends toward global expansion and consolidation by competitors, we anticipate that we will continue to face new competitive challenges as well as additional risks inherent in international operations in developing regions. We also expect increased competition from the further use and introduction of generic and alternative products by our competitors. This increased competition could cause us to reduce our prices and take other steps to compete effectively, which could negatively affect our results of operations. In addition, even if we raise our prices, our competitors' reactions to such price increases could cause us to reevaluate and perhaps reverse such price increases. For the year-ended December 31, 2003, our selling prices decreased by approximately $14 million, whereas we have increased selling prices by approximately $42 million during the nine months ended September 30, 2004.

THE CYCLICALITY OF THE CHEMICAL INDUSTRY MAY CAUSE SIGNIFICANT FLUCTUATIONS IN OUR OPERATING RESULTS AND CASH FLOW.

Our historical operating results reflect the cyclical and volatile nature of the supply and demand balance of the chemical industry. The chemical industry has experienced alternating periods of inadequate capacity and tight supply, allowing prices and profit margins to increase, followed by periods when substantial capacity is added, resulting in oversupply, declining capacity and utilization rates, and declining prices and profit margins. The cyclicality of the markets in which we operate, such as EPDM, may result in volatile operating results and cash flow over the business cycle. Currently, we believe there is over-capacity in rubber chemicals and some excess capacity in vinyl additives. Future growth in product demand may not be sufficient to utilize current, or additional capacity. Excess industry capacity has depressed and may continue to depress our volumes and margins on some products. As a result of excess industry capacity, rising energy costs, and rising raw materials costs, our operating results may be volatile. During 2003, our operating results reflected increased sales volume of approximately $4 million, increased raw material and energy costs of approximately $63 million and a decrease in selling prices of approximately $14 million, compared to $30 million of increased sales volume, approximately $60 million of increased raw material and energy costs and increased selling prices of approximately $42 million during the first nine months of 2004.

ANY DISRUPTION IN THE AVAILABILITY OR PRICE, OR DETERIORATION IN THE QUALITY, OF THE RAW MATERIALS AVAILABLE FOR OUR PRODUCTS MAY HAVE A MATERIAL ADVERSE EFFECT ON OUR RESULTS OF OPERATIONS.

Chemicals, steel, castings, parts, machine components, and other raw materials required in the manufacture of our products are generally available from a number of sources, some of which are foreign. We use significant amounts of petrochemical feedstocks in many of our chemical manufacturing processes. We are not dependent on any one supplier for a material amount of our raw material requirements, except for one supplier who provides us with approximately 8 to 10% of diverse raw materials sourced from the supplier's multiple manufacturing/processing locations. While raw materials are currently available, temporary shortages of raw materials used by our businesses may occur occasionally. Additionally, their continuing availability and price are subject to domestic and world market and political conditions and regulations. Disruptions in these markets or changes in political conditions or regulations could affect our ability to procure raw materials on a cost-efficient basis.

CHANGES IN OUR SALES STRATEGY MAY IMPACT OUR RESULTS OF OPERATIONS AND OUR ABILITY TO SERVICE OUR CUSTOMERS.

We are planning to utilize third-party distributors for sales and service to some customers who purchase small annual quantities of our products. We believe this action will lower our costs to serve smaller customers, thus enhancing profitability, and reduce our investment in inventory. However, it is possible that changing our sales strategy with respect to these customers could result in the loss of some sales to some customers or some disruption in selling and in inventory management during the transition.

CURRENT AND FUTURE LITIGATION, GOVERNMENT INVESTIGATIONS AND ADMINISTRATIVE CLAIMS, INCLUDING ANTITRUST-RELATED GOVERNMENTAL INVESTIGATIONS AND LAWSUITS, COULD HARM OUR FINANCIAL CONDITION, RESULTS OF OPERATIONS AND CASH FLOWS.

We are currently involved in a number of governmental investigations, administrative claims, and civil lawsuits, which number could increase in the future. In particular, we are subject to certain antitrust governmental investigations and civil lawsuits relating to the sale and marketing of certain of our products, including rubber chemicals, EPDM, urethanes and urethane chemicals, nitrite rubber and plastic additives. We have incurred and may continue to incur significant expense in connection with the antitrust-related matters, including

expenses related to our cooperation with governmental authorities and defense of the related civil lawsuits.

On May 27, 2004, we pled guilty and were fined $50.0 million in connection with an antitrust investigation by the DOJ related to rubber chemicals. On May 28, 2004, we pled guilty and were fined CDN $9.0 million (approximately U.S. $7.0 million) in connection with an antitrust investigation by the Canadian Commissioner of Competition involving rubber chemicals. We recorded pre-tax charges of $77.7 million for antitrust related costs in our consolidated statement of operations at December 31, 2003. This amount included a $45.2 million charge to reserve for the payment of these U.S. and Canadian fines, which represented the present value of the total of $57.0 million in payments, which are payable in six annual installments beginning in 2004.

We and certain of our subsidiaries continue to be the subject of a coordinated civil investigation by the European Commission ("EC") with respect to the sale and marketing of rubber chemicals. We are not able to predict the timing or outcome of this investigation, including the amount of any fine that may be imposed by the EC. In addition, we, certain of our subsidiaries and certain of our former officers and existing directors are defendants in certain U.S. federal direct purchaser and state direct and indirect purchaser lawsuits, a federal securities class action lawsuit and a shareholder derivative lawsuit, each relating to certain alleged antitrust violations. Additionally, we, certain of our subsidiaries and other companies are defendants in two motions for authorization to institute a class action filed in Quebec, Canada relating to purchases of rubber chemicals and a statement of claim filed in Ontario, Canada relating to purchases of EPDM, in each case alleging certain Canadian antitrust violations. While we will seek cost-effective resolutions to the various pending and threatened legal proceedings regarding our operations, we cannot predict their outcome. The resolution of the EC investigation and any civil claims now pending or hereafter asserted against us or any of our subsidiaries could require us to pay substantial fines and/or damages, which could have a material adverse effect on our financial condition, results of operations, and cash flows.

We are also involved in several significant lawsuits and claims relating to environmental matters. In addition, we are routinely subject to other civil claims, litigation and arbitration, and regulatory investigations, arising in the ordinary course of our present business as well as in respect of our divested businesses. Some of these claims and litigations relate to product liability claims, including claims related to our current products and asbestos-related claims concerning premises and historic products of our corporate affiliates and predecessors. These claims have not had a material impact on us to date. We believe that we have strong defenses to these claims and the likelihood that a future material adverse outcome will result from these claims is remote. However, an adverse outcome of one or more of these claims could have a material adverse effect on our business or results of operations.

For further information regarding the governmental investigations, administrative claims and civil lawsuits to which we are subject, see "Legal Proceedings" in our annual report on Form 10-K for the year ended December 31, 2003, and quarterly reports on Form 10-Q for the quarters ended March 31, 2004, June 30, 2004, and September 30, 2004, as well as our other public filings with the SEC incorporated by reference into this prospectus.

ENVIRONMENTAL, HEALTH, AND SAFETY REGULATION MATTERS COULD HAVE A SUBSTANTIAL NEGATIVE IMPACT ON OUR BUSINESS.

We are subject to extensive federal, state, local and foreign environmental, safety and health laws, and regulations concerning, among other things, emissions to the air, discharges to land and water, and the generation, handling, treatment, and disposal of hazardous waste and other materials. Our operations entail the risk of violations of those laws and regulations, many of which provide for substantial fines and criminal sanctions for violations such as

clean-up costs, costs of waste disposal, and payments for property damage and personal injury. Although it is our policy to comply with such laws and regulations, it is possible that we have not been or may be not at all times in compliance with all of these requirements.

In addition, these requirements, and enforcement of these requirements, may become more stringent in the future. The ultimate cost of compliance with any such requirements could be material. Non-compliance could subject us to material liabilities, such as government fines or orders, third-party lawsuits, remediations, and settlements, or the suspension of non-compliant operations. We may also be required to make significant site or operational modifications at substantial cost. Future developments could also restrict or eliminate the use of or require us to make modifications to our products, packaging, manufacturing processes and technology, which could have a significant negative impact on our cash flow and results of operations.

At any given time, we are involved in claims, litigation, administrative proceedings, settlements, and investigations of various types in a number of jurisdictions involving potential environmental liabilities, including clean-up costs associated with hazardous waste disposal sites, natural resource damages, property damage, personal injury, and regulatory compliance or noncompliance. We evaluate and review estimates for future remediation and operation and management costs directly related to remediation, to determine appropriate environmental reserve amounts. For each site, a determination is made of the specific measures that are believed to be required to remediate the site, the estimated total cost to carry out the remediation plan, the portion of the total remediation costs to be borne by us, and the anticipated time frame over which payments toward the remediation plan will occur. The resolution of these environmental matters could have a material adverse effect on our results of operations or cash flow.

OUR PRODUCTION FACILITIES ARE SUBJECT TO OPERATING RISKS THAT MAY ADVERSELY AFFECT OUR OPERATIONS.

We are dependent on the continued operation of our production facilities. Our production facilities are subject to hazards associated with the manufacturing, handling, storage, and transportation of chemical materials and products, including pipeline leaks and ruptures, explosions, fires, inclement weather and natural disasters, mechanical failure, unscheduled downtime, labor difficulties, transportation interruptions, remediation complications, chemical spills, discharges or releases of toxic or hazardous substances or gases, storage tank leaks, and other environmental risks. These hazards can cause personal injury and loss of life, severe damage to, or destruction of, property and equipment and environmental damage, fines, and liabilities and could have a material adverse effect on our business, financial condition, or results of operations.

WE ARE AN INTERNATIONAL COMPANY AND ARE EXPOSED TO RISKS IN THE COUNTRIES IN WHICH WE HAVE SIGNIFICANT OPERATIONS OR INTERESTS.

We are dependent, in large part, on the economies of the countries in which we manufacture and market our products. Of our 2003 net sales, 53% were to customers in the U.S. and Canada, 27% to Europe and Africa, 13% to Asia/Pacific, and 7% to Latin America. Our net property, plant and equipment at December 31, 2003 was located 67% in the U.S. and Canada, 29% in Europe and Africa, 3% in Asia/Pacific and 1% in Latin America. The economies of the countries in these areas are in different stages of socioeconomic development. Consequently, we are exposed to risks from changes in foreign currency exchange rates, interest rates, inflation, governmental spending, social instability and other political, economic or social developments that may materially reduce our net income. We may also face difficulties managing and administering an internationally dispersed business. In particular, the management of our personnel across offices in several countries can present logistical and managerial challenges. Additionally, international operations present challenges related to operating under different business cultures and languages; we may have to comply with unexpected changes in foreign laws and regulatory requirements which could negatively impact our operations and ability to manage our global financial resources; export controls or other regulatory restrictions could prevent us from shipping our products into and from some markets; we may not be able to adequately protect our trademarks and other intellectual property overseas due to uncertainty of laws and enforcement in a number of countries relating to the protection of intellectual property rights; and changes in tax regulation and international tax treaties could significantly reduce the financial performance of our foreign operations or the magnitude of their contributions to our overall financial performance.

OUR RESULTS OF OPERATIONS ARE SUBJECT TO EXCHANGE RATE AND OTHER CURRENCY RISKS.

A significant portion of our business is conducted in currencies other than the U.S. dollar, which is our reporting currency. We recognize foreign currency gains or losses arising from our operations in the period incurred. As a result, currency fluctuations among the U.S. dollar and the currencies in which we do business have caused and will continue to cause foreign currency transaction gains and losses, which could be material. The foreign currency impact on our pre-tax earnings (loss) for the year ended December 31, 2003 and the nine months ended September 30, 2004 was a loss of $1.6 million and a loss of $0.9 million, respectively. The foreign currency impact on our net sales for the year ended December 31, 2003 and the nine months ended September 30, 2004 were gains of $85 million and $46.5 million, respectively. We cannot predict the effects of exchange rate fluctuations upon our future operating results because of the number of currencies involved, the variability of currency exposures, and the potential volatility of currency exchange rates. We take actions to manage our balance sheet foreign currency exposure, such as entering into hedging arrangements designed to limit our exposure to potential currency exchange rate volatility and projected profit and loss exposures, where available, but our strategies may not adequately protect our operating results from the effects of exchange rate fluctuations.

We also face risks arising from the imposition of exchange controls and currency devaluations. Exchange controls may limit our ability to convert foreign currencies into U.S. dollars or to remit dividends and other payments by our foreign subsidiaries or businesses located in or conducted within a country imposing controls. Currency devaluations result in diminished value of funds denominated in the currency of the country instituting a devaluation. Actions of this nature could adversely affect our earnings or cash flow.

WE HAVE UNFUNDED PENSION PLANS AND POST-RETIREMENT HEALTH CARE PLANS, WHICH COULD RESULT IN CLAIMS AGAINST OUR ASSETS.

We have substantial unfunded obligations under our domestic tax-qualified defined benefit pension plans, totaling approximately $155.0 million on a projected benefit obligation basis as of December 31, 2003. A significant decline in the value of plan investments in the future or unfavorable changes in laws or regulations that govern pension plan funding could materially change the timing and amount of required pension funding. We also sponsor foreign and non-qualified pension plans under which we have substantial unfunded liabilities, totaling approximately $181.8 million on a projected benefit obligation basis as of December 31, 2003. In addition, we sponsor post-retirement health care plans under which we have substantial unfunded liabilities, totaling approximately $202.9 million on a projected benefit obligation basis as of December 31, 2003. Mandatory funding contributions with respect to our tax-qualified pension plans and potential unfunded benefit liability claims could have a material adverse effect on our financial condition, results of operations and cash flows.

OUR BUSINESS DEPENDS UPON MANY PROPRIETARY TECHNOLOGIES, INCLUDING PATENTS AND LICENSES. OUR COMPETITIVE POSITION COULD BE ADVERSELY AFFECTED IF WE FAIL TO PROTECT OUR PATENTS OR OTHER INTELLECTUAL PROPERTY RIGHTS, OR IF WE BECOME SUBJECT TO CLAIMS THAT WE ARE INFRINGING UPON THE RIGHTS OF OTHERS.

We have over 2,500 United States and foreign patents and pending applications and have over 3,000 trademark registrations for product names world-wide. Patents, trademarks, trade secrets in the nature of know-how, formulations, and manufacturing techniques assist us in maintaining the competitive position of certain of our products. Our intellectual property is of particular importance to a number of specialty chemicals we manufacture and sell, and patents and know-how are also significant in the manufacture of certain wire insulating and polymer processing equipment product lines. We are licensed to use certain patents and technology owned by other companies, including some foreign companies, to manufacture products complementary to our own products, for which we pay royalties in amounts not considered material, in the aggregate, to our consolidated results. Our trademarks or the patents we own or license may be challenged, and as a result of such challenges we could lose our exclusive rights to our proprietary technologies, which would adversely affect our competitive position and our results of operations.

We also rely on unpatented proprietary know-how and continuing technological innovation and other trade secrets to develop and maintain our competitive position. While it is our policy to enter into confidentiality agreements with our employees and third parties to restrict the use and disclosure of our trade secrets and proprietary know-how, those confidentiality agreements may be breached or may not provide meaningful protection. In addition, adequate remedies may not be available in the event of an unauthorized use or disclosure of such trade secrets and know-how, and others could obtain knowledge of such trade secrets through independent development or other access by legal means. The failure of our patents, trademarks or confidentiality agreements to protect our processes, apparatuses, technology, trade secrets, or proprietary know-how could have a material adverse effect on our business, financial condition, results of operations, or cash flows.

OUR PATENTS MAY NOT PROVIDE FULL PROTECTION AGAINST COMPETING MANUFACTURERS OUTSIDE THE UNITED STATES, THE EUROPEAN UNION COUNTRIES, AND CERTAIN OTHER DEVELOPED COUNTRIES.

In some of the countries in which we operate, such as China, the laws protecting patent holders are significantly weaker than in the United States, the European Union, and certain other developed countries. Weaker protection may help competing manufacturers be or become more competitive in markets where, but for the weaker protection, they might not otherwise be able to introduce competing products for a number of years. We therefore tend, in these regions, to rely more heavily upon trade secret and know-how protection, as applicable, than we do on patents. In addition, for our crop protection products being sold in China, we rely on regulatory protection of intellectual property provided by regulatory agencies that may not provide us with the protection we desire.

AN INABILITY TO REMAIN TECHNOLOGICALLY INNOVATIVE AND TO OFFER IMPROVED PRODUCTS AND SERVICES IN A COST-EFFECTIVE MANNER COULD NEGATIVELY IMPACT OUR OPERATING RESULTS.

Our operating results are influenced in part by our ability to introduce new products and services that offer distinct value to our customers. For example, our Crop Protection business seeks to provide tailored products for our customers' often unique problems, which requires an ongoing level of innovation. In many of the markets where we sell our products, the products are subject to a traditional product life cycle. We devote significant human and financial resources to develop new technologically advanced products and services and we may not be successful in our research and development efforts.

CONVERGENCE OF OUR INFORMATION SYSTEMS COULD HAVE ADVERSE EFFECTS.

We are in the process of converging our two separate SAP systems into one standard platform in order to standardize our data and create efficiencies in processing information. The transition from two SAP platforms to one standard system could adversely affect our systems, our operations and the timeliness with which we report our operating results.

OUR CREDIT RATINGS ARE BELOW INVESTMENT GRADE AND IF WE FAIL TO IMPROVE OUR RESULTS OF OPERATIONS, OUR CREDIT RATINGS AND OUR NEW REVOLVING CREDIT FACILITY COULD BE ADVERSELY AFFECTED.

The credit rating agencies have indicated that our cash flow from operations must improve in order to maintain our current ratings. A reduction in our ratings could make it very difficult for us to borrow in the capital markets. In addition, our new Revolving Credit Facility requires us to meet certain financial tests. If our earnings and cash flow do not improve in 2005, we could have difficulty meeting our financial covenants, which would limit our ability to borrow under our new Revolving Credit Facility, and could result in the acceleration of our obligations under that facility.

THE RESULTS OF OUR CROP PROTECTION BUSINESS ARE DEPENDENT ON WEATHER, DISEASE, AND PEST CONDITIONS AND CAN BE AFFECTED BY LOCAL AND REGIONAL ECONOMIC CIRCUMSTANCES.

Sales volumes of our Crop Protection business, as with all agricultural products, are subject to the sector's dependency on weather, disease, and pest infestation conditions. Adverse conditions in a particular region could materially adversely affect our Crop Protection business. Demand for crop protection products is also influenced by the agricultural policies of governments and regulatory authorities particularly in developing countries in regions where we do business, such as in Asia and Latin America. Changes in governmental policies or product registration requirements could have an adverse impact on our ability to market and sell our products. Also, crop protection products typically are sold pursuant to contracts with extended payment terms in Latin America and Europe. Extended payment periods make our Crop Protection business susceptible to losses from receivables during economic crises and may adversely affect our operating results.

OUR POLYMER PROCESSING EQUIPMENT BUSINESS IS DEPENDENT ON BACKLOGS AND CUSTOMER CAPITAL SPENDING CYCLES.

Backlog represents undelivered products or services that our customers have contractually committed to purchase from us. Because machinery production schedules range from about 60 days to 10 months, backlog is significant to our Polymer Processing Equipment (Davis-Standard) business. Our backlog of customer orders for this business at September 30, 2004 and December 31, 2003 was approximately $87.0 million and $62.0 million, respectively. While approximately 87% of our 2003 backlog has been shipped as of September 30, 2004, cancellations of purchase orders, though infrequent, could substantially reduce backlog and consequently, future revenues. Our failure to replace cancelled or reduced backlog could result in lower revenues. In addition, because these products represent major capital expenditures for many of our customers, revenues and profits for this business are highly cyclical and are still weak following a severe decline that began with the U.S. recession in 2000.

WE MAY FAIL TO REALIZE THE COST SAVINGS AND OTHER BENEFITS THAT WE EXPECT FROM OUR COST REDUCTIONS AND SIX SIGMA INITIATIVES.

In July 2004, we announced an activity-based restructuring initiative intended to structure our operations in a more effective manner and yield expected cost savings. In July 2003, we announced a cost reduction program, which includes expected savings from Six Sigma and other initiatives. We practice Six Sigma throughout our company to increase efficiency and

capacity and to reduce waste. As a result of our efforts, we have realized and expect to realize additional cost reductions. We may not realize additional cost savings or other benefits, and even if we realize the benefits of our cost saving initiatives, any cash savings that we achieve may be offset by pressures from our customers to reduce prices or by higher raw material and other costs. Our failure to realize the anticipated benefits of our cost reductions and Six Sigma initiatives could have a material adverse effect on our business, results of operations, and financial condition.

WE ARE DEPENDENT UPON A TRAINED, DEDICATED SALES FORCE, THE LOSS OF WHICH COULD MATERIALLY AFFECT OUR OPERATIONS.

Our products, including our polymer additives, polymers, polymer processing equipment, crop protection, and refined products are sold and supported through dedicated staff and specifically trained personnel. Approximately 800 of our employees are engaged in sales and marketing. The loss of this sales force due to market or other conditions could affect our ability to sell and support our products effectively, which could have an adverse effect on our results of operations.

CHANGES IN OUR MANAGEMENT AND STAFFING COULD CREATE DISRUPTION. THIS COULD HAVE A MATERIAL ADVERSE EFFECT ON OUR BUSINESS AND OUR RESULTS OF OPERATIONS, FINANCIAL CONDITION AND CASH FLOWS.

We have made significant changes to our senior management this year. While our management team has considerable experience in the chemical industry and in other manufacturing sectors, these changes could result in risks to our business since the new management has not had prior experience at our company. In addition, the activity-based restructuring initiative and the voluntary severance programs initiated this year are expected to result in a reduction of at least ten percent (10%) of our worldwide workforce. While this initiative is intended to reduce our costs and increase our profitability, these major headcount reductions could adversely affect our ability to operate key staff functions effectively. Consequently, our results of operations, financial condition and cash flows may be adversely affected.

TERRORIST ATTACKS, THE CURRENT MILITARY ACTION IN IRAQ, GENERAL INSTABILITY IN THE MIDDLE EAST AND OTHER ATTACKS OR ACTS OF WAR IN THE UNITED STATES AND ABROAD MAY ADVERSELY AFFECT THE MARKETS IN WHICH WE OPERATE, OUR OPERATIONS AND OUR PROFITABILITY.

The attacks of September 11, 2001 and subsequent events, including the current military action in Iraq, have caused political and financial instability in the United States and other markets and have led to, and may continue to lead to, further armed hostilities, prolonged military action in Iraq, or further acts of terrorism in the United States or abroad, which could cause further instability in financial markets and reduced consumer confidence. The threat of terrorist attacks, the current military action in Iraq, and other related developments may adversely affect economic conditions, which may reduce demand for our products, decrease the ability of our customers to pay on a timely basis, if at all, and diminish our ability to sell in foreign markets. These developments would subject us to increased risks, and depending on their magnitude, could have a material adverse effect on our business.

RISKS RELATED TO THE EXCHANGE OFFER AND HOLDING THE NEW NOTES

YOU MUST COMPLY WITH THE EXCHANGE OFFER PROCEDURES IN ORDER TO RECEIVE NEW, FREELY TRADABLE NEW NOTES.

Delivery of new notes in exchange for old notes tendered and accepted for exchange pursuant to the exchange offer will be made only after timely receipt by the exchange agent of a book entry confirmation of a book entry transfer of old notes into the exchange agent's account at DTC, New York, New York as depositary, including an Agent's Message (as defined herein). We are not required to notify you of defects or irregularities in tenders of old notes for exchange. Old notes that are not tendered or that are tendered but we do not accept for exchange will, following consummation of the exchange offer, continue to be subject to the existing transfer restrictions under the Securities Act and, upon consummation of the exchange offer, certain registration and other rights under the registration rights agreement will terminate. See "The Exchange Offer -- Procedures for Tendering Old Notes" and "The Exchange Offer -- Consequences of Exchanging or Failing to Exchange Old Notes."

SOME HOLDERS WHO EXCHANGE THEIR OLD NOTES MAY BE DEEMED TO BE UNDERWRITERS AND THESE HOLDERS WILL BE REQUIRED TO COMPLY WITH THE REGISTRATION AND PROSPECTUS DELIVERY REQUIREMENTS IN CONNECTION WITH ANY RESALE TRANSACTION.

If you exchange your old notes in the exchange offer for the purpose of participating in a distribution of the new notes, you may be deemed to have received restricted securities and, if so, will be required to comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction.

OUR LEVEL OF INDEBTEDNESS AND OTHER ARRANGEMENTS COULD LIMIT CASH FLOW AVAILABLE FOR OUR OPERATIONS AND COULD ADVERSELY AFFECT OUR ABILITY TO SERVICE OUR DEBT OR OBTAIN ADDITIONAL FINANCING, IF NECESSARY.

As of September 30, 2004, our total indebtedness was approximately $865.5 million (of which $597.5 million consisted of the new notes, and the balance consisted of $268.0 million of other debt). Our level of indebtedness could restrict our operations and make it more difficult for us to satisfy our obligations under the new notes. The indentures governing the new notes also allow us to continue to engage in securitization transactions, and we expect to sell up to approximately $250.0 million of our domestic and European accounts receivable under these programs. Among other things, our substantial indebtedness and the covenants contained therein, may:

o limit our ability to obtain additional financing for working capital, capital expenditures, research and development, acquisitions, and general corporate purposes;

o require us to dedicate all or a substantial portion of our cash flow to service our debt, which will reduce funds available for other business purposes, such as capital expenditures and research and development;

o limit our flexibility in planning for or reacting to changes in the markets in which we compete;

o place us at a disadvantage relative to our competitors with less indebtedness;

o render us more vulnerable to general adverse economic and industry conditions; and

o make it more difficult for us to satisfy our financial obligations, including those relating to the new notes.

In addition, the indentures governing the new notes and our new Revolving Credit Facility contain financial and other restrictive covenants that limit our ability to engage in activities that may be in our long-term best interests. Our failure to comply with those covenants could

result in an event of default which, if not cured or waived, could result in the acceleration of all of our debt.

DESPITE CURRENT INDEBTEDNESS LEVELS, WE AND OUR SUBSIDIARIES MAY STILL BE ABLE TO INCUR SUBSTANTIALLY MORE DEBT. THIS COULD FURTHER EXACERBATE THE RISKS ASSOCIATED WITH OUR SUBSTANTIAL LEVERAGE.

We and our subsidiaries may be able to incur substantial additional indebtedness in the future. The terms of the indentures do not fully prohibit us or our subsidiaries from doing so. Our new Revolving Credit Facility permits additional borrowing in a principal amount of up to $220.0 million, consisting of a $120.0 million revolving credit facility and a $100.0 million pre-funded letter of credit facility, and all borrowings under the new Revolving Credit Facility are secured and therefore effectively senior to the new notes. If new debt is added to our and our subsidiaries' current debt levels, the related risks that we and they now face could intensify. For a more complete discussion of these financial covenants, see "Description of Other Indebtedness and Arrangements," "Description of the New Notes," and the documents incorporated by reference in this prospectus.

THE NEW NOTES AND THE SUBSIDIARY GUARANTEES ARE SUBJECT TO PRIOR CLAIMS OF OUR SECURED CREDITORS, AND IF A DEFAULT OCCURS, WE MAY NOT HAVE SUFFICIENT FUNDS TO FULFILL OUR OBLIGATIONS UNDER THE NEW NOTES AND THE SUBSIDIARY GUARANTEES.

Our assets and the assets of our subsidiaries are subject to prior claims by our secured creditors. As of September 30, 2004, we had approximately $260.0 million of secured debt (including the outstanding principal amount of our 7.75% Debentures due 2023 and 6.875% Debentures due 2026), no borrowings under our new Revolving Credit Facility, and approximately $69.7 million of outstanding letters of credit. In addition, the indentures permit us to incur additional secured debt, subject to specified limitations. The indentures also allow us to continue to engage in securitization transactions, and we expect to sell up to approximately $250.0 million of our domestic and European accounts receivable under these programs. As a result of our entering into the new Revolving Credit Facility, our 7.75% Debentures due 2023 and 6.875% Debentures due 2026 became secured on an equal and ratable basis with certain borrowings under the new Revolving Credit Facility, and therefore, are effectively senior to the new notes to the extent of the assets securing such debt.

OUR ABILITY TO SERVICE OUR DEBT AND MEET OUR CASH REQUIREMENTS DEPENDS ON MANY FACTORS, SOME OF WHICH ARE BEYOND OUR CONTROL.

We believe that the level of borrowings available to us, including the net proceeds from the Refinancing and available borrowings under our new Revolving Credit Facility, combined with cash provided by our operations, will be sufficient to provide for our cash requirements for the foreseeable future. However, our ability to satisfy our obligations will depend on our future operating performance and financial results, which will be subject, in part, to factors beyond our control, including interest rates, commodity prices, general economic conditions, and financial and business conditions. Certain of our subsidiaries may become unrestricted subsidiaries under the indentures, in which case we may not have access to the cash flows of these subsidiaries which will not be subject to the restrictive covenants under the indentures governing the new notes. If we are unable to generate sufficient cash flow to service our debt, we may be required to:

o refinance all or a portion of our debt, including one or more series of the new notes;

o obtain additional financing;

o sell some of our assets or operations;

o reduce or delay capital expenditures and acquisitions; or

o revise or delay our strategic plans.

Taking any of these actions could have a material adverse effect on our business, financial condition and results of operations. In addition, we may not be able to take any of these actions, and if undertaken, these actions may not enable us to continue to satisfy our capital requirements and financial and other contractual obligations. These actions may also not be permitted under the terms of our various debt instruments, including our new Revolving Credit Facility and the indentures.

YOUR RIGHT TO RECEIVE PAYMENTS ON THE NEW NOTES IS EFFECTIVELY SUBORDINATED TO THE PRESENT AND FUTURE INDEBTEDNESS OF OUR SUBSIDIARIES THAT DO NOT GUARANTEE THE NEW NOTES.

The new notes will be our general unsecured obligations. However, each of our subsidiaries is a distinct legal entity, and our subsidiaries that do not guarantee the new notes have no legal obligation to make payments on the new notes or make funds available for those payments, whether by dividends, loans, or other payments. The new notes, therefore, are structurally subordinated to the indebtedness and other liabilities of non-guarantor subsidiaries, including those owed to their trade creditors. In the event of a bankruptcy, liquidation, reorganization, or similar proceeding with respect to us or any of our subsidiaries, the assets of our non-guarantor subsidiaries will be available to us only after all outstanding liabilities of the non-guarantor subsidiaries have been paid in full. If our non-guarantor subsidiaries have their debt accelerated under their respective indebtedness we may not be able to repay the new notes. As of and for the year ended December 31, 2003, our non-guarantor subsidiaries represented 46% of our total assets before eliminations, and generated $1.2 billion of our revenues before eliminations. The following expenses have been allocated only to us and the guarantors: $24.7 million loss on early extinguishment of debt, $77.7 million of antitrust costs, $15.6 million of facility closures, severance and related costs, and $22.1 million of other expense, net.

THE COVENANTS IN OUR NEW REVOLVING CREDIT FACILITY AND THE INDENTURES GOVERNING THE NEW NOTES IMPOSE RESTRICTIONS THAT LIMIT OUR ABILITY AND THE ABILITY OF OUR SUBSIDIARIES TO TAKE CERTAIN ACTIONS.

The covenants in our new Revolving Credit Facility and the indentures governing the new notes restrict our ability and the ability of our restricted subsidiaries to, among other things:

- incur additional debt;
- pay dividends in excess of specified amounts and make other restricted payments;
- make certain investments;
- create or permit certain liens;
- issue or sell capital stock of restricted subsidiaries;
- create or permit restrictions on the ability of our restricted subsidiaries to pay dividends or make other distributions to us;
- enter into transactions with affiliates;
- enter into sale and leaseback transactions;
- engage in certain business activities; and
- consolidate or merge or sell all or substantially all of our or their respective assets.

Our new Revolving Credit Facility also contains other covenants customary for credit facilities of this nature, including requiring us to meet specified financial ratios and financial tests. Our ability to borrow under our new Revolving Credit Facility depends upon satisfaction of these covenants. Events beyond our control can affect our ability to meet those covenants.

If we are unable to meet the terms of our financial covenants, or if we breach any of these covenants, a default could occur under one or more of these agreements. A default, if not waived by our lenders or bondholders as required, could result in the acceleration of our outstanding indebtedness and cause our debt to become immediately due and payable. If acceleration occurs, we would not be able to repay our debt and it is unlikely that we would be able to borrow sufficient funds to refinance our debt. Even if new financing is made available to us, it may not be on terms acceptable to us.

WE MAY BE UNABLE TO PURCHASE THE NEW NOTES UPON A CHANGE OF CONTROL.

Upon a change of control, we will be required to offer to purchase all of the new notes then outstanding for cash at 101% of the principal amount thereof plus accrued and unpaid interest, if any. If a change of control were to occur, we may not have sufficient funds to pay the change of control purchase price, and we may be required to obtain third party financing to do so. We may not be able to obtain this financing on commercially reasonable terms, or on terms acceptable to us, or at all. The events that cause a change of control under the indentures may also result in an event of default under our new Revolving Credit Facility, which may cause the acceleration of our other indebtedness, in which case we would be required to pay our senior secured indebtedness before we repay the new notes. Our future indebtedness may also contain restrictions on our ability to repurchase the new notes upon certain events, including transactions that would constitute a change of control under the indentures. Our failure to repurchase the new notes upon a change of control would constitute an event of default under the indentures.

The change of control provisions in the indentures may not protect you in the event we consummate a highly leveraged transaction, reorganization, restructuring, merger, or other similar transaction, even if such transaction constitutes a change of control under the indentures. Such a transaction may not involve a change in voting power or beneficial ownership or, even if it does, may not involve a change in the magnitude required under the definition of change of control in the indenture to trigger our obligation to repurchase the new notes. Except as otherwise described above, the indentures do not contain provisions that permit the holders of the new notes to require us to repurchase or redeem the new notes in the event of a takeover, recapitalization, or similar transaction.

THERE IS NO PUBLIC MARKET FOR ANY SERIES OF NEW NOTES, AND WE DO NOT KNOW IF A MARKET WILL EVER DEVELOP OR, IF A MARKET DOES DEVELOP, WHETHER IT WILL BE SUSTAINED.

Each series of new notes is a new issue of securities for which there is no existing trading market. A liquid market may not develop for any series of new notes. Accordingly, you may not be able to sell your notes at a particular time and the prices that you receive when you sell the new notes may not be favorable.

We do not intend to apply for listing or quotation of any series of notes on any securities exchange or stock market. The liquidity of any market for the new notes will depend on a number of factors, including:

- the number of holders of new notes;

- our operating performance and financial condition;

- our ability to complete the offer to exchange the old notes for the new notes;

- the market for similar securities;

- the interest of securities dealers in making a market in the new notes; and

- prevailing interest rates.

Historically, the market for non-investment grade debt has been subject to disruptions that have caused substantial volatility in the prices of these securities. However, the market for any series of new notes may not be free from similar disruptions. Any such disruptions could have an adverse effect on holders of the new notes.

FEDERAL AND STATE STATUTES ALLOW COURTS, UNDER SPECIFIC CIRCUMSTANCES, TO VOID GUARANTEES AND REQUIRE NOTEHOLDERS TO RETURN PAYMENTS RECEIVED FROM SUBSIDIARY GUARANTORS.

Under the federal bankruptcy law and comparable provisions of state fraudulent transfer laws, a subsidiary guarantee could be voided, or claims in respect of a subsidiary guarantee could be subordinated to all other debts of that subsidiary guarantor if, among other things, the subsidiary guarantor, at the time it incurred the indebtedness evidenced by its subsidiary guarantee:

- received less than reasonably equivalent value or fair consideration for the incurrence of such subsidiary guarantee; and

- was insolvent or rendered insolvent by reason of such incurrence; or

- was engaged in a business or transaction for which the subsidiary guarantor's remaining assets constituted unreasonably small capital; or

- intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature.

In addition, any payment by that subsidiary guarantor pursuant to its subsidiary guarantee could be voided and required to be returned to the subsidiary guarantor, or to a fund for the benefit of the creditors of the subsidiary guarantor.

USE OF PROCEEDS

We will not receive any proceeds from the exchange offer. Any old notes that are properly tendered and exchanged pursuant to the exchange offer will be retired and cancelled. Approximately $46.5 million of the proceeds from the sale of the old notes was used to repay outstanding borrowings under our previous revolving credit facility; approximately $523.0 million was used to fund tender offers and consent solicitations for our 8.50% Senior Notes due 2005 and our 6.125% Senior Notes due 2006, including tender costs of approximately $15 million, consent premiums of approximately $4 million, principal of approximately $490.0 million and accrued and unpaid interest of approximately $14.0 million; and approximately $22.1 million was used in connection with the issuance of the old notes. The remaining proceeds will be used to fund working capital and for general corporate purposes.

RATIO OF EARNINGS TO FIXED CHARGES

We have calculated the ratio of earnings to fixed charges in the following table by dividing earnings by fixed charges. For this purpose, earnings include earnings (loss) from continuing operations before income taxes and cumulative effect of accounting change, equity income of equity method investments, amortization of capitalized interest, adjustments for distributed income of equity investees, plus fixed charges (less capitalized interest). Fixed charges include interest expense, net of capitalized interest, capitalized interest, and estimated interest within rental expense.

	YEAR ENDED DECEMBER			
	1999	2000	2001	
DETERMINATION OF EARNINGS:				
Earnings (loss) from continuing operations before income taxes and cumulative effect of accounting change	$(162.9)	$ 48.2	$(235.6)	$
Equity income of equity method investments	(10.6)	(11.4)	(9.2)	
Fixed charges less capitalized interest	76.7	131.8	120.3	
Amortization of capitalized interest	1.8	2.0	2.4	
Adjust for distributed income of equity investees	0.0	15.8	4.0	
Total earnings (loss), as defined	$ (95.0)	$186.4	$(118.1)	$
FIXED CHARGES:				
Interest expense, net of capitalized interest (a)	$ 69.8	$120.4	$ 109.9	$
Capitalized interest	4.0	3.8	3.6	
Estimate of interest within rental expense (b)	6.9	11.4	10.4	
Total fixed charges, as defined	$ 80.7	$135.6	$ 123.9	$
Ratio of Earnings to Fixed Charges	(c)	1.37	(c)	

(a) Interest expense includes amortization of debt discount and expenses.
(b) Represents 1/3 of rental expense under operating leases which is a conservative estimate of an interest factor in our leases.
(c) Total earnings (loss), as defined were less than fixed charges by $175.7 million, $242.0 million, $53.6 million, and $161.9 million in 1999, 2001, 2002 and 2003, respectively, and by $91.4 million for the nine months ended September 30, 2003.

UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following unaudited pro forma combined financial information gives effect to the sale of the OrganoSilicones business (OSI) and the acquisition of the Specialty Chemicals Business from General Electric Company (GESC), together referred to as "the transaction," and the impact of