Polymer Holdings LLC
Form 424B4
December 17, 2009
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Filed Pursuant to Rule 424(b)(4)
Registration No. 333-162248

Prospectus

10,294,118 Shares

Kraton Performance Polymers, Inc.

Common Stock

This is our initial public offering, and no public market currently exists for our common stock. Kraton Performance Polymers, Inc. is offering 10,294,118 shares of common stock.

Prior to this offering, there has been no public market for our common stock. The initial public offering price of the common stock is $13.50 per share. Our common stock has been approved for listing on the New York Stock Exchange under the symbol KRA .

We have granted the underwriters the right to purchase up to 1,544,117 shares of common stock at the offering price less the underwriting discount if the underwriters sell more than 10,294,118 shares of common stock in this offering. The underwriters can exercise this right at any time and from time to time, in whole or in part, within 30 days after the offering.

Investing in our common stock involves a high degree of risk. See Risk Factors beginning on page 15.

	Price to Public	Underwriting Discounts and Commissions	Proceeds, Before Expenses, to Issuer
Per Share	$ 13.50	$ 0.8775	$ 12.6225
Total	$ 138,970,593	$ 9,033,088.545	$ 129,937,504.455

Delivery of the shares of common stock will be made on or about December 22, 2009.

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

Credit Suisse

BofA Merrill Lynch

Morgan Stanley

Oppenheimer & Co.

Goldman, Sachs & Co. **KeyBanc Capital Markets**

The date of this prospectus is December 16, 2009.

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You should rely only on the information contained in this document or to which we have referred you. We have not authorized anyone to provide you with information that is different. This document may only be used where it is legal to sell these securities. The information in this document may only be accurate on the date of this document.

Information contained in our web site does not constitute part of this prospectus.

The KRATON name, our logo and other trademarks mentioned in this prospectus are the property of their respective owners.

We obtained the industry and market data used throughout this prospectus from our own internal estimates and research as well as from industry and general publications and research, surveys and studies conducted by third parties.

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SUMMARY

The following summary includes basic information about our company and this offering. It may not contain all of the information that is important to you. For a more comprehensive understanding of our company and this offering, you should read this entire prospectus.

On or prior to the completion of the offering, we will convert our company from a Delaware limited liability company (Polymer Holdings LLC) into a Delaware corporation (Kraton Performance Polymers, Inc.).

In this prospectus, unless we indicate otherwise or the context requires:

- *Polymer Holdings, our company, we, our, ours and us refer to Polymer Holdings LLC and its consolidated subsidiaries prior to the conversion, and to Kraton Performance Polymers, Inc. and its consolidated subsidiaries after the conversion;*
- *Kraton refers to Kraton Polymers LLC; and*
- *the SBC industry refers to the elastomeric styrenic block copolymers industry and does not include the high styrene or rigid SBC business.*

Our Company

General

We believe we are the world s leading producer of styrenic block copolymers (SBCs) as measured by 2008 sales and volumes. We market our products under the widely recognized KRATON® brand. Our estimates indicate that sales of our products, in the end-use markets we target, constituted 34% of global SBC revenue in 2008, approximately 3.1 times larger than our nearest competitor. SBCs are highly-engineered synthetic elastomers that we invented and commercialized over 40 years ago, which enhance the performance of numerous end-use products, imparting greater flexibility, resilience, strength, durability and processability. We focus on the end-use markets we believe offer the highest growth potential and greatest opportunity to differentiate our products from competing products. Within these end-use markets, we believe that we provide our customers with a broad portfolio of highly-engineered and value-enhancing polymers that are critical to the performance of our customers products. We seek to maximize the value of our product portfolio by introducing innovations that command premium pricing and by consistently upgrading from lower margin products. As the industry leader, we maintain significant competitive advantages, including a 40-year proven track record of innovation; world-class technical expertise; customer, geographical and end-use market diversity; and industry-leading customer service capabilities. These advantages are supported by a global infrastructure and a long history of successful capital investments and operational excellence.

Our SBC products are found in many everyday applications, including disposable baby diapers, the rubberized grips of toothbrushes, razor blades, power tools and in asphalt formulations used to pave roads. We believe that there are many untapped uses for our products, and we will continue to develop new applications for SBCs. Since January 1, 2008, we have been awarded 161 patents for new products or applications, which we believe will allow us to drive volume and revenue growth and expand our margins. We also develop, manufacture and market niche, non-SBC products that we believe have high growth potential, such as isoprene rubber latex, or IRL. IRL is a highly-engineered, reliable synthetic substitute for natural rubber latex. We believe the versatility of IRL offers significant opportunities for new, high-margin applications. Our IRL products, which are used in applications such as surgical gloves, have not been found to contain the proteins present in natural latex and are, therefore, not known to cause allergies. We believe we produce the highest purity IRL globally and that we are the only significant third-party supplier of the product. Our IRL business has grown at a compound annual growth rate of approximately 23% by volume from 2005 to 2008.

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We currently offer approximately 800 products to more than 700 customers in over 60 countries worldwide, and we manufacture our polymers on four continents (North America, Europe, South America and Asia). Our products are typically developed using our proprietary, and in many cases patent-protected, technology and require significant engineering, testing and certification. We are widely regarded as the industry s leading innovator and cost-efficient manufacturer in our end-use markets. We work closely with our customers to design products that meet application-specific performance and quality requirements. We expect these innovations to drive our organic growth, sustain our leadership position, expand our market share, improve our margins and produce a high return on invested capital. For example, in 2008, we developed a family of environmentally-friendly products to replace materials like polyvinyl chloride, or PVC, for medical packaging applications and wire and cable applications in electronics and automobiles.

Over the past several years, we have implemented a range of strategic initiatives designed to enhance our profitability and end-use market position. These include fixed asset investments to expand our capacity in high value products, enhance productivity at our existing facilities and significantly reduce our fixed cost structure through head count reductions, production line closures at our Pernis, the Netherlands, facility and system upgrades. During this period, we have shifted our portfolio to higher-margin products, substantially exited low-margin businesses such as footwear and implemented smart pricing strategies that have improved our overall margins and return on invested capital. We believe these initiatives provide us with a strong platform to drive growth, create significant operating leverage and position us to benefit from volume recovery in our end-use markets.

We believe that starting in late 2008 the global economic downturn, and associated reduction in customer and end-user inventory levels, caused an unprecedented slowdown across the industry. We experienced sales volume decline across all of our end-use markets, including the traditionally more stable consumer and medical applications. We believe that a significant factor in this decline was inventory de-stocking. The trend began to reverse itself in June 2009, as demand patterns began to shift towards recovery.

We generated total operating revenue of $1.2 billion and $717.3 million for the twelve and nine months ended December 31, 2008 and September 30, 2009, respectively, on volume of 313 kilotons and 199 kilotons, respectively. For the same periods, we generated net income of $28.4 million and $1.2 million and Adjusted EBITDA of $152.0 million and $56.3 million, respectively. We define Adjusted EBITDA and reconcile it to net income in footnote 3 under Summary Summary of Consolidated Financial Information and Other Data. We report under one operating segment.

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Our Industry Focus

The global demand for SBCs in 2008 exceeded 1,400 kilotons, resulting in sales of approximately $4.0 billion. According to management estimates, between 2001 and 2007, SBC demand for non-footwear applications grew at a compound annual growth rate of approximately 9.0%, or approximately 2.7 times global real GDP. In 2008, the SBC market contracted along with the global economy, reducing the 2001 to 2008 growth rate to 6.8%.

2008 Global SBC Consumption by Volume

SBCs are primarily sold into four end-uses: (1) Advanced Materials (compounding, personal care and polymer systems); (2) Adhesives, Sealants and Coatings; (3) Paving and Roofing; and (4) Footwear. Due to the higher selling prices in the Advanced Materials, Adhesives, Sealants and Coatings and Paving and Roofing end-uses relative to the Footwear end-use, the market share by end-use on a revenue basis is meaningfully different than on a volume basis.

2008 Global SBC Consumption by End-Use Market[1]

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Kraton focuses on the high-value end-use markets.

2008 Global SBC Consumption by End-Use Market Kraton vs. Industry[1]

There are two major types of SBCs: hydrogenated styrenic block copolymers, or HSBCs, and unhydrogenated styrenic block copolymers, or USBCs.

HSBCs. HSBC products are significantly more complex to produce than USBC products and, consequently, generate higher margins and generally command selling prices between two and three times those for USBCs. We believe our 47% end-use market share of 2008 HSBC sales leads the industry and is more than twice the size of our closest competitor. The HSBC class of products, which is typically more durable than USBC products, is primarily used in higher value-added Advanced Materials and Adhesives, Sealants and Coatings applications. We estimate that HSBCs accounted for approximately 12% of worldwide SBC industry sales in 2008.

HSBCs are primarily used in our Advanced Materials and Adhesives, Sealants and Coatings end-use markets, to impart improved performance characteristics such as:

- stretch properties in disposable diapers and adult incontinence products;
- soft feel in numerous consumer products such as the handles for razor blades, power tools and automobile interiors;
- impact resistance for demanding engineering plastic applications;
- flexibility for wire and cable plastic outer layers; and
- improved flow characteristics for many industrial and consumer sealants and lubricating fluids.

USBCs. We believe that our 30% market share of 2008 USBC sales, excluding Footwear, leads the industry, and is approximately 2.2 times that of our closest competitor in terms of 2008 sales. In 2008, we estimate that USBCs represented approximately 88% of worldwide SBC industry sales volumes and were used primarily in Footwear, Paving and Roofing and Adhesives, Sealants and Coatings end-use.

USBCs are used in all our end-use markets in a range of products to impart desirable characteristics, such as:

- resistance to temperature and weather extremes in roads and roofing;
- resistance to cracking, reduced sound transmission and better drainage in porous road surfaces;

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impact resistance for consumer plastics; and

increased processing flexibility in materials used in disposable diapers and adhesive applications, such as packaging tapes and labels.

Our End-Use Markets

We believe we hold the number one market position, based on 2008 sales and volume, in each of our targeted end-use markets. We have aligned our commercial activities to serve three core end-use markets that we believe have the highest growth and profitability potential: (1) Advanced Materials; (2) Adhesives, Sealants and Coatings; and (3) Paving and Roofing. We also serve a fourth end-use market, an Emerging Businesses category, which primarily includes our high-growth IRL business.

The following table describes our three core end-use markets together with our Emerging Businesses and other end-use markets and their approximate relative sizes:

End-Use Markets	Revenue Mix[(1)]	Our End-Use Market Position[(2)]	Our End-Use Market Share[(2)]	Our Relative End-Use Market Share[(3)]	Industry Compound Annual Growth Rate[(4)]	Selected Applications/Products
Advanced Materials	30%	#1	37%	2.2X	8.0%	Soft touch for consumer products (tooth brushes and razor blades) and power tools Impact resistant engineering plastics Automotive components Elastic films for disposable diapers and adult incontinence branded products Skin care products and lotions Disposable food packaging Medical packaging films and tubing, often to replace PVC
Adhesives, Sealants and Coatings	32%	#1	41%	2.6X	5.2%	Tapes and labels Non-woven and industrial adhesives Industrial and consumer weather sealants
Paving and Roofing	31%	#1	28%	1.9X	7.1%	Asphalt modification for performance roadways Asphalt modification for roofing felts and shingles
Emerging Businesses[(5)]	3%	N/A	N/A	N/A	17.7%	Surgical gloves Condoms
Other Markets[(6)]	4%	N/A	N/A	N/A	N/A	Lubricants and fuel additives High styrenics packaging

	Footwear

(1) Based on 2008 sales of $1,171.3 million (excludes by-product sales which are reported as other revenues).
(2) Management estimates, based on 2008 sales.
(3) Management estimates, versus next largest competitor based on 2008 sales.
(4) Management estimates of volume growth, 2001 to 2008, except for Emerging Businesses, which is 2005 to 2008.

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(5) The Emerging Businesses end-use market primarily includes our IRL business as well as other businesses and products that are under development. We believe that we are the only major third-party supplier of IRL, and therefore end-use market position, end-use market share and relative end-use market share metrics are not meaningful.

(6) Our Other Markets end-use market is not directly comparable to our three core and Emerging Businesses end-use markets because it includes a mix of products ranging from lubricants and fuel additives to high styrenics packaging to footwear products. Therefore, we cannot estimate end-use market position, end-use market share, relative end-use market share or industry compound annual growth rate.

Our Competitive Strengths

The following competitive strengths help us to sustain our market leadership position and contribute to our ability to generate superior margins and strong cash flow. We expect these strengths to support our growth in the future:

The Market Leader in SBCs

We believe we hold the number one global market position based on 2008 sales and volumes, including a 34% market share of revenues in the end-use markets we target. Our Belpre, Ohio facility is the largest in terms of production capacity and the most product-diversified SBC plant in the world, and we believe it is the largest HSBC plant as well in terms of production capacity. We believe our Wesseling, Germany plant is a world scale and cost efficient facility. As the pioneer of SBCs over 40 years ago, we believe our KRATON® brand is widely recognized for our industry leadership, and we are particularly well-regarded for our process technology expertise and long track record of market-driven innovation.

Growth Through Innovation and Technological Know-how

SBC production and product development requires complex and specific expertise, which we believe many of our competitors are unable to replicate. As the industry pioneer, Kraton maintains a constant focus on enhancing the value-added attributes of our products and on developing new applications for SBCs. At December 31, 2008, we had approximately 1,176 granted patents and approximately 447 pending patent applications. Our Vision 20/20 program, introduced earlier this year, targets generating 20% of revenues by 2011 from new products or applications introduced in the prior five years. In 2008, we generated 13.5% of our sales from innovation driven revenue. We believe that our new product innovation will allow us to drive increases in our volume, expand product contribution margins and increase our customers reliance on Kraton s products and technical expertise. For example, for the nine months ended September 30, 2009, IRL represented 3.5% of revenues. Our sales of IRL from 2005 to 2008 grew at 23% by volume and are earning a unit contribution margin in excess of the company as a whole.

Diverse Global Manufacturing Capabilities and End-Use Market Exposures

We operate manufacturing facilities on four continents (North America, Europe, South America and Asia) producing what we believe to be the highest quality grades available of USBC and HSBC and high purity IRL. We believe we are the only SBC producer with this breadth of technical capabilities and global footprint, selling approximately 800 products in over 60 countries. Since 2003, we have successfully completed plant expansions totaling 60 kilotons of capacity, giving us a total capacity of 436 kilotons, at a total cost of less than $50 million. Our manufacturing and product footprint allow revenue diversity, both geographically and by end-use market. We believe our scale and footprint make us an attractive customer for our monomer suppliers which, in turn, allows us to offer a high degree of supply security to customers.

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Long-Standing, Strong Customer Relationships Supported by Leading Service Offering

We sell our products to over 700 customers, many of which we have had relationships with for 15 years or more. Our customers are broad-based, with no single customer accounting for more than 5% of our sales in 2008 (our top 10 customers represented 26% of sales in 2008). Our customers manufacturing processes are typically calibrated to the performance specifications of our products. Given the technical expertise and investment required to develop these formulations and the lead times required to replace them, we believe our customers face high switching costs. We believe our customers view our products as being high value-added, even though our products generally represent a small proportion of the overall cost of the finished product. Leveraging our global infrastructure, we believe we offer our customers a best-in-class service level that aligns us to their respective business models, through on demand order delivery and product development specifically designed for each customer s needs.

Experienced Management Team with a Track Record of Growth and Productivity Improvements

Our senior management team has an average industry experience of over 25 years, most of which is with some of the world s leading companies, including General Electric, Koch Industries and Chevron Phillips Chemical. Since early 2008, when the current executive team was put in place, we have instituted a number of strategic initiatives designed to enhance productivity, reduce costs and capital intensity, expand margins and drive innovation-led growth.

Our Business Strategy

Building on these competitive strengths, we are focused on achieving profitable top-line growth and improving margins through the introduction of highly-engineered, high value-added products to drive strong and sustainable cash flow.

Driving Growth and Margin Expansion Through Innovation

We have a 40-year track record of innovation dating back to our development of the first SBCs. Our research and development effort is focused on end-use markets and new product developments that we believe offer higher growth as well as opportunities to develop highly-differentiated products for our customers, thus yielding higher margin potential. We work very closely with our longstanding customer base to produce products that solve their specific technical requirements. For example, to address an industry trend to eliminate PVC from applications such as medical packaging and wire and cable, we have developed and commercialized a series of

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custom-designed polymers and compounds. In addition to this innovation-led growth, we believe that there are a number of end-use market dynamics that drive growth in our business such as: (1) the effect of the American Recovery and Reinvestment Act of 2009 on our paving business; (2) the general demand by customers for higher value-added products with better performance characteristics; and (3) the effect of an economic recovery on roofing applications.

Pursue Smart Pricing

In late 2007, we undertook a comprehensive review of our entire product portfolio, including both product-specific and customer-specific profitability analysis. As a result, we took a variety of actions including reducing or eliminating our exposure to lower margin business and increasing our prices to reflect the significant value-added benefits of our products to our customers products. For example, since the end of 2007, we have increased our unit contribution margins (the excess of the sale price of a unit of product over the variable cost to produce that unit) by more than 50%. We will continue to pursue pricing strategies that reflect the contribution to the end product of our high value and complex product offerings for which limited substitutes exist.

Invest in Key Growth Initiatives

As part of this offering, we plan to use some proceeds to fund high priority, high return strategic projects that will continue to allow us to more effectively and more efficiently serve our customers needs. One such project is the development of additional capacity in our IRL business to serve the rapid growth and to better capture the high margins that exist in this product line.

Continue to Pursue Operational Efficiencies

We have a history of implementing continuous process and cost improvement plans that have resulted in a significant reduction in our cost position and an improvement in the way we run our business. Since the beginning of 2007, we have implemented cost saving initiatives that have reduced costs by over $55 million, on an annual basis. In addition, on December 31, 2009, we will be exiting our Pernis facility in its entirety, which we expect will result in an additional $12 million in annual cost savings. Through these actions, we have created substantial operating leverage in our business model. We believe this demonstrates our management team s ability to successfully manage the business in a downturn and position us for significant growth and margin expansion in a global economic recovery. For a discussion of the costs associated with the Pernis exit, see Management s Discussion and Analysis Recent Developments.

Corporate and Other Information

We currently conduct our business through a Delaware limited liability company, Polymer Holdings LLC, and its consolidated subsidiaries. Prior to the closing of this offering, we will convert into a Delaware corporation to be named Kraton Performance Polymers, Inc.

Our principal executive offices are located at 15710 John F. Kennedy Boulevard, Suite 300, Houston, Texas 77032, and our telephone number is (281) 504-4700. Our corporate website address is *www.kraton.com*. We do not incorporate the information contained on, or accessible through, our corporate website into this prospectus, and you should not consider it part of this prospectus.

On or prior to the closing of this offering, TJ Chemical Holdings LLC, or TJ Chemical, will be merged into (and not survive the merger with) Kraton (for further details on this transaction, see Certain Relationships and Related Transactions Reorganization Transactions), at which time we will be owned directly by affiliates of TPG Capital, L.P. and J.P. Morgan Partners, LLC, a private equity division of JPMorgan Chase & Co. On December 23, 2003, Polymer Holdings acquired all the outstanding equity interests of Kraton from Ripplewood Chemical Holding LLC. The acquisition was funded, including transaction fees and expenses, in part through proceeds from the issuance of senior subordinated notes and borrowings under the term loan portion of the senior secured credit facility.

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Principal Stockholders

Following this offering and after giving effect to the merger of TJ Chemical into Kraton (see Certain Relationships and Related Transactions Reorganization Transactions), certain affiliates of TPG Capital, L.P., which we refer to collectively as TPG, will own approximately 38.8% of our common stock (approximately 36.8% pursuant to a full exercise of the underwriters over-allotment option) and certain affiliates of J.P. Morgan Partners, LLC, which we refer to collectively as JPMP, will own approximately 25.8% of our common stock (approximately 24.6% pursuant to a full exercise of the underwriters over-allotment option). Together TPG and JPMP will own, in the aggregate, approximately 64.6% of our common stock (approximately 61.4% if the underwriters over-allotment option is exercised in full).

TPG Capital, L.P.

TPG is a leading private investment firm with approximately $45 billion of assets under management as of September 30, 2009. The firm was founded in 1992 and is led by David Bonderman and James G. Coulter. Through its global buyout platform, TPG Capital, the firm generally makes significant investments in companies through acquisitions and restructurings across a broad range of industries throughout North America, Europe, Asia and Australia. Notable investments include Alltel Corp., Avaya, Inc., Burger King Holdings, Inc., Continental Airlines, Inc., Energy Future Holdings Corp. (formerly, TXU Corp.), Graphic Packaging International Corp., Grohe AG, Harrah s Entertainment, Inc., J Crew Group, Inc., Neiman Marcus Group, Inc., ON Semiconductor Corp., Seagate Technology, Shenzhen Development Bank Co., Ltd. and Texas Genco, LLC.

JPMorgan Partners

J.P. Morgan Partners, LLC is a private equity division of JPMorgan Chase & Co. (NYSE: JPM), one of the largest financial institutions in the United States. JPMP has invested over $15 billion worldwide in industrial, consumer, media, energy, financial services, healthcare and technology companies since its inception in 1984. In August 2006, the buyout and growth equity investment professionals of JPMP separated from JPMorgan Chase & Co. and formed CCMP Capital Advisors, LLC, or CCMP Capital, a global private equity firm specializing in buyout and growth equity investments. CCMP Capital has offices in New York, Texas and London. CCMP Capital advises JPMP on its portfolio of private equity investments, including the investment in our company; other notable investments include AMC Entertainment, Inc., Aramark Holdings Corporation, Grupo Corporative Ono, S.A., Jetro JMDH Holdings, Inc., Noble Environmental Power, LLC, QCE Holdings, LLC (Quiznos Sub), Warner Chilcott Holdings Co. and PQ Corporation.

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The Offering

Common stock we are offering	10,294,118 shares.
Common stock to be outstanding after this offering	29,709,114 shares.
Use of proceeds	We estimate that our net proceeds from this offering will be approximately $126.1 million, after deducting estimated underwriting discounts and commissions and offering expenses.

We expect to use the net proceeds of this offering to repay a portion of the senior secured credit facility. We expect to use the remaining net proceeds for general corporate purposes, including to fund strategic capital projects such as alternative production capabilities for Isoprene Rubber, the development of additional capacity in our Isoprene Rubber Latex business, and/or the continuation of our upgrade of certain systems and operating controls at our Belpre, Ohio facility. See Use of Proceeds.

Underwriters option to purchase additional shares	We may sell up to 1,544,117 additional shares if the underwriters exercise their over-allotment option.
Dividend policy	We have not previously declared or paid any dividends or distributions on our common stock. We currently expect to retain future earnings, if any, for use in the operation and expansion of our business and do not anticipate paying any cash dividends in the foreseeable future. We are currently prohibited from paying cash dividends on our common stock by the covenants in the senior secured credit facility and may be further restricted by the terms of future debt or preferred securities. See Dividend Policy.
Risk factors	Investing in our common stock involves a high degree of risk. See Risk Factors for a discussion of factors you should carefully consider before deciding to invest in our common stock.
New York Stock Exchange symbol	KRA

The number of shares of common stock to be outstanding after the offering is based on 19,414,996 shares of common stock outstanding after our conversion to a corporation and 10,294,118 shares to be sold in the offering.

The number of shares of common stock to be outstanding after this offering does not take into account an aggregate of 4,350,000 shares of common stock reserved for future issuance under the Polymer Holdings LLC Equity Incentive Plan and 1,594,962 shares of common stock reserved for future issuance under the TJ Chemical Option Plan in connection with the settlement of options outstanding as of the closing of this offering, based on the Conversion Ratio (as defined in the Compensation Discussion and Analysis) of 1:13.5120.

In addition, except as otherwise noted, all information in this prospectus:

- assumes the underwriters do not exercise their over-allotment option; and gives effect to our conversion from a Delaware limited liability company to a Delaware corporation prior to the closing of this offering.

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Summary of Consolidated Financial Information and Other Data

The table below sets forth our selected consolidated historical financial data for the periods indicated. The summary consolidated historical financial data presented below for the years ended December 31, 2008, 2007 and 2006 and as of December 31, 2008 and 2007 have been derived from our audited consolidated financial statements, which are included elsewhere in this prospectus. The summary financial data for the nine months ended September 30, 2009 and 2008 and as of September 30, 2009, have been derived from our unaudited consolidated financial statements, which are included elsewhere in this prospectus. The unaudited consolidated financial statements include, in the opinion of management, all adjustments, consisting only of normal recurring adjustments, that management considers necessary for the fair presentation of the consolidated financial information set forth in those statements. Results of operations for the interim periods are not necessarily indicative of the results that might be expected for any other interim period or for an entire year.

The selected financial information and other data presented below should be read in conjunction with the information contained in Use of Proceeds, Management s Discussion and Analysis of Financial Condition and Results of Operations and the audited consolidated financial statements and the notes thereto, which are included elsewhere in this prospectus.

	Year ended December 31,			Nine months ended September 30,	
	2008	**2007**	**2006**	**2009 (unaudited)**	**2008 (unaudited)**
			(in thousands)		
Consolidated Statements of Operations Data:					
Operating Revenues					
Sales	$ 1,171,253	$ 1,066,044	$ 1,015,766	$ 682,061	$ 947,925
Other(1)	54,780	23,543	32,355	35,235	46,472
Total operating revenues	1,226,033	1,089,587	1,048,121	717,296	994,397
Cost of Goods Sold	971,283	938,556	843,726	602,633	788,618
Gross Profit	254,750	151,031	204,395	114,663	205,779
Operating Expenses					
Research and development expenses	27,049	24,865	24,598	15,115	21,129
Selling, general and administrative	101,431	69,020	73,776	56,585	73,578
Depreciation and amortization of identifiable intangibles	53,162	51,917	43,574	41,582	40,880
Total operating expenses	181,642	145,802	141,948	113,282	135,587
Gain on Extinguishment of Debt				23,831	
Equity in Earnings in Unconsolidated Joint Ventures(2)	437	626	168	305	314
Interest Expense, Net	36,695	43,484	66,637	24,783	27,696
Income (Loss) Before Income Taxes	36,850	(37,629)	(4,022)	734	42,810
Income Tax Expense (Benefit)	8,431	6,120	29,814	(485)	7,396
Net Income (Loss)	$ 28,419	$ (43,749)	$ (33,836)	$ 1,219	$