RPM INTERNATIONAL INC/DE/
Form 424B3
March 28, 2005

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Filed Pursuant To Rule 424(b)(3)
Registration No. 333-120536

PROSPECTUS

$200,000,000

Offer to Exchange

4.45% Senior Notes due 2009

For Any and All Outstanding 4.45% Senior Notes due 2009

The Offering:

We are offering to exchange all of our outstanding 4.45% Senior Notes due 2009, or the initial notes, for new 4.45% Senior Notes due 2009, 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.

The exchange offer will expire at 5:00 p.m., New York time, on April 26, 2005 (the 21st business day following the date of this prospectus), unless we extend the exchange offer in our sole and absolute discretion.

To exchange your initial notes for exchange notes:

You are required to make the representations described on page 80 to us.

The exchange agent, The Bank of New York, must receive your completed letter of transmittal that accompanies this prospectus by 5:00 p.m., New York time on April 26, 2005.

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 14.

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 March 28, 2005

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This prospectus incorporates important business and financial information about us that is not included in or delivered with this prospectus. This information is available without charge to you upon written or oral request. Requests should be made to: RPM International Inc., P.O. Box 777, 2628 Pearl Road, Medina, Ohio 44258, telephone: (330) 273-5090, attention: Corporate Secretary.

To obtain timely delivery of this information, you must request the information no later than April 19, 2005, which is five business days before the expiration date of the exchange offer.

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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. 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 i 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 brand names or trademarks owned by our subsidiary corporations, including: 33 , Advanced Siding and Window Sealant, Alex Plus, American Accents, Automotive Stops Rust, B-I-N, Bondex, Bondo, Bulls Eye 1-2-3, CCI, Carboline, Chemical Coatings, Chemspec, Combi Color, Cover-Stain, Crackshot, DAP, Day-Glo, DIF, Drydex, Dryvit, DYmeric, Easy Solutions, Epoxy Shield, Euco, Fibergrate, Flecto, Hard Hat, Industrial Choice, Kop-Coat, Kwik Seal Plus with Microban, Labor Saver, Mantrose-Haeuser, Mathys, Modern Masters, Mohawk, Mono, Nature Seal, Noxyde, Nullifire, Painter s Touch, Papertiger, Pettit, Perma White, Phenoseal, Plasite, Plastic Wood, Professional, Republic, Road Warrior, Rust-Oleum, Sealcoat, Shieldz, SideWinder, Sierra Performance, Specialty, Stonblend RTZ, Stonhard, Stops Rust, Testors, TCI, Thibaut, Tremclad, Tremco, Tuff-n-Dri, Varathane, Vulkem, Walworks, Watchdog Waterproofing, Watco, Watertite, Weatherproofing Technologies, Weldwood, Westfield Coatings, 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. 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, should, expect, plan, anticipate, target, project, intend, believe, estimate, forma, seek or continue or the negative of those terms or other comparable terminology. These statements are only predictions and we can give no assurance that such expectations will prove

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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 our insurance coverage 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 related to the adequacy of our contingent liability reserves, including for asbestos-related claims; and
- other factors referenced in this prospectus, including those set forth under the caption Risk Factors.

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 Exchange Act of 1934 (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.

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INCORPORATION 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 information in the documents listed below and in any filings we make with the SEC under Sections 13(a), 13(c), 14, or 15(d) of the Exchange Act, other than information furnished in any Current Report on Form 8-K pursuant to Items 2.02, 7.01 or 9.01 of Form 8-K after the date of this prospectus and prior to the termination of this offering:

- our Annual Report on Form 10-K for the fiscal year ended May 31, 2004;
- our Proxy Statement pursuant to Section 14(a) of the Exchange Act, filed August 30, 2004;
- our Quarterly Reports on Form 10-Q for the quarters ended August 31, 2004 and November 30, 2004; and
- our Current Reports on Form 8-K, filed on September 30, 2004 and November 24, 2004.

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 information incorporated by reference into this prospectus is available from us upon request. We will provide a copy of any and all of the information that is incorporated by reference in this prospectus 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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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 information 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 55% and 57%, respectively, of net sales for the fiscal year ended May 31, 2004 and the six-month period ended November 30, 2004, and includes maintenance and protection products for roofing and waterproofing systems, flooring, corrosion control and other specialty applications. Our consumer segment constituted approximately 45% and 43%, respectively, of net sales for the fiscal year ended May 31, 2004 and the six-month period ended November 30, 2004, and includes rust-preventative, special purpose and decorative paints, caulks, sealants, primers and other branded consumer products. For the fiscal year ended May 31, 2004 and the six months ended November 30, 2004, we recorded net sales of approximately $2.308 billion and $1.285 billion, respectively.

Industrial Segment

Our industrial segment products are sold throughout North America and account for most of our sales in Europe, South America, Asia, South Africa, Australia and the Middle East. Our industrial segment generated approximately $1.273 billion and $730.4 million in net sales for the fiscal year ended May 31, 2004 and the six months ended November 30, 2004, respectively, and is comprised of the following major product lines:

- sealants and institutional roofing systems used in building protection, maintenance and weatherproofing applications marketed under our well-established Tremco, Republic, Vulkem and DYmeric brand names;
- high-performance polymer flooring systems for industrial, institutional and commercial facility floor surfaces marketed under the Stonhard brand name including flooring systems marketed under the Stonblend RTZ 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 the Day-Glo brand name;
  - concrete and masonry additives marketed under the Euco brand name;

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- commercial carpet and floor cleaning solutions marketed under the Chemspec 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. Our consumer segment generated approximately $1.035 billion and $554.6 million in net sales for the fiscal year ended May 31, 2004 and the six months ended November 30, 2004, respectively, and is comprised of the following major product lines:

- a broad line of coating products sold under various Rust-Oleum brands to protect and beautify metal, wood and concrete surfaces for the DIY and professional markets;
- 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;
- a broad line of specialty paint primers and sealers marketed under the Zinsser, B-I-N, Bulls Eye 1-2-3, Cover-Stain and Sealcoat brand names, as well as wallcovering removal and preparation coatings under the principal brands of DIF, Papertiger and Shieldz; and
- an assortment of other products, including:
  - autobody aftermarket 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;
  - high-end wallcoverings and fabrics marketed under the Thibaut brand name;
  - metallic and faux finish coatings under the Modern Masters brand name;
  - shellac-based specialty coatings for industrial uses, edible glazes and food coatings by Mantrose-Haeuser; and
  - Nature Seal brand coatings that preserve sliced fruit and vegetables.

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.

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.

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.

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. As part of our growth strategy, we have pursued, and intend to continue pursuing, acquisitions of complementary businesses or products and joint ventures. 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.

Well-Recognized Industry Consolidator. We are a leading industry consolidator and operate as a holding company for the businesses we acquire.

Enhance Profitability Through Operational Improvements. We pursue initiatives to enhance profitability by lowering our operating costs through focused corporate leadership and operating company support.

Our Uncertainties

The competitive strengths that we maintain, the implementation of our growth strategy and our future operating results and financial condition are subject to a number of risks and uncertainties. The factors that could adversely affect our actual results and performance, as well as the successful implementation of our growth strategy, are discussed under Risk Factors beginning on page 14, and include, among other things:

Our Highly Competitive Industries and Our Competitors Increased competition in our fragmented industries could reduce our market share or result in reduced gross margins. Increased competition from our competitors who have greater financial resources could also adversely affect our results of operations;

Asbestos-Related Personal Injury Lawsuits We face uncertainties related to asbestos-related claims against certain of our subsidiaries. Resolution of existing and future claims may have a material and adverse effect on our future consolidated financial condition and results of operation;

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Chemical and Construction Products Industries As a participant in the chemical and construction products industry, we are subject to an inherent risk of claims and other litigation-related costs 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;

Dependence on Large Customers Some of our operating companies face a substantial amount of customer concentration. Changes in our business relationships with our key customers could harm our operating results and business;

Cyclical Industries Many of our customers operate in cyclical industries and are sensitive to changes in general economic conditions. As a result, downward economic cycles may reduce sales of our products thereby reducing our revenues and net earnings;

Acquisitions and Integration Part of our growth strategy depends on our ability to identify, negotiate and complete suitable acquisitions and successfully integrate those acquisitions. Our acquisition strategy with respect to some companies or product lines could fail or result in unanticipated costs, any of which could hinder our growth or adversely impact our results of operations;

Indebtedness Our significant amount of indebtedness may require us to dedicate a material portion of our cash flow from operations to make related payments which may restrict our operations, may limit our flexibility to adjust to changing business and market conditions or to make acquisitions, or could result in a downgrading of our credit rating which would increase our borrowing costs;

Foreign Markets Our international operations could be adversely affected by changes in political and economic conditions, trade protection measures, restrictions on repatriation of earnings, intellectual property rights, regulatory requirements and exchange rates;

Raw Materials The prices and availability of the raw materials needed to manufacture our products could fluctuate. If we are unable to pass price increases on to our customers, our profit margins could be reduced;

Brand Value An actual or perceived loss in the value of our brands could limit or reduce the demand for our products; and

Environmental Laws Environmental laws and regulations could subject us to significant future expenditures or liabilities, which could adversely impact our business.

Recent Developments

On January 6, 2005, we announced our decision to increase our reserve for asbestos-related liabilities involving certain of our subsidiaries by taking a $47.0 million pre-tax asbestos charge for the quarter ended November 30, 2004. $32.0 million of the $47.0 million reserve adjustment will be allocated to anticipated higher defense costs. This reserve adjustment will put our total reserves at approximately $103.0 million. As previously disclosed, we have regularly evaluated the adequacy of our asbestos liability reserves, and had discussed our intention to adjust these reserves when appropriate. We increased our reserves during the second quarter as a result of our recent evaluation of pending and known claims and a recent trend of significantly increased defense costs, which is expected to continue based on a more aggressive defense strategy, and the manner in which we intend to address new claims. We will continue our practice of evaluating our liability reserve position every quarter for existing claims and any new claims received, in light of actual claims experience, the impact of state law changes and the still-evolving nature of federal legislative efforts. As we review our asbestos reserve each quarter, we will make appropriate adjustments to the reserve based on our most recent experience to ensure that it is sufficient to cover the anticipated settlement and defense costs associated with our then pending, known claims. For further details, see Management s Discussion and Analysis

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of Financial Condition and Results of Operations contained or incorporated by reference in this prospectus and Note F (Asbestos-Related Liabilities) in our Quarterly Report on Form 10-Q for the quarter ended November 30, 2004, incorporated in this prospectus by reference.

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.

The Exchange Offer

Notes Offered	We are offering to exchange up to $200,000,000 of our 4.45% Senior Notes due October 15, 2009. 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 April 26, 2005 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 April 26, 2005. 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;
	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; and
	no stop order may be threatened or in effect with respect to the exchange offer or the qualification of the indenture under the Trust Indenture Act.
Material U.S. Federal Income Tax Considerations	Your exchange of initial notes for exchange notes in the exchange offer will not result in any income, gain or loss to you for federal income tax purposes. See Material U.S. Federal Income Tax Considerations.
Use of Proceeds	We will not receive any proceeds from the issuance of the exchange notes in the exchange offer.

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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, 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	An investment in the notes is subject to certain risks. Risks related to the exchange offer and exchange notes include the following: if all of our outstanding indebtedness became accelerated, it is unlikely that we would be able to repay all of our indebtedness simultaneously;

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	holders of initial notes who do not participate in the exchange offer could experience significant diminution in value compared to the value of the exchange notes;
	the exchange notes are effectively subordinated to the rights of our existing and future secured creditors and any existing and future liabilities of our subsidiaries;
	if we do not receive cash distributions, dividends or other payments from our subsidiaries, we may not be able to make payments on the notes; and
	an active trading market for the exchange notes may not develop.
	See Summary Our Uncertainties on page 3 and Risk Factors beginning on page 14 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.
Accounting Treatment	The exchange notes will be recorded in our accounting records at the same carrying value as the initial notes, as reflected in our accounting records on the date of the exchange. Accordingly, no gain or loss for accounting purposes will be recognized by us. The costs of the exchange offer and the unamortized expenses related to the issuance of the initial notes will be amortized over the term of the exchange 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 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 aggregate principal amount of 4.45% Senior Notes due 2009.
Maturity Date	October 15, 2009.
Interest Payment Dates	4.45% per year on the principal amount, payable semiannually on April 15 and October 15, beginning April 15, 2005.
Ranking	The 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 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 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 notes or to make funds available for such purposes. As of November 30, 2004, we had approximately $842.1 million of total consolidated indebtedness. Of this amount, $0.1 million of secured indebtedness and approximately $4.4 million of subsidiary indebtedness are effectively senior to the notes.
Optional Redemption	We may redeem all or part of the 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 notes being redeemed; and the make-whole amount for the notes being redeemed, plus, in each case, accrued interest on such notes, if any, to but excluding the redemption date. See Description of Notes Optional Redemption.
Sinking Fund	None.
Certain Covenants	We will issue the notes under an indenture that, among other things, limits our ability and the ability of our subsidiaries to: incur certain liens; and engage in sale-leaseback transactions.

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Consolidation, Merger or Sale of Assets	The indenture provides that we may not consolidate or merge with, or sell all or substantially all of our assets, to another entity unless: either we are the continuing corporation, or any successor is a U.S. entity and expressly assumes our obligations under the exchange notes; immediately after giving effect to the transaction, no default, event of default or event that would become an event of default will have occurred and be continuing; and we have delivered to the trustee an officers certificate and opinion of counsel stating that the transaction and supplemental indenture, if required, comply with the indenture and all conditions precedent provided in the indenture relating to the transaction have been satisfied. 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, 2000, May 31, 2001, May 31, 2002, May 31, 2003 and May 31, 2004 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, 2002, May 31, 2003 and May 31, 2004 and the notes to those statements are incorporated by reference in this prospectus. The summary consolidated financial data as of and for the six-month period ended November 30, 2003 and November 30, 2004 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 six months ended November 30, 2004 are not necessarily indicative of the results that may be expected for the entire fiscal year ending May 31, 2005. Net sales and selling, general and administrative expenses for the fiscal year ended May 31, 2004 and all prior periods described below have been changed as a result of the reclassification of certain amounts paid for cooperative advertising that had previously been reflected in selling, general and administrative expenses. This reclassification represents only a movement of expense and therefore has no impact on our earnings or earnings per share. You should read this table in conjunction with 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,					Six Months Ended November 30,	
	2000	2001	2002	2003	2004	2003	2004
						(Unaudited)	
	(In millions, except per share amounts and percentages)						
Statement of Operations Data:							
Net sales	$1,943.2	$1,985.0	$1,960.7	$2,053.5	$2,307.6	$1,162.6	$1,285.0
Cost of sales	1,079.0	1,106.4	1,079.7	1,134.2	1,276.4	638.0	719.4
Gross profit	864.2	878.6	881.0	919.3	1,031.2	524.6	565.6
Selling, general and administrative expenses(a)	688.6	711.9	686.4	704.7	784.6	383.1	404.5
Asbestos charge	0.0	0.0	0.0	140.0	0.0	0.0	47.0
Restructuring and asset impairment charge	52.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest expense, net	51.8	65.2	40.5	26.7	29.0	13.0	16.9
Income before income taxes	71.8	101.5	154.1	47.9	217.6	128.5	97.2
Provision for income taxes	30.8	38.5	52.5	12.6	75.7	45.6	33.6
Net income	$ 41.0	$ 63.0	$ 101.6	$ 35.3	$ 141.9	$ 82.9	$ 63.6
Earnings per share (basic)	$ 0.38(b)	$ 0.62	$ 0.97	$ 0.31	$ 1.23	$ 0.72	$ 0.55
Earnings per share (diluted)	0.38(b)	0.62	0.97	0.30	1.22	0.71	0.54
Dividends per share	0.4850	0.4975	0.5000	0.5150	0.5500	0.2700	0.2900
Average number of shares of common stock outstanding:							
Basic	107.2	102.2	104.4	115.3	115.8	115.6	116.4
Diluted	107.4	102.2	105.1	116.0	116.7	116.3	117.7
Other Data:							

EBIT(c)	$ 183.5(d)	$ 166.7	$ 194.6	$ 74.6(e)	$ 246.6	$ 141.5	$ 114.1(e)
EBITDA(c)	262.7(d)	248.2	251.5	133.3(e)	309.9	172.4	146.8(e)
EBITDA margin	13.5%	12.5%	12.8%	6.5%	13.4%	14.8%	11.4%
Depreciation and amortization	$ 79.2	$ 81.5	$ 56.9	$ 58.7	$ 63.3	$ 30.9	$ 32.7
Cash flows from operating activities	101.7	73.5	191.9	164.9	153.2	74.8	99.6
Cash flows (used in) investing activities	(338.1)	(18.0)	(37.7)	(110.4)	(101.3)	(44.4)	(25.4)
Cash flows from (used in) financing activities	248.0	(62.8)	(136.0)	(45.9)	(64.1)	(32.6)	99.0
Capital expenditures	63.2	54.1	39.9	41.8	51.3	15.5	21.8

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	As of May 31,					Six Months Ended November 30,	
	2000	2001	2002	2003	2004	2003	2004
						(Unaudited)	
				(In millions)			
Balance Sheet Data:							
Cash and cash equivalents	$ 31.3	$ 23.9	$ 42.2	$ 50.7	$ 38.6	$ 48.5	$ 211.8
All other current assets, excluding cash and cash equivalents	753.8	795.5	801.6	877.4	956.1	882.0	945.6
Working capital	408.9	443.7	479.0	500.4	517.1	538.9	711.8
Property, plant and equipment, net	366.2	362.0	355.8	370.8	381.1	368.9	385.7
Total assets	2,099.2	2,078.5	2,078.8	2,247.2	2,353.1	2,261.2	2,539.0
Current and long-term debt	964.3	962.8	713.8	726.1	719.9	723.2	842.1
Stockholders equity	645.7	639.7	858.1	877.0	975.3	945.3	1,058.2

(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) EBIT is defined as earnings before interest and taxes, while EBITDA is defined as earnings before interest, taxes, depreciation and amortization. We evaluate the profit performance of our segments based on income before income taxes, but also look to EBIT as a performance evaluation measure because interest expense is essentially related to corporate acquisitions, as opposed to segment operations. We believe EBIT is useful to investors for this purpose as well, using EBIT as a metric in their investment decisions. EBIT should not be considered an alternative to, or more meaningful than, operating income as determined in accordance with GAAP, since it omits the impact of interest and taxes in determining operating performance, which represent items necessary to our continued operations, given our level of indebtedness and ongoing tax obligations. We evaluate our liquidity based on cash flows from operating, investing and financing activities, as defined by GAAP, but also look to EBITDA as a supplemental liquidity measure, because we find it useful to understand and evaluate our capacity, excluding the impact of interest, taxes, and non-cash depreciation and amortization charges, for servicing our debt and otherwise meeting our cash needs, prior to our consideration of the impacts of other potential sources and uses of cash, such as working capital items. We believe that EBITDA is useful to investors for these purposes as well. EBITDA should not be considered an alternative to, or more meaningful than, cash flows from operating activities, as determined in accordance with GAAP, since it omits the impact of interest, taxes and changes in working capital that use/provide cash (such as receivables, payables and inventories) as well as the sources/uses of cash associated with changes in other balance sheet items (such as long-term loss accruals and deferred items). Since EBITDA excludes depreciation and amortization, EBITDA does not reflect any cash requirements for the replacement of the assets being depreciated and amortized, which assets will often have to be replaced in the future. Further, EBITDA, since it also does not reflect the impact of debt service, cash dividends or capital expenditures, does not represent how much discretionary cash we have available for other purposes. Nonetheless, EBIT and EBITDA are key measures expected by and useful to our fixed income investors, rating agencies and the banking community all of whom believe, and we concur, that these measures are critical to the capital markets analysis of (i) our segments core operating performance, and (ii) our ability to service debt, fund capital expenditures and otherwise meet cash needs, respectively. We also evaluate EBIT and EBITDA because it is clear that movements in these non-GAAP measures impact our ability to attract financing. Our underwriters and bankers consistently require inclusion of these two measures in offering memoranda in conjunction with any debt underwriting or bank financing. The following table contains a reconciliation of EBIT and EBITDA to the respective GAAP measures:

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	Fiscal Year Ended May 31,					Six Months Ended November 30,	
	2000	2001	2002	2003	2004	2003	2004
			(In millions)			(Unaudited)	
Income before income taxes	$ 71.8	$ 101.5	$ 154.1	$ 47.9	$ 217.6	$ 128.5	$ 97.2
Restructuring and asset impairment charges	52.0						
Inventory write-down related to restructuring	7.9						
Interest expense, net	51.8	65.2	40.5	26.7	29.0	13.0	16.9
EBIT	183.5	166.7	194.6	74.6	246.6	141.5	114.1
Depreciation and amortization	79.2	81.5	56.9	58.7	63.3	30.9	32.7
EBITDA	$ 262.7	$ 248.2	$ 251.5	$ 133.3	$ 309.9	$ 172.4	$ 146.8
Restructuring and asset impairment charges	(52.0)						
Inventory write-down related to restructuring	(7.9)						
Interest expense, net	(51.8)	(65.2)	(40.5)	(26.7)	(29.0)	(13.0)	(16.9)
Provision for income taxes	(30.8)	(38.5)	(52.5)	(12.6)	(75.7)	(45.6)	(33.6)
Items not affecting cash and other	(19.9)	(8.6)	(1.8)	(31.6)	25.2	8.4	23.5
Changes in operating assets and liabilities	1.4	(62.4)	35.2	102.5	(77.2)	(47.4)	(20.2)
Cash from operating activities	$ 101.7	$ 73.5	$ 191.9	$ 164.9	$ 153.2	$ 74.8	$ 99.6

(d) 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.

(e) Fiscal year 2003 EBIT and EBITDA include an asbestos charge of $140.0 million and EBIT and EBITDA for the six months ended November 30, 2004 include an asbestos charge of $47.0 million.

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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,		
	2002	2003	2004
Claims filed	1,029	2,064	4,581
Claims resolved	396	1,846	670
Claims unresolved at end of period	1,784	2,002	5,913
Settlements (before any insurance coverage) (in millions)	$ 24.9	$ 54.4	$ 63.4

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 were pending. The changes generally provide for liability to be determined on a proportional cause basis. The full influence of these initial state law changes on legal settlement values was

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not expected to be significantly visible until the latter part of fiscal 2004. Claims in the three subject states at the quarter ended August 31, 2004, coupled with Florida, now comprise approximately 80% of aggregate claims. During the third and fourth quarters of 2004, two of the three previously mentioned states that adopted proportional cause liability in 2003 passed additional legislation impacting asbestos liability lawsuits. While there have been some changes in the type of claims filed in certain of these states, the ultimate influence these law changes may have on future claims activity and settlement values remains uncertain.

During the fourth fiscal quarter of 2003, Bondex retained a nationally recognized consulting firm to evaluate whether it would be possible to estimate the cost of disposing of pending claims and to assist in determining whether the costs to us of future asbestos-related claims were measurable. Bondex provided the consultants with all relevant data regarding asbestos-related claims filed against Bondex through May 31, 2003. Management with the consultants input concluded that it was not possible to currently estimate the full range of the cost of resolving future asbestos-related claims against Bondex because of future uncertainties associated with those potential future claims.

At May 31, 2003, we could not estimate the liability that could result from pending or future claims. We established a reserve for those pending cases that had progressed to a stage where the cost to dispose of these cases could reasonably be estimated, as well as a $51.2 million provision for future unasserted claims that were estimable at May 31, 2003. The estimated range of potential loss covering measurable known asbestos claims and this provision for future claims that were estimable at May 31, 2003 was $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. At the time of the reserve, we believed that this reserve would be sufficient to cover our asbestos-related cash flow requirements over the estimated three-year life of the reserve. The $140.0 million charge also included $15.0 million in total projected defense costs 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 was $2.8 million and $6.7 million for the years ended May 31, 2002 and 2003, respectively. In fiscal 2004, Bondex s asbestos-related cash payments, net of insurance contributions, amounted to $54.0 million and were charged against the balance sheet reserve established in 2003. During the six months ended November 30, 2004, approximately $34.4 million was charged against the balance sheet reserve established in 2003 primarily for the settlement and/or dismissal of 471 claims against certain of our subsidiaries and the associated defense costs.

During the second quarter ending November 30, 2004, based on a review of our pending known claims coupled with a review of our defense costs, we have concluded that the $56.0 million balance of the $140.0 million reserve will not likely be sufficient to cover our asbestos-related cash flow requirements for the remainder of the full three-year period originally contemplated by the reserve. Therefore, we have concluded that an increase in our existing reserve is appropriate. An asbestos reserve adjustment of $47.0 million has been taken for the quarter ended November 30, 2004, which we believe will be sufficient to cover any incremental cash flow requirements through fiscal 2006 not covered by the $140.0 million reserve, as well as the additional cash flow requirements for the balance of our pending known claims and anticipated higher defense costs. Approximately $32.0 million of the $47.0 million reserve adjustment will be allocated to anticipated higher future defense costs. This reserve adjustment will put our total reserves at approximately $103.0 million. As we review our asbestos reserve each quarter, we will make appropriate adjustments to the reserve based on our most recent experience to ensure that it is sufficient to cover the anticipated settlement and defense costs associated with our then pending, known claims. Until the uncertainty of estimating the value of any potential future unknown asbestos claims is substantially reduced, we do not expect to establish any reserve for any such unknown future claims.

We recognize that future facts, events and legislation, both state and/or federal, may alter our estimates of both pending and future claims. 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. Subject to the foregoing variables, including the timing and impact of such variables and the increase in the asbestos reserve, we believe that our asbestos reserve is sufficient to cover asbestos-related cash flow requirements for the current inventory of known claims. It is, however, reasonably possible that our actual costs for such claims could differ from current estimates, but, based upon information presently available, such costs are not expected to have a material effect on our competitive or financial position or our ongoing operations. As previously disclosed, however, our existing reserve will not presently cover the costs of future unknown claims and therefore, additional reserves will be required in future periods for any such future claims. Any such future reserve increases, when taken, could therefore have a material impact on our results in such period.

The Company will continue to evaluate its asbestos-related loss exposure each quarter and review the adequacy of its reserve. In an effort to further assist the Company in its ongoing evaluation of its asbestos costs, the Company is using an outside consulting firm to assist in this process. In conjunction with our outside advisors, we will continue to study our asbestos-related exposure, and regularly evaluate the adequacy of our reserves 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. We will continue to explore all feasible alternatives available to resolve our asbestos-related exposure in a manner consistent with the best interests of our stockholders.

For further information regarding our asbestos litigation, please refer to the 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 Quarterly Report on Form 10-Q and Annual Report on Form 10-K 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 Quarterly Report on Form 10-Q and Annual Report on Form 10-K 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, Menards, W.W. Grainger and Wal-Mart. Sales to our nine largest customers accounted for approximately 25%, 24% and 24% of our consolidated net sales for the fiscal years ended May 31, 2004, 2003 and 2002, respectively, and 55%, 53% and 50% of the consumer segment s net sales for the same years. For the fiscal years ended May 31, 2004, 2003 and 2002, sales to The Home Depot accounted for approximately 12%, 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.

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

We have a significant amount of indebtedness. Our total debt increased from $586.0 million at May 31, 1999 to approximately $842.1 million at November 30, 2004, largely as a result of acquisition activities during that time period. This compares with approximately $1,058.2 million in stockholders equity at November 30, 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 20% of our net sales for the fiscal year ended May 31, 2004, not including exports directly from the United States which accounted for less than 2% of our net sales for fiscal 2004. 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 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

If all of our outstanding indebtedness became accelerated, it is unlikely that we would be able to repay all of our outstanding indebtedness simultaneously.

The indentures governing the exchange notes, our 2.75% senior convertible notes, our 6.25% senior notes and our various senior unsecured notes, as well as the terms and conditions of our bank credit facilities and our trade receivables securitization facility, impose restrictions on our operations and activities and require us to comply with covenants. If we fail to comply with any of these restrictions or covenants, the trustees or the banks, as appropriate, could cause our debt to become accelerated. Under the terms of the indenture governing the exchange notes, if we default in the payment of principal of any of our indebtedness and the aggregate principal amount of payment defaults exceeds $50,000,000, the trustee could cause our indebtedness under the exchange notes to become accelerated. In addition, each of the indentures governing the exchange notes, our 2.75% senior convertible notes, our 6.25% senior notes and our various senior unsecured notes, as well as the terms and conditions of our bank credit facilities and our trade receivables securitization facility, contain cross default, cross acceleration or early amortization provisions which, in general, have the effect that an acceleration of indebtedness under one or more of these instruments, or, in some cases, the occurrence of a default that gives rise to a right to accelerate indebtedness under one or more of these instruments, could result in a default that permits the acceleration of indebtedness under all of them. In the event of such an acceleration, it is unlikely that we would be able to repay all of this outstanding indebtedness simultaneously. See pages 70-73 for additional details regarding our other indebtedness.

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 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 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 notes will effectively be junior to the rights of the holders of such future secured indebtedness.

The notes also will be structurally subordinated to all existing and future liabilities of our subsidiaries. The 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 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 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 November 30, 2004, we had approximately $842.1 million of total consolidated indebtedness. Of this amount, $0.1 million of secured indebtedness and approximately $4.4 million of subsidiary indebtedness are effectively senior to the notes.

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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 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 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 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 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.

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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.

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,					Six Months Ended November 30,
	2000	2001	2002(1)	2003(2)	2004	2004(3)
Ratio of earnings to fixed charges	2.19	2.33	4.03	2.28	6.17	4.97

(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.

(3) Excluding the impact of the $47.0 million charge related to asbestos claims, the ratio of earnings to fixed charges would have been 6.89 for the six months ended November 30, 2004

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:

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

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SELECTED CONSOLIDATED FINANCIAL DATA

The selected consolidated financial data as of and for the fiscal years May 31, 2000, May 31, 2001, May 31, 2002, May 31, 2003 and May 31, 2004 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, 2002, May 31, 2003 and May 31, 2004 and the notes to those statements are incorporated by reference in this prospectus. The summary consolidated financial data as of and for the six-month-period ended November 30, 2004 and November 30, 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 six months ended November 30, 2004 are not necessarily indicative of the results that may be expected for the entire fiscal year ending May 31, 2005. Net sales and selling, general and administrative expenses for the fiscal year ended May 31, 2004 and all prior periods described below have been changed as a result of the reclassification of certain amounts paid for cooperative advertising that had previously been reflected in selling, general and administrative expenses. This reclassification represents only a movement of expense and therefore has no impact on our earnings or earnings per share. You should read this table in conjunction with 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,					Six Months Ended November 30,	
	2000	2001	2002	2003	2004	2003	2004
	(In millions, except per share amounts)					(Unaudited)	
Statement of Operations Data:							
Net sales	$1,943.2	$1,985.0	$1,960.7	$2,053.5	$2,307.6	$1,162.6	$1,285.0
Cost of sales	1,079.0	1,106.4	1,079.7	1,134.2	1,276.4	638.0	719.4
Gross profit	864.2	878.6	881.0	919.3	1,031.2	524.6	565.6
Selling, general and administrative expenses(a)	688.6	711.9	686.4	704.7	784.6	383.1	404.5
Asbestos charge	0.0	0.0	0.0	140.0	0.0	0.0	47.0
Restructuring and asset impairment charge	52.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest expense, net	51.8	65.2	40.5	26.7	29.0	13.0	16.9
Income before income taxes	71.8	101.5	154.1	47.9	217.6	128.5	97.2
Provision for income taxes	30.8	38.5	52.5	12.6	75.7	45.6	33.6
Net income	$ 41.0	$ 63.0	$ 101.6	$ 35.3	$ 141.9	$ 82.9	$ 63.6
Earnings per share (basic)	$ 0.38(b)	$ 0.62	$ 0.97	$ 0.31	$ 1.23	$ 0.72	$ 0.55
Earnings per share (diluted)	0.38(b)	0.62	0.97	0.30	1.22	0.71	0.54
Dividends per share	0.4850	0.4975	0.5000	0.5150	0.5500	0.2700	0.2900
Average number of shares of common stock outstanding:							
Basic	107.2	102.2	104.4	115.3	115.8	115.6	116.4
Diluted	107.4	102.2	105.1	116.0	116.7	116.3	117.7

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(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.

	As of May 31,					Six Months Ended November 30,	
	2000	2001	2002	2003	2004	2003	2004
			(In millions)			(Unaudited)	
Balance Sheet Data:							
Cash and cash equivalents	$ 31.3	$ 23.9	$ 42.2	$ 50.7	$ 38.6	$ 48.5	$ 211.8
All other current assets, excluding cash and cash equivalents	753.8	795.5	801.6	877.4	956.1	882.0	945.6
Working capital	408.9	443.7	479.0	500.4	517.1	538.9	711.8
Property, plant and equipment, net	366.2	362.0	355.8	370.8	381.1	368.9	385.7
Total assets	2,099.2	2,078.5	2,078.8	2,247.2	2,353.1	2,261.2	2,539.0
Current and long-term debt	964.3	962.8	713.8	726.1	719.9	723.2	842.1
Stockholders equity	645.7	639.7	858.1	877.0	975.3	945.3	1,058.2

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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.

Segment Information

We operate a portfolio of businesses that manufacture and sell a variety of specialty paints, protective coatings and roofing systems, sealants and adhesives. We manage our portfolio by organizing our businesses into 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 our 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 operating 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 our 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. Consumer segment products are sold to retailers through a combination of direct sales, sales representative organizations and distributor sales.

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. For further segment information pertaining to our segments, refer to Note I, Segment Information of our consolidated financial statements included in our most recent Annual Report on Form 10-K, which is incorporated by reference in this prospectus.

	Fiscal Year Ended May 31,			Six Months Ended November 30,	
	2002	2003	2004	2003	2004
		(In thousands)		(Unaudited)	
Net Sales					
Industrial	$1,053,632	$1,117,877	$1,272,781	$ 646,498	$ 730,396
Consumer	907,106	935,605	1,034,772	516,066	554,586
Corporate/Other					
Consolidated	$1,960,738	$2,053,482	$2,307,553	$1,162,564	$1,284,982

	Fiscal Year Ended May 31,			Six Months Ended November 30,	
	2002	2003	2004	2003	2004
		(In thousands)		(Unaudited)	
Income Before Income Taxes(a)					
Industrial					
Income Before Income Taxes(a)	$106,703	$ 122,568	$140,706	$ 85,961	$102,075
Interest (Expense), Net	(330)	253	192	4	24
EBIT(b)	$107,033	$ 122,315	$140,514	$ 85,957	$102,051
Consumer					
Income Before Income Taxes(a)	$117,717	$ 131,100	$142,852	$ 74,205	$ 77,666
Interest (Expense), Net	(513)	(284)	104	40	108
EBIT(b)	$118,230	$ 131,384	$142,748	$ 74,165	$ 77,558
Corporate/Other					
Income Before Income Taxes(a)	$ (70,296)	$(205,815)(c)	$ (65,942)	$ (31,647)	$ (82,527)(c)
Interest (Expense), Net	(39,621)	(26,681)	(29,241)	(13,038)	(17,017)
EBIT(b)	$ (30,675)	$(179,134)	$ (36,701)	$ (18,609)	$ (65,510)
Consolidated					
Income Before Income Taxes(a)	$154,124	$ 47,853	$217,616	$128,519	$ 97,214
Interest (Expense), Net	(40,464)	(26,712)	(28,945)	(12,994)	(16,885)
EBIT(b)	$194,588	$ 74,565	$246,561	$141,513	$114,099

(a) The presentation includes a reconciliation of Income Before Income Taxes, a measure defined by Generally Accepted Accounting Principles (GAAP) in the United States, to EBIT.

(b) EBIT is defined as earnings before interest and taxes. We evaluate the profit performance of our segments based on income before income taxes, but also look to EBIT as a performance evaluation measure because interest expense is essentially related to corporate acquisitions, as opposed to segment operations. We believe EBIT is useful to investors for this purpose as well, using EBIT as a metric in their investment decisions. EBIT should not be considered an alternative to, or more meaningful than, operating income as determined in accordance with GAAP, since EBIT omits the impact of interest and taxes in determining operating performance, which represent items necessary to our continued operations, given our level of indebtedness and ongoing tax obligations. Nonetheless, EBIT is a key measure expected by and useful to our fixed income investors, rating agencies and the banking community all of whom believe, and we concur, that this measure is critical to the capital markets analysis of our segments core operating performance. We also evaluate EBIT because it is clear that movements in EBIT impact our ability to attract financing. Our underwriters and bankers consistently require inclusion of this measure in offering memoranda in conjunction with any debt underwriting or bank financing. EBIT may not be indicative of our historical operating results, nor is it meant to be predictive of potential future results.

(c) The asbestos charge, reflected in Corporate/Other, relates to our Bondex International, Inc. subsidiary.

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

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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 pass 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.

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 apply the provisions of Statement of Financial Accounting Standards (SFAS), No. 141, Business Combinations, which addresses the initial recognition and measurement of goodwill and intangible assets acquired in a business combination. We also apply the provisions of SFAS No. 142, Goodwill and Other Intangible Assets, which requires that goodwill be tested on an annual basis, or more frequently as impairment indicators arise. We have elected to perform the required impairment tests, which involve the use of estimates related to the fair market values of the business operations with which goodwill is associated, 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

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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 discount rates are applied. Losses, if any, resulting from impairment tests would 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. Facto