RPM INTERNATIONAL INC/DE/
Form S-4/A
June 04, 2004

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As filed with the Securities and Exchange Commission on June 4, 2004

Registration No. 333-114259

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Amendment No. 2
to

Form S-4

REGISTRATION STATEMENT UNDER
THE SECURITIES ACT OF 1933

RPM International Inc.

(Exact Name of Registrant as Specified in Its Charter)

Delaware	**2851**	**02-0642224**
(State or Other Jurisdiction of Incorporation or Organization)	*(Primary Standard Industrial Classification Code Number)*	*(I.R.S. Employer Identification No.)*

P.O. Box 777
2628 Pearl Road
Medina, Ohio 44258
(330) 273-5090

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant s Principal Executive Offices)

P. Kelly Tompkins, Esq.
Senior Vice President, General Counsel and Secretary
RPM International Inc.
P.O. Box 777
2628 Pearl Road
Medina, Ohio 44258
(330) 273-5090

Copy To:
Edward W. Moore, Esq.
Calfee, Halter & Griswold LLP
1400 McDonald Investment Center
800 Superior Avenue
Cleveland, Ohio 44114-2688
(216) 622-8200

(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent For Service)

Approximate date of commencement of proposed sale to the public: As soon as practicable after 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. o

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

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 for the same offering. o

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, as amended, or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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SUBJECT TO COMPLETION DATED JUNE 4, 2004

PROSPECTUS

$200,000,000

Offer to Exchange

6.25% Senior Notes due 2013

For Any and All Outstanding 6.25% Senior Notes due 2013

The Offering:

We are offering to exchange all of our outstanding 6.25% Senior Notes due 2013, or the initial notes, for new 6.25% Senior Notes due 2013, or the exchange notes. The terms of the exchange notes are identical in all material respects to the terms of the initial notes, except that the exchange notes have been registered under the Securities Act, and the transfer restrictions and registration rights relating to the initial notes do not apply to the exchange notes.

To exchange your initial notes for exchange notes:

You are required to make the representations described on page 67 to us.

You must complete and send the letter of transmittal that accompanies this prospectus to the exchange agent, The Bank of New York, by 5:00 p.m., New York time on , 2004.

You should read the section called The Exchange Offer for further information on how to exchange your initial notes for exchange notes.

Investing in the exchange notes involves risks similar to those associated with the initial notes. See Risk Factors beginning on page 11.

Neither the Securities and Exchange Commission (the SEC) nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is , 2004

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You should rely only on the information contained or incorporated by reference in 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 where the offer or sale is not permitted. You should assume that the information appearing in this prospectus or any documents incorporated by reference is accurate only as of the date on the front cover of the applicable document. Our business, financial condition, results of operations and prospects may have changed since such dates.

This prospectus is based on information provided by us and by other sources that we believe are reliable. We cannot assure you that information from other sources is accurate or complete. This prospectus summarizes certain documents and other information and we refer you to them for a more complete understanding of what we discuss in this prospectus. In making an investment decision, you must rely on your own examination of our company and the terms of this offering and the notes, including the merits and risks involved.

We are not making any representation to any purchaser of the notes regarding the legality of an investment in the notes by such purchaser under any legal investment or similar laws or regulations. You should not consider any information in this prospectus to be legal, business or tax advice. You should consult your own attorney, business advisor and tax advisor for legal, business and tax advice regarding an investment in the notes.

References in this prospectus to RPM, we, us and our refer to RPM International Inc., a holding company incorporated in Delaware, and its subsidiaries, unless the context otherwise requires. References in this prospectus to our Common Stock include the rights related to our Common Stock pursuant to our stockholder rights plan.

This prospectus contains references to certain of our brand names or trademarks owned by our subsidiary corporations, including: 33 , 33 Glazing, Alex Plus, American Accents, Automotive Stops Rust, B-I-N, Bondex, Bondo, Bondo/Mar-Hyde, Bulls Eye 1-2-3, Bulls Eye Waterbase, Bulls Eye Oil Base, CCI, Carboline, Chemical Coatings, Chemspec, Choice Marking Aerosol, Cover-Stain, Crackshot, DAP, Day-Glo, DIF, Drydex, Dryvit, DYmeric, DYmeric 240FC, Dymonic FC, Dynatron/ Bondo, Easy Solutions, Epoxy Shield, Euco, Fibergrate, Flecto, Hard Hat, Kop-Coat, Kwik Seal, Kwik Seal Plus, Mohawk, Nature Seal, Nullifire, Painter s Touch, Papertiger, Pettit, Plasite, Plastic Wood, Prepz, Road Warrior, Rust-Oleum, Shieldz, SideWinder, Specialty Plastic Primer, Stonblend ETZ, Stonblend RTZ, Stonhard, Stops Rust, Testors, TCI, The Euclid Chemical Company, Tremclad, Tremco, Varathane, Vulkem, Watco, Weldwood, Westfield, Woolsey, Z-Spar and Zinsser. All other trademarks or tradenames referred to in this prospectus are the property of their respective owners.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus (including the information incorporated by reference) contains forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. These statements relate to our plans, expectations, estimates and beliefs of future events or our future financial performance and involve known and unknown risks, uncertainties and other factors that may cause our or our industry s actual results, levels of activity, performance or achievements to be materially different from those expressed or implied by any forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as may, will, could, would, shou expect, plan, anticipate, target, project, intend, believe, estimate, predict, potential, pro forma, seek or continue or th other comparable terminology. These statements are only predictions and we can give no assurance that such expectations will prove to be correct. Some of the things that could cause our actual results to differ substantially from our expectations are:

general economic conditions;

the price and supply of raw materials, particularly titanium dioxide, certain resins, aerosols and solvents;

continued growth in demand for our products;

legal, environmental and litigation risks inherent in our construction and chemicals businesses and risks related to the adequacy of insurance and reserves for such matters;

the effect of changes in interest rates;

the effect of fluctuations in currency exchange rates upon our foreign operations;

the effect of non-currency risks in investing in and conducting operations in foreign countries, including those relating to domestic and international political, social, economic and regulatory factors;

risks and uncertainties associated with our ongoing acquisition and divestiture activities;

risks inherent in our contingent liability reserves, including with respect to asbestos-related claims; and

other factors referenced in this prospectus, including those set forth under the caption Risk Factors.

For these statements, we claim the protection of the safe harbor for forward-looking statements contained in Section 27A of the Securities Act.

We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, after the date of this prospectus to conform them to actual results. All of the forward-looking statements are qualified in their entirety by reference to the factors discussed under the caption Risk Factors. We caution you that these risk factors may not be exhaustive. We operate in a continually changing business environment, and new risk factors emerge from time to time. Management cannot predict such new risk factors, nor can it assess the impact, if any, of such new risk factors on our businesses or the extent to which any factor or combination of factors, may cause actual results to differ materially from those projected in any forward-looking statements. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this prospectus might not occur.

You should carefully read this prospectus and the documents incorporated by reference in their entirety. They contain information that you should consider when making your investment decision.

WHERE YOU CAN FIND MORE INFORMATION

We are required to comply with the reporting requirements of the Securities Exchange Act of 1934, as amended (the Exchange Act), and, in accordance with those requirements, we file annual, quarterly and other reports, proxy statements and other information with the SEC. You can inspect and copy these reports, proxy statements and other information at the SEC s Public Reference Room at 450 Fifth Street, N.W., Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-732-0330. In addition, the SEC maintains a website (*www.sec.gov*) that contains the reports, proxy statements and other information that we have filed. Our SEC filings are also available at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

We incorporate by reference into this prospectus the information we file with the SEC, which means we are disclosing important information to you by referring you to those documents. The information incorporated by reference is an important part of this prospectus. We incorporate by reference the documents listed below and any filings we make with the SEC under Sections 13(a), 13(c), 14, or 15(d) of the Exchange Act, other than Current Reports on Form 8-K containing only Regulation FD disclosure furnished pursuant to Item 9 of Form 8-K or disclosure regarding a completed quarterly or annual fiscal period furnished pursuant to Item 12 of Form 8-K which are not listed below, after the date of this prospectus and to the end of this offering under this prospectus:

Our Annual Report on Form 10-K for the fiscal year ended May 31, 2003;

Our Quarterly Reports on Form 10-Q for the quarters ended August 31, 2003, November 30, 2003 and February 29, 2004; and

Our Proxy Statement pursuant to Section 14(a) of the Exchange Act, filed August 29, 2003.

All documents subsequently filed by us pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Securities Exchange Act of 1934, prior to the termination of this offering, will be deemed to be incorporated by reference in this prospectus and to be a part of this prospectus from the date of filing of such documents.

You should rely only on the information contained in this document or that information to which we have referred you. We have not authorized anyone to provide you with additional information.

Any statement contained in this prospectus or a document incorporated or deemed to be incorporated by reference into this prospectus will be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained in this prospectus or any other subsequently filed document that is deemed to be incorporated by reference into this prospectus modifies or supersedes the statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

The documents incorporated by reference into this prospectus are available from us upon request. We will provide a copy of any and all of the information that is incorporated by reference in this prospects to any person, without charge, upon written or oral request. Requests for such copies should be directed to the following:

Secretary

RPM International Inc.
P.O. Box 777
2628 Pearl Road
Medina, Ohio 44258
(330) 273-5090

Except as provided above, no other information, including information on our website, is incorporated by reference into this prospectus.

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PROSPECTUS SUMMARY

The following summary is qualified in its entirety by the more detailed information included elsewhere or incorporated by reference in this prospectus. Because this is a summary, it may not contain all the information that may be important to you. You should read the entire prospectus as well as the documents incorporated by reference before making an investment decision.

RPM International Inc.

We are a leading manufacturer and marketer of high quality specialty paints, protective coatings and roofing systems, sealants and adhesives, focusing on the maintenance and improvement needs of both the industrial and consumer markets.

Our family of products includes many well-known brand names such as Carboline, DAP, Day-Glo, Flecto, Rust-Oleum, Stonhard, Tremco and Zinsser. Our portfolio of businesses is organized into two segments: Industrial and Consumer. Our Industrial segment constituted approximately 54% of net sales for the fiscal year ended May 31, 2003 and approximately 55% for the nine month period ended February 29, 2004, and includes maintenance and protection products for roofing and waterproofing systems, flooring, corrosion control and other specialty applications. Our Consumer segment constituted approximately 46% of net sales for the fiscal year ended May 31, 2003 and approximately 45% for the nine months ended February 29, 2004, and includes rust-preventative, special purpose and decorative paints, caulks, sealants, primers and other branded consumer products. As of May 31, 2003, we sold our products in approximately 130 countries and territories and operated manufacturing facilities in approximately 67 locations around the world, with approximately 23% of net sales generated in international markets. For the fiscal year ended May 31, 2003 and the nine months ended February 29, 2004, we recorded net sales of approximately $2.08 billion and $1.66 billion, respectively.

Industrial Segment

The Industrial segment has operations primarily in North America and Europe, as well as a presence in regions of South America, Asia, South Africa, Australia and the Middle East. Our industrial businesses, which account for the majority of our international sales, sell directly to contractors, distributors and end-users, such as industrial manufacturing facilities, educational and governmental institutions and commercial establishments. Our Industrial segment generated approximately $1.12 billion and $0.91 billion, respectively, in net sales for the fiscal year ended May 31, 2003 and the nine months ended February 29, 2004, and includes the following major product lines:

- institutional roofing systems and sealants used in building protection, maintenance and weatherproofing applications marketed under our well-established Tremco, Republic, Vulkem and DYmeric brand names. Recently introduced products include sealants marketed under the DYmeric 240FC and Dymonic FC brand names;

- high-performance flooring systems for industrial, institutional and commercial facility floor surfaces marketed under the Stonhard brand name. Recently introduced products include flooring systems marketed under the Stonblend RTZ and Stonblend ETZ brand names. We also manufacture and supply molded and pultruded fiberglass reinforced plastic gratings used for industrial platforms, staircases and walkways marketed under the Fibergrate brand name;

- high-performance, heavy-duty corrosion control coatings and structural and fireproofing protection products and secondary containment linings for a wide variety of industrial infrastructure applications under the Carboline, Nullifire and Plasite brand names;

- exterior insulating finishing systems, including textured finish coats, sealers and variegated aggregate finishes marketed under the Dryvit brand name; and

- a variety of products for specialized applications, including powder coatings for exterior and interior applications marketed under the TCI brand name, fluorescent colorants and pigments marketed under

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the Day-Glo brand name, concrete and masonry additives marketed under the Euco brand name, commercial carpet and floor cleaning solutions marketed under the Chemspec brand name, specialty processing chemicals for the textile industry marketed under the American Emulsions brand name, wood and lumber treatments marketed under the Kop-Coat brand name and pleasure marine coatings marketed under the Pettit, Woolsey and Z-Spar brand names.

Consumer Segment

The Consumer segment manufactures and markets professional and do-it-yourself (DIY) products for home maintenance and improvement, automotive and boat repair and maintenance, and hobby and leisure applications. The Consumer segment s major manufacturing and distribution operations are located in North America. We market our products through a wide range of distribution channels, including home improvement centers, mass merchandisers, hardware stores, paint stores, automotive supply stores, craft shops and distributors. Our Consumer segment generated approximately $0.97 billion and $0.75 billion, respectively, in net sales for the fiscal year ended May 31, 2003 and the nine months ended February 29, 2004, and includes the following major product lines:

small project rust-preventative, decorative and assorted specialty paints and coatings for the DIY and professional markets in the United States and Canada through our wide assortment of Rust-Oleum brand products. In addition to the original line of rust-preventative coatings sold under the Stops Rust brand name, leading brands within the Rust-Oleum portfolio include American Accents, Painter s Touch, Tremclad, Hard Hat, Flecto, Varathane and Watco. Recently introduced brands within the Rust-Oleum portfolio include Specialty Plastic Primer, Epoxy Shield, Road Warrior, Industrial Choice Marking Aerosol and Automotive Stops Rust;

a complete line of caulks and sealants, patch and repair products and adhesives for the home improvement, repair and construction markets through our wide assortment of DAP products. Leading brands within the DAP portfolio include Alex Plus, Kwik Seal Plus with Microban, SideWinder Advanced Siding and Window Sealant, Weldwood, 33 Glazing and Plastic Wood. Recently introduced products include caulks and related products marketed under the Drydex, Easy Solutions and Crackshot brand names;

a broad line of specialty primers and sealers marketed under the Zinsser, B-I-N, Bulls Eye 1-2-3, Cover-Stain and Sealcoat Universal brand names, as well as wallcovering removal and preparation coatings under the principal brands of DIF, Papertiger and Shieldz. Recently introduced products include specialty primers marketed under the Bulls Eye Waterbase and Bulls Eye Oil Base brand names and wallcovering preparation products marketed under the Zinsser Plus Mildewproof Commercial Wallcovering System and Prepz brand names; and

an assortment of other products, including autobody paints and repair products marketed under the Bondo brand name, hobby paints and cements marketed under the Testors brand name, wood furniture finishes and touch-up products marketed under the CCI, Mohawk, Chemical Coatings and Westfield Coatings brand names, deck and fence restoration products marketed under the Wolman brand name and shellac-based chemicals for industrial uses, edible glazes and food coatings by Mantrose-Haeuser under the Nature Seal brand name.

Our Competitive Strengths

We believe that our competitive strengths in the industries in which we compete are as follows:

Global Leader in Markets Served. We maintain a leading market position in many of the markets we serve. We believe that customers of our Industrial segment value our high quality products as well as our ability to supply multiple products and customized solutions. In our Consumer segment, we develop and maintain our market leadership positions by building upon our well-recognized brand name products and sales, marketing and service organizations that strive to ensure that our product lines and product development efforts are aligned with our customer needs.

Balanced Portfolio of Leading Brand Names. Our balanced product portfolio contains some of the most well-recognized brands in the industrial and consumer markets in which we compete. Our leading brands include Carboline, DAP, Day-Glo, Flecto, Rust-Oleum, Stonhard, Tremco and Zinsser. We believe that many of our brands are recognized in the markets as leaders in quality and reliability, providing us with important competitive advantages with respect to introducing new products, maintaining or gaining market share and developing a stable customer base. We also believe our balanced portfolio of businesses, with their focus on maintenance, repair and improvement applications, enables us to better weather economic cycles because our exposure is spread across a wide range of industries, sales channels and end-users.

Value-Added Customer-Oriented Solutions. Our operating companies have developed specialized sales, marketing and technical service organizations that maintain close relationships with our customers to provide unique solutions to their needs. We have not only worked to build a reputation for customer responsiveness, but have also promoted product and brand development. Examples of our customer-oriented solutions include:

Stonhard, which has developed and installed proprietary electrostatic dissipating flooring systems for a leading worldwide microelectronics manufacturer; and

Rust-Oleum, which has been a pioneer in the home improvement market with its MarketScope category management concept, which optimizes a retailer s sales potential, shelf space and product offerings by tailoring customer displays to match regional or local consumer buying patterns.

Entrepreneurial Culture and Strong Management Team. Since our founding in 1947, we have operated under a basic business philosophy hire the best people you can find, create an atmosphere that will keep them, and then let them do their jobs. We have sustained a culture that balances an entrepreneurial spirit with disciplined corporate oversight. Most of the members of our operating management team have joined us as a result of significant acquisitions and were either founders or second-generation family members of the founders of these acquired businesses. Our decentralized structure and incentive-based compensation philosophy have contributed to our growth for over 50 years.

Our Business Strategy

We believe that our success is driven by our balanced portfolio of businesses, our strong management team and our entrepreneurial culture. We believe that these core principles provide our business units the flexibility necessary to achieve leadership positions in the high margin, specialty niche markets in which we compete. As part of our growth strategy, we have pursued, and intend to continue pursuing, acquisitions of complementary businesses or products and joint ventures. Our track record of successful acquisitions and integrations include the completion of more than 66 acquisitions since 1991. We intend to build upon our history of strong financial performance and operational success through: organic growth through new product introductions and market expansion; acquisitions of entrepreneurial, synergistic and strategic businesses and product lines; and ongoing margin improvement initiatives. Key elements of our business strategy include the following:

Focus on Driving Base Business Growth. We manage our operations for growth on a decentralized basis to provide our operating units the flexibility to perform in an entrepreneurial environment, build specific brand identity and provide focused service capabilities in order to respond quickly in the markets they serve. In the Industrial segment, drivers of our internal growth include introducing value-added and cost-effective solutions, cross-selling our product offerings and creating new markets for existing products. In the Consumer segment, drivers of our internal growth include aligning our operating units and products with the fastest growing customers and distribution channels, expanding our business through select product line extensions and introducing new products.

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Well-Recognized Industry Consolidator. We are a leading industry consolidator and operate as a holding company for the businesses we acquire. We typically retain the management teams of the companies we acquire and endeavor to maintain management s operational independence at the subsidiary level, yet we have demonstrated our ability, when appropriate, to integrate businesses to improve the operating results of the acquired companies.

Enhance Profitability Through Operational Improvements. We pursue initiatives to enhance profitability by lowering our operating costs through focused corporate leadership and operating company support. We also regularly review and evaluate our portfolio of businesses based on various strategic, operational and financial performance criteria. In addition, the combination of our internal growth and acquisitions over the years has enabled us to take advantage of enhanced purchasing power for raw materials and packaging. All of these actions are an integral part of our efforts to leverage earnings growth.

Recent Developments

During the fiscal year ended May 31, 2003, we recorded a $140.0 million charge to establish a reserve for measurable known asbestos claims as of May 31, 2003 and an estimated provision for some future claims that were estimable involving or related to our subsidiary, Bondex International, Inc. As previously reported, the insurance available to Bondex for the payment of indemnity and defense costs associated with its asbestos litigation was depleted early in the fiscal year 2004. We believe that the reserve established will be sufficient to cover our asbestos-related litigation costs for such claims for approximately three years. We will regularly evaluate the adequacy of this reserve and related cash flow implications in light of actual claims experience, the impact of state law changes and the evolving nature of federal legislative efforts to address asbestos litigation, and will make and communicate appropriate adjustments as, and when, necessary. For further details, see Management s Discussion and Analysis of Financial Condition and Results of Operations contained or incorporated by reference in this prospectus and Item 3. Legal Proceedings Asbestos Litigation contained in our Annual Report for the year ended May 31, 2003, incorporated in this prospectus by reference.

As previously disclosed, certain of our subsidiaries filed a complaint for declaratory judgment, breach of contract and bad faith against various third party insurers challenging their assertion that their policies covering asbestos-related claims have been exhausted. Since the July 3, 2003 filing in Ohio, this action was consolidated with a related case and, pursuant to a December 9, 2003 case management order, the parties have begun the pretrial phase of the case. Pursuant to such order, the parties are to complete discovery by April 30, 2005. The court order provides other deadlines for various stages of the case, including dispositive motions, and the court has established a trial date of March 6, 2006. It is possible that these dates may be modified as the case progresses. As the case is only at the early stages of pretrial discovery, we are presently unable to predict the timing or ultimate outcome of this litigation. We have not included any potential benefits from this litigation in the financial statements incorporated by reference in this prospectus.

Our principal executive offices are at 2628 Pearl Road, P.O. Box 777, Medina, Ohio 44258, and our telephone number is (330) 273-5090. Our website address is *www.rpminc.com.* Information on our website does not constitute part of this prospectus.

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The Exchange Offer

Notes Offered	We are offering to exchange up to $200,000,000 of our 6.25% Senior Notes due December 15, 2013. The terms of the exchange notes are identical in all material respects to the terms of the initial notes, except that the exchange notes have been registered under the Securities Act, and the transfer restrictions and registration rights relating to the initial notes do not apply to the exchange notes.
The Exchange Offer	We are offering to issue the exchange notes in exchange for a like principal amount of your initial notes. We are offering to issue the exchange notes to satisfy our obligations contained in the registration rights agreement entered into when the initial notes were sold in transactions permitted by Rule 144A under the Securities Act and therefore not registered with the SEC. For procedures for tendering your initial notes, see The Exchange Offer.
Tenders, Expiration Date, Withdrawal	The exchange offer will expire at 5:00 p.m. New York City time on , 2004 unless it is extended. If you decide to exchange your initial notes for exchange notes, you must acknowledge that you are not engaging in, and do not intend to engage in, a distribution of the exchange notes. If you decide to tender your initial notes in the exchange offer, you may withdraw them any time prior to , 2004. If we decide for any reason not to accept any initial notes for exchange, your initial notes will be returned to you promptly after the exchange offer expires.
Conditions of the Exchange Offer	The exchange offer is subject to the following customary conditions, which we may waive: the exchange offer, or the making of any exchange by a holder of initial notes, will not violate any applicable law or interpretation by the staff of the SEC; and no action may be pending or threatened in any court or before any governmental agency with respect to the exchange offer that may impair our ability to proceed with the exchange offer.
Certain United States Federal Income Tax Consequences	Your exchange of initial notes for exchange notes in the exchange offer should not result in any income, gain or loss to you for Federal income tax purposes. See Certain United States Federal Income Tax Considerations.
Use of Proceeds	We will not receive any proceeds from the issuance of the exchange notes in the exchange offer.
Exchange Agent	The Bank of New York is the exchange agent for the exchange offer.
Failure to Tender Your Initial Notes	If you fail to tender your initial notes in the exchange offer, you will not have any further rights under the registration rights agreement. Because the initial notes are not registered under the Securities Act of 1933, the initial notes and exchange notes will not be interchangeable. Consequently, if you fail to tender your initial notes in the exchange offer, you will not be able to trade your initial

	notes with the exchange notes we issue. If most of the initial notes are tendered in the exchange offer, holders of notes that have not been exchanged will likely have little trading liquidity.
Consequences of Exchanging Your Initial Notes	Based on interpretations of the staff of the SEC, we believe that you may offer for resale, resell or otherwise transfer the exchange notes that we issue in the exchange offer without complying with the registration and prospectus delivery requirements of the Securities Act if you: acquire the exchange notes issued in the exchange offer in the ordinary course of your business; are not participating, do not intend to participate, and have no arrangement or undertaking with anyone to participate, in the distribution of the exchange notes issued to you in the exchange offer; and are not an affiliate of RPM as defined in Rule 405 of the Securities Act. If any of these conditions is not satisfied and you transfer any exchange notes issued to you in the exchange offer without delivering a proper prospectus or without qualifying for a registration exemption, you may incur liability under the Securities Act. We will not be responsible for or indemnify you against any liability you may incur. Any broker-dealer that acquires exchange notes in the exchange offer for its own account in exchange for initial notes which it acquired through market-making or other trading activities, must acknowledge that it will deliver a prospectus when it resells or transfers any exchange notes issued in the exchange offer as described in more detail under Plan of Distribution.
Risk Factors	See Risk Factors beginning on page 11 of this prospectus and the other information in this prospectus for a discussion of factors you should consider carefully before deciding to invest in the notes.

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The Exchange Notes

The terms of the exchange notes and the initial notes are identical in all material respects, except that the exchange notes have been registered under the Securities Act, and the transfer restrictions and registration rights relating to the initial notes do not apply to the exchange notes.

The following summary contains basic information about the exchange notes and is not intended to be complete. It does not contain all the information that may be important to you. For a more complete understanding of the exchange notes, please refer to the section in this prospectus entitled Description of Exchange Notes. You should read the entire prospectus, including the financial data and related notes included or incorporated by reference in this prospectus, before making an investment decision.

Issuer	RPM International Inc.
Notes offered	$200,000,000 principal amount of 6.25% Senior Notes due 2013.
Maturity Date	December 15, 2013.
Interest Payment Dates	Each June 15 and December 15, commencing June 15, 2004.
Ranking	The exchange notes will be senior unsecured obligations of RPM International Inc. and will rank equal in right of payment to its existing and future senior unsecured indebtedness. The exchange notes will be effectively subordinated to all of RPM International Inc. s existing and future secured indebtedness to the extent of the assets securing that indebtedness. In addition, we are structured as a holding company and we conduct all of our business operations through our subsidiaries. The exchange notes will be structurally subordinated to all existing and future indebtedness and other liabilities and commitments of our subsidiaries, which are distinct legal entities that will have no obligation to pay any amounts pursuant to the exchange notes or to make funds available for such purposes. As of February 29, 2004, we had approximately $711.8 million of total consolidated indebtedness. Of this amount, $0.13 million of secured indebtedness and approximately $2.3 million of subsidiary indebtedness are effectively senior to the exchange notes.
Optional Redemption	We may redeem all or part of the exchange notes, at any time and from time to time, at our option at a redemption price equal to the greater of: 100% of the principal amount of the exchange notes being redeemed; and the make-whole amount for the exchange notes being redeemed, plus, in each case, accrued interest on such exchange notes, if any, to but excluding the redemption date. See Description of Notes Optional Redemption.
Sinking Fund	None.
Certain Covenants	We will issue the exchange notes under an indenture that will, among other things, limit our ability and the ability of our subsidiaries to: incur certain liens; and engage in sale-leaseback transactions.

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	The indenture also will include requirements that must be met if we consolidate or merge with, or sell all or substantially all of our assets, to another entity.
	These covenants are subject to important exceptions and qualifications, which are described in this prospectus under Description of Notes Certain Covenants.
Absence of a Public Market	The exchange notes are a new issue of securities and there is currently no established public market for them. We currently have no intention to apply to list the exchange notes on any securities exchange or to seek their admission to trading on any automated quotation system. Accordingly, we cannot provide any assurance as to the development or liquidity of any market for the exchange notes.

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Summary Consolidated Financial Data

The summary consolidated financial data as of and for the fiscal years ended May 31, 1999, May 31, 2000, May 31, 2001, May 31, 2002 and May 31, 2003 shown below are derived from our audited consolidated financial statements for such years, which have been audited by Ciulla, Smith & Dale, LLP, our independent auditors. Our audited consolidated financial statements for the fiscal years ended May 31, 2001, May 31, 2002 and May 31, 2003 and the notes to those statements are incorporated by reference in this prospectus. The summary consolidated financial data as of and for the nine-month-periods ended February 29, 2004 and February 28, 2003 shown below are derived from our unaudited consolidated financial statements for the respective periods. In the opinion of our management, the unaudited consolidated financial statements reflect all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation of the results of operations and financial position of our company for the periods presented. Operating results for the nine months ended February 29, 2004 are not necessarily indicative of the results that may be expected for the entire fiscal year ending May 31, 2004. Total cost of sales and total selling, general and administrative expenses for the fiscal year ended May 31, 2003 and all prior periods described below have been reclassified as a result of the movement of certain freight-out charges that had been classified in cost of sales, and factory overhead charges that had previously been classified in selling, general and administrative expenses. You should read this table in conjunction with the Management s Discussion and Analysis of Financial Condition and Results of Operations included elsewhere in this prospectus, as well as in conjunction with our consolidated financial statements and the related notes incorporated by reference in this prospectus.

	Fiscal Year Ended May 31,					Nine Months Ended	
	1999	2000	2001	2002	2003	February 28, 2003	February 29, 2004
	(In millions, except per share amounts)						
Statement of Operations Data:							
Net sales	$1,720.6	$1,962.4	$2,007.8	$1,986.1	$2,083.5	$1,493.9	$1,660.7
Cost of sales	931.1	1,079.0	1,106.4	1,079.7	1,134.2	817.6	908.1
Gross profit	789.5	883.4	901.4	906.4	949.3	676.3	752.6
Selling, general and administrative expenses(a)	597.1	707.8	734.7	711.8	734.7	534.9	594.0
Asbestos charge	0.0	0.0	0.0	0.0	140.0	0.0	0.0
Restructuring and asset impairment charge	0.0	52.0	0.0	0.0	0.0	0.0	0.0
Interest expense, net	32.8	51.8	65.2	40.5	26.7	20.3	20.8
Income before income taxes	159.6	71.8	101.5	154.1	47.9	121.1	137.8
Provision for income taxes	65.1	30.8	38.5	52.5	12.6	42.4	48.9
Net income	$ 94.5	$ 41.0	$ 63.0	$ 101.6	$ 35.3	$ 78.7	$ 88.9
Earnings per share (basic)	$ 0.87	$ 0.38(b)	$ 0.62	$ 0.97	$ 0.31(c)	$ 0.68	$ 0.77
Earnings per share (diluted)	0.86	0.38(b)	0.62	0.97	0.30(c)	0.68	0.76
Dividends per share	0.4645	0.4850	0.4975	0.5000	0.5150	0.3850	0.4100
Average number of shares of common stock outstanding:							
Basic	108.7	107.2	102.2	104.4	115.3	115.2	115.7
Diluted	111.4	107.4	102.2	105.1	116.0	116.0	116.6
Other Data:							
EBIT(d)	$ 192.4	$ 183.5(e)	$ 166.7	$ 194.6	$ 74.6(f)	$ 141.4	$ 158.6

EBITDA(d)	254.5	262.7(e)	248.2	251.5	133.3(f)	183.7	205.4
EBITDA margin(g)	14.8%	13.4%	12.4%	12.7%	6.4%(f)	12.3%	12.4%
Depreciation and amortization	$ 62.1	$ 79.2	$ 81.5	$ 56.9	$ 58.7	$ 42.3	$ 46.8
Cash flows from operating activities	117.2	101.7	73.5	191.9	164.9	117.3	108.8
Cash flows (used in) investing activities	(98.1)	(338.1)	(18.0)	(37.7)	(110.4)	(41.6)	(51.0)
Cash flows from (used in) financing activities	(40.2)	248.0	(62.8)	(136.0)	(45.9)	(55.8)	(57.6)
Capital expenditures	63.4	63.2	54.1	39.9	41.8	22.0	26.2

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	As of May 31,					As of	
	1999	2000	2001	2002	2003	February 28, 2003	February 29, 2004
	(In millions)						
Balance Sheet Data:							
Cash and cash equivalents	$ 19.7	$ 31.3	$ 23.9	$ 42.2	$ 50.7	$ 62.2	$ 50.9
Other current assets	685.7	753.8	795.5	801.6	877.4	746.5	838.4
Working capital	402.9	408.9	443.7	479.0	500.4	506.3	518.6
Property, plant and equipment, net	339.7	366.2	362.0	355.8	370.8	357.2	366.9
Total assets	1,737.2	2,099.2	2,078.5	2,078.8	2,247.2	2,060.2	2,223.7
Current and long-term debt	585.9	964.3	962.8	713.8	726.1	699.6	711.8
Stockholders equity	742.9	645.7	639.7	858.1	877.0	919.5	943.0

(a) Selling, general and administrative expenses includes research and development and other operating expenses.

(b) Excluding the effect of the restructuring and asset impairment charges and related inventory write-down, fiscal year 2000 basic and diluted earnings per share would have been $0.73.

(c) Excluding the impact of the asbestos charge, fiscal year 2003 basic and diluted earnings per share would have been $1.07 and $1.06, respectively.

(d) EBIT is defined as earnings before interest and taxes, while EBITDA is defined as earnings before interest, taxes, depreciation and amortization. We believe that EBITDA provides one of the best comparative measures for pure operating performance and is a widely accepted financial indicator used by certain investors and analysts. EBITDA is not intended to represent cash flows for the period, nor is it presented as an alternative to operating income or as an indicator of operating performance. EBITDA should not be considered in isolation, but with GAAP, and it is not indicative of operating income or cash flow from operations as determined by those principles. Our method of computation may or may not be comparable to other similarly titled measures of other companies. EBITDA may not be indicative of our historical operating results nor is it meant to be predictive of potential future results. For comparative purposes, the table below presents both EBIT and EBITDA before certain non-recurring material charges incurred in relation to the Company s restructuring program initiated in fiscal year 2000, and the asbestos-related charge incurred in fiscal year 2003.

	Fiscal Year Ended May 31,						Nine Months Ended	
	1999	2000	2001	2002	2003	2003	February 28, 2003	February 29, 2004
					(As Reported)	(Pro Forma Excluding Asbestos Charge)	(Unaudited)	
	(In millions)							
Income before income taxes	$ 159.6	$ 71.8	$ 101.5	$ 154.1	$ 47.9	$ 47.9	$ 121.1	$ 137.8
Restructuring and asset impairment charges		52.0						
Inventory write-down related to restructuring		7.9						
Asbestos charge						140.0		
Interest expense, net	32.8	51.8	65.2	40.5	26.7	26.7	20.3	20.8
EBIT	192.4	183.5	166.7	194.6	74.6	214.6	141.4	158.6
Depreciation and amortization	62.1	79.2	81.5	56.9	58.7	58.7	42.3	46.8

EBITDA	$254.5	$262.7	$248.2	$251.5	$133.3	$273.3	$183.7	$205.4

(e) Fiscal year 2000 EBIT and EBITDA exclude restructuring and asset impairment charges totaling $52.0 million and a related inventory write-down charge of $7.9 million included in cost of sales.

(f) Fiscal year 2003 EBIT and EBITDA include the asbestos charge of $140.0 million.

(g) EBITDA margin represents the percentage of EBITDA to net sales. See footnote (d) above for a reconciliation of income before income taxes to EBITDA. Excluding the impact of the $140.0 million asbestos charge from fiscal year 2003, the EBITDA margin for 2003 would have been 13.1%.

RISK FACTORS

You should carefully consider the following risks, as well as the other information contained or incorporated by reference in this prospectus, before investing in the exchange notes. If any of the following risks actually occur, our business, financial condition, operating results or cash flows could be harmed.

Risks Related to Our Business

The industries in which we operate are highly competitive and some of our competitors may be larger and may have greater financial resources than we do.

The industries in which we operate are fragmented and we do not face competition from any one company across our product lines. Any increase in competition may cause us to lose market share or compel us to reduce prices to remain competitive, which could result in reduced gross margins. This may impair our ability to grow or even to maintain our current levels of revenues and earnings. Companies that operate in our industry include Carlisle, Degussa, GE Plastics, ICI, Masco, PPG, Rohm and Haas, Sika Finanz, Sherwin-Williams and Valspar. Several of these companies are larger than us and may have greater financial resources than we do. Increased competition with these companies could prevent the institution of price increases or could require price reductions or increased spending on research and development and marketing and sales, any of which could adversely affect our results of operations.

Certain of our subsidiaries, principally Bondex International, Inc., are defendants in numerous asbestos-related personal injury lawsuits. Resolution of existing and future asbestos-related lawsuits may have a material and adverse effect on our future consolidated financial condition, operating results and liquidity.

Certain of our wholly owned subsidiaries, principally Bondex, along with many other U.S. companies, are and have been involved in asbestos-related suits filed primarily in state courts during the past two decades. These suits principally allege personal injury resulting from exposure to products that contain asbestos.

The number of asbestos-related suits against Bondex increased in the fourth fiscal quarter of 2002 and the first two fiscal quarters of 2003, influenced by the bankruptcy filings of numerous other defendants in asbestos-related litigation. The following table provides an overview of our asbestos-related bodily injury claims against Bondex on a fiscal year basis.

	Fiscal Year Ended May 31,		
	2001	**2002**	**2003**
Claims filed	671	1,029	2,064
Claims resolved	156	396	1,846
Claims unresolved at end of period	1,151	1,784	2,002
Settlements (before any insurance coverage) (in millions)	$ 8.5	$ 24.9	$ 54.4

As we previously reported, due to the significant increase in asbestos-related claims against Bondex and the inequitable impact of joint and several liability laws, our third party insurance was depleted during the first fiscal quarter of 2004. Prior to this sudden precipitous increase in claims and settlement loss rates, the combination of reserves and insurance coverage was expected to adequately cover our asbestos claims for the foreseeable future. We are contesting various of our third-party insurers claims of exhaustion.

During the last seven months of fiscal 2003, new state liability laws were enacted in the states of Mississippi, Ohio and Texas where approximately 80% of the claims against Bondex are pending. The changes generally provide for liability to be determined on a proportional cause basis. These state law changes are not expected to have an impact on asbestos litigation affecting us until the latter part of fiscal 2004.

During the fourth fiscal quarter of 2003, we retained a nationally recognized consulting firm to evaluate whether it would be possible to estimate the cost of disposing pending claims and to assist in determining whether the costs to us of future asbestos-related claims were measurable. Bondex has provided the consultants with all relevant data regarding asbestos-related claims filed against Bondex through May 31, 11

2003. The consultants concluded that it was not possible to currently estimate the full range of the cost of resolving future asbestos-related claims and thus have not rendered any definitive report estimating the cost of disposing pending or future claims.

At this time, we cannot estimate the liability that could result from pending or future claims. We have established a reserve for those pending cases that have progressed to a stage where the cost to dispose of these cases can reasonably be estimated. The estimated range of potential loss covering measurable known asbestos claims and a provision for future claims that were estimable at May 31, 2003 is $140.0 million to $145.0 million. Accordingly, we established a reserve equal to the lower end of this range of potential loss by taking an asbestos charge to our fiscal 2003 operations of $140.0 million. We believe that this reserve will be sufficient to cover our asbestos-related litigation costs for such claims for approximately three years. The $140.0 million charge includes projected defense costs of $5.0 million per year over the estimated three year life of the reserve. Additionally, Bondex s share of costs (net of then-available third-party insurance) for asbestos-related product liability claims were $2.3 million, $2.8 million and $6.7 million for the years ended May 31, 2001, 2002 and 2003, respectively. Future facts, events, litigation outcomes and legislation, both state and/or federal, may affect the bases for the reserve, including our assumptions, and therefore alter our estimates of some future asbestos-related claims that were estimable. We cannot estimate possible liabilities in excess of those accrued because we cannot predict the number of additional claims that may be filed in the future, the grounds for such claims, the damages that may be demanded, the probable outcome, or the impact of recent state and pending federal legislation on prospective asbestos claims.

In conjunction with our outside advisors, we will continue to study our asbestos-related exposure, and regularly evaluate the adequacy of the reserve we have established and the related cash flow implications in light of actual claims experience, the impact of state law changes and the evolving nature of federal legislative efforts to address asbestos litigation.

For further information regarding our asbestos litigation, please refer to the Summary Recent Developments, Business Legal Proceedings and Management s Discussion and Analysis of Financial Condition and Results of Operations sections included elsewhere in this prospectus, as well as the disclosures in our most recent Annual Report on Form 10-K and most recent Quarterly Report on Form 10-Q incorporated by reference herein.

The chemical and construction products industries in which we serve expose us to inherent risks of claims and other litigation-related costs, which could adversely impact our business.

As a participant in the chemical and construction products industries, we face an inherent risk of exposure to claims in the event that the failure, use or misuse of our products results, or is alleged to result, in bodily injury and/or property damage. For example, one of our subsidiaries, Dryvit Systems, Inc. (Dryvit), a manufacturer of coatings for exterior insulating finishing systems, or EIFS, is a defendant or co-defendant in numerous ongoing property damage claims, some of which involve attempted class actions in various states, related to the alleged defects of EIFS. Some of the EIFS claims also stem from alleged personal injuries from exposure to mold. Dryvit s and our insurers, which include First Colonial Insurance Company, our wholly owned captive insurance company, are currently paying a substantial portion of Dryvit s defense and/or settlement costs in the EIFS-related litigation.

If we are unable to continue to maintain insurance coverage in an amount sufficient to cover costs related to our EIFS-related litigation, our business, cash flows and results of operations may be materially and adversely impacted.

For further information regarding our EIFS litigation, please refer to the Business-Legal Proceedings section included elsewhere in this prospectus, as well as the disclosures in our most recent Annual Report on Form 10-K and most recent Quarterly Report on Form 10-Q incorporated by reference herein.

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We depend on a number of large customers for a significant portion of our net sales and, therefore, significant declines in the level of purchases by any of these key customers could harm our business.

Some of our operating companies, particularly in the Consumer segment, face a substantial amount of customer concentration. Our key customers include Ace Hardware Stores, Canadian Tire, Cotter & Company, Do It Best, The Home Depot, Lowe s Home Centers, W.W. Grainger and Wal-Mart. Sales to our eight largest customers accounted for approximately 23%, 23% and 19% of our consolidated net sales for the fiscal years ended May 31, 2003, 2002 and 2001, respectively, and 50%, 49% and 41% of the Consumer segment s net sales for the same years. For the fiscal years ended May 31, 2003 and 2002, sales to The Home Depot accounted for approximately 12% and 11%, respectively, of our consolidated net sales. If we lose one or more of our key customers or experience a delay or cancellation of a significant order or a decrease in the level of purchases from any of our key customers, our net revenues could decline and our operating results and business could be harmed. In addition, our net revenues could decline and our operating results and business could be harmed if we experience any difficulty in collecting amounts due from one or more of our key customers.

Many of our customers operate in cyclical industries and downward economic cycles may reduce our business.

Many of our customers, especially in our Industrial segment, are in businesses and industries that are cyclical in nature and sensitive to changes in general economic conditions and other factors, including consumer spending and preferences. As a result, the demand for our products by these customers depends, in part, upon general economic conditions. Downward economic cycles affecting the industries of our customers may reduce sales of our products resulting in reductions to our revenues and net earnings.

If our efforts in acquiring and integrating other companies or product lines fail, our business may not grow.

As part of our growth strategy, we have pursued, and intend to continue pursuing, acquisitions of complementary businesses or products and joint ventures. Our ability to grow through acquisitions or joint ventures depends upon our ability to identify, negotiate and complete suitable acquisitions or joint venture arrangements. In addition, acquisitions and integration of those acquisitions involve a number of risks, including:

- inaccurate assessments of disclosed liabilities and the potentially adverse effects of undisclosed liabilities;
- difficulties in assimilating acquired companies and products into our existing business;
- delays in realizing the benefits from acquired companies or products, including projected efficiencies, cost savings, revenue synergies and profit margins;
- diversion of our management s time and attention from other business concerns;
- difficulties resulting from our lack of or limited prior experience in any new markets we may enter;
- difficulties in retaining key employees and customers of the acquired businesses; and
- increases in our indebtedness and contingent liabilities, which could in turn restrict our ability to access additional capital when needed or to pursue other important elements of our business strategy.

Our acquisition strategy in respect of some companies or product lines could fail or could result in unanticipated costs to us that are not readily apparent, any of which could hinder our growth or adversely impact our results of operations.

Our significant amount of indebtedness could have an adverse impact on our operations.

We have a significant amount of indebtedness as a result of several of our most recent acquisitions. Our total debt increased from $586.0 million at May 31, 1999 to approximately $711.8 million at February 29,

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2004. This compares with approximately $943.0 million in stockholders equity at February 29, 2004. Our level of indebtedness could have important consequences to you. For example, it:

- may require us to dedicate a material portion of our cash flow from operations to make payments on our indebtedness, thereby reducing the cash flow available to fund working capital, capital expenditures, acquisitions, dividend payments or other general corporate purposes;

- could result in a downgrading of our credit rating, which would increase our borrowing costs and subsequently diminish our financial results and also would likely require us to pay a higher interest rate in future financings which could cause our potential pool of investors and funding sources to decrease;

- may restrict our operations since our credit facility contains certain financial and operating covenants; or

- may limit our flexibility to adjust to changing business and market conditions and make us more vulnerable to a downturn in general economic conditions as compared to a competitor that may have less debt.

We derive a significant amount of our revenues from foreign markets, which subjects us to additional business risks that could adversely affect our results of operations.

Our foreign manufacturing operations accounted for approximately 19% of our net sales for the fiscal year ended May 31, 2003, not including exports directly from the United States which accounted for less than 10% of our net sales for fiscal 2003. Our international operations could be adversely affected by changes in political and economic conditions, trade protection measures, restrictions on repatriation of earnings, differing intellectual property rights and changes in regulatory requirements that restrict the sales of our products or increase our costs. Also, changes in exchange rates between the U.S. dollar and other currencies could potentially result in increases or decreases in our costs and earnings and may adversely affect the value of our assets outside the United States.

Fluctuations in the supply and prices of raw materials could negatively impact our financial results.

We obtain the raw materials needed to manufacture our products from a number of suppliers. Many of our raw materials are petroleum-based derivatives, minerals and metals. Under normal market conditions, these materials are generally available on the open market and from a variety of producers. From time to time, however, the prices and availability of these raw materials fluctuate, which could impair our ability to procure necessary materials, or increase the cost of manufacturing our products. If the prices of raw materials increase, and we are unable to pass these increases on to our customers, we could experience reduced profit margins.

A loss in the actual or perceived value of our brands could limit or reduce the demand for our products.

Our family of products includes a number of well-known brand names that are used in a variety of industrial maintenance, consumer do-it-yourself and professional applications. We believe that continuing to maintain the strength of our brands is critical to increasing demand for and maintaining widespread acceptance of our products. The reputation of our branded products depend on numerous factors, including the successful advertising and marketing of our brand names, consumer acceptance, the availability of similar products from our competitors and our ability to maintain our product quality through research and product development. A loss in the actual or perceived value of our brands could limit or reduce the demand for our products.

Environmental laws and regulations could subject us to significant future expenditures or liabilities, which could have an adverse impact on our business.

We are subject to numerous environmental laws and regulations that impose various environmental controls on us or otherwise relate to environmental protection, the sale and export of certain chemicals or hazardous materials, and various health and safety matters, including the discharge of pollutants into the air and water, the handling, use, treatment, storage and clean-up of solid and hazardous wastes, and the

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investigation and remediation of soil and groundwater affected by hazardous substances. These laws and regulations often impose strict, retroactive and joint and several liability for the costs of, and damages resulting from, cleaning up our, or our predecessors , past or present facilities, and at third party disposal sites. We are currently undertaking remedial activities at a number of facilities and properties, and have received notices under the federal Comprehensive Environmental Response, Compensation and Liability Act or analogous state laws of liability or potential liability in connection with the disposal of material from our current or former operations. Further, we also could be subject to future liability resulting from conditions that are currently unknown to us that could be discovered in the future.

Our expenditures related to environmental matters have not had, and are not currently expected to have, a material adverse effect on our business, financial condition, results of operations or cash flows. However, the environmental laws under which we operate are numerous, complicated and often increasingly more stringent, and may be applied retroactively. In addition, if we violate or fail to comply with environmental laws, we could be fined or otherwise sanctioned by regulators. We also could be liable for consequences arising out of human exposure to hazardous substances relating to our products or operations. Accordingly, we cannot guarantee that we will not be required to make additional expenditures to remain in or to achieve compliance with environmental laws in the future or that any such additional expenditures will not have a material adverse effect on our business, financial condition, results of operations or cash flows.

Risks Related to the Exchange Offer and Exchange Notes

You may have difficulty selling your initial notes that you do not exchange and any initial notes that you do not exchange could experience a significant diminution in value compared to the value of the exchange notes.

If you do not exchange your outstanding notes for the exchange notes offered in this exchange offer, you will continue to be subject to the restrictions on the transfer of your initial notes. Those transfer restrictions are described in the indenture governing the initial notes and in the legend contained on the initial notes, and arose because we originally issued the initial notes under an exemption from, and in transactions not subject to, the registration requirements of the Securities Act.

In general, you may offer to sell your initial notes only if they are registered under the Securities Act and applicable state securities laws, or if they are offered and sold pursuant to an exemption from those requirements.

If a large number of initial notes are exchanged for exchange notes issued in the exchange offer, it may be more difficult for you to sell your initial notes. Upon completion of the exchange offer, due to restrictions on transfer of the initial notes and the absence of such restrictions applicable to the exchange notes, it is likely that the market, if any, for the initial notes will be relatively less liquid than the market for the exchange notes. Consequently, holders of initial notes who do not participate in the exchange offer could experience significant diminution in the value of their initial notes, compared to the value of the exchange notes.

Your right to receive payments on these exchange notes is effectively subordinated to the rights of our existing and future secured creditors. The exchange notes also are effectively subordinated to any existing and future liabilities of our subsidiaries.

The exchange notes represent unsecured obligations of RPM International Inc. Accordingly, holders of our secured indebtedness will have claims that are superior to your claims as holders of the exchange notes to the extent of the value of the assets securing that other indebtedness. If we incur additional indebtedness and secure such indebtedness with our assets, your right to receive payments on these exchange notes will effectively be junior to the rights of the holders of such future secured indebtedness.

The exchange notes also will be structurally subordinated to all existing and future liabilities of our subsidiaries. The exchange notes are obligations exclusively of RPM International Inc. Our subsidiaries are separate and distinct legal entities, and have no obligation to pay any amounts due on the exchange notes or to provide us with funds for our payment obligations. Our right to receive any assets of any of our subsidiaries, as an equity holder of such subsidiaries, upon their liquidation or reorganization, and therefore your right as holders of the exchange notes to participate in those assets, are subordinated to the claims of those subsidiary s creditors. The indenture does not restrict the ability of our subsidiaries to incur additional indebtedness.

As of February 29, 2004, we had approximately $711.8 million of total consolidated indebtedness. Of this amount, $0.13 million of secured indebtedness and approximately $2.3 million of subsidiary indebtedness are effectively senior to the exchange notes.

We are a holding company and we depend upon cash from our subsidiaries to service our debt. If we do not receive cash distributions, dividends or other payments from our subsidiaries, we may not be able to make payments on the exchange notes.

We are a holding company and all of our operations are conducted through our subsidiaries. Accordingly, we are dependent upon the earnings and cash flows of, and cash distributions, dividends or other payments from, our subsidiaries to provide the funds necessary to meet our debt service obligations, including the required payments on the exchange notes. If we do not receive cash distributions, dividends or other payments from our subsidiaries, we may not be able to pay the principal or interest on the exchange notes.

Our subsidiaries are permitted under the terms of our indebtedness to incur additional indebtedness that may restrict or prohibit the making of distributions, the payment of dividends or the making of loans by our subsidiaries to us. We also cannot assure you that agreements governing the current and future indebtedness of our subsidiaries will permit our subsidiaries to provide us with sufficient cash distributions, dividends or other payments to fund payments on these exchange notes when due.

An active trading market for the exchange notes may not develop.

The exchange notes are a new issue of securities for which there is no active trading market. We do not intend to apply for listing or quotation of the exchange notes on any exchange. Therefore, we do not know the extent to which investor interest will lead to the development of a trading market or how liquid the market might become if it develops, nor can we give you any assurances regarding the ability of holders of exchange notes to sell their exchange notes or the price at which the exchange notes might be sold. Although the initial purchasers have informed us that they currently intend to make a market in the exchange notes, they are not obligated to do so, and any such market-making activity may be discontinued at any time without notice. In addition, this market-making activity may be limited during the pendency of the exchange offer or, if applicable, the effectiveness of a shelf registration statement. Any disruptions of this kind may have an adverse effect on the market price and liquidity of the exchange notes.

USE OF PROCEEDS

We will not receive any proceeds from the issuance of the exchange notes in the exchange offer. We will receive in exchange initial notes in like principal amount. We will retire or cancel all of the initial notes tendered in the exchange offer.

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RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth our ratio of earnings to fixed charges for the periods indicated:

	Fiscal Year Ended May 31,					Nine Months Ended February 29,
	1999	2000	2001	2002(1)	2003(2)	2004
Ratio of earnings to fixed charges	4.75	2.19	2.33	4.03	2.28	5.70

(1) RPM adopted Statement of Financial Accounting Standards No. 142, Goodwill and Other Intangible Assets, effective June 1, 2001, which resulted in a reduction of amortization expense for the fiscal year ended May 31, 2002 by approximately $24.0 million. Had RPM not adopted the required accounting change, the ratio of earnings to fixed charges would have been 3.56 for the fiscal year ended May 31, 2002.

(2) Excluding the impact of the $140.0 million charge related to asbestos claims, the ratio of earnings to fixed charges would have been 6.04 for the fiscal year ended May 31, 2003.

For purposes of calculating the ratios, fixed charges consist of interest expense, amortized expenses related to debt and estimated interest portion of operating leases. The ratio of earnings to fixed charges is calculated as follows:

$$\frac{\text{(income before income taxes)} + \text{(fixed charges)}}{\text{(fixed charges)}}$$

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SELECTED CONSOLIDATED FINANCIAL DATA

The selected consolidated financial data as of and for the fiscal years ended May 31, 1999, May 31, 2000, May 31, 2001, May 31, 2002 and May 31, 2003 shown below are derived from our audited consolidated financial statements for such years, which have been audited by Ciulla, Smith & Dale, LLP, our independent auditors. Our audited consolidated financial statements for the fiscal years ended May 31, 2001, May 31, 2002 and May 31, 2003 and the notes to those statements are incorporated by reference in this prospectus. The summary consolidated financial data as of and for the nine-month-periods ended February 29, 2004 and February 28, 2003 shown below are derived from our unaudited consolidated financial statements for the respective periods. In the opinion of our management, the unaudited consolidated financial statements reflect all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation of the results of operations and financial position of our company for the periods presented. Operating results for the nine months ended February 29, 2004 are not necessarily indicative of the results that may be expected for the entire fiscal year ending May 31, 2004. Total cost of sales and total selling, general and administrative expenses for the fiscal year ended May 31, 2003 and all prior periods described below have been reclassified as a result of the movement of certain freight-out charges that had been classified in cost of sales, and factory overhead charges that had previously been classified in selling, general and administrative expenses. You should read this table in conjunction with the Management s Discussion and Analysis of Financial Condition and Results of Operations included elsewhere in this prospectus, as well as in conjunction with our consolidated financial statements and the related notes incorporated by reference in this prospectus.

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Gross profit	789.5	883.4	901.4	906.4	949.3	676.3	752.6
Selling, general and administrative expenses(a)	597.1	707.8	734.7	711.8	734.7	534.9	594.0
Asbestos charge	0.0	0.0	0.0	0.0	140.0	0.0	0.0
Restructuring and asset impairment charge	0.0	52.0	0.0	0.0	0.0	0.0	0.0
Interest expense, net	32.8	51.8	65.2	40.5	26.7	20.3	20.8
Income before income taxes	159.6	71.8	101.5	154.1	47.9	121.1	137.8
Provision for income taxes	65.1	30.8	38.5	52.5	12.6	42.4	48.9
Net income	$ 94.5	$ 41.0	$ 63.0	$ 101.6	$ 35.3	$ 78.7	$ 88.9
Earnings per share (basic)	$ 0.87	$ 0.38(b)	$ 0.62	$ 0.97	$ 0.31(c)	$ 0.68	$ 0.77
Earnings per share (diluted)	0.86	0.38(b)	0.62	0.97	0.30(c)	0.68	0.76
Dividends per share	0.4645	0.4850	0.4975	0.5000	0.5150	0.3850	0.4100
Average number of shares of common stock outstanding:							
Basic	108.7	107.2	102.2	104.4	115.3	115.2	115.7
Diluted	111.4	107.4	102.2	105.1	116.0	116.0	116.6

(a) Selling, general and administrative includes research and development and other operating expenses.

(b) Excluding the effect of the restructuring and asset impairment charges and related inventory write-down, fiscal year 2000 basic and diluted earnings per share would have been $0.73.

(c) Excluding the impact of the asbestos charge, fiscal year 2003 basic and diluted earnings per share would have been $1.07 and $1.06, respectively.

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	As of May 31,					As of	
	1999	2000	2001	2002	2003	February 28, 2003	February 29, 2004
	(In millions)						
Balance Sheet Data:							
Cash and cash equivalents	$ 19.7	$ 31.3	$ 23.9	$ 42.2	$ 50.7	$ 62.2	$ 50.9
Other current assets	685.7	753.8	795.5	801.6	877.4	746.5	838.4
Working capital	402.9	408.9	443.7	479.0	500.4	506.3	518.6
Property, plant and equipment, net	339.7	366.2	362.0	355.8	370.8	357.2	366.9
Total assets	1,737.2	2,099.2	2,078.5	2,078.8	2,247.2	2,060.2	2,223.7
Current and long-term debt	585.9	964.3	962.8	713.8	726.1	699.6	711.8
Stockholders equity	742.9	645.7	639.7	858.1	877.0	919.5	943.0

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MANAGEMENT S DISCUSSION AND ANALYSIS OF

FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussions in conjunction with our consolidated financial statements and related notes incorporated by reference in this prospectus. You also should read our complete Management s Discussion and Analysis of Financial Condition and Results of Operations for the periods discussed herein, which are set forth in our Annual Report on Form 10-K for the fiscal year ended May 31, 2003 and our Quarterly Reports on Form 10-Q for the periods ended August 31, 2003, November 30, 2003 and February 29, 2004, all of which are incorporated by reference in this prospectus.

Critical Accounting Policies and Estimates

Our consolidated financial statements include the accounts of RPM International Inc. and its majority-owned subsidiaries. Preparation of our financial statements requires the use of estimates and assumptions that affect the reported amounts of our assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. We continually evaluate these estimates, including those related to allowances for doubtful accounts, inventories, allowances for recoverable taxes, useful lives of property, plant and equipment, goodwill, environmental and other contingent liabilities, income tax valuation allowances, pension plans and the fair value of financial instruments. We base our estimates on historical experience and other assumptions, which we believe to be reasonable under the circumstances. These estimates form the basis for making judgments about the carrying value of our assets and liabilities. Actual results may differ from these estimates under different assumptions and conditions.

We have identified below the accounting policies that are critical to our financial statements.

Revenue Recognition

Revenues are recognized when realized or realizable, and when earned. In general, this is when title and risk of loss passes to the customer. Further, revenues are realizable when we have persuasive evidence of a sales arrangement, the product has been shipped or the services have been provided to the customer, the sales price is fixed or determinable, and collectibility is reasonably assured. We reduce our revenues for estimated customer returns and allowances, certain rebates, sales incentives, and promotions in the same period the related sales are recorded. The SEC s Staff Accounting Bulletin, or SAB, No. 101, Revenue Recognition, provides guidance on the application of GAAP to selected revenue recognition issues. We have concluded that our revenue recognition policy is appropriate and in accordance with GAAP and SAB No. 101.

Translation of Foreign Currency Financial Statements and Foreign Currency Transactions

Our reporting currency is the U.S. dollar. However, the functional currency of all of our foreign subsidiaries is their local currency. We translate the amounts included in our consolidated statements of income from our foreign subsidiaries into U.S. dollars at weighted average exchange rates, which we believe are fairly representative of the actual exchange rates on the dates of the transactions. Our foreign subsidiaries assets and liabilities are translated into U.S. dollars from local currency at the actual exchange rates as of the end of each reporting date, and we record the resulting foreign exchange translation adjustments in our consolidated balance sheets as a component of accumulated other comprehensive income (loss). Translation adjustments will be included in net earnings in the event of a sale or liquidation of any of our underlying foreign investments, or in the event that we distribute the accumulated earnings of consolidated foreign subsidiaries. If we determine that the functional currency of any of our foreign subsidiaries should be the U.S. dollar, our financial statements would be affected. Should this occur, we would adjust our reporting to appropriately account for such change(s).

As appropriate, we use permanently invested intercompany loans as a source of capital to reduce exposure to foreign currency fluctuations at our foreign subsidiaries. These loans are treated as analogous to equity for accounting purposes. Therefore, foreign exchange gains or losses on these intercompany loans are recorded in other comprehensive income (loss). If we were to determine that the functional currency of any of our subsidiaries should be the U.S. dollar, we would no longer record foreign exchange gains or losses on such intercompany loans.

Goodwill

We adopted two new accounting standards issued by the Financial Accounting Standards Board in June 2001. Statement of Financial Accounting Standards, or SFAS, No. 141, Business Combinations, eliminates the pooling method of accounting for all business combinations initiated after June 30, 2001, and addresses the initial recognition and measurement of goodwill and intangible assets acquired in a business combination. Accordingly, we apply the provisions of SFAS No. 141 to all business combinations initiated after its effective date. We also adopted SFAS No. 142, Goodwill and Other Intangible Assets, effective June 1, 2001. Goodwill amortization ceased upon adoption of the standard, and the required initial impairment tests were performed. Results of these impairment tests have not generated any impairment loss to date.

Prospectively, goodwill will be tested on an annual basis, or more frequently as impairment indicators arise. Impairment tests, which involve the use of estimates related to the fair market values of the business operations with which goodwill is associated, are performed at the end of our first quarter. Calculating the fair market value of the reporting units requires significant estimates and assumptions by management. We estimate the fair value of our reporting units by applying third-party market value indicators to the respective reporting unit s annual projected earnings before interest, taxes, depreciation and amortization. In applying this methodology, we rely on a number of factors, including future business plans, actual operating results and market data. In the event that our calculations indicate that goodwill is impaired, a fair value estimate of each tangible and intangible asset would be established. This process would require the application of discounted cash flows expected to be generated by each asset in addition to independent asset appraisals, as appropriate. Cash flow estimates are based on our historical experience and our internal business plans, and appropriate discounts rates are applied. Losses, if any, resulting from impairment tests will be reflected in operating income in our income statement.

Other Long-Lived Assets

We assess identifiable non-goodwill intangibles and other long-lived assets for impairment whenever events or changes in facts and circumstances indicate the possibility that the carrying value may not be recoverable. Factors considered important which might trigger an impairment evaluation include the following:

- significant under-performance relative to historical or projected future operating results;
- significant changes in the manner of our use of the acquired assets;
- significant changes in the strategy for our overall business; and
- significant negative industry or economic trends.

Measuring a potential impairment of non-goodwill intangibles and other long-lived assets requires various estimates and assumptions, including determining which cash flows are directly related to the asset being evaluated, the useful life over which those cash flows will occur, their amount, and the asset s residual value, if any. If we determine that the carrying value of these assets may not be recoverable based upon the existence of one or more of the above-described indicators, any impairment will be measured based on projected net cash flows expected from the asset(s), including eventual disposition. The determination of impairment loss would be based on the best information available, including internal discounted cash flows, quoted market prices when available and independent appraisals as appropriate to determine fair value. Cash flow estimates would be based on our historical experience and our internal business plans, with appropriate discount rates applied. We have not incurred any impairment loss to date.

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Contingencies

We are party to claims and lawsuits arising in the normal course of business, including the various asbestos-related suits discussed in our most recent Quarterly Report on Form 10-Q and in Note H (Contingencies and Loss Reserves) to our consolidated financial statements included in our Annual Report on Form 10-K for the year ended May 31, 2003, both of which are incorporated herein by reference. Although we cannot precisely predict the amount of any liability that may ultimately arise with respect to any of these matters, we record provisions when we consider the liability probable and reasonably estimable. The provisions are based on historical experience and legal advice, are reviewed quarterly and are adjusted according to developments. Estimating probable losses requires analysis of multiple forecasted factors that often depend on judgments about potential actions by third parties such as regulators. Changes in the amount of the provisions affect our consolidated statements of income. Due to the inherent uncertainties in the loss reserve estimation process, we are unable to estimate an additional range of loss in excess of our accruals.

Our environmental-related accruals are similarly established and/or adjusted as information becomes available upon which costs can be reasonably estimated. Here again, actual costs may vary from these estimates because of the inherent uncertainties involved, including the identification of new sites and the development of new information about contamination. Certain sites are still being investigated and therefore we have been unable to fully evaluate the ultimate cost for those sites. As a result, reserves have not been taken for certain of these sites and costs may ultimately exceed existing reserves for other sites. We have received indemnities for potential environmental issues from purchasers of certain of our properties and businesses and from sellers of properties or businesses we have acquired. We also have purchased insurance to cover potential environmental liabilities at certain sites. If the indemnifying or insuring party fails to, or becomes unable to, fulfill its obligations under those agreements or policies, we may incur additional environmental costs in addition to any amounts reserved, which may have a material adverse effect on our financial condition, results of operations or cash flows.

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Segment and Geographic Area Information

We have determined that we have two operating segments industrial and consumer based on the nature of our business activities, products and services; the structure of management; and the structure of information as presented to the Board of Directors. Within each segment, individual operating companies or groups of companies generally address common markets, utilize similar technologies, and can share manufacturing or distribution capabilities. We evaluate the profit performance of our segments based on income before income taxes, but also look to earnings before interest and taxes (EBIT) as a performance evaluation measure because interest expense is essentially related to corporate acquisitions, as opposed to segment operations.

Industrial segment products are sold throughout North America and account for most of RPM s sales in Europe, South America, Asia, South Africa, Australia and the Middle East. The industrial product line is sold primarily to distributors, contractors and to end users, such as industrial manufacturing facilities, educational and governmental institutions, and commercial establishments. Industrial segment products reach their markets through a combination of direct sales, sales representative organizations, distributor sales and sales of licensees and joint ventures.

Consumer segment products are sold throughout North America to mass merchandisers, home centers, hardware stores, paint stores, automotive supply stores and craft shops. Major customers include Ace Hardware Stores, Canadian Tire, Cotter & Company, Do It Best, The Home Depot, Lowe s Home Centers, W. W. Grainger and Wal-Mart. Consumer segment products are sold to retailers through a combination of direct sales, sales representative organizations and distributor sales.

The eight largest consumer segment customers represented approximately 23%, 23% and 19% of consolidated net sales and approximately 50%, 49% and 41% of consumer segment sales for 2003, 2002 and 2001, respectively. The Home Depot represented approximately 12% and 11% of consolidated net sales and approximately 25% and 24% of consumer segment sales for the years ended May 31, 2003 and 2002, respectively.

We reflect income from our joint ventures on the equity method, and receive royalties from our licensees, both of which minor amounts are reflected as offsets to selling, general and administrative expenses. Export sales were less than 10% of net sales for each of the three years presented.

In addition to the two operating segments, there are certain business activities, referred to as corporate/other, that do not constitute an operating segment, including corporate headquarters and related administrative expenses, results of our captive insurance companies, gains or losses on the sales of certain assets and other expenses not directly associated with either operating segment. Related assets consist primarily of investments, prepaid expenses, deferred pension assets, and headquarters property and equipment. These corporate and other assets and expenses reconcile operating segment data to total consolidated net sales, earnings before interest and taxes, identifiable assets, capital expenditures, and depreciation and amortization.

The following segment and geographic area data reflect the adoption of Statement of Financial Accounting Standards (SFAS) No. 142, Goodwill and Other Intangible Assets, effective June 1, 2001 (refer to Note A [10] of our financial statements for the year ended May 31, 2003 which are incorporated by reference in this prospectus).

RPM International Inc. and Subsidiaries

	Year Ended May 31			Nine Months Ended	
	2001	2002	2003	February 28, 2003	February 29, 2004
			(In thousands)		
Segment Information					
Net Sales					
Industrial	$1,100,682	$1,053,632	$1,117,877	$ 813,755	$ 911,252
Consumer	907,080	932,494	965,612	680,188	749,442
Corporate/ Other					
Total	$2,007,762	$1,986,126	$2,083,489	$1,493,943	$1,660,694
Income Before Income Taxes(a)					
Industrial Segment					
Income Before Income Taxes(a)	121,607	106,703	122,568	88,051	95,990
Interest (Expense), Net	(427)	(330)	253	(109)	85
EBIT(b)	122,034	107,033	122,315	88,160	95,905
Consumer Segment					
Income Before Income Taxes(a)	62,420	117,717	131,100	85,168	91,931
Interest (Expense), Net	(242)	(513)	(284)	66	88
EBIT(b)	62,662	118,230	131,384	85,102	91,843
Corporate/ Other					
(Loss) Before Income Taxes(a)	(82,540)	(70,296)	(205,815)(c)	(52,149)	(50,071)
Interest (Expense), Net	(64,534)	(39,621)	(26,681)	(20,247)	(20,934)
EBIT(b)	(18,006)	(30,675)	(179,134)	(31,902)	(29,137)
Consolidated					
Income Before Income Taxes(a)	101,487	154,124	47,853	121,070	137,850
Interest (Expense), Net	(65,203)	(40,464)	(26,712)	(20,290)	(20,761)
EBIT(b)	166,690	194,588	74,565	141,360	158,611
Identifiable Assets					
Industrial	$1,002,209	$ 962,742	$1,067,916	$ 970,714	$1,046,431
Consumer	1,016,067	1,000,928	1,038,350	970,954	1,014,368
Corporate/ Other	60,214	115,174	140,945	76,115	162,933
Total	$2,078,490	$2,078,844	$2,247,211	$2,017,783	$2,223,732
Capital Expenditures					

Industrial	$ 30,123	$ 17,743	$ 18,741
Consumer	23,629	20,559	22,095
Corporate/ Other	366	1,629	978
Total	$ 54,118	$ 39,931	$ 41,814
Depreciation and Amortization			
Industrial	$ 38,579	$ 26,883	$ 27,537
Consumer	41,627	28,605	29,216
Corporate/ Other	1,288	1,371	1,921
Total	$ 81,494	$ 56,859	$ 58,674

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	Year Ended May 31		
	2001	2002	2003
	(In thousands)		
Geographic Information			
Net Sales (based on shipping location)			
United States	$1,614,112	$1,615,047	$1,683,196
Foreign			
Canada	140,009	135,694	147,063
Europe	164,517	158,440	175,896
Other Foreign	89,124	76,945	77,334
Total Foreign	393,650	371,079	400,293
Total	$2,007,762	$1,986,126	$2,083,489
Assets Employed			
United States	$1,732,238	$1,706,843	$1,830,629
Foreign			
Canada	128,159	147,568	151,771
Europe	144,619	160,641	