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05/26/2011 VOLUME 2

COVER PAGE

Document Date: July 14, 2008

1198010003 08-38383
CHEMETCO
19C – SF/Tech

VOLUME 2

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EXHIBIT 3

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Olin BRASS

MATERIAL SAFETY DATA

MERGENCY PHONE: 1-888-2991-911

THIS MATERIAL SAFETY DATA SHEET (MSDS) HAS BEEN PREPARED IN COMPLIANCE WITH THE FEDERAL OSHA HAZARD COMMUNICATION STANDARD 29 CFR 1910.1200. THIS PRODUCT MAY BE CONSIDERED TO BE A HAZARDOUS CHEMICAL UNDER THAT STANDARD. (REFER TO THE OSHA CLASSIFICATION IN SEC. I.) THIS INFORMATION IS REQUIRED TO BE DISCLOSED FOR SAFETY IN THE WORKPLACE. THE EXPOSURE TO THE COMMUNITY, IF ANY, IS QUITE DIFFERENT.

I - PRODUCT IDENTIFICATION

Product Name:	Reclaim Metals
Synonyms:	Misc. Furnace Skimmings, To-Be run reclaim, Brass Casting dross
Chemical Family:	Metals Mixture
Formula:	Metal Dusts
Description:	Metal dusts and material from dross of Brass casting
Hazard Classification:	Skin, eye, and respiratory irritant, lung, blood, kidney, and nervous system toxin, sensitizer, reproductive and developmental toxin, carcinogen
Revision No.:	1
Revision Date:	6/19/2001
Olin MSDS No.:	

II - COMPONENT DATA

Product Composition

This product may contain some or all of the following components:

CAS or Chemical Name:	Zinc and oxides				
CAS Number:	Not Assigned/Mixture				
Percentage Range:	0-40%				
Hazardous Per 29 CFR 1910.1200:	Yes - as Zinc Oxide dust or (fume)				
Exposure Standards:		OSHA (PEL)		ACGIH (TLV)	
		ppm	mg/m³	ppm	mg/m³
	TWA:	N/A	15* 5** (5)	N/A	10 (5)
	CEILING:	None	None	None	None
	STEL:	None	None	None	(10)

*Total **Respirable fraction

OLIN-CHEMETCO_0322

Olin

BRASS

MATERIAL SAFETY DATA

CAS or Chemical Name:	Copper and oxides
CAS Number:	Not Assigned/Mixture
Percentage Range:	0-100%
Hazardous Per 29 CFR 1910.1200:	Yes - as Copper dust or (fume)

Exposure Standards:

	OSHA (PEL)		ACGIH(TLV)	
	ppm	mg/m³	ppm	mg/m³
TWA:	N/A	1 (0.1)	N/A	1 (0.2)
CEILING:	None	None	None	None
STEL:	None	None	None	None

CAS or Chemical Name:	Carbon Black
CAS Number:	7440-44-0
Percentage Range:	0-10%
Hazardous Per 29 CFR 1910.1200:	Yes

Exposure Standards:

	OSHA (PEL)		ACGIH(TLV)	
	ppm	mg/m³	ppm	mg/m³
TWA:		3.5		3.5
CEILING:	None	None	None	None
STEL:	None	None	None	None

CAS or Chemical Name:	Phosphorus
CAS Number:	7723-14-0
Percentage Range:	0-5%
Hazardous Per 29 CFR 1910.1200:	Yes

Exposure Standards:

	OSHA (PEL)		ACGIH(TLV)	
	ppm	mg/m³	ppm	mg/m³
TWA:	None	0.1	0.02	0.1
CEILING:	None	None	None	None
STEL:	None	None	None	None

CAS or Chemical Name:	Tin
CAS Number:	7440-31-5
Percentage Range:	0-10%
Hazardous Per 29 CFR 1910.1200:	Yes

Exposure Standards:

	OSHA (PEL)		ACGIH(TLV)	
	ppm	mg/m³	ppm	mg/m³
TWA:	N/A	2	N/A	2
CEILING:	None	None	None	None
STEL:	None	None	None	None

CAS or Chemical Name:	Lead
CAS Number:	7439-92-1
Percentage Range:	0-5%
Hazardous Per 29 CFR 1910.1200:	Yes

Exposure Standards:

Elemental lead (see: 29CFR 1910.1025)	OSHA (PEL)		ACGIH(TLV)	
	ppm	mg/m³	ppm	mg/m³
TWA:	N/A	0.05	N/A	0.05
CEILING:	None	None	None	None
STEL:	None	None	None	None

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Olin

BRASS

MATERIAL SAFETY DATA

CAS or Chemical Name:	Nickel
CAS Number:	7440-02-0
Percentage Range:	0-30%
Hazardous Per 29 CFR 1910.1200:	Yes

Exposure Standards: (Elemental/metal)

	OSHA (PEL)		ACGIH (TLV)	
	ppm	mg/m³	ppm	mg/m³
TWA:	N/A	1	N/A	1.5 (inhalable fraction)
CEILING:	None	None	None	None
STEL:	None	None	None	None

CAS or Chemical Name:	Arsenic
CAS Number:	7440-38-2
Percentage Range:	0-5%
Hazardous Per 29 CFR 1910.1200:	Yes

Exposure Standards:

	OSHA (PEL)		ACGIH (TLV)	
	ppm	mg/m³	ppm	mg/m³
TWA:	N/A	0.01	N/A	0.01
CEILING:	None	None	None	None
STEL:	None	None	None	None

CAS or Chemical Name:	Silicon
CAS Number:	7440-21-3
Percentage Range:	0-5%
Hazardous Per 29 CFR 1910.1200:	Yes

Exposure Standards:

	OSHA (PEL)		ACGIH (TLV)	
	ppm	mg/m³	ppm	mg/m³
TWA:	N/A	15* 5**	N/A	10
CEILING:	None	None	None	None
STEL:	None	None	None	None

*Total dust **Respirable fraction

CAS or Chemical Name:	Chromium
CAS Number:	7440-47-3
Percentage Range:	0-5%
Hazardous Per 29 CFR 1910.1200:	Yes

Exposure Standards:

	OSHA (PEL)		ACGIH (TLV)	
	ppm	mg/m³	ppm	mg/m³
TWA:	N/A	1	N/A	0.5
CEILING:	None	None	None	None
STEL:	None	None	None	None

CAS or Chemical Name:	Iron
CAS Number:	7439-89-6
Percentage Range:	0-10%
Hazardous Per 29 CFR 1910.1200:	No
Exposure Standards:	None established

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Olin BRASS

MATERIAL SAFETY DATA

CAS or Chemical Name:	Graphite				
CAS Number:	7782-42-5				
Percentage Range:	0-10%				
Hazardous Per 29 CFR 1910.1200:	Yes				
Exposure Standards:		OSHA (PEL)		ACGIH(TLV)	
		ppm	mg/m³	ppm	mg/m³
	TWA:	N/A	15	N/A	2
			ppcf*		*respirable
	CEILING:	None	None	None	None
	STEL:	None	None	None	None

*ppcf = millions of particles per cubic foot

CAS or Chemical Name:	Aluminum				
CAS Number:	7429-90-5				
Percentage Range:	0-5%				
Hazardous Per 29 CFR 1910.1200:	Yes				
Exposure Standards:		OSHA (PEL)		ACGIH(TLV)	
		ppm	mg/m³	ppm	mg/m³
	TWA:	N/A	15* 5**	N/A	10
	CEILING:	None	None	None	None
	STEL:	None	None	None	None

*Total dust **Respirable fraction

CAS or Chemical Name:	Manganese				
CAS Number:	7439-96-5				
Percentage Range:	0-20%				
Hazardous Per 29 CFR 1910.1200:	Yes				
Exposure Standards:		OSHA (PEL)		ACGIH (TLV)	
		ppm	mg/m³	ppm	mg/m³
	TWA:	N/A	None	N/A	0.2
	CEILING:	N/A	5	N/A	None
	STEL:	None	None	None	None

CAS or Chemical Name:	Aluminum Oxide				
CAS Number:	1344-28-1				
Percentage Range:	0-7%				
Hazardous Per 29 CFR 1910.1200:	Yes				
Exposure Standards:		OSHA (PEL)		ACGIH (TLV)	
		ppm	mg/m³	ppm	mg/m³
	TWA:	N/A	15* 5**	N/A	10
	CEILING:	None	None	None	None
	STEL:	None	None	None	None

*Total dust **Respirable fraction

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Olin BRASS

MATERIAL SAFETY DATA

CAS or Chemical Name:	Charcoal
CAS Number:	16291-96-6
Percentage Range:	0-10%
Hazardous Per 29 CFR 1910.1200:	No
Exposure Standards:	None established

CAS or Chemical Name:	Sodium Chloride
CAS Number:	7647-14-5
Percentage Range:	0-10%
Hazardous Per 29 CFR 1910.1200:	Yes
Exposure Standards:	None established

CAS or Chemical Name:	Potassium Chloride
CAS Number:	7447-40-7
Percentage Range:	0-5%
Hazardous Per 29 CFR 1910.1200:	Yes
Exposure Standards:	None established

CAS or Chemical Name:	Calcium Aluminate
CAS Number:	12042-78-3
Percentage Range:	0-3%
Hazardous Per 29 CFR 1910.1200:	Yes
Exposure Standards:	None established.

CAS or Chemical Name:	Silica (Quartz)
CAS Number:	14808-60-7
Percentage Range:	0-1%
Hazardous Per 29 CFR 1910.1200:	Yes

Exposure Standards:

	OSHA (PEL)		ACGIH (TLV)	
	ppm	mg/m³	ppm	mg/m³
TWA:	N/A	30* / %SiO2 + 2 ; 10** / %SiO2 + 2	N/A	0.05 (respirable)
CEILING:	None	None	None	None
STEL:	None	None	None	None

*Total dust **Respirable Dust

CAS or Chemical Name:	Silicon Carbide
CAS Number:	409-21-2
Percentage Range:	0-1%
Hazardous Per 29 CFR 1910.1200:	Yes

Exposure Standards:

	OSHA (PEL)		ACGIH (TLV)	
	ppm	mg/m³	ppm	mg/m³
TWA:	N/A	10	N/A	15* 5**
CEILING:	None	None	None	None
STEL:	None	None	None	None

*Total dust **Respirable fraction

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Olin BRASS

MATERIAL SAFETY DATA

CAS or Chemical Name:	Magnesium Oxide
CAS Number:	1309-48-4
Percentage Range:	0-10
Hazardous Per 29 CFR 1910.1200:	Yes as fume

Exposure Standards:

	OSHA (PEL)		ACGIH (TLV)	
	ppm	mg/m³	ppm	mg/m³
TWA:	N/A	10	N/A	5*
CEILING:	None	None	None	None
STEL:	None	None	None	None

*Total particulate

III – Precautions for Safe Handling and Storage

Do not take internally. Avoid contact with skin, eyes and clothing. Upon contact with skin or eyes, wash off with water. Avoid breathing dust or fume. Dust clouds may be explosive.

STORAGE CONDITIONS:

Do not expose to heat.

PRODUCT STABILITY AND COMPATIBILITY:

Shelf life limitations:	None known
Incompatible materials for packaging:	None known
Incompatible materials for storage or transport:	Acids

IV – Physical Data

Appearance:	Black/Gray dusty rock-like material
Melting Point:	Not Applicable
Freezing Point:	Not Applicable
Boiling Point:	Not Applicable
Decomposition Temperature:	Not Applicable
Specific Gravity:	No Data
Bulk Density:	Not Applicable
pH @ 25° C:	Not Applicable
Vapor Pressure @ 25° C:	Not Applicable
Solubility in Water:	Not Applicable
Volatiles, Percent by Volume:	Not Applicable
Evaporation Rate:	Not Applicable
Vapor Density:	Not Applicable
Molecular Weight:	Not Applicable
Odor:	Metallic
Coefficient of Oil/Water Distribution:	No Data

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V - Personal Protective Equipment Requirements

Personal Protection for Routine Use of Product:

Respiratory Protection:	Respiratory protection not normally needed. If significant dusting occurs, wear a NIOSH approved dust respirator.
Ventilation:	Local exhaust ventilation is recommended if significant dusting occurs. Otherwise, use general exhaust ventilation.
Skin and Eye Protection:	Wear safety glasses and gloves.

Equipment Specifications (When Applicable):

Respirator Type:	NIOSH approved respirator with high efficiency cartridges.
Protective Clothing Type: (This includes: gloves, boots, apron, protective suit.)	
Glove Type:	Impervious or dust resistant gloves.
Boot Type:	None needed.
Apron Type:	None needed.
Protective Suit:	None needed.

VI - Fire and Explosion Hazard Information

Flammability Data:

Explosive:	No
Flammable:	No
Combustible:	No
Pyrophoric:	No
Flash Point:	None
Autoignition Temperature:	Not Applicable
LEL:	Not Applicable
UEL:	Not Applicable

NFPA Ratings:

Health:	Not Established
Flammability:	Not Established
Reactivity:	Not Established
Special Hazard Warning	Not Established

HMIS Ratings:

Health:	2*
Flammability:	0
Reactivity:	0

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Extinguishing Media:

Not applicable - Use extinguishing media for surrounding materials.

Fire Fighting Techniques and Comments:

See Section XI for protective equipment for fire fighting.

VII - Reactivity Information

Conditions Under Which This Product May Be Unstable:

Temperatures Above:	Not Applicable
Mechanical Shock or Impact:	No
Electrical (Static) Discharge:	No
Other:	Slow combustion can occur if temperature is greater than 210 Deg. F and an ignition source is present.
Hazardous Polymerization:	Will not occur
Incompatible Materials:	Acids
Hazardous Decomposition:	Hydrogen from reaction with acids, carbon monoxide

Summary of Reactivity:

Explosive:	No
Oxidizer:	No
Pyrophoric:	No
Organic Peroxide:	No
Water Reactive:	No
Corrosive:	No

VIII - First Aid

Eyes

Immediately flush with large amounts of water for at least 15 minutes, occasionally lifting the upper and lower eyelids. If eye irritation develops, call a physician.

Skin

Immediately flush with water. Wash with soap and water. If irritation develops, call a physician. If clothing comes in contact with the product, the clothing should be laundered before re-use.

Ingestion

If large quantities of this material are swallowed, call a physician immediately. Do NOT induce vomiting unless directed to do so by a physician. Never give anything by mouth to an unconscious person.

Inhalation

Remove to fresh air. If respiratory irritation develops treat symptomatically.

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IX - TOXICOLOGY AND HEALTH INFORMATION

Routes of Absorption

Skin, eyes, inhalation, ingestion.

Warning Statements and Warning Properties

DANGER! May cause eye, skin and respiratory tract irritation. May cause an allergic skin or respiratory reaction. Contains materials which can cause lung, kidney, nervous system, reproductive, developmental and blood damage. Contains materials which can cause cancer. Dust may be explosive.

Human Threshold Response Data

Odor Threshold:	No available data.
Irritation Threshold:	No available data.
Immediately Dangerous to Life or Health:	The IDLH concentration has not been established. The IDLH for zinc oxide and manganese is 500 mg/m³, the IDLH for copper fume is 100 mg/m³, and the IDLH for nickel is 10 mg/m³.

Signs, Symptoms and Effects of Exposure

Inhalation

Acute:	If dust is inhaled, mild irritation may result to the nose, throat, upper respiratory tract, and lungs. If material is heated and a fume is generated, the fume may also produce influenza-like symptoms known as metal fume fever. The symptoms are characterized by nausea, fever, and chills that usually disappear within 24 hours.
Chronic:	Prolonged or repeated inhalation of dust or fumes may cause more severe irritation and or lung damage. This product may contain nickel and/or chromium which can cause an allergic respiratory reaction. Prolonged or chronic exposure to chromium has caused kidney damage and damage to the nasal tract. This product may contain lead or arsenic which can cause blood, nervous system, and kidney damage. Repeated exposure to high concentrations of manganese has caused central nervous system effects. Silica and arsenic are associated with an increase in lung cancer and are classified as known human carcinogens by the International Agency for Research on Cancer (IARC).

Skin

Acute:	Skin contact with the dust or fume may cause irritation consisting of transient redness. This irritant effect would not result in permanent damage.
Chronic:	Nickel and chromium can cause allergic reactions in sensitive individuals who are repeatedly exposed.

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Eye

The dust or fume can irritate the eyes with effects consisting of reversible redness, swelling, and mucous discharge of the conjunctiva. Metal particles may be deposited in the eye resulting in inflammation and discoloration at the site. Such deposition may impair vision if located in critical areas of the eye.

Ingestion

Acute:	Ingestion of the dust may cause gastroenteritis with any or all of the following symptoms: nausea, vomiting, lethargy and diarrhea. Ingestion of a large quantity could cause kidney effects.
Chronic:	Chronic ingestion of chromium, lead, and arsenic is associated with kidney, nervous system and blood effects.

Medical Conditions Aggravated by Exposure

Asthma, emphysema and diseases of the skin and kidney may be aggravated by exposure to the dust or fume.

Interactions With Other Chemicals Which Enhance Toxicity

There are no chemicals known to enhance the toxicity of the product.

Animal Toxicology

Inhalation LC 50:	Believed to be slightly toxic based on components
Dermal LD 50:	Believed to be > 2 mg/kg based on components
Oral LD 50:	Believed to be > 5 mg/kg based on components
Irritation:	Dust and fume is irritating to skin, eyes and respiratory tract.

Acute Target Organ Toxicity

Damage to the lungsand kidneys.

Reproductive and Developmental Toxicity

There are no known or reported effects on reproductive function or fetal development from exposure to this product. Exposure of male rats to high concentrations of nickel caused testicular degeneration. However, symptoms of systemic toxicity including severe weight loss were also observed at the same concentrations indicating that the testicular effects were secondary to the frank toxicity. Lead has been shown to cause reproductive and developmental effects in laboratory animals.

Carcinogenicity

IARC, EPA and NTP list silica and arsenic as known human carcinogens, Group 1. Lead and nickel are classified as possibly carcinogenic to humans, Group 2B.

Mutagenicity

This product is not known or reported to be mutagenic. Some of the possible components of this product are mutagenic.

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Aquatic Toxicity:

No data is available on this product. The toxicity of copper to aquatic organisms varies significantly not only with the species, but also with the physical and chemical characteristics of the water, such as its temperature, hardness, turbidity and carbon dioxide content. Copper concentration varying from 0.1 to 1.0 mg/l have been found by various investigators to be not toxic for most fish. However, concentrations of 0.015 to 3.0 mg/l have been reported as toxic, particularly in soft water to many kinds of fish, crustacean, mollusks, insects and plankton.

Chronic Target Organ Toxicity

There are no known or reported effects from repeated exposure to this product. Lead, chromium, and arsenic have caused blood, nervous system, and kidney damage in laboratory animals. Chronic exposure of laboratory animals to chromium has cause nasal perforation and severe respiratory irritation.

X – Transportation Information

This material is regulated as a DOT hazardous material.

XI – Spill and Leakage Procedures

FOR ALL TRANSPORTATION ACCIDENTS, CALL THE EMERGENCY RESPONSE NUMBER ON THE FIRST PAGE OF THIS MSDS.

Reportable Quantity:	This product is subject to a Reportable Quantity with respect to copper, lead, nickel, arsenic, chromium, manganese, and zinc (if 100 micrometers or smaller in size. RQ's are subject to change and reference should be made to 40 CFR 302.4 for the current requirements.

Spill Mitigation Procedures:

If dusting occurs, this product may present an explosion hazard. Remove all sources of ignition. Stop source of spill as soon as possible and notify appropriate personnel.

Air Release:	Dusting may be suppressed by the use of water fog.
Water Release:	Divert water flow and create an underflow dam. Most material will float. Remove using a vacuum system or skimmer.
Land Spill:	Vacuum material or utilize a system such as to reduce the airborne circulation of particles.

Spill Residues:

Dispose of per guidelines under Section XII, WASTE DISPOSAL.

Personal Protection for Emergency Spill and Firefighting Situations:

No extra protection required beyond that listed in Section V. In case of fire, use normal fire fighting equipment, including a NIOSH approved self-contained breathing apparatus (SCBA).

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XII - WASTE DISPOSAL

If this product becomes a waste it meets the criteria of a hazardous waste as defined under 40 CFR 261 and would have the following EPA hazardous waste number: D006.

If this product becomes a waste it will be a hazardous waste subject to the Land Disposal Restrictions under 40 CFR 268 and must be managed accordingly.

As a hazardous solid waste, it must be disposed of in accordance with local, state and federal regulations in a permitted hazardous waste treatment, storage and disposal facility by incineration. Care must be taken to prevent environmental contamination from the use of this material. The user of this material has the responsibility to dispose of unused material, residues and containers in compliance with all relevant local, state and federal laws and regulations regarding treatment, storage and disposal for hazardous and nonhazardous wastes.

XIII - Additional Regulatory Status Information

TOXIC SUBSTANCES CONTROL ACT:
The components of this product are listed on the Toxic Substance Control Act Inventory.

CALIFORNIA SAFE DRINKING WATER AND TOXIC ENFORCEMENT ACT OF 1986 - PROPOSITION 65:
"Warning: this product contains detectable amounts of a chemical(s) known to the State of California to cause cancer and/or birth defects or other reproductive harm."

SUPERFUND AMENDMENT AND REAUTHORIZATION ACT TITLE III:
HAZARD CATEGORIES, PER 40 CFR A370.2:
HEALTH: (dust or fume only) Immediate (Acute) Delayed (Chronic)
PHYSICAL: None

EMERGENCY PLANNING AND COMMUNITY RIGHT TO KNO, PER 40 CFR 355, APP.A:
EXTREMELY HAZARDOUS SUBSTANCE - THRESHOLD PLANNING QUANTITY: None Established

SUPPLIER NOTIFICATION REQUIREMENTS, PER 40 CFR 372.45:
This mixture or tradename product contains a toxic chemical or chemicals subject to the reporting requirements of Section 313 of Title III of the Superfund Amendments and Reauthorization Act of 1986 and CFR 372.

CHEMICALS LISTED: Copper, lead, nickel, tin, zinc, chromium, arsenic (fume or dust)

XIV - ADDITIONAL INFORMATION

The information provided on this MSDS is the best estimate of technically qualified individuals. Because toxicological conditions and emergency situations are often unique and subject to variation, this chemical must be used by or under the direct supervision of technically qualified individuals (as defined in 40 CFR 710.2). Consult plant procedures in the event of a spill or leak for handling and environmental information.

OLIN-CHEMETCO_0333

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Olin BRASS

MATERIAL SAFETY DATA

XV. — MAJOR REFERENCES

References are available upon request.

THE INFORMATION IN THIS MSDS SHOULD BE PROVIDED TO ALL WHO WILL USE, HANDLE, STORE, TRANSPORT, OR OTHERWISE BE EXPOSED TO THIS PRODUCT. THIS INFORMATION HAS BEEN PREPARED FOR THE GUIDANCE OF PLANT ENGINEERING, OPERATIONS AND MANAGEMENT AND FOR PERSONS WORKING WITH OR HANDLING THIS PRODUCT. OLIN BELIEVES THIS INFORMATION TO BE RELIABLE AND UP TO DATE AS OF THE DATE OF PUBLICATION, BUT MAKES NO WARRANTY THAT IT IS. ADDITIONALLY, IF THIS MSDS IS MORE THAN THREE YEARS OLD, YOU SHOULD CONTACT OLIN AT THE PHONE NUMBER BELOW TO MAKE CERTAIN THAT THIS SHEET IS CURRENT.

MSDS Control Group
Olin Brass and Winchester, Inc.
427 North Shamrock Street
East Alton, IL 62024-1197
Phone Number: (618) 258-3507
E'mail: olinmsds@corp.olin.com

OLIN-CHEMETCO_0334

EXHIBIT 4

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MAY 18 2011
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UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 6
1445 ROSS AVENUE, SUITE 1200
DALLAS, TEXAS 75202-2733

CERCLA SECTION 104(e) INFORMATION REQUEST
URGENT LEGAL MATTER: PROMPT REPLY REQUESTED
CERTIFIED MAIL: RETURN RECEIPT REQUESTED

Olin Corporation
C T Corporation System
8550 United Plaza Blvd.
Baton Rouge, LA 70809

Re: **Request for Information Regarding the Delatte Metals Superfund Site, Ponchatoula, Tangipahoa Parish, Louisiana**

Dear Sir or Madam:

The U.S. Environmental Protection Agency (EPA) seeks your cooperation in providing information and documents relating to the contamination and cleanup of the Delatte Metals Superfund Site (the "Site"). Specifically, under the authority of Section 104 of the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), 42 U.S.C. § 9604, EPA requests that Olin Corporation respond to the enclosed Information Request.

This Information Request is not a determination that you, or your company, are potentially responsible for any response activities required to address the threat posed by the Site. If we determine that you, or your company, are a potentially responsible party ("PRP"), you will receive a separate letter to that effect that clearly states the basis for our determination and the name of the person you may contact at EPA to discuss the situation.

Please send your written response to the enclosed Information Request to Michael Boydston, Assistant Regional Counsel, at the address included in the Information Request. If you

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you have any questions regarding this information request, Mr. Boydston can be reached at 214.665.7376. Thank you for your attention to this matter.

Sincerely yours,

BW for Myron Knudson

Myron O. Knudson, P.E.
Director
Superfund Division

Enclosure

ENCLOSURE

INFORMATION REQUEST – Delatte Metals Superfund Site

Background

The Site is a former smelter/foundry facility covering approximately 21.3 acres of land in the city of Ponchatoula, Louisiana. The mailing address is 19113 Weinberger Road (formerly 1540 Weinberger Road), Ponchatoula, Louisiana 70454. As a result of the industrial processes at the Site, the Site became contaminated with elevated levels of several hazardous substances, including lead and other heavy metals. Beginning in 1998, EPA conducted time-critical removal activities to mitigate the immediate threats to human health and the environment at the Site, and we are currently conducting a remedial investigation and feasibility study to determine the extent of any remaining contamination in the soils, sediments and groundwater.

Information in EPA's possession indicates that your company transacted business with Ponchatoula Battery Co., Inc. (Ponchatoula Lead Co., Inc.); Larry Delatte Industries, Inc. (Delatte & Fuscia Industries, Inc.); Delatte Metals, Inc. (Delatte & Fuscia Battery, Inc.); and/or Delatte Lead, Inc. (Delatte & Fuscia Lead Products, Inc.) sometime between the years of 1964 and 1998. We are sending you this information request to gather detailed information on the specific type of business in which you were involved.

Compliance with this Information Request is mandatory. Failure to respond fully and truthfully to the Information Request within **thirty (30) days** of receipt of this letter, or to adequately justify any failure to respond, can result in enforcement action by EPA under Section 104(e) of CERCLA. Each of these statutes permits EPA to seek the imposition of penalties of up to twenty-seven thousand, five hundred dollars ($27,500) for each day of continued non-compliance. Please be further advised that provision of false, fictitious, or fraudulent statements or representations to the Information Request may subject you to criminal penalties under 18 U.S.C. § 1001.

This Information Request is not subject to the approval requirements of the Paperwork Reduction Act of 1980, 44 U.S.C. § 3501, et seq.

Your response to this Information Request should be mailed to:

Michael Boydston
Assistant Regional Counsel (6RC-S)
US EPA Region 6
1445 Ross Avenue
Dallas, Texas 75202-2733

Telephone: 214.665.7376
Fax: 214.665.6460

We strongly encourage you to give this matter immediate attention and to respond to this Information Request within the time specified above. If you have any legal or technical questions relating to this Information Request, you may consult with EPA before your response is due. Please direct legal questions to Michael Boydston, Assistant Regional Counsel, at 214.665.7376. If you have questions about the history of the Site, the nature of environmental conditions at the Site, or the status of Site activities, please contact Stephen Tzhone, EPA Remedial Project Manager, at 214.665.8409.

Instructions

1. Please provide a separate narrative response to each and every Request and subpart of a Request set forth in this Information Request.

2. Precede each answer with the number of the Request to which it corresponds.

3. If information or documents not known or not available to you as of the date of submission of a response to this Information Request should later become known or available to you, you must supplement your response to EPA. Moreover, if you find at any time after submission of your response that any portion of the submitted information is false or misrepresents the truth, or, although correct when made, is no longer true, you must notify EPA of this fact as soon as possible and provide EPA with a corrected response.

4. For each document produced in response to this Information Request indicate on the document, or in some other reasonable manner, the number of the Request to which it responds.

5. You may assert a business confidentiality claim covering part or all of the information which you submit in response to this request. Any such claim must be made by placing on (or attaching to) the information, at the time it is submitted to EPA, a cover sheet or a stamped or typed legend or other suitable form of notice employing language such as "trade secret," "proprietary," or "company confidential." Confidential portions of otherwise nonconfidential documents should be clearly identified and may be submitted separately to facilitate identification and handling by EPA. If you make such a claim, the information covered by that claim will be disclosed by EPA only to the extent, and by means of the procedures, set forth in subpart B of 40 C.F.R. Part 2. If no such claim accompanies the information when it is received by EPA, it may be made available to the public by EPA without further notice to you. The requirements of 40 C.F.R. Part 2 regarding business confidentiality claims were published in the Federal Register on September 1, 1976, and were amended September 8, 1976, and December 18, 1985.

6. Personal Privacy Information. Personnel and medical files, and similar files the disclosure of which to the general public may constitute an invasion of privacy should be segregated from your responses, included on separate sheet(s), and marked as "Personal Privacy Information."

7. Objections to requests. If you have objections to some or all the Requests within the Information Request, you are still required to respond to each Request.

Definitions

The following definitions apply to this Information Request.

1. "Arrangement" means every separate contract or other agreement between two or more persons.

2. "Asset" includes the following: real estate, buildings or other improvements of real estate, equipment, vehicles, furniture, inventory, supplies, customer lists, accounts receivable, interest in insurance policies, interests in partnerships, corporations and unincorporated companies, securities, patents, stocks, bonds, and other tangible as well as intangible property.

3. "Document(s)" and "documentation" mean any object that records, stores, or presents information, and includes writings of any kind, including any invoice, manifest, bill of lading, receipt, endorsement, check, bank draft, canceled check, deposit slip, withdrawal slip, order, correspondence, record book, minutes, memorandum of telephone and other conversations including meetings, agreements and the like, diary, calendar, desk pad, scrapbook, notebook, bulletin, circular, form, pamphlet, statement, journal, postcard, letter, telegram, telex, telecopy, telefax, report, notice, message, analysis, comparison, graph, chart, map, interoffice or intra office communications, photostat or other copy of any documents, microfilm or other film record, any photograph, sound recording on any type of device, any punch card, disc pack; any tape or other type of memory generally associated with computers and data processing (together with the programming instructions and other written material necessary to use such punch card, disc, or disc pack, tape or other type of memory and together with the printouts of such punch card, disc, or disc pack, tape or other type of memory); and (a) every copy of each document that is not an exact duplicate of a document produced, (b) every copy that has any writing, figure or notation, annotation or the like on it, (c) drafts, (d) attachments to or enclosures with any document and (e) every document referred to in any other document.

4. "Hazardous substance" has the same definition as in Subsection 101 (14) of CERCLA, 42 U.S.C. § 9601 (14), and includes any mixtures of such hazardous substances with any other substances.

5. "Identify" means, with respect to a natural person, to set forth the person's name, present or last known business and personal addresses and telephone numbers, and present or last known job title, position or business.

6. "Identify" means, with respect to a corporation, partnership, business trust or other association or business entity (including a sole proprietorship), to set forth its full name, address, and legal form (e.g. corporation (including state of incorporation), partnership, etc.), organization, if any, a brief description of its business, and to indicate whether it is still in existence and, if it is no longer in existence, to explain how its existence was terminated and to indicate the date on which it ceased to exist.

7. "Identify" means, with respect to a document, to provide the type of document, to provide its customary business description, its date, its number, if any (invoice or purchase order number), subject matter, the identity of the author, addressor, addressee and/or recipient, and the present location of such document.

8. "Person" has the same definition as in Section 101(21) of CERCLA, 42 U.S.C. § 9601(21).

9. "Pollutant or contaminant" has the same definition as that in Section 101(33) of CERCLA, 42 U.S.C. § 9601(33), and includes any mixtures of such pollutants and contaminants with any other substances.

10. "Property interest" means any interest in property including any ownership interest, including an easement, any interest in the rental of property, any interest in a corporation that owns or rents or owned or rented property, and any interest as either the trustee or beneficiary of a trust that owns or rents, or owned or rented property.

11. "Release" has the same definition as in section 101(22) of CERCLA, 42 U.S.C. § 9601(22), and includes any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into the environment, including the abandonment or discharging of barrels, containers, and other closed receptacles containing any hazardous substance or pollutant or contaminant.

12. "Site" or "facility" mean and include any property in Tangipahoa Parish, Louisiana, owned or operated by Ponchatoula Battery Co., Inc. (Ponchatoula Lead Co., Inc.); Larry Delatte Industries, Inc. (Delatte & Fuscia Industries, Inc.); Delatte Metals, Inc. (Delatte & Fuscia Battery, Inc.); and/or Delatte Lead, Inc. (Delatte & Fuscia Lead Products, Inc.). The Site includes approximately 21.3 acres of land at 19113 Weinberger Road, Ponchatoula, Louisiana, 70454.

13. "You" or "Respondent" mean the addressee of this Request, and the addressee's officers, managers, employees, contractors, trustees, partners, successors, assigns, and agents.

14. All terms not defined herein have their ordinary meaning, unless such terms are defined in CERCLA or in 40 C.F.R. Part 300, in which case the statutory or regulatory definitions apply.

Requests for Information

1. Identify the person(s) answering these Requests on behalf of Respondent.

2. For each Request, identify all persons consulted in the preparation of the answer.

3. For each Request, identify all documents consulted, examined, or referred to in the preparation of the answer or that contain information responsive to the Request and provide true and accurate copies of all such documents.

4. Describe in detail any arrangement Respondent has had with Ponchatoula Battery Co., Inc.; Ponchatoula Lead Co., Inc.; Larry Delatte Industries, Inc.; Delatte & Fuscia Industries, Inc.; Delatte Metals, Inc.; Delatte & Fuscia Battery, Inc.; Delatte Lead, Inc.; Delatte & Fuscia Lead Products, Inc.; or any other company operating at the Site. Include the time period of your involvement with each company, your position, and responsibilities.

5. Identify all persons who may have given, sold, transferred, or delivered any material or item containing any hazardous substance, pollutant, or contaminant to the Site or to any facility named in the preceding Request. In addition:

   a. State the dates on which each such person may have given, sold, transferred, or delivered such material.

   b. Describe the materials or items that may have been given, sold, transferred, or delivered, including type of material, chemical content, physical state, quantity by volume and weight, and other characteristics.

   c. Describe the nature, including the chemical content, characteristics, physical state (e.g., solid, liquid) and quantity (volume and weight) of all hazardous substances involved in each such arrangement.

   d. State whether any of the hazardous substances identified in subpart c. above exhibit any of the characteristics of a hazardous waste identified in 40 C.F.R. Section 261, Subpart C.

   e. For transactions involving metals, please provide an answer together with all supporting documentation:

      i. Did you send scrap metal to the facility?

      ii. What commercial specification grade did the scrap metal meet?

      iii. Did a market exist for the scrap metal?

iv. At the time of the transaction(s) involving scrap metal, what was your understanding of the intended disposition of the scrap metal at the facility?

v. After disposal or recycling, what portion of the scrap metal was to be made available for use as a feedstock for manufacturing new saleable products?

vi. Could the scrap metal have been used as a replacement or substitute for a virgin raw material, or could any products to be made from the scrap metal have been used as a replacement or substitute for a product made, in whole or in part, from a virgin raw material? If so, provide details.

vii. Did you melt the scrap metal before its transport to the Facility?

f. For transactions involving batteries, please provide an answer together with all supporting documentation:

i. List all types of spent batteries that you sent to the facility.

ii. What commercial specification grade did the spent batteries meet?

iii. Did a market exist for the spent batteries?

iv. At the time of the transaction(s) involving spent batteries, what was your understanding of the intended disposition of the spent batteries at the facility?

v. After disposal or recycling, what portion of the spent batteries was to be made available for use as a feedstock for manufacturing new saleable products?

vi. Could the spent batteries have been used as a replacement or substitute for a virgin raw material, or could any products to be made from the spent batteries have been used as a replacement or substitute for a product made, in whole or in part, from a virgin raw material? If so, provide details.

vii. Were the valuable components of the spent batteries recovered before their transport to the Facility? If so, describe where and the extent to which the recovery occurred.

viii. With respect to all transactions involving lead-acid batteries, at the time of the transaction were you in compliance with applicable Federal environmental regulations or standards (and any amendments thereto), regarding the storage, transport, management, or other activities associated with the recycling of spent lead-acid batteries?

ix. With respect to all transactions involving nickel-cadmium or other batteries, at the time of the transaction were you in compliance with any Federal environmental regulations or standards then in effect regarding the storage, transport, management, or other activities associated with the recycling of spent nickel-cadmium or other spent batteries?

g. For transactions involving scrap metal or spent batteries of any kind, at the time of the transaction:

i. What basis, if any, did you have for believing that the scrap metal and/or spent batteries would or would not be recycled?

ii. What basis, if any, did you have for believing that the facility at the Site was or was not in compliance with a substantive provision of any Federal, State, or local environmental law or regulation, or compliance order or decree issued pursuant thereto, applicable to the handling, processing, reclamation, or other management activities associated with the scrap metal or spent batteries?

iii. Had any hazardous substances been added to the scrap metal or spent batteries for purposes other than recycling?

iv. Describe the efforts you undertook with respect to the management and handling of the scrap metal and/or spent batteries (including the extent to which you adhered to customary industry practices current at the time of the transaction designed to minimize contamination of the scrap metal or spent batteries by hazardous substances).

h. Describe the intended purpose of each sale, transfer, or delivery of materials.

i. Describe the source of or process that produced the materials that may have been sold, transferred, or delivered.

j. Identify who selected the Site as the location at which materials were to be disposed or treated.

k. Describe all efforts taken by such persons to determine what would be done with the materials that may have been sold, transferred, or delivered after such materials had been sold, transferred, or delivered to the Site.

l. State the amount paid in connection with each such arrangement, the method of payment, and the identity of the persons involved in each arrangement.

m. Describe where the persons identified in subparts h. and i. of this Request intended to have the hazardous materials involved in each arrangement treated or

disposed of and all documents or other information (written or oral) evidencing their intent.

n. Describe what was done to the materials once they were brought to the Site.

6. Provide details (including dates and materials involved) of all spills or releases of hazardous materials of which you have knowledge and that occurred during the processing of spent batteries or other material containing hazardous substances at the Delatte Metals Site.

7. Provide all business records pertaining to your company and Ponchatoula Battery Co., Inc.; Ponchatoula Lead Co., Inc.; Larry Delatte Industries, Inc.; Delatte & Fuscia Industries, Inc.; Delatte Metals, Inc.; Delatte & Fuscia Battery, Inc.; Delatte Lead, Inc.; Delatte & Fuscia Lead Products, Inc.; or any other company operating at the Site, including:

   a. Copies of business correspondence to and from these companies, including letters, memoranda (both internal and external), and log books kept for any portion of the business operation;

   b. Payroll records, including employment records, time sheets, copies of payroll checks;

   c. Copies of invoices, manifests, bills-of-lading, purchase orders, tickets, and any other documents pertaining to shipping, receiving, and transporting materials;

   d. Copies of business records relating to accounts payable and accounts receivable, including invoices prepared by the company and invoices prepared by customers of the company; and,

   e. Copies of all business records pertaining to the delivery of any hazardous substances to the Site.

8. If you have reason to believe that someone could provide a more detailed or complete response to any of these Requests or who may be able to provide additional responsive documents, identify such person(s) and the additional information or documents that they may have.

Olin Corporation
CERCLA § 104(e) Response
Re: Delatte Site

June 30, 2000

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OLIN CORPORATION
CERCLA § 104(e) Response
Re: Delatte Site

SCOPE OF RESPONSE

Based upon conversations with Michael Boydston, Assistant Regional Counsel, Olin Corporation ("Olin") limited its search for documents to documents available at its East Alton, Illinois, facility ("Olin/East Alton") related to shipments from Olin/East Alton to the Delatte Site. Olin did not search for documents related to shipments from the Delatte Site to Olin/East Alton, except to search for those records associated with the documents submitted by the U.S. Environmental Protection Agency ("EPA") to Olin. Olin/East Alton's records demonstrated that lead was shipped to Olin/East Alton by a trucker with the Delatte name.

GENERAL OBJECTIONS

Olin objects to each and every question to the extent they exceed EPA's authority under the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), insofar as a particular question fails to limit the scope of inquiry to:

1. the identification, nature, and quantity of materials which have been or are generated, treated, stored, or disposed of at the Site (as defined in the Request for Information), as provided in § 104(e)(2)(A) of CERCLA, 42 U.S.C. § 9604(e)(2)(a);

2. the nature or extent of a release of a hazardous substance or pollutant or contaminant at or from the Site, as provided in § 104(e)(2)(B) of CERCLA, 42 U.S.C. § 9604 (e)(2)(B); or

3. information relating to the ability of Olin to pay for or perform a cleanup, as provided in § 104(e)(2)(C) of CERCLA, 42 U.S.C. § 9604(e)(2)(C).

For each and every question, Olin also objects to the definitions and instructions included in the request for information as exceeding to scope of the U.S. Environmental Protection Agency's ("EPA's") authority for purposes of a CERCLA § 104(e) information request.

Olin objects to each question to the extent that the question asks for information not included in the Scope of Response set forth above.

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REQUESTS FOR INFORMATION

1. *Identify the person(s) answering these Requests on behalf of Respondent.*

Michael F. Redington
Manager of Utilities and Environmental Services
Olin Corporation
427 North Shamrock St.
East Alton, IL 62024

All future correspondence regarding this matter should be directed to:

Amy L. Wachs
Husch & Eppenberger, LLC
100 N. Broadway, Suite 1300
St. Louis, MO 63102
(314) 622-0668
amy.wachs@husch.com

2. *For each Request, identify all persons consulted in the preparation of the answer.*

Olin objects to providing information regarding legal consultations which are protected by the attorney-client privilege. Olin objects to identifying all persons consulted in the preparation of this answer in that not all individuals consulted had information relevant to the preparation of this response. Notwithstanding these objections, the individuals below had information relevant to the preparation of this response.

David F. Lang, Vice President for Purchasing and Metals Management
Michael F. Redington, Manager of Utilities and Environmental Services
Dave R. Woods, Manager, Metals Management
Gary Kovarik, Transportation Manager
Gretchen A. Joehl, Environmental Engineer
Keith Pontow, Environmental Engineer
Phil Sutton, Senior Environmental Engineer
Kenneth M. Talley, Coordinator MRF/Transportation Dept.
Shedrick Foster, Jr., Manager, Stores Services
Amy Watson, Assistant Paralegal

The above individuals all have an office at: 427 N. Shamrock St., East Alton, IL

Doreatha O. Brueggemann, Senior Paralegal, 501 Merritt Seven, Norwalk, CT

3. *For each Request, identify all documents consulted, examined, or referred to in the preparation of the answer or that contain information responsive to the Request and*

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provide true and accurate copies of all such documents.

Objection: Olin objects to identifying all documents consulted or examined that are not relevant to or have not been used in the preparation of this response, or are subject to the attorney-client privilege. See General Objections. Documents relevant to, referred to, or relied upon to prepare this response are provided as Exhibits 1 through 3 to this response.

4. *Describe in detail any arrangement Respondent has had with Ponchatoula Battery Co., Inc.; Ponchatoula Lead Co., Inc., Larry Delatte Industries, Inc.; Delatte & Fuscia Industries, Inc.; Delatte Metals, Inc.; Delatte & Fuscia Battery, Inc.; Delatte Lead, Inc.; Delatte & Fuscia Lead Products, Inc.; or any other company operating at the Site. Include the time period of your involvement with each company, your position, and responsibilities.*

Olin has located no information that indicates Olin/East Alton had any arrangement with any of the above entities. Information submitted to Olin from EPA indicates that Olin/East Alton bought lead from Schuykill Metals Corp. which was invoiced by Delatte Lead, Inc. for two shipments of lead to Olin/East Alton (see Exhibit 1). Olin has no information that it ordered lead from Delatte Lead, Inc. or any of the above entities.

5. *Identify all persons who may have given, sold, transferred, or delivered any material or item containing any hazardous substance, pollutant, contaminant to the Site or to any facility named in the preceding Request.*

Olin has no information that Olin/East Alton gave, sold, transferred, or delivered any material or item containing any hazardous substance, pollutant, or contaminant to the Site or any facility named in the preceding Request.

The invoice from Delatte Lead, Inc. to Schuylkill Metals Corp. dated May 6, 1994, submitted to Olin by EPA indicates that Delatte Lead, Inc. took a backhaul from Acme Battery in St. Louis, MO (located near Olin/East Alton) on the day it delivered items to Olin. The invoice dated May 27, 1994, also indicates some connection with Acme Battery. Other than these invoices (Exhibit 1), Olin has no first hand knowledge that materials were sent to the Site by anyone.

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In addition:

a. *State the dates on which each such person may have given, sold, transferred, or delivered such material.*

As stated above, Olin has no independent knowledge of any shipments by anyone to the Site. The invoices sent by EPA to Olin indicate that a shipment of some nature was trucked from Acme Battery, St. Louis, MO, by Delatte Lead, Inc. on May 6, 1994, and May 27, 1994.

b. *Describe the materials or items that may have been given, sold, transferred, or delivered, including type of material, chemical content, physical state, quantity by volume or weight, and other characteristics.*

Olin has no information on the materials or items shipped from Acme Battery by Delatte Lead, Inc.

c. *Describe the nature, including the chemical content, characteristics, physical state (e.g., solid, liquid) and quantity (volume and weight) of all hazardous substances involved in each such arrangement.*

Not applicable, see answer to 5.b. above.

d. *State whether any of the hazardous substances identified in subpart c. above exhibit any of the characteristics of a hazardous waste identified in 40 C.F.R. Section 261, Subpart C.*

Not applicable, see answer to 5.b. above.

e. *For transactions involving metals, please provide an answer together with all supporting documentation:*

i. *Did you send scrap metal to the facility?*

Olin has no information that Olin/East Alton sent scrap metal to the facility.

ii. *What commercial specification grade did the scrap metal meet?*

Not applicable, see answer to 5.e.i. above.

iii. *Did a market exist for the scrap metal?*

Not applicable, see answer to 5.e.i. above.

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iv. *At the time of the transaction(s) involving scrap metal, what was your understanding of the intended disposition of the scrap metal at the facility?*

Not applicable, see answer to 5.e.i. above.

v. *After disposal or recycling, what portion of the scrap metal was to be made available for use as a feedstock for manufacturing new saleable products?*

Not applicable, see answer to 5.e.i. above.

vi. *Could the scrap metal have been used as a replacement or substitute for a virgin raw material, or could any products to be made from the scrap metal have been used as a replacement or substitute for a product made, in whole or in part, from a virgin raw material? If so, provide details.*

Not applicable, see answer to 5.e.i. above.

vii. *Did you melt the scrap metal before its transport to the Facility?*

Not applicable, see answer to 5.e.i. above.

f. *For transactions involving batteries, please provide an answer together with all supporting documentation:*

i. *List all types of spent batteries that you sent to the facility.*

Olin has no information that Olin/East Alton sent spent batteries to the Site.

ii. *What commercial specification grade did the spent batteries meet?*

Not applicable, see answer to 5.f.i., above.

iii. *Did a market exist for the spent batteries?*

Not applicable, see answer to 5.f.i., above.

iv. *At the time of the transaction(s) involving spent batteries, what was your understanding of the intended disposition of the spent batteries at the facility?*

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Not applicable, see answer to 5.f.i., above.

v. *After disposal or recycling, what portion of the spent batteries was to be made available for use as a feedstock for manufacturing new saleable products?*

Not applicable, see answer to 5.f.i., above.

vi. *Could the spent batteries have been used as a replacement or substitute for a virgin raw material, or could any products to be made from the spent batteries have been used as a replacement or substitute for a product made, in whole or in part, from a virgin raw material? If so, provide details.*

Not applicable, see answer to 5.f.i., above.

vii. *Were the valuable components of the spent batteries recovered before their transport to the Facility? If so, describe where and the extent to which the recovery occurred.*

Not applicable, see answer to 5.f.i., above.

viii. *With respect to all transactions involving lead-acid batteries, at the time of the transaction were you in compliance with applicable Federal environmental regulations or standards (and any amendments thereto), regarding the storage, transport, management, or other activities associated with the recycling of spent lead-acid batteries?*

Not applicable, see answer to 5.f.i., above.

ix. *With respect to all transactions involving nickel-cadmium or other batteries, at the time of the transaction were you in compliance with any Federal environmental regulations or standards then in effect regarding the storage, transport, management, or other activities associated with the recycling of spent nickel-cadmium or other spent batteries?*

Not applicable, see answer to 5.f.i., above.

g. *For transactions involving scrap metal or spent batteries of any kind, at the time of the transaction:*

i. *What basis, if any, did you have for believing that the scrap metal and/or spent batteries would or would not be recycled?*

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Olin has no information that Olin/East Alton sent scrap metal or spent batteries to the Site.

ii. *What basis, if any, did you have for believing that the facility at the Site was or was not in compliance with a substantive provision of any Federal, State, or local environmental law or regulation, or compliance order or decree issued pursuant thereto, applicable to the handling, processing, reclamation, or other management activities associated with the scrap metal or spent batteries?*

Not applicable, see answer to 5.g.i. above.

iii. *Had any hazardous substances been added to the scrap metal or spent batteries for purposes other than recycling?*

Not applicable, see answer to 5.g.i. above.

iv. *Describe the efforts you undertook with respect to the management and handling of the scrap metal and/or spent batteries (including the extent to which you adhered to customary industry practices current at the time of the transaction designed to minimize contamination of the scrap metal or spent batteries by hazardous substances).*

Not applicable, see answer to 5.g.i. above.

h. *Describe the intended purpose of each sale, transfer, or delivery of materials.*

Olin has no information that Olin/East Alton engaged in any sale, transfer, or delivery of materials to the Site.

i. *Describe the source of or process that produced the materials that may have been sold, transferred, or delivered.*

Not applicable, see answer to 5.h., above.

j. *Identify who selected the Site as the location at which materials were to be disposed or treated.*

Not applicable, see answer to 5.h., above.

k. *Describe all efforts taken by such persons to determine what would be done with the materials that may have been sold, transferred, or delivered after such materials had been sold, transferred, or delivered to the Site.*

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Not applicable, see answer to 5.h., above.

l. *State the amount paid in connection with each such arrangement, the method of payment, and the identity of the persons involved in each arrangement.*

Not applicable, see answer to 5.h., above.

m. *Describe where the persons identified in subparts h. and i. of this Request intended to have the hazardous materials involved in each arrangement treated or disposed of and all documents or other information (written or oral) evidencing their intent.*

Not applicable, see answer to 5.h., above.

n. *Describe what was done to the materials once they were brought to the Site.*

Not applicable, see answer to 5.h., above.

6. *Provide details (including dates and materials involved) of all spills or releases of hazardous materials of which you have knowledge and that occurred during the processing of spent batteries or other material containing hazardous substances at the Delatte Metals Site.*

Olin/East Alton has no information of spills or releases of hazardous materials at the Delatte Metals Site except for that information available on the EPA's public website.

7. *Provide all business records pertaining to your company and Ponchatoula Battery Co., Inc.; Ponchatoula Lead Co., Inc.; Larry Delatte Industries, Inc.; Delatte & Fuscia Industries, Inc.; Delatte Metals, Inc.; Delatte & Fuscia Battery, Inc.; Delatte Lead, Inc.; Delatte & Fuscia Lead Products, Inc.; or any other company operating at the Site, including:*

a. *Copies of business correspondence to and from these companies, including letters, memoranda (both internal and external), and log books kept for any portion of the business operation;*

Objection: Olin objects to this request to the extent that it requests information beyond the agreed upon scope of this information request as described in the Scope of Response above.

Notwithstanding this objection, Olin/East Alton has located no correspondence indicating it sent materials to the Site.

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b. *Payroll records, including employment records, time sheets, copies of payroll checks;*

Objection: Olin objects to this request to the extent that it requests information beyond the agreed upon scope of this information request as described in the Scope of Response above.

c. *Copies of invoices, manifests, bills-of-lading, purchase orders, tickets, and any other documents pertaining to shipping, receiving, and transporting materials;*

Objection: Olin objects to this request to the extent that it requests information beyond the agreed upon scope of this information request as described in the Scope of Response above.

Notwithstanding this objection, Olin has located shipping records that further indicate that the transaction referenced in the invoice from Delatte Lead, Inc. to Schuylkill Metals Corp. ("Schuylkill") sent to Olin by EPA (Exhibit 1) involved shipments of lead to Olin/East Alton. Exhibit 2 contains Olin/East Alton's Lead Control documents from May 6, 1994, and May 27, 1994. The Lead Control documents show receipt of lead by the Olin/East Alton facility from Schuylkill on those two dates which are the dates indicated in the Delatte Lead, Inc. invoices. Exhibit 3 are loading documents from Schuylkill showing that shipments to Olin/East Alton using a trucker named as "Delatte" were prepared on May 4, 1994, and May 25, 1994.

d. *Copies of business records relating to accounts payable and accounts receivable, including invoices prepared by the company and invoices prepared by customers of the company; and,*

Objection: Olin objects to this request to the extent that it requests information beyond the agreed upon scope of this information request as described in the Scope of Response above.

To Olin's knowledge, it has no business records related to shipments of lead from Olin/East Alton to the Site.

e. *Copies of all business records pertaining to the delivery of any hazardous substances to the Site.*

To Olin's knowledge, it has no business records related to shipments of lead or any other hazardous substance from Olin/East Alton to the Site.

8. *If you have reason to believe that someone could provide a more detailed or complete response to any of these Requests or who may be able to provide additional responsive*

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documents, identify such person(s) and the additional information or documents that they may have.

Schuylkill may have information related to the backhaul from Acme Battery in St. Louis, MO, by Delatte Lead, Inc. mentioned in the invoices in Exhibit 1. Acme Battery, Inc. of St. Louis, MO, may have similar information.

OLIN-CHEMETCO_0357

INVOICE

Delatte Lead, Inc.

PONCHATOULA, LOUISIANA 70454

Batteries & Lead Products

1540 Weinberger Road
(504) 386-6110
(504) 386-6106

№ 4481

Schuylkill Metals Corp

DATE 5-9 1994

CUST. ORDER NO.

NET-NO DISCOUNT

QUANTITY SHIPPED	ITEM	UNIT	PRICE	AMOUNT
5 6.'94	Olin Corp - East Alton, Illinois			$ 1400.00
	Backhaul - Acme Battery, St. Louis, MO			
	~~PO~~ B			
	BL# 13061			

OLN001

OLIN-CHEMETCO_0358

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VENDOR 04038 DELATTE METALS

CHECK NO. 24019

INV NUMBER	DATE		GROSS	DISCOUNT	NET
4481	5/09/94	FRT-ST LOUIS MO	1,400.00		1,400.00
4482	5/09/94	FRT-LONOKE AR	400.00		400.00
4483	5/11/94	FRT-SAN ANTONIO TX	485.00		485.00
4485	5/11/94	FRT-LONOKE AR	400.00		400.00

REMITTANCE ADVICE
SCHUYLKILL METALS CORPORATION

CHECK AMOUNT 2,685.00

OLN002

OLIN-CHEMETCO_0359

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INVOICE

Delatte Lead, Inc.

PONCHATOULA, LOUISIANA 70454
Batteries & Lead Products

1540 Weinberger Road
(504) 386-6110
(504) 386-6106

№ 4498

Schuylkill Metals Corp

DATE 5-31 1994
CUST. ORDER NO.
NET-NO DISCOUNT

QUANTITY SHIPPED	ITEM	UNIT	PRICE	AMOUNT
5/27/94	[illegible] Corp			$ 1400.00
	East Alton, Illinois			
	BL # 13199			
	Acme Battery			
	St. Louis, MO			
	Trailer # 34			

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OLN004

OLIN-CHEMETCO_0361

VENDOR 04038 DELATTE METALS

CHECK NO. 24394

INV NUMBER	DATE		GROSS	DISCOUNT	NET
4495	5/26/94	FRT-MOBILE AL	300.00		300.00
4496	5/26/94	FRT-BILOXI MS	300.00		300.00
4497	5/26/94	FRT-HOUSTON TX	600.00		600.00
4498	5/31/94	FRT-ST LOUIS MP	1,400.00		1,400.00
4550	5/31/94	FRT-LONOKE AR	800.00		800.00
4551	5/31/94	FRT-TEXARKANA TX	400.00		400.00
4552	5/31/94	FRT-BOSSIER CITY LA	275.00		275.00
4553	5/31/94	FRT-SAN ANTONIO TX	485.00		485.00
4554	5/31/94	FRT-BAYTOWN TX	300.00		300.00

REMITTANCE ADVICE
SCHUYLKILL METALS CORPORATION

CHECK AMOUNT 4,860.00

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Olin
EAST ALTON, ILLINOIS

LEAD CONTROL

VENDOR	CON PUR	TYPE	PIGS	WEIGHT	TK+TA NUMBER
DOE RUN 03472 E120265	CON	1 1/2%	44	45,980	TK# TA# 323
SCHUYLKILL 03470 E119539	CON	1 1/2%	42	45,620	TK# TA# 90710
Schuylkill 03468 E115393	CON	1/2%	250	31,100	TK# TA# 34.
Schuylkill 03469 E115394		1 1/4%	75	9330	
Schuylkill 03471 E119541	CON	6%	44.	46140	TK# TA# 287966
Schuylkill ↓	CON	6%	43.	44260	TK# TA# 1739
					TK# TA#

RECEIVED
SUBJECT TO VERIFICATION
OLIN CORPORATION
EAST ALTON, IL 62024

MAY 0 6 1994

Dennis R. Determan

Olin
EAST ALTON, ILLINOIS

LEAD CONTROL

E	VENDOR	CON PUR	TYPE	PIGS	WEIGHT	TK+TA NUMBER
18	Doe Run 03474 G100267	Con	6%	44 Blocks	45200	TK# TA# 48323
50	Schuylkill 03468 G115393	Con	1/2%	325 Billets	40,670	TK# TA# 34
20	Schuylkill 03469 G115374	Con	1 1/4	350 Billet	43840	TK# TA# 2315
						TK# TA#
						TK# TA#
						TK# TA#

RECEIVED
OLIN CORPORATION
EAST ALTON, ILL. 62024
27 1994
Charles Cox

OLN006

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WIN3468

SCHUYLKILL METALS CORPORATION

5 4 - 74

Olin Corp
Delotte

Ins. Net

31100

Shields Tight

Boiler Clean

10

Signed Ebbs Mahn

OLN007

SCHUYLKILL METALS CORPORATION

DATE 5-25-94 3570

TRAILER #/CAR # 34 08799 (2)

MATERIAL Billets 1/2 % = 12/13 — (5)

LOT NUMBERS = 14/15 — (2) (4)

GROSS WT. _____ FT. AXLE _____ REAR AXLE _____ STEERING _____

PRODUCT DESCRIPTION

Shipped To: Olin

Trucker Delatte.

Received

lbs. Gross 69760LB

lbs. Tare 28180LB

lbs. Net 41580
910
40670

☑ Checked Each Bundle To Insure Proper Lot #

☑ Material Clean, Neat in Appearance ☑ Bands Tight
(No Dross or Flashing)

☐ Paint. Codes on Bundles When Specified

☑ Load Distributed in Trailer OK ☑ Trailer Clean yes.

Number of Bundles 13

Remarks:
Tarpped, Visqueen in Ti-
Beg. Tags.

Signed Nugent

OLN008

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UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5
230 SOUTH DEARBORN ST.
CHICAGO, ILLINOIS 60604

FEB 0 9 1990

REPLY TO ATTENTION OF:
SRS-11

CERTIFIED MAIL

Olin Corporation
c/o Husch, Eppenberger, Donohue, et.al.
100 North Broadway
Suite 1700
St. Louis, MO 63102

RECEIVED
FEB 12 1990
HEDCJ

Re: NL Industries/Taracorp-Granite City, Illinois Site ("the Site")

Dear Sir/Madam:

The United States Environmental Protection Agency (U.S. EPA) has documented the release or threatened release of hazardous substances, pollutants and/or contaminants at the above referenced Site. A Remedial Investigation/ Feasibility Study (RI/FS) has been initiated at the Site pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. Section 9601 et seq., as amended by the Superfund Amendments and Reauthorization Act of 1986, Public Law 99-499 (CERCLA). The RI/FS is being prepared by NL Industries, Inc. pursuant to an Administrative Order by Consent (AOC).

Pursuant to its authority under Section 104(a) of CERCLA, U.S. EPA is issuing this general notice letter to notify you of potential liability which you may have incurred with respect to the Site, and to provide you with an opportunity to enter into negotiations to voluntarily undertake the completion of any future remedial actions. Since a RI/FS is currently on-going at the Site, special notice procedures pursuant to Section 122(e) of CERCLA are not being used at this time, but may be used in the future. Before initiating a remedial action at the facility, U.S. EPA may, in its discretion, determine that a moratorium period for formal negotiations as set forth in Section 122(e) would facilitate agreement and expedite remedial action. As noted below, completion of the RI/FS is anticipated for March 1990 at which time the Agency may issue a special notice letter to initiate the moratorium period for settlement negotiations.

The Remedial Investigation (RI) Report, which describes the findings on the nature and extent of contamination at the Site, was finalized in January 1989. The Feasibility Study (FS) Report, which evaluates various

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remedial alternatives for the Site, is expected to be released in January 1990. A Proposed Plan identifying U.S. EPA's and IEPA's preferred remedial action for the Site will also be available in January 1990. Following the release of the FS Report and Proposed Plan, a release public comment period will be held by U.S. EPA and the Illinois Environmental Protection Agency (IEPA). Subsequent to the public comment period, the Regional Administrator will issue a Record of Decision (ROD) selecting the appropriate remedial action for the Site. Unless the U.S. EPA determines that a potentially responsible party (PRP) will voluntarily undertake the remedial action necessary at the Site, U.S. EPA is authorized by Section 104 of CERCLA to undertake the remedial action itself and under Section 107 of CERCLA to seek reimbursement from PRPs of all costs incurred in connection with the action taken. Such costs may include, but are not limited to, expenditures for investigation, planning, response and enforcement activities. Moreover, under Section 106 of CERCLA, U.S. EPA may order responsible parties to implement those relief actions deemed necessary by U.S. EPA to protect public health, welfare or the environment.

Responsible parties under Section 107 of CERCLA include: current owners and operators of the Site, former Site owners and operators at the time of disposal of hazardous substances, persons who owned or possessed hazardous substances and arranged for disposal, treatment, or transportation of such hazardous substances and persons who accepted hazardous substances for transportation for disposal or treatment to a facility selected by such transporter. U.S. EPA has information indicating that you are a PRP with respect to the Site. The information utilized in identifying PRPs at the Site is briefly summarized in Paragraph A of Attachment I of this letter.

By this letter, U.S. EPA notifies you of your potential liability with regard to this matter and encourages you, as a potentially responsible party, to voluntarily perform or finance the response activities that U.S. EPA has determined or will determine are required at the Site.

Under the AOC, NL Industries, Inc. has already undertaken certain actions in response to conditions at the Site. These response actions are summarized in Paragraph B of Attachment I to this letter.

U.S. EPA is currently planning to conduct the following additional response activities at the Site:

(1) Design and implementation of the remedial action selected and approved by U.S. EPA and IEPA for the Site; and

(2) Provision of any monitoring, operation and maintenance necessary at the Site after the remedial action is completed.

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In addition to those activities enumerated above, U.S. EPA may, pursuant to its authorities under CERCLA, decide that other clean-up activities are necessary to protect public health, welfare and the environment.

U.S. EPA is seeking to obtain certain other information that you may have pursuant to its authority under Section 104 of CERCLA, 42 U.S.C. Section 9604, and Section 3007 of the Resource Conservation and Recovery Act (RCRA) as amended, 42 U.S.C. Section 6927, for the purpose of enforcing CERCLA and RCRA and for the purposes of assisting in determining the need for response to a release of hazardous substances(s) under CERCLA. The Administrator of the U.S. EPA has the authority to require any person who generates, stores, treats, transports, disposes, arranges for the disposal of, or otherwise handles hazardous wastes and hazardous substance, as those terms are defined in Section 1004(5) of RCRA, 42 U.S.C. Section 6903(5) and Section 101(14) of CERCLA, 42 U.S.C. Section 9601(14), to furnish U.S. EPA with information related to such activities. Pursuant to these statutory provisions, you are hereby requested to submit the information requested below.

1. Copies of all shipping documents or other business documents relating to the transportation, treatment, storage or disposal of waste materials or substances at the above referenced Site.

2. A detailed description of the generic common and/or trade name and the chemical composition and character (i.e. liquid, solid, sludge) of the waste material offered by you for transportation to, treatment, storage or disposal at the above referenced Site.

3. For each hazardous substance identified above, please give the total volume, in gallons for liquids and in cubic yards for solids, for which you arranged treatment or disposal, and list when treatment or disposal occurred.

4. What arrangements were made to transport your hazardous substances to the above referenced Site? What type of transportation was used (i.e. tankers, dump trucks, drums)?

5. Who was the transporter of your hazardous substances, what was his previous address, and what is his current address?

6. Copies of all records, including analytical results, which indicate the chemical composition and/or chemical character of the waste material(s) transported to, treated, stored or disposed of at the above referenced Site or offered for transportation to, treatment, storage or disposal at the Site.

7. Any additional information which may help U.S. EPA to identify other companies or individuals that transported or arranged for the transportation of waste materials to the Site.

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8. A list of all individuals responsible for obtaining the information included in or who participated in preparing your response to this request for information.

To assist you in answering this request, the information sought pertains to any and all information in your possession, custody or control relating to the operation of the above referenced Site and to the transportation, storage, treatment or disposal of hazardous substances or the generation of hazardous substances which were ultimately treated or disposed of or offered for disposal or treatment at the NL Industries/Taracorp-Granite City, Illinois Site. The relevant time period for this request is from the first time waste was handled or received at the Site through the present.

For purposes of this information request, "shipping documents" shall mean all contracts, agreements, purchase orders, requisitions, pick-up or delivery tickets, customs forms, freight bills, shipping memoranda, order forms, weight tickets, work orders, manifests, shipping orders, packing slips, bills of lading, invoices, bills and any other similar documents that evidence discrete transactions involving shipment, or the arrangement for shipment, of waste materials to, through, or from, the above referenced Site. "Waste materials" shall mean hazardous substances, solid wastes and hazardous wastes, and other materials which may or may not contain pollutants or contaminants, and shall include reclaimed and off-specification materials of any kind.

The information sought herein must be sent to U.S. EPA with thirty (30) calendar days of your receipt of this letter. This information may be used by U.S. EPA in any civil administrative or criminal proceeding. Under Section 3008 of RCRA, 42 U.S.C. Section 6928, failure to comply with this request may result in an order requiring compliance or in a civil action for appropriate relief. These provisions also provide for civil penalties. Failure to comply with this request under Section 104 of CERCLA, 42 U.S.C. Section 9604 may result in a civil enforcement action being brought against you by U.S. EPA. An enforcement action may include the assessment of penalties of up to $25,000 per day for each day of continued noncompliance.

The information requested herein must be provided notwithstanding its possible characterization as confidential information or trade secrets. You may request, however, that any such information be handled as confidential business information. A request for confidential treatment must be made when the information is provided, since any information not so identified will not be accorded this protection by the U.S. EPA. Information claimed as confidential will be handled in accordance with the provisions of 40 C.F.R. Part 22.

The written statements submitted pursuant to this request must be notarized and submitted under an authorized signature certifying that all information contained therein is true and accurate to the best of the signatory's knowledge and belief. Moreover, any documents submitted to Region V

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pursuant to this information request should be certified as true and authentic to the best of the signatory's knowledge and belief. Should the signatory find, at any time after the submittal of the requested information, that any portion of the submittal of the requested information is false, the signatory should so notify U.S. EPA. If any answer certified as true should be found to be untrue, the signatory can and may be prosecuted pursuant to 18 U.S.C. Section 1001.

Your reply to request for information under Section 104 of CERCLA and Section 3007 of RCRA should be sent to the address listed below:

U.S. Environmental Protection Agency
Gladys Watts, SHS-12
230 South Dearborn Street
Chicago, Illinois 60604

As a PRP, you should also notify U.S. EPA in writing within 30 days of receipt of this letter of your willingness to perform or finance the activities described above. If U.S. EPA does not receive a timely response, U.S. EPA will assume that your organization does not wish to negotiate a resolution of its potential responsibility in connection with the Site and that your organization has declined any involvement in performing the response activities. Your letter should also indicate the appropriate name, address and telephone number for further contact with you.

If you are already involved in discussions with state or local authorities, engaged in voluntary clean-up action or involved in a lawsuit regarding this Site, you should continue such activities as you see fit. This letter is not intended to advise you or direct you to restrict or discontinue any such activities; however, you are advised to report the status of those discussions or actions in your response to this letter and to provide a copy of your response to any other parties involved in those discussions or actions. Your response letter should be sent to:

U.S. Environmental Protection Agency
Brad Bradley, SHS-11
Remedial and Enforcement Response Branch
230 South Dearborn
Chicago, Illinois 60604

U.S. EPA would like to encourage good faith negotiations between you and the Agency and among you and other PRPs for the Site. To assist the PRPs in negotiating with U.S. EPA concerning this matter, U.S. EPA is providing a list of the names and addresses of any other PRPs to whom this or a similar notification is being or has been sent. This list is appended as Attachment II to this letter. It should be noted that inclusion on or exclusion from the list does not constitute a final determination by the Agency concerning the liability of any party for remediation of Site conditions or payment of past costs. Information regarding a ranking by volume and nature of

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substances contributed by each PRP, as contemplated by Section 122(e)(4)(A), is not available at this time. An assembly of remedial action alternatives for the Site is appended for your information as Attachment III.

In order to effectively negotiate a settlement, it is important for the PRPs to organize themselves and establish a steering committee for negotiations. The U.S. EPA and IEPA would like to schedule a meeting with the PRPs to discuss the Site. The meeting is scheduled for 9:00 a.m. December 18, 1989 at the Americana Congress Hotel, 520 South Michigan Avenue, Chicago, Illinois (phone-(312) 427-3800).

If you need further information regarding this letter, you may contact Brad Bradley of the Remedial and Enforcement Response Branch at (312) 886-4742. If you have an attorney handling your legal matters, please direct his or her questions to Steven Siegel of the Office of Regional Counsel, U.S. EPA, Region V, at (312) 353-1129.

By a copy of this letter, the U.S. EPA is notifying the State of Illinois and the Natural Resources Trustees, in accordance with Section 122(j) of CERCLA, of the Agency's intent to enter into negotiations concerning the implementation of remedial action at the Site, and is also encouraging them to consider participation in such negotiations.

It should be noted that the factual and legal discussions in this letter are intended solely to provide notice and information, and such discussions are not to be construed as a final agency position on any matter set forth herein.

The U.S. EPA strongly encourages you to submit a written response within the time frames specified herein and to take immediate steps to organize into a Committee or Committees to negotiate an agreement with U.S. EPA to undertake the remedial actions at the Site. We hope that you will give this matter your immediate attention.

Sincerely yours,

John Kelley, Acting Chief
Remedial and Enforcement Response Branch

Attachments

cc: Sheila Huff, DOI
William Saith, Assistant Attorney General
Ken Miller, IEPA
Mark Frech, IDOC
Don Etchison, IDENR
Don Vonnahme, IDOT

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ATTACHMENT I

A. U.S. EPA has evaluated a body of evidence in connection with its investigation of the Site, including records from the State of Illinois, site investigation reports, State and federal legal agreements pertaining to the Site and surrounding properties, etc. Based on this evidence, U.S. EPA has information indicating that you are a potentially responsible party with respect to this Site. Specifically, U.S. EPA has reason to believe that you did, by contract, agreement, or otherwise, arrange for the disposal, treatment or transportation for disposal or treatment of hazardous substances found at the Site.

B. NL Industries, Inc. has conducted or is conducting the following studies and/or activities at the Site:

1. Remedial Investigation - to determine the nature and extent of contamination at the Site.

2. Feasibility Study - to evaluate the feasibility of possible alternatives to remediate the Site contamination identified during the Remedial Investigation.

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Attachment II
Other PRPs Receiving Notification

Names and Addresses of Supplier of
Non-Virgin Material to Granite City, Illinois

A. Miller & Company	PO Box 695 Peoria, Illinois 61652
A. Tenenbaum	4500 Bethany Road N. Little Rock, AR 72117
Aaron Ferer & Sons Co.	POB 6478 Church St. Station NY, NY 10249
A.B.F. Metal Co.	St. Louis, MO.
Ace Comb Company	West 2nd Street, Booneville, AR 72927
Ace Scrap Metal Processors	3100 N. Broadway St. Louis, MO. 63147
Acme Battery Manufacturing Company	3340 Morganford St. Louis, MO. 63110
Acro Sales & Engineering, Inc.	W 137 N. 5540 Williams Place, Menomonee Falls WI 53051
Active Metal Company	5150 16th Street, Detroit, MI 66208
Aetna Metals, Inc.	13535, Helen Street, Detroit, MI 48212
Afram Bros, Co.	900 South Water Street, Milwaukee, WI 53204
Allied Metal Company	2059 South Canal Street, Chicago, Il 60616
Alter Company	2333 Rockingham Road, Davenport IA 53808
Alumax Foils	No address given

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Amax Lead and Zinc[1]	Amax Inc./Amax Lead and Zinc 200 Park Avenue NY, NY 10166
American Can Co.	755 Prior Avenue St. Paul, MN 55104
American Industrial Linings, Inc.	1390 Kingsland Avenue St. Louis, MO. 63133
American Smelting & Refining Company	120 Broadway, NY, NY 10005
Ametalco Inc.	Amax Inc./ Ametalco Inc. 200 Park Avenue NY, NY 10166
Andersen Steel, Inc.	POB 448 Fairfield, IA 52566
Anzon America, Inc.	Freehold, NJ
A.O. Smith Corp.	POB 28 Kankakee, IL
Asarco, Inc.[2]	POB 7019 Church Street Station, NY, NY 10008
Astron Manufacturing Co.	12th and Mc Kinney Streets Chicago, IL
Associated Metals & Minerals corp	733 Third Avenue NY, NY 10017
Baker Iron & Metal	Box 11040 Lexington, KY 40511
Barter Machinery & Supply Co.	215 Santa Fe Drive Denver, CO 80223

---

[1] Amax Lead and Zinc receipts were as follows: 12 receipts of "corroding" lead; 1 of Anodes; 12 of Scrap Anodes; 1 of AG Dross; 1 of AG Scrap; 1 of Desilverized lead; 1 of Scrap Silver Lead.

[2] Asarco, Inc. supplied mainly virgin materials but also "common lead" and 2 Bdls of lead - type unspecified.

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Batco Inc.	7777, Bon Homme Clayton, MO 63105
Bear Manufacturing	PO Box 10159 Rock Island, IL 62201
Becker Metals Corp.	PO Box 14008-B St. Louis, MO 63178
Bell City Battery Company	915 South Charles Street Belleville, IL 62221
Ben Greenberg Co.	POB. 450 Dyersburg, TN 38024
Benjamin Air Rifle Co.	1525 South 8th Street, St. Louis, MO 63104
Berlinski & Sons	POB 733 Juliet, IL 60434
Bill Bergmeyer	R.R.2 Box 238 Bowling Green, MO 63334
Billiton Metals & Ores	POB 1156 Church St. Station NY, NY 10249
Bill's Auto Parts	471 South Capital Ave. Gerydon, IN 47112
Bill's Salvage	POB 398 Cobden, IL 62920
Billy Morrow	Box 132 Hurdland, MO 63547
Bob Keller Batteries Warehouse	2671 Washington St. Louis, MO 63103
Briggs Used Auto Parts	7 W. Buckeye Casey, IL 62420
Bunker Hill Company	Pintlar Corp/Bunker Hill Company 505 Front Ave., Suite 303 PO Box 2199 Coeur d'Alene Idaho 83814
Burlington	Granite City

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Bussman Manufacturing Company a division of Mc Graw-Edison Co.	2536 W. University St. Louis, MO 63107
Call Pub. Co. Inc.	9, N. Division Street, Duquoim, IL 62832
Campbell Soup	Campbell Place Camden, NJ 08101-0391
CBC Inc.	3001, Fairfax Traffic Way Kansas City, KS 66115
Central Iron & Metal Company	PO Box 1180 Springfield, IL 62705
Central Salvage	1433 NW 5th Street Oklahoma City, OK 73106
Central Waste Materials	1510 N. Broadway St. Louis, MO.
Centritech Corporation	PO Box 14552 Houston, TX 77021
Cerro Copper Products	PO Box 93739 Chicago, IL 60670
Chanen's Inc.	PO Box 766 Quincy, IL 62301
Charles W. Johnson	503 N. Sangamon Lincoln, IL 62656
Chemetco	PO Box 187 Alton, IL 62002
Chicago Battery	No address given
Chrysler Corp.	1001 N. Highway Drive Fenton, MO 63026
C.L. Downey Company	9th and Colfax Avenue Hannibal, MO 63401
CNC Industries, Inc.	330 Crossen Elk Grove Village, IL 60007
Comfort Printing and Stationery Co.	1611 Locust Street St. Louis, MO 63106

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Cominco Ltd[3]	1) POB 93929 Chicago, IL 60676 2) 120 Adelaide St. West Toronto, Ontario Canada M5H ITI
Commercial Metals Co.	P.O. Box 1046 Dallas, TX 75221-1046
Consolidated Wastes Material	6730 Wilson Road Kansas City, MO 64125
Continental Can Company	800 Connecticut Ave. P.O. Box 5410 Norwalk, CT 06856
Cosco Graphics	11548 Adie Road Maryland Heights, MO.
Crown Cork &n Seal Co.	3501 West 31st Street Chicago, IL 60623
D. Pollack & Sons	1509 West Cortland Chicago, IL 60622
Del Rich Battery & Metal Co.	510 Schmidt Road Davenport, IA 52808
Delco-Remy; Division of General Motors Corp.	General Motors Corporation/ Delco Remy Division 3031 West Grand Blvd. P.O. Box 33122 Detroit, MI 48232
Delta Metals & Paper Recycling, Inc.	1436 Mullanphy St. Louis, MO 63106
Diversified Metals	1034 S. Brentwood Blvd. Richmond Heights, MO 63117
Don Hibbeler	12814 Sycamore Lane Palos Heights, IL 60463

[3] Cominco Ltd. receipts as follows: 6 of Corroding Lead; 1 of Virgin Lead; 6 of Antimonial Lead; 10 of Antimony; 10 of Lead.

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Dudley Auto Radiator	1509 7th Street Madison, IL
Ed Parkinson	129 South Ely Mounds, IL 62964
Edwardsville Intelligencer	117 N. 2nd Street Edwardsville, IL 62025
E.J. Pfeifer Iron & Metal	522 S. First Stockton, KS 67669
Elden R. Erickson & Sons, Inc.	5383 Swanson Road Roscoe, IL 61073
Equipment Engineering Company	No address given
ESB Inc.	Exide Corp./ESB Inc. P.O. Box 14205 Reading, PA 19162-4205
Essex Group	N. Manchester
Fabricators Int.	No address given
Farmland	No address given
Far West Sport	13313 Reeder Road S.W. Olympia, WA 98502
Federal Alloys Corp.	2930 Denton Street Detroit, MI 48211
Federal Cartridge Corporation	1) 9th and Tyler Street Anoka, MN 55303 2) Buick, MO 3) Omaha, NE
Federal Iron & Metal	6820 St. Charles Rock Road St. Louis, MO 63133
Feinberg Bros. Iron & Metal	1335 Cypress Kansas City, MO 64127
Finer Metal Co.	5900 Manchester Ave. St. Louis, MO 63110
Fisher Body Division of General Motors Corporation	General Motors Corporation/ Fisher Body Division 3031 West Grand Blvd.

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	P.O. Box 33122 Detroit, MI 48232
Ford Motor Company	Parklane Towers West Suite 401 One Parklane Blvd Dearborn, MI 48126
Fundamental Metals & Minerals	30 Rockefeller Plaza Suite 1933 New York, NY 10020
Gary's Metal	RR 3, Box 290 Carterville, IL 62918
Gebco	Granite City, IL
General Battery Corp.	Exide Corp./General Battery Corp. POB 14205 Reading, PA 19162-4205
General Motors Corporation	3031 West Grand Blvd. P.O. Box 33122 Detroit, MI 48232
General Waste Products, Inc.	201 South 7th Ave. Evansville, IN 47730
Globe Union	Johnson Controls Inc/ Globe Union 5757 N. Green Bay Avenue P.O. Box 591 Milwaukee, WI 53201
Glosser Metal Company	P.O. Box 114 Hidalgo, IL 62432
Gopher Smelting & Refining	3385 Highway 49 St. Paul, MN 55121
Gould Inc.	Ten Gould Center Rolling Meadows, IL 60008
Graham Metal Corporation	412 Graham Avenue Benton Harbor, MI 49022
Great Lakes Carbon Corporation	P.O. Box 86 St. Louis, MO 63166

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Grossman Metals Corp.	5 North Market Street St. Louis, MO 63102
GSA	No address given
GT Metals	Rd. 4, Box 400-B Muskogee, OK 74401
H. Brecker & Son	P.O.B. 28 Platteville, WI 53818
H.C. Duke & Son, Inc.	2116 Eighth Ave. East Moline, IL 61244
Henry Rautbort	517 West VanBuren Clinton, IL 61727
Highland Park Waste Material	1466 Berkeley Road Highland Park, IL 60035
Houston Salvage	1355 West Highway 17 Houston, MO 65483
H.S. Kaplan Scrap Iron & Metal	P.O.B. 3626 St. Paul, MN 55165
Hunter's Reloading Supply	1210 St. Michael Street Cahokia, IL 62206
ICC Metals Co.	New York, NY
Imperial Smelting Corporation	1031 E. 103rd Street Chicago, IL 60628
Indussa	New York, NY
Industrial Chemicals Corp.	720 5th Avenue New York, NY 10019
Inland Metals Refining Co.	651 East 119th Street Chicago, IL 60628
InterCity Metal Co.	8400 Truman Road Kansas City, MO
Intsel Corporation	835 3rd Avenue New York, NY 10022
J. Soloman & Sons	17th and Cedar Street Cairo, IL 62914

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J. Trockman & Sons, Inc.	Highway 41 South Evansville, IN 47702
James H. Tessen	1705 N.E. Perry Peoria, IL 61603
Jay Metal Processing	1302 NE 29th Forth Worth, TX 76106
Johnson Metal Co.	3056 Hamilton Ave. Racine, WI 53403
Kamen Iron & Metal Co.	P.O. Box 485 Wichita, KS 67214
Kansas City Battery Company	744 Southwest Blvd. Kansas City, KS 66103
Kemco Metal Processing	123 Byassa Drive Hazelwood, MO 63042
Kennecott Refining Corp.	Baltimore, MD
Kraft Chemical Company	917 West 18th Street Chicago, IL 60508
K.W. Battery*	3555 Howard Street Skokie, IL 60076
L. Kahn & Son	P.O. Box 569 Havanna, IL
LaSalle Steel Co.	1412 E. 150th Street Hammond, IN 46327
Ladyman Engineering Enterprises	723 Kirkwood Drive Dallas, TX 76128
Larry Good & Company	260 Old State Road Ellisville, MO 63011
Lefton Iron & Metal Company	P.O. Box 219 East St. Louis, IL 62202
Leslie Cooper Battery & Metal	P.O. Box 4166 Davenport, IA 52808

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* Present communications address for K.W. Battery: c/o Janice M. Edwards, Mc Dermott Will & Emery, 111 West Monroe Street, Chicago IL 60603.

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Lissner Corporation	1000 North Branch Chicago, IL 60622
Lopez Scrap Metal, Inc.	P.O. Box 17741 El Paso, TX 79917
M. Gervich & Son, Inc.	707 E. Nevada Street P.O. Box 67 Marshalltown, IA 50158
M. Katch	Topeka, KS
M. Ruben Metal Co.	2416 So. Archer Ave. Chicago, IL 60616
MacGlashen Enterprises	1641 So. Sinclair Anaheim, CA 92806
Madewell & Madewell[3]	P.O. Box 386 Jones, OK 73049
Madewell Metals Corporation	310 Shawnee Bypass Box 1432 Muskogee, OK 74401
Madison Scale	Madison, IL
Mallin Bros. Co.	3211 Gardner Avenue Kansas City, MO 64120
Marchem Resources, Inc.	P.O. Box 35361 Houston, TX 77035
Marco Steel Supply	302 S. Market St. Champaign, IL 61820
Mardians, Inc.	P.O. Box 370 Mobridge, SD 57601
Max Schwartzman & Sons, Inc.	2905 North Ferry Anoka, MN 55303
McDonnell - Douglas	No address given

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[3] Present communications address for Madewell & Madewell: c/o Wesley C. Fredenburg, Esq., Crowe & Dunlevy, 1800 Mid-American Tower, 20 North Broadway, Oklahoma City OK 73102.

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McGraw - Edison Co.	502 Earth City Plaza P.O. Box 14460 St. Louis, MO 63178
McKinley Iron Co.	3620 North Hall Street St. Louis, MO 64147
Meyer Battery Service	1004 E. 12th Street Joplin, MO
Mid-Missouri Metal	P.O. Box 247 Wentzville, MO 63385
Mike Panow	2815 Park Place West, Cano, IL 62914
Milford Rivet & Machine Co.	111 Taylor Street Elyria, OH 44035
Minera Mexico International	P.O. Box 4452 New York, NY
Minor Metals, Inc.	New York, NY
Missouri Iron & Metal	754 S. 4th St. St. Joseph, MO 64501
Mitachi	No address given
Modern Printing Company	2617 Oliver Street St. Louis, MO 63103
Modine Manufacturing Co.	1500 Dekoven Avenue Racine, WI 53401
Morris Tick Company, Inc.	501 East Stewart Bloomington, IL 61701
M.S. Kaplan Company	111 East Wacker Drive Chicago, IL 60601
Murphysboro Iron & Metal	1700-1900 Gartside Murphysboro, IL 62966
Nassau Recycle Corp.	AT&T/Nassau Recycle Corp. Room 3WA-148 1 Oakway Berkley Heights, NJ 07922

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Nassau Smelting & Refining Corp.	At&T/Nassau Smelting & Refining Corp. Room 3WA-148 1 Oakway Berkley Heights, NJ 07922
National Can Corp.	8101 Higgins Road Chicago, IL 60631
National Metal Company	8339 Lowell Avenue Skokie, IL 60076
National Typographers Inc.	914 Pine Street St. Louis, MO 63101
New Castle Junk Co.	New Castle, PA
New Orleans Public Service, Inc.	P.O. Box 60340 New Orleans
Norms Metal Co.	Louisville, KY
Northbrook Sports Club	Northbrook, IL
Northern Metals Inc.	70 Dock Street St. Louis, MO 63147
Northwestern Bell Telephone Co.	100 S.W. 9th Ave. New Brighton, MN
Northwestern Iron & Metal	438-440 Lake Ave. South Duluth, MN 56802
O'Dell Iron & Metal	100 State Street Madison, IL 62060
Ohio New & Rebuilt	P.O. Box 328 Wapakonita, OH 45859
Okon Iron & Metal Co.	4801 South Lamar P.O. Box 15724 Dallas, TX 75215
Olin Corp.	East Alton, IL 62024
Otis Radio Electric Corp.	1102 Silver Lake Cary, IL 60013
Otto Lerch	415 Hillsboro Farmington, MO 63640

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Overland Metals, Inc.	8510 Lackland Road Overland, MO 63114
Palmer-Johnson	No address given
Parkans International Inc.	P.O. Box 15519 5221 Armour Drive Houston, TX 77020
Peoria Battery	Peoria, IL
Pet, Inc.	400 South 4th Street St. Louis, MO 63166
Phelps Dodge	El Paso, TX
Philipp Bros.	1) 8131 Monticello Avenue Skokie, IL 60076 2) 1221 Ave. of the Americas New York, NY 10020
Pielet Bros.	P.O. Box 12 McCook, IL 60525
Plumbing Joint Apprenticeship Training Committee	5733 Elizabeth Ave. St. Louis, MO 63110
Prairie Steel Co.	P.O. Box 284 Havana, IL 62644
Prestolite Batteries	Allied Signal Inc./ Prestolite Batteries P.O. Box 2545R Morristown, NJ 07960-2245
Price Watson Company	1909 No. Clifton Ave. Chicago, IL 60614
Ramak Industries Division of Equipment Engineering Company	P.O. Box 18363 Memphis, TN 38118
Rankan Technical Institute	4431 Finney Ave. St. Louis, MO
Ray-Bar Engineering Corp.	Azusa, CA
Red Diamond Manufacturing Company	RR 2, Box 828 Hot Springs, AR 71901

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Redfield Iron & Metal	ZR 359 Redfield, SD 57469
Reeves Scrap Metal	6900 Brush Island Road No. Little Rock, AR 72117
Reinert-Preisler Electrotype Co.	914 Pine Street St. Louis, MO 63101
Reliance Battery Co.	2204 South 8th Street Council Bluffs, IA 51501
Remington Arms Company; U.S. Army Armament Command	Independence, MO 64050
Reve International	6122 W. 55th Ave. Arvada, CO
Rex Curtsinger, Sr.	2204 E. Main Street Decatur, IL 62521
Reynolds Electric[6]	Granite City, IL
Rifkin Scrap Iron & Metal Co.	1445 N. Niagara Saginaw, MI 48602
Romak Industries	P.O. Box 396 Olive Branch, MS
Rosen Metals	P.O. Box 121 Baldwin, WI 54002
Roth Brothers	P.O. Box 158 E. Syracuse, NY
Ruben Metal Co., Inc.	2415 So. Archer Ave. Chicago, IL
S & R Metal Co.	5845 So. May Street Chicago, IL 60621
Salvage Battery & Lead Co.	P.O. Box 179 Mishicot, WI 54228
Sam Allen & Son, Inc.	P.O. Box 2 Pontiac, MI 48056

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[6] Reynolds Electric supplied grade "B" lead - specification unknown.

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Samencorp Inc.	445 Park Avenue New York, NY 10022
Samuel Hide & Metal	86 East Hunt Pargould, AR
Sanders Lead Co., Inc.	P.O. Drawer 707 Troy, AL 36081
Scheer Shooting Supplies, Inc.	330 West Eagle Arlington, NE 68002
Schwartz Metal Processors and Traders	P.O. Box 218 Marshalltown, IA
Seidenfeld & Son Iron & Metal	401 S.E. 7th Street Des Moines, IA 50309
S & G Metal Industries, Inc.	P.O. Box 2039 Kansas City, KS 66110
Shanfeld Bros.	70 Dock Street St. Louis, MO 63147
Shanke Metals, Inc.	1410 Pierce Ave. St. Louis, MO 63110
Shapiro Sales Co.	5040 North 2nd Street St. Louis, MO 63147
Sherwin Williams Co. Container Division	1717 Gifford Road Elgin, IL 60129
Shostak Iron & Metal	7th and Kindelberger Rd. Kansas City, KS 66115
Sioux City Compressed Steel	214 Court Street Sioux City, IA 51101
Sol Alman Co.	1300 East 9th Street POB 2244 Little Rock, AR 72203
Sol Tick & Co. Inc.	901 Eldorado Street Box 30 Decatur, IL 62525

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South Side Machine Works, Inc.	3761 Eiler Street P.O. Box 22199 St. Louis, MO
Southern Iron & Supply Co.	6326 So. Broadway St. Louis, MO 63110
Southside Machine Shop	3761 Eiler Street St. Louis, MO 63116
Southwestern Bell Telephone Co.	15400 E. Truman Road Independence, MO 64050
Spartan Printing Company; Division of World Color Press, Inc.	2nd and Dickey Street Sparta, IL 62286
Springfield Battery Co.	3000 East Cook Springfield, IL 62707
St. Joe Lead[7]	250 Park Avenue New York, NY 10017
St. Louis Bottle Iron & Metal Co.	2039 Cole Street St. Louis, MO 63107
St. Louis Law Printing Co.	812 Arcade Building St. Louis, MO 63101
Standard Lead Co.	15396 Idaho Detroit, MI 48238
Standard Storage Battery Co.	2286 Capp Road St. Paul, MN
Stanford Linear Accelerator	P.O. Box 4349 Stanford, CA 94305
Stanley Toebben	Route 5 Jefferson City, MO 65101
Steel Baling Co. Inc.	1901 Converse, P.O. Box 408 E. St. Louis, IL 62202
Straightway Iron & Metal Co.	1936 Cole Street St. Louis, MO 63106

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[7] St. Joe supplied "corroding" and "pig" lead (pure) but also "Doe Run" and "chemical" brands - specification unknown.

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Superior Typesetting Company	1709 Washington Ave. St. Louis, MO 63101
Suppo Smelting & Refining Co., Inc.	1240 West Carroll Ave. Chicago, IL 60607
Shur-Start Battery Company	6767 St. Charles Rock Road St. Louis, MO 63133
Swan Rubber Co.	Rt. #2 Stillwater, OK
Texas Mining & Smelting	P.O. Box 559 Laredo, TX 78041
T.G. Marshall Manufacturing Co.	4326 Riverline Drive Earth City, MO 63045
Tri-City Scrap Company	P.O. Box 21199 Louisville, KY 40221
Turner Salvage Co.	Route 1, Box 101 Moorehead, MN 56560
Union Compressed Steel	5200 Main Street Duluth, MN 55807
Union Scrap Co.	210 15th Ave. North Minneapolis, MN 55411
United Scrap Lead	P.O. Box 25 Troy, OH 45373
Unique Art Glass	3649 Market Street St. Louis, MO 63110
University of Illinois at Urbana	223 Administration Bldg. Urbana, IL 61801
U.S. Scrap & Metal Company	P.O. Box 1484 550 Southside Drive Decatur, IL 62526
U.S. Supply Company	901 Farnam Street Omaha, NE 68102
U.S.S. Lead Refinery Inc.	5300 East Kennedy Ave. E. Chicago, IN 46312

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Versatile Metals.	P.O. Box 97728 Chicago, IL 60690
Vince Jacks Iron & Metal Co.	6609 Manchester Ave St. Louis, MO 63139
Vincent Brass & aluminum	3334 Rand Road Indianapolis, IN 46241
Waddell Brothers Metal Company	P.O. Box 338 Blue Grass, IA 52726
West End Hide & Fur	Box 1578 Jamestown, ND 58410
Western Electric Co.	A T & T/ Western Electric Co. Room 3WA-148 1 Oakway Berkeley Heights, NJ 07922
Western Gun & Supply	P.O. Box 1848 Grand Island, NE 68801
Westerville Creamery Co.	400 Hazel Street Covington, OH 45318
Wicks Organ Company	1100 Fifth Street Highland, IL 62249
William S. Lasich & Sons	3315 West Point Collinsville, IL 62234
Wisconsin Lead Co.	5116 Lincoln Ave. Milwaukee, WI 53219
Young Radiator Co.	2825 Four Mile Road Racine, WI 53404

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Owners/Operators - Past and Present

B.V. & G Transport Co.	John W. Crown VP, Gen. Mgr. P.O. Box 723 Granite City, IL 62040
NL Industries, Inc.	J. Landis Martin, President 3600 Sam Houston Parkway, East Houston, TX 77032
St. Louis Lead Recyclers	Jim Stack and L. Keith Brunner Stackorp P.O. Box 280 Granite City, IL 62040 124 E. Third Street, Suite 300 Dayton, OH 45402
Taracorp, Inc.	Stanton Sobel, Executive V.P. 900 Ashby Street Atlanta, GA 30318
Trust 454	First Granite City National Bank Trust Officer 1960 Edison Avenue Granite City, IL 62040

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ATTACHMENT III

ASSEMBLY OF REMEDIAL ACTION ALTERNATIVES

Attached is Section 3 - Development of Remedial Alternatives from the August 1989 draft Feasibility Study for the NL Industries/Taracorp-Granite City, Illinois Site

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SECTION 3 DEVELOPMENT OF REMEDIAL ALTERNATIVES

3.1 Development of Remedial Alternatives

The screening of the remedial technologies summarized in Section 2 eliminated those which were not protective of the public health or the environment or were not technically or economically feasible. This process resulted in the selection of several representative process options as identified in Tables 11 and 12. In this section the selected process options will be combined into a series of remedial alternatives which address each of the media targeted for remediation.

The Remedial Alternatives are illustrated on Table 13. Common to many of the remedial alternatives are institutional controls. The institutional controls available considered in this alternative are summarized below.

Site Access Restrictions - A fence is an effective method for preventing unintentional contact with contaminated soils and discouraging intentional contact.

Restrictive Covenants - Restrictive covenants can be imposed on the use of the property. A property owner may proscribe property use above and below the ground surface. Restrictions against use of the surface part of the property could include prohibitions against any construction which would disturb a surface cap. Restrictions against subsurface use could include prohibitions against excavations into subsurface contamination or installation of borings for any purpose, including ground water withdrawal wells. Institutional controls on property not owned by Taracorp could be implemented either through private agreements or through the EPA's authority to exercise eminent domain.

Covenant Not to Sell Property - Taracorp has the right to covenant not to sell the property. Execution of an instrument is legally binding on Taracorp as well as on its successors and assigns.

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Conveyance of Rights to a Third Party - Taracorp could convey portions of the property to another party such as the State of Illinois. - Such a conveyance would ensure that institutional controls be maintained in perpetuity.

3.1.1 Alternative A

Monitoring: Air Quality Monitoring; Ground Water Monitoring

Institutional Controls: Site Access Restrictions; Land Use Restrictions; Deed Restrictions; Sale Restrictions

The no action alternative (A) includes a group of activities that can be used to monitor contaminant transport. The sources considered potentially viable include air, surface soils, and ground water. These activities are designed to prevent unacceptable risks to the public posed by the contaminants present in the Taracorp and SLLR piles. It includes institutional controls on the Tarcorp property and other properties where residual concentrations do not meet Remedial Objectives.

Ground water monitoring would be performed twice per year at each of the existing wells illustrated on Figure 7. Moreover, an additional well would be installed adjacent to well 104. This new well, screened at a lower elevation than well 104, would be used to better define ground water quality in the deeper water table aquifer. The analytical program would include pH, conductivity, alkalinity, sulfate, total dissolved solids, arsenic, cadmium, and lead.

High volume air monitors are presently located in Granite City as illustrated in Figure 8. A review of IEPA air monitoring data in Granite City would be done on an annual basis.

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An annual report would be prepared which would summarize the results of sampling conducted during the previous calendar year. The report would present the data obtained as well as an interpretation of that data.

The institutional controls pertinent to this alternative include site access restrictions, restrictive covenants, deed restrictions, property transfer restrictions, and private third-party agreements.

3.1.2 Alternative B

Taracorp Pile:	Multimedia Cap, Institutional Controls
Taracorp Drums:	Off Site Recovery at Secondary Lead Smelter
SLLR Piles:	Excavate and Consolidate with Taracorp Pile
Venice Alleys:	Asphalt or Sod Cover Based on Usage
Eagle Park Acres:	Vegetated Clay Cap, Institutional Controls
Area 1 Unpaved Surfaces:	Asphalt or Sod Cover Based on Usage
Area 2 Unpaved Surfaces:	Asphalt or Sod Cover Based on Usage
Area 3 Unpaved Surfaces:	Asphalt or Sod Cover Based on Usage
Monitoring:	Air and Groundwater Monitoring

To implement Alternative B, drums containing lead drosses and other production by products would be removed to an off site secondary lead smelter for lead recovery. Wastes contained in the SLLR piles would be consolidated into the Taracorp pile; the consolidated pile would be graded and capped with a multimedia cap. Figure 9 presents a typical section of the proposed cap as well as potential finished grades. Institutional controls such as site access restrictions, restrictive covenants, deed restrictions, and property transfer restrictions would also be implemented.

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Eagle Park Acres would be purchased and a vegetated clay cap meeting ARARs would be installed over the battery case material. Institutional controls such as site access restrictions, restrictive covenants, deed restrictions, and property transfer restrictions would also be implemented.

Venice Alleys would be covered in accordance with present usage. Asphalt would be applied to those portions subject to vehicular or pedestrian use; the remaining areas would be covered with 3 inches of topsoil followed by sod.

Unpaved portions of Areas 1, 2, and 3 would be covered in accordance with present usage. Asphalt would be applied to unpaved driveways and alleys; grassed or open areas would be covered with three inches of topsoil followed by sod. Removal of existing soils would be limited to driveway subgrade preparation, therefore surface elevations would change somewhat depending on surface treatment. Any soil excavated would be transported to the Taracorp pile for use in grading prior to cap installation.

The air and groundwater monitoring included in the no action alternative would also be implemented as part of Alternative B.

3.1.3 Alternative C

Taracorp Pile:	Multimedia Cap, Institutional Controls
Taracorp Drums:	Off Site Recovery at Secondary Smelter
SLLR Piles:	Excavate and Consolidate with Taracorp Pile
Venice Alleys:	Excavate Case Material and Consolidate with Taracorp Pile. Restore Surfaces

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Eagle Park Acres:	Excavate Case Material and Consolidate with Taracorp Pile. Restore Surfaces
Area 1 Unpaved Surfaces:	Excavate Soil and Consolidate with Taracorp Pile. Restore Surfaces.
Area 2 Unpaved Surfaces:	Excavate Soil and Consolidate with Taracorp Pile. Restore Surfaces.
Area 3 Unpaved Surfaces:	Asphalt or Sod Cover Based on Usage
Monitoring:	Air and Groundwater Monitoring

To implement Alternative C, drums containing lead drosses and other production by products would be removed to an off site secondary lead smelter for lead recovery. Wastes contained in the SLLR piles would be consolidated into the Taracorp pile; the consolidated pile would be graded and capped with a multimedia cap. Figure 9 presents a typical section of the proposed cap as well as potential finished grades. Institutional controls such as site access restrictions, restrictive covenants, deed restrictions, and property transfer restrictions would also be implemented.

Battery case material would be excavated from both Venice Alleys and Eagle Park Acres and transferred to the Taracorp Pile. These areas would be restored with either asphalt or sod, in accordance with current usage.

Unpaved portions of Areas 1 and 2 would be excavated to a depth of three inches and restored with either asphalt or sod, in accordance with current usage. Excavated soil would be transported to the Taracorp Pile for use in grading prior to cap installation.

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Unpaved portions of Areas 3 would be covered in accordance with present usage. Asphalt would be applied to unpaved driveways and alleys; grassed or open areas would be covered with three inches of topsoil followed by sod. Removal of existing soils would be limited to driveway subgrade preparation, therefore surface elevations would change somewhat depending on surface treatment. Any soil excavated would be transported to the Taracorp pile for use in grading prior to cap installation.

The air and groundwater monitoring included in the no action alternative would also be implemented as part of Alternative C.

3.1.4 Alternative D

Taracorp Pile:	Multimedia Cap, Institutional Controls
Taracorp Drums:	Off Site Recovery at a Secondary Lead Smelter
SLLR Piles:	Excavate and Consolidate with Taracorp Pile
Venice Alleys:	Excavate Case Material and Consolidate with Taracorp Pile. Restore Surfaces
Eagle Park Acres:	Excavate Case Material and Consolidate with Taracorp Pile. Restore Surfaces
Area 1 Unpaved Surfaces:	Excavate Soil and Consolidate with Taracorp Pile. Restore Surfaces.
Area 2 Unpaved Surfaces:	Excavate Soil and Consolidate with Taracorp Pile. Restore Surfaces.
Area 3 Unpaved Surfaces:	Excavate Soil and Consolidate with Taracorp Pile. Restore Surfaces.
Monitoring:	Air and Groundwater Monitoring

To implement Alternative D, drums containing lead drosses and other production by products would be removed to an off site secondary lead smelter for lead recovery. Wastes contained in the SLLR piles would be consolidated into the Taracorp pile; the

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consolidated pile would be graded and capped with a multimedia cap. Figure 9 presents a typical section of the proposed cap as well as potential finished grades. Institutional controls such as site access restrictions, restrictive covenants, deed restrictions, and property transfer restrictions would be implemented.

Battery case material would be excavated from both Venice Alleys and Eagle Park Acres and transferred to the Taracorp Pile. These areas would be restored with either asphalt or sod, in accordance with current usage.

Unpaved portions of Areas 1, 2, and 3 would be excavated to a depth of three inches and restored with either asphalt or sod, in accordance with present usage. Excavated soil would be transported to the Taracorp Pile for use in grading prior to cap installation.

The air and groundwater monitoring included in the no action alternative would also be implemented as part of Alternative D.

3.1.5 Alternative E

Taracorp Pile:	Multimedia Cap, Supplemental Liner, Institutional Controls
Taracorp Drums:	Off Site Recovery at a Secondary Lead Smelter
SLLR Piles:	Excavate and Consolidate with Taracorp Pile
Venice Alleys:	Excavate Case Material and Consolidate with Taracorp Pile. Restore Surfaces
Eagle Park Acres:	Excavate Case Material and Consolidate with Taracorp Pile. Restore Surfaces
Area 1 Unpaved Surfaces:	Excavate Soil and Consolidate with Taracorp Pile. Restore Surfaces.
Area 2 Unpaved Surfaces:	Excavate Soil and Consolidate with Taracorp Pile. Restore Surfaces.

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Area 3 Unpaved Surfaces:	Excavate Soil and Consolidate with Taracorp Pile. Restore Surfaces.
Monitoring:	Air and Groundwater Monitoring

To implement Alternative E, drums containing lead drosses and other production by products would be removed to an off site secondary lead smelter for lead recovery. An impermeable liner would then be installed on a section of Area 1 adjacent to the Taracorp pile. This section would be excavated to a depth of 3 inches prior to liner installation, with the excavated soil staged with the Taracorp pile. The liner would consist of 2 feet of clay, 1 foot of sand (secondary drainage layer), a 60 mil synthetic membrane, and 1 foot of sand (primary drainage layer). A primary and secondary leachate collection system (perforated PVC piping) would also be provided. Excavated soils from Areas 1, 2, and 3 would be placed over the primary drainage layer as a base to protect the liner from damage. Following liner construction, waste materials from the Taracorp Pile, SLLR piles, Eagle Park Acres, and Venice Alleys would be excavated, transported to and placed on the liner. These wastes would be covered and graded with soils excavated from the base of the former Taracorp Pile. A multimedia cap would then be installed over the consolidated pile. Figure 9 presents a typical section of the proposed cap; Figure 10 shows the proposed liner location. Institutional controls such as site access restrictions, restrictive covenants, deed restrictions, and property transfer restrictions would also be implemented.

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As discussed above, battery case material would be excavated from both Venice Alleys and Eagle Park Acres and transferred to the newly constructed liner. These areas would be restored with either asphalt or sod, in accordance with current usage.

Unpaved portions of Areas 1, 2, and 3 would be excavated to a depth of three inches and restored with either asphalt or sod, in accordance with present usage. As stated above excavated soil would be transported to the newly constructed liner and placed directly over the primary drainage layer, to protect the synthetic membrane from damage from heavy slag and debris.

Air and groundwater monitoring included in the no action alternative would be implemented as part of Alternative E.

3.1.6 Alternative F

Taracorp Pile:	Multimedia Cap, Supplemental Liner, Recovery of Plastic Battery Case Material and Lead, Institutional Controls
Taracorp Drums:	Off Site Recovery at a Secondary Lead Smelter
SLLR Piles:	Excavate and Consolidate with Taracorp Pile
Venice Alleys:	Excavate Case Material and Consolidate with Taracorp Pile. Restore Surfaces
Eagle Park Acres:	Excavate Case Material and Consolidate with Taracorp Pile. Restore Surfaces
Area 1 Unpaved Surfaces:	Excavate Soil and Consolidate with Taracorp Pile. Restore Surfaces.
Area 2 Unpaved Surfaces:	Excavate Soil and Consolidate with Taracorp Pile. Restore Surfaces.
Area 3 Unpaved Surfaces:	Excavate Soil and Consolidate with Taracorp Pile. Restore Surfaces.
Monitoring:	Air and Groundwater Monitoring

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To implement Alternative F, drums containing lead drosses and other production by products would be removed to an off site secondary lead smelter for lead recovery. An impermeable liner would then be installed on a section of Area 1 adjacent to the Taracorp pile. This section would be excavated to a depth of 3 inches prior to liner installation, with the excavated soil staged with the Taracorp pile. The liner would consist of 2 feet of clay, 1 foot of sand (secondary drainage layer), a 60 mil synthetic membrane, and 1 foot of sand (primary drainage layer). A primary and secondary leachate collection system would also be provided. Excavated soils from Areas 1, 2, and 3 would be placed over the primary drainage layer to protect it from damage. Following liner construction, processed waste materials from the Taracorp Pile, as well as excavated materials from the SLLR piles, Eagle Park Acres, and Venice Alleys, would be transported to the liner. These wastes would be covered and graded with soils excavated from the base of the former Taracorp Pile. A multimedia cap would then be installed over the consolidated pile. Figure 9 presents a typical section of the proposed cap; Figure 10 shows the proposed liner location. Institutional controls such as site access restrictions, restrictive covenants, deed restrictions, and property transfer restrictions would also be implemented.

Prior to transport to the newly constructed liner, waste materials in the Taracorp Pile would be processed to recover plastic battery case material and smeltable lead. During the initial excavation, waste materials would be visually segregated:

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excavations containing primarily slag would be transported directly to the adjacent liner; those containing significant amounts of plastic battery case material and smeltable lead would be transported to an on-site segregation unit. The commercially available unit would utilize flotation as a recovery mechanism. Recovered plastic would be shipped off-site for use as a raw material. Recovered lead and lead oxide would be shipped to a secondary smelter after drying. Residuals, including slag and rubber case material, would be transported to the liner.

As discussed above, battery case material would be excavated from both Venice Alleys and Eagle Park Acres and transferred to the newly constructed liner. It is thought that these casings are primarily rubber, and therefore not likely suitable for recycling. If significant amounts of plastic casings are excavated, however, they would be processed in the same fashion as the Taracorp pile casings. Venice Alleys and Eagle Park surface areas would be restored with either asphalt or sod, in accordance with current usage.

Unpaved portions of Areas 1, 2, and 3 would be excavated to a depth of three inches and restored with either asphalt or sod, in accordance with present usage. As stated above, excavated soil would be transported to the newly constructed liner and placed directly over the primary drainage layer, to protect the synthetic membrane from damage from heavy slag and debris.

The air and groundwater monitoring included in the no action alternative would also be implemented as part of Alternative F.

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3.1.7 Alternative G

Taracorp Pile:	Recovery of Plastic Battery Case Material and Lead, Disposal of Residuals in RCRA Landfill
Taracorp Drums:	Off Site Recovery at a Secondary Lead Smelter
SLLR Piles:	Disposal in RCRA Landfill
Venice Alleys:	Excavate Case Material, Disposal in RCRA Landfill. Restore Surfaces
Eagle Park Acres:	Excavate Case Material, Disposal in RCRA Landfill. Restore Surfaces.
Area 1 Unpaved Surfaces:	Excavate and Restore. Disposal in RCRA Landfill.
Area 2 Unpaved Surfaces:	Excavate and Restore. Disposal in Non-RCRA Landfill.
Area 3 Unpaved Surfaces:	Excavate and Restore. Disposal in Non-RCRA Landfill.
Monitoring:	Groundwater Monitoring

To implement Alternative G, drums containing lead drosses and other production byproducts would be removed to an off site secondary lead smelter for lead recovery. The remaining waste materials in the Taracorp Pile would be excavated, processed to recover recyclable plastic, and disposed of in a RCRA landfill.

Processing would consist of visual segregation during initial excavations to separate non plastic bearing wastes from wastes containing plastics. Non plastic bearing waste would be transported directly to the RCRA landfill; those containing significant amounts of plastic battery case material and smeltable lead would be transported to an on-site segregation unit. The commercially available unit would utilize flotation as a recovery mechanism. Recovered plastic would be shipped off-site for use as

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a raw material. Recovered lead and lead oxide would be shipped to a secondary smelter after drying. Residuals, including slag and rubber case material, would be transported to the RCRA landfill.

Battery case material would be excavated from both Venice Alleys and Eagle Park Acres and transported directly to the RCRA landfill. It is thought that these casings are primarily rubber, and therefore not likely suitable for recycling. If significant amounts of plastic casings were excavated, however, they would be processed in the same fashion as the Taracorp pile casings. Venice Alleys and Eagle Park Acres surface areas would be restored with either asphalt or sod, in accordance with current usage.

Unpaved portions of Areas 1, 2, and 3 would be excavated to a depth of three inches and restored with either asphalt or sod, in accordance with present usage. Excavated soil from Area 1 would be transported to a RCRA landfill; excavated soil from Areas 2 and 3 would be transported to a non-RCRA landfill.

The groundwater monitoring included in the no action alternative would also be implemented as part of Alternative G. Long term air monitoring would not be required.

3.2 Screening of Alternatives

The intent of the screening of alternatives step is to eliminate alternatives that are significantly less implementable or more costly than comparably effective alternatives. The screening is conducted on the basis of effectiveness, ease of implementation, and cost.

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The factors included under the criterion of effectiveness are a) overall reduction in toxicity, mobility or volume of waste; b) long-term effectiveness and permanence; c) short-term impacts which the alternatives may pose during implementation; and d) how quickly protection can be achieved. Alternatives that do not protect human health and the environment to an acceptable degree are not carried through this initial screening of alternatives, with the possible exception of the no-action alternative (Alternative A). The no-action alternative will be carried through to the detailed analysis step without prior screening, as a baseline for comparison with other alternatives, regardless of the degree of protectiveness it offers.

Implementability is associated with the difficulty in constructing, operating and maintaining a particular alternative. The performance of a remedial action is subject to a number of technical, administrative and logistical issues. These factors are assessed to characterize the implementability of each alternative. An alternative which would be more difficult or time consuming to implement than a comparably effective remedy would not be carried through this initial screening.

Cost factors include costs necessary to perform a remedial action, and any operating and maintenance costs associated with an action. Cost is used to eliminate alternatives which provide a similar degree of protectiveness at a significantly greater cost.

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3.2.1 Effectiveness

Each remedial action alternative (B,C,D,E,F,G) would result in the elimination of unacceptable risk to humans and the environment through a combination of containment and treatment technologies. All remedial response objectives would be achieved by each alternative.

Alternative B represents an in-situ containment alternative. As the site is not located within a flood plain, containment of contaminated materials within the capped Taracorp pile would eliminate the potential for direct contact with contaminants and virtually eliminate the potential for transport of contaminants by ground or surface water. The potential for migration of metals would be limited by:

- the installation of a multimedia cap which would eliminate run-on and direct contact of precipitation with the pile;
- the high alkalinity of the ground water;
- the low solubility of metal carbonates; and
- cation exchange within the unconsolidated deposits.
- the clay barrier (10^{-7} to 10^{-8} cm/sec) beneath most of the existing pile

The installation of a multimedia cap over the contaminated materials would also eliminate the potential for direct contact with or migration of contaminants via the air pathway. In addition, capping in-situ would reduce the potential for short term impact to human health and the environment caused by the generation of contaminated dust. Air modeling conducted for another site involving battery case material (Dames & Moore, 1988) concluded that for alternatives involving large scale excavation of materials

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"substantial on-site controls would be necessary and there is a possibility that even maximal management controls on-site would not prevent excessive short term off-site impacts".

The installation of caps over waste materials at Eagle Park Acres (vegetated clay) and Venice Alleys (asphalt) would virtually eliminate the potential for direct contact with waste materials and would limit the potential for migration of contaminants off-site. Installation of cover (asphalt or three inches of topsoil plus sod) over contaminated soils in Areas 1, 2, and 3 would effectively limit the migration of contaminants and limit the potential for direct contact with contaminants.

The in-situ containment specified by Alternative B could be implemented in a relatively short period of time, as standard construction techniques would be utilized, and as excavation would be limited.

Alternative C provides an additional level of protection to human health and the environment at Eagle Park Acres, Venice Alleys, Area 1 and Area 2. Implementation of Alternative C requires the excavation of waste materials and contaminated soils from these areas and consolidation of the materials into the Taracorp pile. The potential for migration of contaminants offsite, or for direct contact with contaminants in these areas, therefore, is eliminated. In addition, consolidating contaminated materials facilitates the implementation of institutional controls, which may not be as effectively implemented at multiple remote sites.

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The potential for short term impact to human health and the environment caused by generation of contaminated dust could be greater during implementation of Alternative C than Alternative B. Appropriate dust control and respiratory protective measures would be required.

Alternative C would require more time to implement than Alternative B, as excavation is required. The additional time, however, would not be expected to be significant, as mobilization, clearing, and installation of cover is common to both alternatives.

Alternative D extends the additional protection provided by excavation and consolidation of contaminated soils to Area 3. It should be noted that both methods, i.e. cover versus excavation and consolidation, are effective in limiting human contact with contaminated materials and in limiting the potential for transport of materials off-site. The increased margin of effectiveness afforded by excavation and consolidation decreases as contaminant concentration in soil decreases. This margin of effectiveness will require close examination during the detailed evaluation of alternatives.

Alternative D would require slightly more time to implement than Alternative C.

Alternatives E, F, and G differ from Alternative D only in their treatment of the Taracorp pile. They provide the same highly effective level of protection afforded by excavation and consolidation to Eagle Park Acres, Venice Alleys, and Areas 1, 2, and 3 as does Alternative D.

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Implementation of Alternative E requires the use of a bottom liner beneath the Taracorp pile. The use of such a liner would prove highly effective in eliminating the potential migration of contaminants. As discussed above, however, a multimedia cap alone was judged effective in eliminating the potential migration of contaminants. The increased margin of effectiveness provided by the bottom liner, therefore, will require close examination during the detailed evaluation of alternatives.

Implementation of Alternative E would require excavation of over 85,000 cubic yards of contaminated material at the Taracorp site. Such excavation could increase the potential for short term impact to human health and the environment caused by generation of contaminated dust. Effective control of such dust could be beyond the capability of present technology; effective controls would have to be developed. The surface area of exposed waste materials would also increase during implementation of the alternative, increasing the risk of contaminant migration off-site due to run-off. Appropriate controls would be required.

Alternative E would be expected to require much more time to implement than Alternative D, due to bottom liner construction and excavation requirements.

Implementation of Alternative F would require the excavation and segregation of the Taracorp pile, including significant manual segregation. The material handling required by this alternative increases the potential for short term impact to human health by both direct ingestion of contaminated materials and inhalation of

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generated dusts. The ability to control air emissions during excavation is questioned based on past experience at the site during St. Louis Lead Recycling's operations and air modeling described previously. The effectiveness of this alternative to reduce the volume of waste materials is also questioned; calculations indicate that volume reduction would be approximately 10%. As this alternative includes excavation and a bottom liner for disposal of waste materials, issues discussed above pertaining to Alternative E also apply.

Of all alternatives (A-G), Alternative F would be expected to take the longest amount of time to effect remediation, due to segregation requirements, processing requirements, and bottom liner construction.

Alternative G represents an off-site disposal alternative. As such, excavation and segregation of the Taracorp pile would be required, with the associated potential for short term impact to human health and the environment. As a final disposal option, off-site disposal in a RCRA landfill would be a highly effective method of eliminating direct contact and uncontrolled migration of contaminants. The increased margin of benefit obtained over in-situ containment, however, will require close examination during the detailed evaluation of alternatives. As the alternative includes excavation, recovery, and recycling, the issues discussed pertaining to Alternatives E and F also apply.

In summary, Alternatives B, C, and D are equally effective with respect to the Taracorp pile, and progressively more effective

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with respect to the remote areas. As increasing amounts of excavation are required by each, the potential for short term impact to human health and the environment increases, as well as the time required to effect remediation. The time and risk associated with Alternatives B, C, and D, however, do not vary significantly.

Alternatives D, E, F, and G are equally effective with respect to the remote areas, and differ in effectiveness only with respect to the Taraccrp pile. Compared to Alternative D, Alternative E is possibly more effective, but significantly more time consuming. Alternative F is of questionable increased effectiveness, as only 10% volume reduction is obtained with significant increase of both time and human exposure to contaminants. Alternative G is effective as a final disposal option, but is also lengthy with significant increase of potential for short term impact to human health and the environment.

3.2.2 Implementability

The excavation, consolidation, capping, and bottom liner installation incorporated into some or all of the alternatives utilize demonstrated procedures and standard construction equipment. These procedures, therefore, do not limit the implementation of any alternative. It should be noted, however, that excavation and restoration of residential and commercial neighborhoods will require significant manual labor due to the small working areas expected.

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Recycling of residues from lead furnaces is a technically feasible operation performed at commercial facilities. The number of secondary lead smelters is limited, however, and most are interested in smelting products with sufficient lead content to be economically attractive. The contained drosses, which have a higher lead content than other waste materials, may be acceptable to secondary smelters, as a lead content of 27% is often considered a common minimum cutoff for acceptance. Recycling of the drummed drosses as incorporated into all remedial alternatives would be implemented if a secondary smelter willing to accept the drummed material is located. Otherwise, the drummed drosses would be addressed in the same fashion as the other pile material. The volume of drummed material is not expected to impose time constraints. Lead recovered from the recycling operation incorporated into Alternatives F and G would be addressed similarly.

Given the above analysis, Alternatives B, C, D, and E are expected to be readily implementable.

Alternatives F and G require the segregation and recovery of recyclable plastics and lead from the waste piles. Equipment is readily available to recover casings and lead from batteries; however, utilization of this equipment to recover casings and lead from the blast furnace slag/casing/metallic lead mixture present in the Taracorp pile is questionable. Blast furnace slag would require hand picking from the recovery equipment feed belt, as the recovery equipment is not designed to process materials harder than

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restrictions may or may not affect the implementability of Alternative G.

3.2.3 Cost

Preliminary remedial cost estimates including capital and annual operation costs were developed for each alternative, and are included as Tables 14 - 20. The total cost of implementing each alternative is as follows:

Alternative	Total Cost
A	$ 475,110
B	$ 5,685,020
C	$ 6,471,000
D	$ 6,835,450
E	$13,065,890
F	$27,333,930
G	$50,353,680

3.2.4 Summary

All alternatives will be evaluated in detail in Section 4.

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Husch Eppenberger
Donohue Cornfeld & Jenkins

ATTORNEYS AT LAW

100 N. Broadway
Suite 1300
St. Louis, Missouri 63102
fax: 314-421-0739
314-421-4800

February 13, 1990

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Ms. Gladys Watts, 5HS-12
U.S. Environmental Protection
Agency, Region V
230 South Dearborn Street
Chicago, Illinois 60604

Re: N.L. Industries/Taracorp Site,
Granite City, Illinois;
Response to General Notice Letter
and Request for Information

Dear Ms. Watts:

This responds to a United States Environmental Protection Agency ("EPA" or "the Agency") general notice letter and request for information dated November 28, 1989 and received by attorneys for Olin Corporation on February 12, 1990 (attached). By telephone agreement between the undersigned and Steven Siegel, Office of Regional Counsel, Olin received until February 13, 1990 to respond to that notice and request.

In response to the general notice and request for information, we disagree with EPA's overly broad assumption of authority which it asserts is conferred by the Comprehensive Environmental Response, Compensation & Liability Act ("CERCLA"), 42 U.S.C. § 9601 et seq., and the Resource Conservation & Recovery Act ("RCRA"), 42 U.S.C. § 6901 et seq.. We also object to the overly broad scope of information requested, and to the unreasonable time frame encompassed by the request, set out as from the first receipt or handling of waste at the N.L. Industries/Taracorp Site ("the Site") to the

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present. Finally, we object to the Agency's factual assertion that Olin is a potentially responsible party at the Site; EPA has not included any data or information with its notice to support this contention.

However, Olin maintains a policy of cooperating with government agencies on environmental matters. Consistent with this policy, we are hereby responding to EPA's request for information to the extent that it relates to information concerning hazardous substances at the N.L. Industries/Taracorp Site. See Appendix A, Olin Corporation Answers to N.L. Industries/Taracorp Site Information Request. At the same time we are not waiving our objections to EPA's statement of authority, to the scope and time frame of the information request, or to EPA's factual assertions. Further, this response is not intended, nor can it be construed, as a waiver by Olin of any issue or question of fact or law.

As noted in the attached response, Olin representatives questioned employees and reviewed purchasing, accounting, shipping and inventory records with reference to possible waste disposal transactions between Olin and N.L. Industries/Taracorp. This search encompassed all owner/operator names listed on Attachment II of the Agency's notice letter and information request and, based on information provided by Regional Counsel Steven Siegel, also included the name "National Lead."

Olin has documents (attached) showing two purchases of metal by "Taracorp Industries" or "Taracorp, Inc." Additionally, two employees recalled possibly purchasing lead from National Lead at some unspecified past date. Olin's file search did not produce records of these possible lead purchases by Olin. With respect to Taracorp's metal purchases from Olin, one such purchase was of BB shot -- an Olin product. As the Agency is aware, CERCLA liability cannot be premised on product sales. U.S. v. Westinghouse Electric Corp., 22 ERC 1230 (S.D. Ind. 1983).

The other metal purchase by Taracorp was of scrap lead "pigs" -- blocks of lead approximately 4 inches x 4 inches x 20 inches. This scrap lead constitutes neither a RCRA-hazardous waste nor a CERCLA-hazardous substance. RCRA's definition of

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solid waste (and therefore hazardous waste) excludes scrap metal used as an ingredient in an industrial process to make a product. 40 CFR § 261.2. Olin's sale of scrap lead to Taracorp was of useful material for incorporation as an ingredient into Taracorp's manufacturing processes; this sale was not, under RCRA, one involving waste materials.

Likewise the sale was not of a CERCLA-hazardous substance. CERCLA regulates the release or threat of release of hazardous substances into the environment. Regulations found at 40 CFR § 302.4 set out the forms of metals which are considered to be releases to the environment. Those regulations specify that solid lead is a release only "if the diameter of the pieces of the solid metal released" is less than 100 micrometers (0.004 inches). Olin sold scrap lead "pigs" to Taracorp in pieces approximately 4 inches x 4 inches x 20 inches across, far more than a 0.004 inch diameter. Olin's BB shot sale was also of pieces with more than an 0.004 inch diameter. Olin's sales of BB shot and scrap lead to Taracorp, therefore, were not of hazardous substances capable of being "released" into the environment.

We are aware that EPA claims to have documents showing transactions between Olin's East Alton plant and "National Lead." We have been unable to locate any such documents, and we presume this indicates that the dates of such documents exceed Olin's records retention policy. Given our inability to locate such documents, we cannot respond fully to EPA's information request without the corresponding assistance of the Agency. We therefore request that, if EPA has documents or information indicating that materials generated by Olin are or may be present at the N.L. Industries/Taracorp site, the Agency provide us with copies of such documents or information.

Olin is interested in good faith negotiations among itself, the Agency, owners and operators, and other potentially responsible parties towards an equitable apportionment of responsibility for the N.L. Industries/Taracorp Site. Such negotiations must, however, be based upon substantial evidence linking hazardous waste materials generated by Olin to an environmental problem at the Site sought to be corrected by the Agency. At the present time, Olin has no information indicating that it is responsible for such materials or alleged environmental problems at the Site.

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Husch Eppenberger
Donohue Cornfeld & Jenkins

Please direct all further correspondence concerning this matter to the undersigned and George H. Pain, Senior Counsel for Olin Corporation. If you have any questions or comments, feel free to telephone at (314) 421-4800.

Very truly yours,

HUSCH, EPPENBERGER, DONOHUE,
CORNFELD & JENKINS

By: Kathleen M. Whitby
Kathleen M. Whitby
Attorneys for Olin Corporation

KMW/syb
Enclosure

cc: Freedom of Information Officer
(certified mail) (w/o enc.)

George H. Pain
Senior Counsel
Olin Corporation
427 North Shamrock St.
East Alton, IL 62024

APPENDIX A

OLIN CORPORATION
ANSWERS TO N.L. INDUSTRIES/TARACORP SITE INFORMATION REQUEST

Request 1. Copies of all shipping documents or other business documents relating to the transportation, treatment, storage or disposal of waste materials or substances at the above-referenced Site.

Answer: Olin Corporation ("Olin") objects to the Agency's definition of "waste materials or substances," which it asserts includes "hazardous substances, solid wastes and hazardous wastes, and other materials which may or may not contain pollutants or contaminants, and shall include reclaimed and off-specification materials of any kind;" insofar as this definition exceeds EPA's statutory authority for purposes of a hazardous waste site information request. Olin has no information that waste materials or hazardous substances generated by it were transported to the N.L. Industries/Taracorp site for treatment, storage or disposal.

Without waiver of the above objection, Olin states that attached are two sets of miscellaneous factory orders and bills of lading reflecting two sales of metal by Olin to Taracorp for use as ingredients in Taracorp's manufacturing operations. One such sale was of product BB shot; the other was of scrap metal (lead). Both the BB shot and the scrap metal sales were of pieces with greater than a 0.004 inch diameter. These transactions do not involve RCRA-hazardous waste or CERCLA-hazardous substances, nor do the sales constitute the treatment, storage or disposal of waste materials or hazardous substances by Olin.

Request 2. A detailed description of the generic common and/or trade name and the chemical composition and character (i.e., liquid, solid, sludge) of the waste material offered by you for transportation to, treatment, storage or disposal at the above-referenced Site.

Answer: Olin has no information that any waste materials generated by it were offered for transportation to, or treatment, storage or disposal at the N.L. Industries/Taracorp Site. Insofar as Request 2 seeks information concerning Taracorp's purchases of product and/or valuable scrap metal from Olin, Olin objects that such information is beyond the scope of, and exceeds EPA's authority for purposes of, a hazardous waste site information request.

Without waiver of the above objection, Olin states that the product purchased by Taracorp was lead BB shot, and the scrap

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metal was solid lead; both with per piece diameters of more than 0.004 inches.

Request 3. For each hazardous substance identified above, please give the total volume, in gallons for liquid and in cubic yards for solids, for which you arranged treatment or disposal, and list when treatment or disposal occurred.

Answer: Olin has no information that hazardous substances generated by it were treated or disposed of at the N.L. Industries/Taracorp Site. Insofar as Request 3 seeks information concerning Taracorp's purchases of product and/or valuable scrap metal from Olin for use as ingredients in Taracorp's manufacturing processes, Olin objects that such information is beyond the scope of, and exceeds EPA's authority for purposes of, a hazardous waste site information request.

Without waiver of the above objection, Olin states that on or about April 19, 1982, Taracorp purchased 17,290 lbs. of scrap lead blocks ("pigs") approximately 4 inches x 4 inches x 20 inches from Olin; and on or about May 4, 1983, Taracorp purchased 57,000 lbs. of lead BB shot, an Olin product. Olin sold these materials to Taracorp for use as ingredients in Taracorp's manufacturing processes; Olin has no information concerning Taracorp's storage, treatment or disposal of these materials.

Request 4. What arrangements were made to transport your hazardous substances to the above-referenced site? What type of transportation was used (i.e. tankers, dump trucks, drums)?

Answer: Olin has no information that any hazardous substances generated by it were transported to the N.L. Industries/Taracorp Site. Insofar as Request 4 seeks information concerning the transportation of product and/or valuable scrap metal to the N.L. Industries/Taracorp site pursuant to purchases by Taracorp, Olin objects that such information is beyond the scope of, and exceeds EPA's authority for purposes of, a hazardous waste site information request.

Without waiver of the above objection, Olin states that the scrap lead purchase was delivered by Olin truck, and the BB shot product purchase was picked up by Taracorp truck.

Request 5. Who was the transporter of your hazardous substances, what was his previous address, and what is his current address?

Answer: See answer to Request 4 above.

Request 6. Copies of all records, including analytical results, which indicate the chemical composition and/or

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chemical character of the waste material(s) transported to, treated, stored or disposed of at the above-referenced Site or offered for transportation to, treatment, storage or disposal at the Site.

Answer: Olin has no information that waste materials generated by it were transported to or offered for transportation to, treatment, storage or disposal of at the N.L. Industries/Taracorp Site. Insofar as Request 6 seeks information concerning Taracorp's purchases of product and/or valuable scrap metal from Olin for use by Taracorp as ingredients in its manufacturing processes, Olin objects that such information is beyond the scope of, and exceeds EPA's authority for purposes of, a hazardous waste site information request.

Without waiver of the above objection, Olin states that the chemical composition of scrap lead is lead, and the chemical composition of BB shot is also lead.

Request 7. Any additional information which may help U.S. EPA to identify other companies or individuals that transported or arranged for the transportation of waste materials to the Site.

Answer: Olin objects to Request 7 as beyond the scope of, and exceeding EPA's authority for purposes of, a hazardous waste site information request. Olin further objects to Request 7 as vague. Without waiver of these objections, Olin states that it has no information concerning the transportation or arrangement for transportation of waste materials to the N.L. Industries/Taracorp Site.

Request 8. A list of all individuals responsible for obtaining the information included in or who participated in preparing your response to this request for information.

Answer: The party responsible for preparing this response on behalf of Olin is Husch, Eppenberger, Donohue, Cornfeld & Jenkins, by Kathleen M. Whitby, Attorneys for Olin Corporation. Individuals consulted in preparing this response include:

M. Belden,
Accounts Receivable Clerk

R. Bockhorst,
Vice President Services

B. Caruso,
Casting Production Manager

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M. Chapman,
Tax Accountant

D. Dedert,
Manager Materials Handling

W. Galler,
Associate Energy and Environmental Engineer

D. Lange,
Director Metals Management

L. Maxson,
Director Engineering and Environmental Services

S. Sackett,
Supervisor Cost Accounting

W. Steinbrueck,
Manager Metals Purchasing

D. Ritzheimer,
Supervisor Inventory Control

M. Roark,
Chief Energy and Environmental Engineer

C. Sitze,
Brass Mill Production Manager

M. Redington,
Manager Utilities and Special Projects for
Utilities and Environmental

E. Schaberg,
Director Purchasing

D. Woelful,
Manager Production Control

G. Kovarik,
Manager Transportation Brass Group

J. Kraemer,
Supervisor of General Accounting and
Financial Reporting

G. Boeker,
Distribution Center Manager

These persons may not be contacted except through Olin's attorneys.

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Olin

MISCELLANEOUS FACTORY ORDER

EAST ALTON, ILLINOIS 62024

SHIP TO

Taracorp Industries
16th & Cleveland Blvd.
Granite City, Illinois 62040
Attention: Mr. Gene Duvall

DATE: 4-19-82

OUR ORDER NO.: MFO 63285

SHIP VIA: Olin Truck [ ] COLLECT [X] PREPAID

CUSTOMER'S ORDER NO.: GC-1781

IF PREPAID, CHARGE TRANSPORTATION TO: See Dick Dague

INVOICE TO: (Same as "Ship To" address)

OUR PLANT ORDER NO.: N/A

OUR PURCHASE ORDER NO.: N/A

TERMS: Net 30

REQUESTED BY: D. L. Ditto/Bill Cunningham

LOCATION OF ITEMS: Metallic Loading/Tramway - Contact B. Cunningham at Ext. 3148

DATE WANTED: Week of 4-19-82

BEING SHIPPED FOR: Sale to Taracorp

DATE SHIPPED:

DESCRIPTION	QUANTITY	PRICE	AMOUNT
Scrap Lead (9 skids)	8-10 Tons	16¢/lb.	
MARK SHIPPING PAPERS:			
a) To the attention of "Gene Duvall."			
b) Taracorp to weigh scrap upon arrival and			
notify Olin Purchasing - Attn: D. L. Ditto -			
of exact weight via confirming purchase order.			
Distribution: M. Belt (3) B. Cunningham			
M. K. Doughty D. L. Ditto			
Jeanette Gardner Dick Dague			
K. J. Hulvey			
E. L. Jacoby			
D. J. Joiner			
R. W. Stumpe			
J. L. Sullivan			
G. G. Whitten			
J. M. Wright			
File Copy			

CREDIT TO ACCOUNT NO.

COPY OF INVOICE TO: FACTORY | COST ACCOUNTING | RESEARCH

PURCHASING DEPT. | STORES | PROPERTY | COST ACCOUNTING | GEN. ACCOUNTING

printed 06/01/2011 10:59AM by Luttie.Boarman p. 106/413

RECEIVED, subject to the classifications and tariffs in effect on the date of the issue of this Bill of Lading.

AT EAST ALTON, ILLINOIS 4-27-82 From: OLIN CORPORATION

WINCHESTER WESTERN

THE WEIGHT AND DESCRIPTION SHOWN HEREON ARE CORRECT, SUBJECT TO VERIFICATION BY THE WEIGHING BUREAU HAVING JURISDICTION.

Shipper's No. 09347

If charges are to be prepaid, write or stamp here, "To be Prepaid."

"TO BE PREPAID"

Consigned To TARACORP IND. 16TH & CLEVELAND BLVD.

Destination GRANITE CITY State ILL 62040 County

Route COMAPNY TRUCK Car/Vehicle Initial No.

No. Packages	KIND OF PACKAGE, DESCRIPTION OF ARTICLES, SPECIAL MARKS, AND EXCEPTIONS	WEIGHT (Sub. to Cor.)	Class or Rate	No. Packages	KIND OF PACKAGE, DESCRIPTION OF ARTICLES, SPECIAL MARKS, AND EXCEPTIONS	WEIGHT (Sub. to Cor.)	Class or Rate
	Small-Arms Ammunition, Class C Explosives, No Label Required - Cartridges, Small Arm, Blank or Loaded, NOI (Shells)				Cases Firearms or Parts N.O.I.B.N.		
	Small-Arms Ammunition, Class C Explosives, No Label Required - Cartridges, Small Arm, Blank or Loaded, NOI (Metallic)				Packages Propellant Explosives (Solid) Class B "Class B Explosives" "Smokeless Powder for Small Arms" Explosives B Labels Applied		
	Cartridges Cases, Empty, (Primed, Class C Explosives, No Label Required - for Small Arms				Cases Smokeless Powder for Small Arms (100 Pounds or Less) "Flammable Solids" Flammable Solids Labels Applied		
	Cases Small Arms Primers "Class C Explosives" No Labels Required				Cases - Cartridge Cases, Empty, for Small Arms, Not Primed		
	Cases Steel Shot (Ammunition)				Cases - Gun Wads		
	Cases Lead Shot (Ammunition)				Cases Target Traps		
	Gunnies (bags) Lead Shot (Ammunition)				Cases Target Trap Parts		
	Cases - Pitch Targets			9	PALLETS SCRAP	17290	
	Cases - Bullets				LEAD		
	Cases - Lead Pellets						

MFO # 63285 CHG. D.L. DITTO

ATTN: GENE DUVALL

4/27/82

Subject to Section 7 of conditions of applicable bill of lading if this shipment is to be delivered to the consignee without recourse on the consignor, the consignor shall sign the following statement: The carrier shall not make delivery of this shipment without payment of freight and all other lawful charges.

OLIN CORPORATION

Per

This is to certify that the above named articles are properly classified, described, packaged, marked and labeled and are in proper condition for transportation according to the applicable regulations of the Department of Transportation.

Shipper's imprint in lieu of stamp; not a part of Bill of Lading approved by the Interstate Commerce Commission.

OLIN CORPORATION Shipper, Per

Agent,

Permanent Post Office Address of Shipper, EAST ALTON, ILL. 62024

Per

$2765 RP

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MISCELLANEOUS FACTORY ORDER

EAST ALTON, ILLINOIS 62024

SHIP TO
Taracorp, Inc.
Attn: Mr. Clarence Reker
16th & Cleveland
Granite City, Illinois 62040

DATE: May 4, 1983

OUR ORDER NO.: MFO 65272

SHIP VIA: Taracorp Truck ☐ COLLECT ☐ PREPAID

CUSTOMER'S ORDER NO.: 10241

IF PREPAID, CHARGE TRANSPORTATION TO

INVOICE TO: (Same as above)

OUR PLANT ORDER NO.

OUR PURCHASE ORDER NO.

TERMS: C.O.D. Cashier's Check

REQUESTED BY: D. L. Ditto

LOCATION OF ITEMS: Shot Tower - See B. Collins

DATE WANTED: Week of May 23, 1983

BEING SHIPPED FOR: Sale to Taracorp

DATE SHIPPED

DESCRIPTION	QUANTITY	PRICE	AMOUNT
Item 1 - B.B. Shot Packaged in 300# Pails	54 BUCKETS		DONE
and skidded	16,000#	$0.1679/#	$2,686.40
Item 2 - B.B. Shot Packaged in 25# Bags	1600 BAGS		
and skidded	40,000#	$0.1679/#	$6,716.00
Total.....	.....	.....	$9,402.40
Distribution: Laura Downing (3)	1600		PACKED
M. K. Doughty	— 206		400 - 5/25
Jeanette Gardner	1294		800 - 5/24
K. J. Hulvey	— 806		
D. Joiner	488 +40		DONE
Tom Powers	628		
J. L. Sullivan	630		
J. M. Wright			
B. Collins			
File Copy			

CREDIT TO ACCOUNT NO.

COPY OF INVOICE TO:

FACTORY | COST ACCOUNTING | RESEARCH

SALES | PURCHASING DEPT. | PROPERTY | COST ACCOUNTING | GEN. ACCOUNTING

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EAST ALTON, ILLINOIS 5/27/93

OLIN CORPORATION

THE WEIGHT AND DESCRIPTION HEREON ARE SUBMITTED FOR VERIFICATION BY THE [illegible] HAVING JURISDICTION.

U

Shipper's No. 03943

If charges are to be prepaid, write or stamp here, "To be Prepaid."

"TO BE PREPAID"

Consigned To Taracorp Industries

Destination Granite City State Il. County

Route Car/Vehicle Initial No.

No. Packages	KIND OF PACKAGE, DESCRIPTION OF ARTICLES, SPECIAL MARKS, AND EXCEPTIONS	WEIGHT (Sub. to Cor.)	Class or Rate	No. Packages	KIND OF PACKAGE, DESCRIPTION OF ARTICLES, SPECIAL MARKS, AND EXCEPTIONS	WEIGHT (Sub. to Cor.)	Class or Rate
	Small-Arms Ammunition, Class C Explosives, No Label Required - Cartridges, Small Arms, Blank or Loaded, NOI (Shotts)				Cases Primerless or Paper N.O.I.B.N.		
	Small-Arms Ammunition, Class C Explosives, No Label Required - Cartridges, Small Arms, Blank or Loaded, NOI (Weller)				Antique Propellant Explosives (Solid) Class B "Class B Explosives" "Smokeless Powder for Small Arms" (Explosive B Labels Applied)		
	Cartridge Cases, Empty, Primed Class C Explosives, No Label Required - for Small Arms				Cases Smokeless Powder for Small Arms (100 Pounds or Less) "Flammable Solids" Flammable Solids Labels Applied		
	Cases Small Arms Primers "Class C Explosives" No Labels Required				Cases - Cartridge Cases, Empty, for Small Arms, Not Primed		
	Cases Steel Shot (Ammunition)				Cases - Duck Wads		
	Cases Lead Shot (Ammunition)				Cases Target Traps		
	Gunnies (lbs) Lead Shot (Ammunition)				Cases Target Trap Parts		
	Cases - Prich Targets						
	Cases - Bullets						
	Cases - Lead Pellets						

800 Bags BB Shot - 20,000 lbs.

54 Buckets BB Shot - 16,000 lbs.

TFO 65272

Subject to Section 7 of conditions, if any, this bill of lading shall be signed by the shipper or his agent. The carrier shall sign the following statement: The agreed or declared value of the property is specifically stated by the shipper hereon and is hereby agreed to be the actual value.

OLIN CORPORATION

This is to certify that the above named articles are properly classified, described, packaged, marked and labeled and are in proper condition for transportation according to the applicable regulations of the Department of Transportation.

Shipper's imprint in lieu of stamp; not a part of Bill of Lading approved by the Interstate Commerce Commission.

OLIN CORPORATION Shipper, Per

Agent

Per

Post Office Address of Shipper EAST ALTON, ILL. 62024

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EAST ALTON, ILLINOIS

Original Bill of Lading

Shipper's No. 929

If charges are to be prepaid, write or stamp here, "To be Prepaid."

"TO BE PREPAID"

Consigned To Tamcorp Industries

Destination Granite City State Il. County

Route Car/Vehicle Initial No.

No. Packages	KIND OF PACKAGE, DESCRIPTION OF ARTICLES, SPECIAL MARKS, AND EXCEPTIONS	WEIGHT (Sub. to Cor.)	Class or Rate	No. Packages	KIND OF PACKAGE, DESCRIPTION OF ARTICLES, SPECIAL MARKS, AND EXCEPTIONS	WEIGHT (Sub. to Cor.)	Class or Rate
	Small Arms Ammunition, Class C Explosives, No Label Required - Cartridges, Small Arms, Blank or Loaded, NOI (Shells)		A		Cases Firearms or Parts N.O.I.B.N.		
	Small Arms Ammunition, Class C Explosives, No Label Required - Cartridges, Small Arms, Blank or Loaded, NOI (Shells)		B		Packages Propellant Explosives (Solid) Class B "Class B Explosives" "Smokeless Powder for Small Arms" Explosive B Labels Applied		
	Cartridges Cases, Empty, Primed, Class C Explosives, No Label Required - for Small Arms		C		Cases Smokeless Powder for Small Arms (100 Pounds or Less) "Flammable Solids" Flammable Solids Labels Applied		
	Cases Small Arms Primers "Class C Explosives" No Labels Required		D		Cases - Cartridge Cases, Empty, for Small Arms, Not Primed		
	Cases Steel Shot (Ammunition)		E		Cases - Gun Wads		
	Cases Lead Shot (Ammunition)		F		Cases Target Traps		
	Ammunition [illegible] Lead Shot (Ammunition)		G		Cases Target Trap Parts		
	Cases - Pitch Targets		H				
	Cases - Bullets		I				
	Cases - Lead Pellets		J				

840 Bags BB Shot - 21,000 lbs.

MSO 65272

Subject to Section 7 of conditions, if applicable, bill of lading of this shipment is to be construed to the consignee without recourse on the consignor, the consignor shall sign the following statement: The carrier shall not make delivery of this shipment without payment of freight and other lawful charges.

OLIN CORPORATION

This is to certify that the above named articles are properly classified, described, packaged, marked and labeled and are in proper condition for transportation according to the applicable regulations of the Department of Transportation.

Shipper's imprint in lieu of stamp; not a part of Bill of Lading approved by the Interstate Commerce Commission.

OLIN CORPORATION Shipper, Per

Agent

Permanent Post Office Address of Shipper EAST ALTON, ILL. 6202[illegible] Per

OLIN-CHEMETCO_0427

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Recv'd 18 June 02

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 2
290 BROADWAY
NEW YORK, NY 10007-1866

June 14, 2002

PROMPT REPLY NECESSARY
CERTIFIED MAIL: RETURN RECEIPT REQUESTED

AJ Oster Co.
300 Centerville Rd, #300E,
Warwick, RI 02886-0211

RE: Pittsburgh Metal & Equipment Superfund Site, Jersey City, Hudson County, NJ
Request for Information Pursuant to 42 U.S.C. §§ 9601, et seq.

Dear Sir/Madam:

This letter seeks your cooperation in providing information relating to the contamination of the Pittsburgh Metal & Equipment Superfund Site located at the foot of Jersey Avenue in Jersey City, Hudson County, New Jersey ("Site"). A Superfund site is a site contaminated with hazardous substances that may present a threat to human health or the environment.

We encourage you to give this matter your immediate attention. We request that you provide a complete and truthful response to the attached Request for Information **within 30 calendar days** of your receipt of this letter.

The United States Environmental Protection Agency ("EPA") has conducted a cleanup action to address the release and threat of release of hazardous substances, pollutants or contaminants at the Site. This cleanup was conducted pursuant to our authorities under the federal "Superfund" law, the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), 42 U.S.C. §§ 9601 et seq.

Pittsburgh Metal was a secondary lead smelter that operated at this location for several decades. Air releases and direct discharges to the surface soils have occurred through the years. Soil sampling by EPA detected high levels of lead and cadmium. There were indications that the lead contaminated bank of Mill Creek was leaching into the waterway. Other hazardous substances detected at the site in elevated concentrations include antimony, beryllium, copper, nickel, silver, zinc, and PCBs. The Site posed a health threat, through inhalation and ingestion, to persons that used the property and that worked in the area. The contamination in the building posed similar threats to persons entering the building and posed a threat of release to the area outside of the building. As a result of these findings, EPA performed a Removal Action at the Site.

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Under Section 104(e)(2) of CERCLA, 42 U.S.C. Section 9604(e)(2), EPA has broad information gathering authority. This authority allows EPA to require persons to provide information and/or documents relating to the materials which have been or are generated, treated, stored or disposed of at or transported to a facility, and into the nature or extent of a release of a hazardous substance or pollutant or contaminant at or from a facility. EPA may also gather information about the ability of a person to pay for a cleanup.

While EPA seeks your cooperation in this investigation, compliance with this Request for Information is required by law. In preparing your response to this Request for Information, please follow the instructions provided in Attachment A. When you have prepared your response to the Request for Information, contained in Attachment B, please sign and have notarized the enclosed "Certification of Answers to Request for Information," and return that Certification to EPA along with your response. Please note that false, fictitious or fraudulent statements or representations may subject you to civil or criminal penalties under federal law. In addition, Section 104 of CERCLA, 42 U.S.C. Section 9604, authorizes EPA to pursue penalties for failure to comply or for failure to respond adequately to the Request for Information.

Some of the information EPA is requesting may be considered by you to be confidential. Please be aware that you may not withhold from EPA the information upon that basis. If you wish EPA to treat the information confidentially, you must advise EPA of that fact by following the procedures described in the Instructions Section in Attachment A, including the requirement for supporting your claim for confidentiality.

If you know of other parties who may have information that may assist EPA in its investigation of the Site or may be responsible for the contamination at the Site, that information should be submitted within the time frame noted above.

Please note that if after submitting your response you obtain additional or different information concerning the matters addressed by our Request for Information, you must immediately turn over the additional or different information to EPA.

This Request for Information is not subject to the approval requirements of the Paperwork Reduction Act of 1980, 44 U.S.C. § 3501 et seq.

Your response to this Request for Information should be postmarked or received by EPA within 30 days of your receipt of this letter. Your response should be mailed to:

Mr. Nick Magriples, On-Scene Coordinator
U.S. Environmental Protection Agency, Region 2
2890 Woodbridge Avenue
Building 209
Edison, NJ 08837

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A copy of your reply should be sent to:

Ms. Patricia C. Hick, Assistant Regional Counsel
Office of Regional Counsel
U.S. Environmental Protection Agency, Region 2
290 Broadway, 17th Floor
New York, New York 10007-1866

If you have any questions regarding this Request for Information, or would like to discuss this matter with EPA, please contact Ms. Sonia Malone-Ayala at (212) 637-3126. Inquiries from attorneys should be directed to Ms. Hick at (212) 637-3137.

We appreciate and look forward to your prompt response to this information request.

Sincerely yours,

Kevin Lynch, Acting Strategic Integration Manager
Emergency and Remedial Response Division

Enclosures

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ATTACHMENT A

INSTRUCTIONS FOR RESPONDING TO REQUEST FOR INFORMATION

A. Directions

1. In answering these questions, every source of information to which you have access should be consulted, regardless of whether the source is in your immediate possession or control. All documents or other information, including records of all types of manufacturing, treatment, transportation or disposal operations, in your possession or in the possession of the Company should be consulted.

2. A complete and separate response should be given for each question and subpart. Provide all documents that relate to each question. For each question, if information or documents responsive to this request are not in your possession, custody or control, please identify the person(s) from whom such information may be obtained.

3. Identify each answer with the number of the question and the subpart to which it responds. For each document produced in response to this Request for Information, indicate on the document, or in some other reasonable manner, the question to which it applies.

4. Provide responses to the best of your ability, even if the information sought was never put in writing or if the written documents are no longer available. Consult with all present and past employees and agents of your Company whom you have reason to believe may be familiar with the matter to which the question pertains.

5. In answering each question, identify each individual and any other source of information (including documents) that were consulted in the preparation of the response to the question.

6. If you have reason to believe that an individual other than one employed by your Company may be able to provide additional details or documentation in response to any question, state that person's name, last known address, phone number and the reasons for your belief.

7. If a document is requested but not available, state the reason for its unavailability. To the best of your ability, identify the document by author, date, subject matter, number of pages and all recipients of the documents with their addresses.

8. If anything is omitted from a document produced in response to the Request for Information, state the reason for, and the subject matter of, the omission.

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9. If you are unable to give a detailed and complete answer, or to provide any of the information or documents requested, indicate the reason for your inability to do so.

10. Sign and notarize the Certification of Answers where indicated.

11. Confidential Information The information requested herein must be provided even though you may contend that it includes confidential information or trade secrets. You may assert a confidentiality claim covering part or all of the information requested, pursuant to Sections 104(e)(7)(E) and (F) of CERCLA, 42 U.S.C. §§ 9604(e)(7)(E) and (F), Section 3007(b) of RCRA, 42 U.S.C. §6927(b), and 40 CFR §2.203(b).

If you make a claim of confidentiality for any of the information you submit to EPA, you must prove that claim. For each document or response you claim confidential, you must separately address the following points:

A. the portions of the information alleged to be entitled to confidential treatment;

B. the period of time for which confidential treatment is desired (e.g., until a certain date, until the occurrence of a specific event, or permanently);

C. measures taken by you to guard against the undesired disclosure of the information to others;

D. the extent to which the information has been disclosed to others, and the precautions taken in connection therewith;

E. pertinent confidentiality determinations, if any, by EPA or other federal agencies, and a copy of any such determinations or reference to them, if available; and

F. whether you assert that disclosure of the information would likely result in substantial harmful effects on your business' competitive position, and if so, what those harmful effects would be, why they should be viewed as substantial, and an explanation of the causal relationship between disclosure and such harmful effects.

To make a confidentiality claim, please stamp, or type "confidential" on all confidential responses and any related confidential documents. Confidential portions of otherwise non-confidential documents should be clearly identified. You should indicate a date, if any, after which the information need no longer be treated as confidential. Please submit your response so that all non-confidential information, including any redacted versions of documents, is in one envelope and all materials for which you desire confidential treatment are in another envelope.

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All confidentiality claims are subject to EPA verification. It is important that you satisfactorily show that you have taken reasonable measures to protect the confidentiality of the information and that you intend to continue to do so, and that it is not and has not been obtainable by legitimate means without your consent. Information covered by such claim will be disclosed by EPA only to the extent permitted by CERCLA Section 104(e). If no such claim accompanies the information when it is received by EPA, then it may be made available to the public by EPA without further notice to you..

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B. Definitions

1. The term **"you"** shall mean the addressee of this Request for Information, the addressee's officers, managers, employees, contractors, trustees, partners, successors, assigns or agents.

2. As used herein, the terms **"Company"** or **" your Company"** refers not only to the Company as it is currently named and constituted, but also to all predecessors or successors in interest and all subsidiaries, divisions, affiliates and branches of the Company and all of their predecessors or successors in interest. The term "Company" is not limited to corporations. If you had transactions with any of the businesses located at the Site as an individual, rather than the representative of any Company, please answer the questions in your individual capacity.

3. The term **"Site"** shall mean the Pittsburgh Metal & Equipment Superfund Site, located at the foot of Jersey Avenue (41-59 Aetna Street), Jersey City, New Jersey.

4. The terms **"facility"**, **"hazardous substance"**, and **"person"**, shall have the meanings set forth in Section 101(9), (14), and (21) of CERCLA, 42 U.S.C. §9601(9), (14), and (21) respectively.

5. The terms **"hazardous waste"**, **"disposal"** and **"storage"** shall have the meanings contained in Sections 1004(5), (3) and (33) of Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C. Sections 6903(5), (3) and (33), respectively.

6. The term **"pollutant or contaminant"** shall have the same definition as that contained in Section 101(33) of CERCLA and includes any mixtures of such pollutants or contaminants with any other substances.

7. The term **"identify"** means, with respect to a natural person, to set forth the person's name, present or last known employer, business address and business telephone number, present or last known home address and home telephone number, and present or last known job title, occupation, position or business.

8. With respect to a corporation, partnership, business trust or other association or business entity (including a sole proprietorship) the term **"identify"** means to provide its full name, address, and affiliation with the individual and/or Company to whom this request is addressed.

9. The term **"document"** and **"documents"** shall include any written, recorded, computer generated, or visually or aurally reproduced material of any kind in any medium in the Company's possession, custody or control or known by you or the Company to exist,

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including originals and all non-identical copies.

10. The term **"arrangement"** shall include every separate contract or other agreement between two or more persons, whether written or oral.

11. The term **"material"** or **"materials"** shall include any and all objects, goods, substances, or matter of any kind, including, but not limited to, wastes.

12. The term **"release"** shall have the same definition as that contained in Section 101(22) of CERCLA, 42 U.S.C. Section 9601(22), and includes any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping or disposing into the environment, and other closed receptacles containing any hazardous substance or pollutant or contaminant.

13. All terms not defined herein shall have their ordinary meaning, unless such terms are defined in CERCLA or RCRA, in which case the statutory definitions shall apply.

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ATTACHMENT B

REQUEST FOR INFORMATION

1. Answer the following questions regarding your Company. In identifying a Company that no longer exists, provide all the information requested, except for the agent for service of process. If your Company did business under more than one name, list each name.

   a) State the legal name of your Company.

   b) State the name and address of the president or the chairman of the board, or other presiding officers of your Company.

   c) Identify the state of incorporation of your Company and your Company's agent for service of process in the state of incorporation and in New Jersey.

   d) If your Company is a subsidiary or affiliate of another Company, or has subsidiaries, or is a successor to another Company, identify these related companies. For each related Company, describe the relationship to your Company and indicate the date and manner in which each relationship was established.

   e) How many employees does your Company have?

2. Does your Company have a permit or permits issued pursuant to the Resource Conservation and Recovery Act, 42 U.S.C. § 6901, et seq.? If the Company has an EPA identification number, please specify it.

3. Describe in detail the nature of the business of your Company during the years 1974 through 1993 and the location of your facilities. If your Company relates or related to printing, please describe in detail the print process used and how type or other metal was received, used, and handled once used.

4. Please describe the transactions between your Company and each of the following businesses:

   a) Pittsburgh Metal & Equipment

   b) Pittsburgh Graphic Products Corporation

   c) P.M.E. Metal & Equipment, Inc.

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d) Jersey Smelting & Refining Corp.

5. Did you have transactions with any other business that operated at the foot of Jersey Avenue in Jersey City? If so, what business?

6. For each business above with which you had a transaction, specify the business or businesses and answer each of the questions below:

	YES	NO
a) Did you purchase material from the business?	____	____
b) Did you sell material to the business?	____	____
c) Did you exchange used material for unused material?	____	____
d) Did you in any other way give, transfer, deliver or arrange for material to go to the business?	____	____
e) Did you ever have the business do "tollwork" for you?	____	____

If yes, please explain the arrangement, the material that you provided, what was done to the material, and the material that you received in return.

f) During what years did you have a transaction with the business?

g) How often (times per year or month) did you have a transaction with the business?

h) What was an average amount purchased/sold/exchanged/transferred during each transaction?

i) Please provide all available records for each of these transactions identified in 6. a through h, above, including the dates, amount paid or collected in connection with each transaction, the method of payment, and the person whom you dealt with at the business.

7. If you purchased material from a business operating at the Site referred to above, please specify the business or businesses and answer each of the questions below:

	YES	NO
a) Did you purchase L6 "plus", L8 "plus" or L10 "plus" or any other "plus" metal from one of these businesses?	____	____
b) Did you purchase toner, temper or toning material from one of these businesses?	____	____

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c) Did you purchase dross from one of these businesses? ____ ____

d) If you purchased other material, please specify: _____

e) During what years did you purchase material from the business or businesses?

f) How often (times per year or month) did you purchase materials from the business or businesses?

g) What was an average amount purchased during each transaction?

h) Please provide all available records for each of these transactions identified in 7.a through g, above, including the dates, amount paid or collected in connection with each transaction, the method of payment, and the person whom you dealt with at the business.

8. If you sold, exchanged, gave, transferred, delivered or arranged for material to go to a business at the Site to above, please specify the business or businesses and answer each of the questions below:

a) What was the material?

b) What was the type of transaction (sale, exchange, etc.)?

	YES	NO
c) Did you ever sell, exchange, give, transfer, deliver or arrange for any "dross" to go to the one of the businesses?	____	____
d) Did you ever sell, exchange, give, transfer, deliver or arrange for any material to go to a reverberatory furnace or secondary smelter at the business?	____	____

e) Did the material sent to the business meet a commercial specification grade? If so, please identify or list the commercial specification grades that each type of metal identified above met.

f) What was the price structure for outright purchases versus exchanges of material?

g) During what years did you purchase or exchange material from the business?

h) How often (times per year or month) did you purchase materials from the business?

i) What was an average amount purchased during each transaction?

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j) Please provide all available records for each of these transactions identified in 8.a through i, above, including the dates, amount paid or collected in connection with each transaction, the method of payment, and the person whom you dealt with at the business.

9. In your transactions with a business or businesses at the Site:

	YES	NO
a) Did you exchange used material for "plus" metal, toner or temper?	____	____
b) Did you return, give, transfer, deliver or sell used "plus" metals, temper or toner?	____	____

c) If the answer to either a or b is "yes," please

i) specify whether the material had been used more than once; and
ii) describe the characteristics of the material when it could no longer be used, including its physical condition, its changed properties, and what made it undesirable to use further. Please describe the process, including equipment, additives, and temperature, by which you prepared the material for re-use.

d) If you did not sell, exchange, return, give, transfer, deliver or arrange for any used "plus" material related to your printing operations to go to the business that operated at the Site, please describe the method of recycling, treatment or disposal used for spent printing materials.

e) Please provide all available records for each of these transactions identified in 9.a through d, above, including the dates, amount paid or collected in connection with each transaction, the method of payment, and the person whom you dealt with at the business.

10. a) At the time of the transaction or transactions involving metal or scrap metal, what was your understanding of the intended disposition of the scrap metal at the business?

b) What basis, if any, did you have for believing that the metal or scrap metal would or would not be recycled?

c) Did you melt the metal or scrap metal at your Company prior to its transport to the business at the Site? If yes, describe the process, including the equipment, additives, and temperature, used for melting the material.

11. During the transactions with any of the businesses above, did you use a broker? If so, please specify the name of the broker and the years or transactions for which the broker was used.

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12. Did you have any transactions with any of the following businesses:

a) A.S.K. Metals

b) Cambridge Lee

c) Madacar Trading

d) F&H Electronics

e) GWP Industries

If the answer is yes, please provide all available records for each of transaction with any of these businesses, including the type of transaction, the dates of the transaction, the material involved in the transaction, and the person whom you dealt with at the business.

13. a) At the time of each transaction referred to in any of these questions, who owned the metal?

b) Was the transfer of material an outright sale or did you maintain ownership of the material "on account" or subject to a tolling agreement?

c) Was there any written agreement controlling the ownership of the material?

14. a) Did you ever transfer material to or receive material from one of the businesses operating at the Site listed above on behalf of another third-party company? Please describe this transaction.

b) What was the material that was transferred to or received from the third party company?

c) Was there any written agreement controlling the ownership of the material?

15. Did you ever visit any of the businesses operating at the Site to which you sent material?

16. a) In regard to the business or businesses with which you had a transaction, were you aware of any non-compliance with substantive provisions of any Federal, State or local environmental law or regulation, or compliance order or decree applicable to the facility handling, processing, reclaiming, storage or other management activities associated with the metal or scrap metal?

b) If you sent material to the reverberatory furnace or secondary smelter, were you aware of any operational or permitting problems with the equipment?

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c) What steps, if any, did you take to ensure that the business operating at the Site was or was not in compliance with substantive provisions of any Federal, State or local environmental law or regulation, or compliance order or decree applicable to the facility handling, processing, reclaiming, storage or other management activities associated with the metal or scrap metal?

17. Describe the efforts of your Company with respect to the management and handling of the metal or scrap metal (including the extent to which you complied with customary industry practices designed to minimize contamination of metal or scrap metal by hazardous substances).

18. Provide all information in your possession that shows your Company's non-compliance with applicable Federal environmental regulations or standards regarding the storage, transport, management or other activities associated with the recycling of metal or scrap metal.

Pursuant to the authority in Section 104(e)(2)(C) of CERCLA, 42 U.S.C. § 9604(e)(2)(C), EPA may require any person to furnish information relating to the ability of a person to pay for or to perform a cleanup. Therefore, please answer all of the following questions.

19. Please provide copies of your Company's financial statements for the past five fiscal years.

20. Identify your Company's current assets and liabilities and the persons who currently own or are responsible for such assets and liabilities.

21. If any of the documents solicited in this information request are no longer available, please indicate the reason why they are no longer available. Please also provide:

a) the document retention policy.

b) a description of the type of information that would have been contained in the documents.

c) the name, job title and most current address known by you of the person(s) who would have produced these documents, the person(s) who would have been responsible for the retention of these documents; the person(s) who would have been responsible for the destruction of these documents; and the person(s) who had and/or still may have the originals or copies of these documents.

d) the names and most current address of any person(s) who may possess documents relevant to this inquiry.

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22. State the name, title, and address of each individual who assisted or was consulted in the preparation of the response to this "Request for Information" and specify which question each person assisted in responding.

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CERTIFICATION OF ANSWERS TO REQUEST FOR INFORMATION

State of _____:

County of _____:

I certify under penalty of law that I have personally examined and am familiar with the information submitted in this document (response to EPA Request for Information) and all documents submitted herewith, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the submitted information is true, accurate, and complete, and that all documents submitted herewith are complete and authentic unless otherwise indicated. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment. I am also aware that my Company is under a continuing obligation to supplement its response to EPA's Request for Information if any additional information relevant to the matters addressed in EPA's Request for Information or the Company's response thereto should become known or available to the Company.

_____
NAME (print or type)

_____
TITLE (print or type)

_____
SIGNATURE

Sworn to before me this ____ day of _____ 20___

_____
Notary Public Signature

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OLIN CORPORATION
CERCLA § 104(e) RESPONSE
PITTSBURGH METAL & EQUIPMENT SUPERFUND SITE,
JERSEY CITY, HUDSON COUNTY, NJ
JULY 31, 2002

F:\ST_LOUIS\FRIESM\Environm\1245368.02

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General Objections:

Respondent objects to each and every question to the extent it exceeds the authority of the United States Environmental Protection Agency ("USEPA") under the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), insofar as a particular question fails to limit the scope of the inquiry to:

1. The identification, nature and quantity of materials which have been or are generated, treated, stored, or disposed of at the Site (as defined in the Request for Information), as provided in CERCLA sec. 104(e)(2)(A), 42 U.S.C. sec. 9604(e)(2)(A);
2. The nature or extent of a release of a hazardous substance or pollutant or contaminant at or from the Site, as provided in CERCLA sec. 104(e)(2)(B), 42 U.S.C. sec. 9604(e)(2)(B); or
3. Information relating to the ability of Respondent to pay for or perform a cleanup, as provided in CERCLA sec. 104(e)(2)(C), 42 U.S.C. sec. 9604(e)(2)(C).

For each and every question, Respondent objects to the definitions and instructions included in the request for information as exceeding the scope of EPA's authority for purposes of a CERCLA sec. 104(e) request.

Respondent objects to each question to the extent that the question asks for information known to entities other than Olin.

Respondent objects to each question to the extent the question asks for information or documents protected by the attorney-client and/or work-product privileges.

General Response:

Respondent Olin Corporation (Olin or Respondent) purchased the stock of A.J. Oster Company on August 30, 1991 from Cookson Investments, Inc. A.J. Oster was later merged into Olin Corporation. Accordingly, this response is limited to the A.J. Oster business unit of Olin.

The alleged nexus materials to the Site provided by EPA reference the A.J. Oster Company manufacturing facility located at 50 Sims Avenue, Providence, RI (50 Sims Avenue Facility) and transactions therefrom. Prior to Olin's purchase of the A.J. Oster Company, the 50 Sims Avenue Facility and the white metals and pewter alloy businesses conducted at this facility had been purchased by Fry's Metals, Inc. a Delaware corporation. Upon Olin's acquisition, brass operations at the 50 Sims Avenue Facility were moved to the A.J. Oster Warwick, RI facility. Therefore, when Olin purchased A.J. Oster Company, ownership of the 50 Sims Avenue Facility was not included in the acquisition.

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In reviewing the EPA alleged nexus documents with the Respondent's A.J. Oster business units, we believe that the transactions referenced in those documents pertain to the white metals and/or pewter alloy business of the 50 Sims Avenue Facility. Olin had no involvement with the 50 Sims Avenue Facility white metals and pewter alloy businesses that we believe are referenced in the nexus documents provided.

Olin owned A.J. Oster Company for less than 2 years of the time period covered by this CERCLA § 104(e) request and never owned the 50 Sims Avenue Facility or the white metal and pewter alloy businesses conducted thereon. We have not identified any employees with personal knowledge of the transactions described in the alleged nexus materials provided by EPA. Therefore, Respondent has no knowledge from which to interpret whether these alleged nexus documents reflect the purchase of finished product or other processing services.

1. **Answer the following questions regarding your Company. In identifying a Company that no longer exists, provide all the information requested, except for the agent for service of process. If your Company did business under more than one name, list each name.**

   a) **State the legal name of your Company.**

   Olin Corporation

   b) **State the name and address of the president or the chairman of the board, or other presiding officers of your Company.**

   Joseph D. Rupp, President and Chief Executive Officer
   501 Merritt 7
   Norwalk, CT 06856-4500

   c) **Identify the state of incorporation of your Company and your Company's agent for service of process in the state of incorporation and in New Jersey.**

   Response: Olin Corporation is incorporated in the Commonwealth of Virginia. Agent or service of process in Virginia is:

   C T Corporation System
   5511 Staples Mill Road
   Richmond, VA 23228

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Agent for service of process in New Jersey is:

The Corporation Trust Company
820 Bear Tavern Road
West Trenton, NJ 08628

d) **If your Company is a subsidiary or affiliate of another Company, or has subsidiaries, or is successor to another Company, identify these related companies. For each related Company, describe the relationship to your Company and indicate the date and manner in which each relationship was established.**

Response: Please see Attachment 1.

e) **How many employees does your Company have?**

Response: As of December 31, 2001, Respondent had approximately 5,900 employees, excluding approximately 100 employees at Government-owned, contractor operated facilities, with approximately 5,800 working in the United States.

2. **Does your Company have a permit or permits issued pursuant to the Resource Conservation and Recovery Act, 42 U.S.C. § 6901, et seq.? If the Company has an EPA identification number, please specify it.**

Response: The former A.J. Oster Company currently functions as a business unit of Olin's Brass Division, and such facilities do not have Resource Conservation and Recovery Act permits.

3. **Describe in detail the nature of the business of your Company during the years 1974 through 1993 and the location of your facilities. If your Company relates or related to printing, please describe in detail the print process used and how type or other metal was received, used, and handled once used.**

Response: Upon information and belief, from approximately January 1974 to January, 1979, A.J. Oster Company was a family owned and operated metal service center business. The company operated two facilities: the main facility was located at 50 Sims Ave., Providence, RI; the second, and smaller facility, was located at One Frost Bridge Road, Watertown, CT.

Upon information and belief, on or about December 1978 or January, 1979, the A.J.

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Oster Company was sold to LIG Rhode Island Inc., which Respondent believes was part of the Lead Industries Group, a British corporation. On or about January, 1979, LIG Rhode Island Inc. changed its name to A.J. Oster Company. Upon information and belief, the Lead Industries Group subsequently changed its name to Cookson Group. Cookson Investments, Inc. (Cookson), an affiliate of Cookson Group, owned and operated the A.J. Oster Company until the Olin acquisition. During Cookson's ownership the manufacturing facilities included: One Frost Bridge Road, Watertown, CT; 50 Sims Avenue, Providence, RI; 1900 Arthur Avenue, Elkgrove, IL (subsequently 180 Alexandra Way, Carol Stream, IL); Snowdrift Road, Fogelsville/Allentown, PA, (subsequently moved to 6690 Grant Way, Allentown, PA); and 445 Industrial Drive, Warwick, RI.

As indicated in Respondent's General Response above, Olin's purchase of A.J. Oster Company did not include ownership of the 50 Sims Avenue facility, as that facility had been acquired by Fry's Metals, Inc., prior to Olin's purchase. The A.J. Oster Company manufacturing facilities Respondent acquired ownership of were: One Frost Bridge Road, Watertown, CT; 6690 Grant Way, Allentown, PA; 180 Alexandra Way, Carol Stream IL; and 445 Industrial Drive, Warwick, RI.

Upon information and belief, prior to Olin's purchase of A.J. Oster Company, the nature of the business was comprised of slitting brass coils to specified widths, white metal casting alloy production, and pewter melting and casting, and was not related to the printing industry. Upon Olin's purchase, A.J. Oster Company's business was comprised only of slitting brass coils to specified widths, and such business operations are not related to the printing industry.

4. **Please describe the transactions between your Company and each of the following businesses:**

   a) **Pittsburgh Metal & Equipment**

   b) **Pittsburgh Graphic Products Corporation**

   c) **P.M.E. Metal & Equipment, Inc.**

   d) **Jersey Smelting & Refining Corp.**

   Response: Olin has no information of any transactions with these businesses other than the information provided to Respondent by EPA. Please see General Response and Attachment 2 .

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5. **Did you have transactions with any other business that operated at the foot of Jersey Avenue in Jersey City? if so, what business?**

   Objection: The question is vague and does not identify the businesses from 1974 to 1993 which existed "at the foot" of Jersey Avenue, Jersey City. Notwithstanding this objection, not waiving this objection, and upon information belief, the Oster business unit has not identified any transactions with such businesses.

6. **For each business above with which you had a transaction, specify the business or businesses and answer each of the questions below:**

		YES	NO
a)	**Did you purchase material from the business?**	___	___
b)	**Did you sell material to the business?**	___	___
c)	**Did you exchange used material for unused material?**	___	___
d)	**Did you in any other way give, transfer, deliver or arrange for material to go to the business?**	___	___
e)	**Did you ever have the business do "tollwork" for you?**	___	___

Response: Not applicable

If yes, please explain the arrangement, the material that you provided, what was done to the material, and the material that you received in return.

f) **During what years did you have a transaction with the business?**

g) **How often (times per year or month) did you have a transaction with the business?**

h) **What was an average amount purchased/sold/exchanged/transferred during each transaction?**

i) **Please provide all available records for each of these transactions identified in 6. a through h, above, including the dates, amount paid or collected in connection with each transaction, the method of payment, and the person whom you dealt with at the business.**

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Response: Not applicable.

7. **If you purchased material from a business operating at the Site referred to above, please specify the business or businesses and answer each of the questions below:**

		YES	NO
a)	**Did you purchase L6 "plus", L8 "plus" or L10 "plus" or any other "plus" metal from one of these businesses?**	____	____
b)	**Did you purchase toner, temper or toning material from one of these businesses?**	____	____
c)	**Did you purchase dross from one of these businesses?**	____	____

d) **If you purchased other material, please specify:** _____

e) **During what years did you purchase material from the business or businesses?**

f) **How often (times per year or month) did you purchase materials from the business or businesses?**

g) **What was an average amount purchased during each transaction?**

h) **Please provide all available records for each of these transactions identified in 7.a through g, above, including the dates, amount paid or collected in connection with each transaction, the method of payment, and the person whom you dealt with at the business.**

Objection: The question is vague in as much as "business operating at the Site" is undefined. Notwithstanding this objection, not waiving this objection, and upon information and belief, Olin has discovered no additional information or documents other than the documents EPA has supplied previously which are found at Attachment 2.

8. **If you sold, exchanged, gave, transferred, delivered or arranged for material to go to a business at the Site to above, please specify the business or businesses and answer each of the questions below:**

a) **What was the material?**

b) **What was the type of transaction (sale, exchange, etc.)?**

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		YES	NO
c)	**Did you ever sell, exchange, give, transfer, deliver or arrange for any "dross" to go to the one of the businesses?**	____	____
d)	**Did you ever sell, exchange, give, transfer, deliver or arrange for any material to go to a reverberatory furnace or secondary smelter at the business?**	____	____

e) **Did the material sent to the business meet a commercial specification grade? If so, please identify or list the commercial specification grades that each type of metal identified above met.**

f) **What was the price structure for outright purchases versus exchanges of material?**

g) **During what years did you purchase or exchange material from the business?**

h) **How often (times per year or month) did you purchase materials from the business?**

i) **What was an average amount purchased during each transaction?**

j) **Please provide all available records for each of these transactions identified in 8.a through i, above, including the dates, amount paid or collected in connection with each transaction, the method of payment, and the person whom you dealt with at the business.**

Objection: The question is vague inasmuch as "business operating at the Site" is undefined. Moreover, the question calls for a legal conclusion in determining whether material was "arranged for." Notwithstanding this objection, not waiving this objection, and upon information and belief, Olin did not own A.J. Oster Company when A.J. Oster Company owned the 50 Sims Avenue Facility, and has discovered no additional information or documents other than the documents EPA has supplied previously which are found at Attachment 2. We have not identified any employees with personal knowledge of the transactions described in the alleged nexus materials provided by EPA, and therefore have no knowledge of such. Therefore, Respondent has no knowledge from which to interpret whether these alleged nexus documents reflect the purchase of finished product or processing services.

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9. In your transactions with a business or businesses at the Site:

		YES	NO
a)	**Did you exchange used material for "plus" metal, toner or temper?**	___	___
b)	**Did you return, give, transfer, deliver or sell used "plus" metals, temper or toner?**	___	___

c) **if the answer to either a or b is "yes," please**

i) **specify whether the material had been used more than once; and**

ii) **describe the characteristics of the material when it could no longer be used, including its physical condition, its changed properties, and what made it undesirable to use further. Please describe the process, including equipment, additives, and temperature, by which you prepared the material for re-use.**

d) **If you did not sell, exchange, return, give, transfer, deliver or arrange for any used "plus" material related to your printing operations to go to the business that operated at the Site, please describe the method of recycling, treatment or disposal used for spent printing materials.**

e) **Please provide all available records for each of these transactions identified in 9.a through d, above, including the dates, amount paid or collected in connection with each transaction, the method of payment, and the person whom you dealt with at the business.**

Objection: The question is vague in as much as "business operating at the Site" is undefined. Notwithstanding this objection, not waiving this objection, and upon information and belief, Olin has recovered no additional information or documents other than the documents EPA has supplied previously which are found at Attachment 2.

10. a) At the time of the transaction or transactions involving metal or scrap metal, what was your understanding of the intended disposition of the scrap metal at the business?

b) What basis, if any, did you have for believing that the metal or scrap metal would or would not be recycled?

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c) Did you melt the metal or scrap metal at your Company prior to its transport to the business at the Site? If yes, describe the process, including the equipment, additives, and temperature, used for melting the material.

Response: Olin has no basis upon which to answer questions relating to intent and knowledge inasmuch as after Olin's acquisition of the company, A.J. Oster did not own the 50 Sims Avenue Facility or the white metals and pewter alloy business conducted thereon. See General Response, above.

11. **During the transactions with any of the businesses above, did you use a broker? If so, please specify the name of the broker and the years or transactions for which the broker was used.**

Response: It is unknown to Respondent whether the transactions identified by EPA in documents found at Attachment 2 involved a broker. See General Response, above.

12. **Did you have any transactions with any of the following businesses:**

a) A.S.K. Metals

b) Cambridge Lee

c) Madacar Trading

d) F&H Electronics

e) GWP Industries

If the answer is yes, please provide all available records for each of transaction with any of these businesses, including the type of transaction, the dates of the transaction, the material involved in the transaction, and the person whom you dealt with at the business.

Response: A diligent search of records for the time period in question, revealed no transactions with the above-referenced businesses.

13. **a) At the time of each transaction referred to in any of these questions, who owned the metal?**

b) Was the transfer of material an outright sale or did you maintain ownership of the material "on account" or subject to a tolling agreement?

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c) Was there any written agreement controlling the ownership of the material?

Objection: The question calls for a legal conclusion. Without waiving this objection, not waiving this objection, and upon information and belief, Respondent answers that it has no information. See General Response.

14. a) Did you ever transfer material to or receive material from one of the businesses operating at the Site listed above on behalf of another third-party company? Please describe this transaction.

b) What was the material that was transferred to or received from the third party company?

c) Was there any written agreement controlling the ownership of the material?

Response: Unknown. See General Response above.

15. Did you ever visit any of the businesses operating at the Site to which you sent material?

Response: Unknown. See General Response above.

16. a) In regard to the business or businesses with which you had a transaction, were you aware of any non-compliance with substantive provisions of any Federal, State or local environmental law or regulation, or compliance order or decree applicable to the facility handling, processing, reclaiming, storage or other management activities associated with the metal or scrap metal?

b) If you sent material to the reverberatory furnace or secondary smelter, were you aware of any operational or permitting problems with the equipment?

c) What steps, if any, did you take to ensure that the business operating at the Site was or was not in compliance with substantive provisions of any Federal, State or local environmental law or regulation, or compliance order or decree applicable to the facility handling, processing, reclaiming, storage or other management activities associated with the metal or scrap metal?

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Response: Unknown. See General Response above.

17. **Describe the efforts of your Company with respect to the management and handling of the metal or scrap metal (including the extent to which you complied with customary industry practices designed to minimize contamination of metal or scrap metal by hazardous substances).**

Objection: This question is overly broad inasmuch as it does not pertain exclusively to this Site. Moreover, this question calls for a legal conclusion. Notwithstanding this objection, not waiving this objection, and upon information and belief, Respondent's answer is unknown for the 50 Sims Avenue Facility's white metal and pewter alloy businesses. Regarding A.J. Oster's brass business, the scrap brass was resold to the suppliers of the brass coils.

18. **Provide all information in your possession that shows your Company's non-compliance with applicable Federal environmental regulations or standards regarding the storage, transport, management or other activities associated with the recycling of metal or scrap metal.**

Objection: This question is overly broad in as much as it does not pertain exclusively to this Site. Moreover, this question calls for a legal conclusion. Notwithstanding this objection, not waiving this objection, and upon information and belief, Respondent has no such information.

Pursuant to the authority in Section 104(e)(2)(C) of CERCLA, 42 U.S.C. § 9604(e)(2)(C), EPA may require any person to furnish information relating to the ability of a person to pay for or to perform a cleanup. Therefore, please answer all of the following questions.

19. **Please provide copies of your Company's financial statements for the past five fiscal years.**

Response: See Attachment 3.

20. **Identify your Company's current assets and liabilities and the persons who currently own or are responsible for such assets and liabilities.**

Response: See Attachment 3.

21. **If any of the documents solicited in this information request are no longer available, please indicate the reason why they are no longer available. Please also provide:**

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a) **the document retention policy.**

b) **a description of the type of information that would have been contained in the documents.**

c) **the name, job title and most current address known by you of the person(s) who would have produced these documents, the person(s) who would have been responsible for the retention of these documents; the person(s) who would have been responsible for the destruction of these documents; and the person(s) who had and/or still may have the originals or copies of these documents.**

d) **the names and most current address of any person(s) who may possess documents relevant to this inquiry.**

Response: The document retention policy is found at Attachment 4. As stated previously, the EPA nexus documents allegedly pertain to transactions at a facility and regarding the white metals and pewter alloy businesses that Respondent did not purchase. Respondent suggests that Fry's Metals, Inc. may possess documents relevant to this inquiry.

22. **State the name, title, and address of each individual who assisted or was consulted in the preparation of the response to this "Request for Information" and specify which question each person assisted in responding.**

Objection: Respondent objects to listing the names of those individuals who were consulted but who did not have any information. Respondent's investigation included contacting the purchasing department, accounts payable, contracts, environmental services department and maintenance department. Notwithstanding this objection, not waiving this objection, and upon information and belief, the following persons contributed to preparation of Respondent's response:

R. Berg, President, A.J. Oster Co., Olin Corporation, 300 Centerville Road, Warwick, RI

D. Brueggemann, Manager, Litigation, Olin Corporation, 501 Merritt 7, Norwalk, CT

Naoroze "Nelli" Gandhi, Vice President, Purchasing Olin Brass, Olin Corporation, 427 North Shamrock, East IL.

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J. Pichette, Vice President, Engineering & Manufacturing, Olin Corporation, 300 Centerville Road, Warwick, RI

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DECLARATION OF ANSWERS TO REQUEST FOR INFORMATION

State of _____:

County of _____:

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons that manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.

Sworn to before me this ____ day of_____, 20__.

_____
Notary Public Signature

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<SEQUENCE>8
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<DESCRIPTION>SUBSIDIARIES OF OLIN CORP.
<TEXT>
<PAGE>

Exhibit 21

SUBSIDIARIES OF OLIN CORPORATION1

(as of December 31, 2001)

<TABLE>
<CAPTION>

Company	% Ownership (Direct/Indirect)
<S>	<C>
A.J. Oster Caribe, Inc.	100
A.J. Oster Foils, Inc.	100
A.J. Oster West, Inc.	100
Bridgeport Brass Corporation/2/	100
Bryan Metals, Inc./3/	100
Hunt Trading Co.	100
Monarch Brass & Copper Corp.	100
Monarch Brass & Copper of New England Corp./4/	100
New Haven Copper Company /4/	100
Olin Aegis partnership	100
Olin Benefits Management, Inc. /5/	90
Olin Engineered Systems, Inc.	100
Olin Environmental Management, Inc. /5/	90
Olin Far East, Limited	100
Olin Financial Services Inc.	100
Olin Sunbelt, Inc.	100
Ravenna Arsenal, Inc.	100
Sunbelt Chlor Alkali Partnership	50
Waterbury Rolling Mills, Inc. /4/	100

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Nutmeg Insurance Limited	100
Olin Asia Pacific Pte. Ltd.	100
Olin Australia Limited	100
Olin Brass Japan, Inc.	100
Olin Canada Inc.	100
Olin Corporation N.Z. Limited	100
Olin Export Trading Corporation	100
Olin Global Services Mexico	100
Olin Hunt Specialty Products S.r.l.	100
Olin Mexico S.A. de C.V.	100
Olin (UK) Limited	100
Reductone Brasil Ltda.	100
Yamaha-Olin Metal Corporation	50

</TABLE>

1 Omitted from the following list are the names of certain subsidiaries which, if considered in the aggregate as a single subsidiary, would not constitute a significant subsidiary.

2 d/b/a "Olin Brass, Indianapolis" and "Olin Brass, Indianapolis Facility" in CA, IL, IN, NJ, NC, OH, PA, RI and TX.

3 d/b/a "Bryan Metals of Ohio" in NJ.

4 Indirect subsidiary, wholly-owned by Olin's wholly-owned subsidiary, Monarch Brass & Copper Corp.

5 Class A shares, all of which are held directly and indirectly by Olin Corporation, have the right to elect 4 directors. Class B shares, none of which are held directly or indirectly by Olin Corporation, have the right to elect 1 director.

</TEXT>
</DOCUMENT>

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UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 2
290 BROADWAY
NEW YORK, NY 10007-1866

June 27, 2002

AJ Oster Co.
c/o Monica Fries, Esq.
Husch & Eppenberger
190 Carondelet Plaza, Suite 600
St. Louis, MO 63105

Re: Pittsburgh Metal & Equipment Superfund Site

Dear Ms. Fries:

As requested per your conversation with Patricia Hick, enclosed please find copies of all the invoices in the possession of the U. S. Environmental Protection Agency (EPA) which detail AJ Oster's involvment with Pittsburgh Metal & Equipment Superfund Site (Site), located in Jersey City, New Jersey.

If you should have any questions concerning this letter or the enclosures, please contact me at (212) 637-3126. Questions of a legal nature should be directed to Patricia Hick, Assistant Regional Counsel, at (212) 637-3137.

Sincerely yours,

Sonia Malone-Ayala

Sonia Malone-Ayala
Senior Paralegal
Office of Regional Counsel

Enclosures

Internet Address (URL) • http://www.epa.gov
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PITTSBURGH GRAPHIC PRODUCTS CORPORATION

FOOT OF JERSEY AVE. JERSEY CITY, N. J. 07302

(212) 732-9043 (201) 435-8274

CUSTOMER

A.J. Oster Co
50 Sims Avenue
Providence, Rhode Island 02909

SHIP TO:

PICK UP: 13246

INVOICE DATE	OUR ORDER	CUST. ORDER NO.	F.O.B.	VIA	DELIVERY DATE	TERMS
6/30/84	F-165					NET 30 DAYS

DESCRIPTION	WEIGHT IN POUNDS: OLD BALANCE	DELIVERED	RETURNED	NEW BALANCE	UNIT PRICE	TAX %	EXTENSION	NET AMOUNT
code 1 Tollwork furnace & Pigs 2 additional cleanings @ 1¢ per cleaning		6,000			.23		3680.00	
Code 6 analysis tin ant & Cu		3			15.00		45.00	
								$3,725.

"CR" METAL BALANCE IS OWED TO YOU

SPECIAL INSTRUCTIONS	DATE RECEIVED	PHONE	LETTER	SALESMAN
		PICK UP	DELIVERY	
	METAL			
	DRUMS			

PITTSBURGH

METAL & EQUIPMENT CO. INC.

FOOT OF JERSEY AVE. P.O. BOX 14 JERSEY CITY, N. J. 07302

(201) 435-8274

B 3307

CUSTOMER

A.J. OSTER CO.
50 SIMS AVENUE
PROVIDENCE, R.I. 02909

SHIP TO:

PICK UP:

INVOICE DATE	OUR ORDER	CUST. ORDER NO.	F.O.B.	VIA	DELIVERY DATE	TERMS
7 18 84						NET 30 DAYS

DESCRIPTION	WEIGHT IN POUNDS				UNIT PRICE	TAX %	EXTENSION	NET AMOUNT
	OLD BALANCE	DELIVERED	RETURNED	NEW BALANCE				
CODE 2 3 SKIDS LINO TYPE METAL 273 PIGS		6860			40		2744.00	$2744.00

"CR" METAL BALANCE IS OWED TO YOU

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ACCOUNTING CO. ... (CAL)

PITTSBURGH SINCE 1885

METAL & EQUIPMENT CO. INC.

FOOT OF JERSEY AVE. P.O. BOX 14 JERSEY CITY, N. J. 07302

(201) 435-8274

B 4155

CUSTOMER
A. J. OSTER CO.
50 SIMMS AVENUE
PROVIDENCE, RHODE ISLAND 02909

SHIP TO:

PICK UP:

INVOICE DATE	OUR ORDER	CUST. ORDER NO.	F.O.B.	VIA	DELIVERY DATE	TERMS
1/28/85		7269				NET 30 DAYS

DESCRIPTION	WEIGHT IN POUNDS: OLD BALANCE	DELIVERED	RETURNED	NEW BALANCE	UNIT PRICE	TAX %	EXTENSION	NET AMOUNT
CODE I TOLLWORK FURNACE & PIGS	15,704				21		3,297.84	
								$3,297.84

"CR" METAL BALANCE IS OWED TO YOU

SPECIAL INSTRUCTIONS	DATE RECEIVED	PHONE	
		PICK UP	DELIVERY
	METAL		
	DRUMS		

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PITTSBURGH

METAL & EQUIPMENT CO. INC.

FOOT OF JERSEY AVE. P.O. BOX 94 JERSEY CITY, N. J. 07302

(201) 435-8274

B 4437

CUSTOMER

A.J. OSTER CO.
50 STIRS AVENUE
PROVIDENCE, R.I. 02909

SHIP TO:

PICK UP:

INVOICE DATE	OUR ORDER	CUST. ORDER NO.	F.O.B.	VIA	DELIVERY DATE	TERMS
4 12 85						NET 30 DAYS

DESCRIPTION	WEIGHT IN POUNDS: OLD BALANCE	DELIVERED	RETURNED	NEW BALANCE	UNIT PRICE	TAX %	EXTENSION	NET AMOUNT
CODE 1 TOLLWORK IN PIGS LOT ORANGE		12633			25		3158.25	$3158.25

"CR" METAL BALANCE IS OWED TO YOU

SPECIAL INSTRUCTIONS	DATE RECEIVED	PHONE	LETTER	SALESMAN
	PICK UP		DELIVERY	
	METAL			
	DRUMS			

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PITTSBURGH

METAL & EQUIPMENT CO. INC.

FOOT OF JERSEY AVE. P.O. BOX 14 JERSEY CITY, N. J. 07302

(201) 435-8274

B 4445

CUSTOMER

A.J. OSTER CO.
50 SIUS AVENUE
PROVIDENCE, R.I. 02909

SHIP TO:

PICK UP:

INVOICE DATE	OUR ORDER	CUST. ORDER NO.	F.O.B.	VIA	DELIVERY DATE	TERMS
4 17 85		7580				NET 30 DAYS

DESCRIPTION	WEIGHT IN POUNDS: OLD BALANCE	DELIVERED	RETURNED	NEW BALANCE	UNIT PRICE	TAX %	EXTENSION	NET AMOUNT
CODE 1 TOLLWORK IN PIGS		16,029			20		320580	$320580

"CR" METAL BALANCE IS OWED TO YOU

SPECIAL INSTRUCTIONS	DATE RECEIVED	PHONE	LETTER	SALESMAN
		PICK UP	DELIVERY	
	METAL			
	DRUMS			

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PITTSBURGH SINCE 1883

METAL & EQUIPMENT CO. INC.

FOOT OF JERSEY AVE. P.O. BOX 14 JERSEY CITY, N. J. 07302

(201) 435-8274

B 4446

CUSTOMER

A.J. OSTER CO.
50 SIMS AVENUE
PROVIDENCE, R.I. 02909

SHIP TO:

PICK UP:

INVOICE DATE	OUR ORDER	CUST. ORDER NO.	F.O.B.	VIA	DELIVERY DATE	TERMS
4 17 85		7581				NET 30 DAYS

DESCRIPTION	WEIGHT IN POUNDS: OLD BALANCE	DELIVERED	RETURNED	NEW BALANCE	UNIT PRICE	TAX %	EXTENSION	NET AMOUNT
CODE 1 TOLLWORK IN SOWS		3,918 ~~3918~~			8		31344	$31344

"CR" METAL BALANCE IS OWED TO YOU

SPECIAL INSTRUCTIONS	DATE RECEIVED	PHONE	LETTER	SALESMAN
		PICK UP	DELIVERY	
	METAL			
	DRUMS			

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PITTSBURGH SINCE 1903

METAL & EQUIPMENT CO. INC.

FOOT OF JERSEY AVE. P.O. BOX 14 JERSEY CITY, N. J. 07302

(201) 435-8274

B 4447

CUSTOMER

A.J. OSTER CO.
50 SIMS AVENUE
PROVIDENCE, R.I. 02909

SHIP TO:

PICK UP:

INVOICE DATE	OUR ORDER	CUST. ORDER NO.	F.O.B.	VIA	DELIVERY DATE	TERMS
4 17 85						NET 30 DAYS

DESCRIPTION	WEIGHT IN POUNDS: OLD BALANCE	DELIVERED	RETURNED	NEW BALANCE	UNIT PRICE	TAX %	EXTENSION	NET AMOUNT
CODE 1 TOLLWORK IN PIGS		14442			20		2888.40	$2888.40

"CR" METAL BALANCE IS OWED TO YOU

SPECIAL INSTRUCTIONS	DATE RECEIVED	PHONE	LETTER	SALESMAN
	PICK UP		DELIVERY	
	METAL			
	DRUMS			

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PITTSBURGH SINCE 1885

METAL & EQUIPMENT CO. INC.

FOOT OF JERSEY AVE. P.O. BOX 14 JERSEY CITY, N. J. 07302

(201) 435-8274

B 4539

CUSTOMER

A.J. OSTER CO.
50 SIMS AVENUE
PROVIDENCE, R.I. 02909

SHIP TO:

PICK UP:

INVOICE DATE	OUR ORDER	CUST. ORDER NO.	F.O.B.	VIA	DELIVERY DATE	TERMS
5 8 85						NET 30 DAYS

DESCRIPTION	WEIGHT IN POUNDS: OLD BALANCE	DELIVERED	RETURNED	NEW BALANCE	UNIT PRICE	TAX %	EXTENSION	NET AMOUNT
CODE 1								
TOLL WORK LOT 7679		10,787			10		1,078.70	
TOLL WORK LOT 7680		7,210			10		721.00	
								$1,799.70

"CR" METAL BALANCE IS OWED TO YOU

SPECIAL INSTRUCTIONS	DATE RECEIVED	PHONE	LETTER	SALESMAN
		PICK UP		DELIVERY
	METAL			
	DRUMS			

[redacted]

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PITTSBURGH SINCE 1900

METAL & EQUIPMENT CO. INC.

FOOT OF JERSEY AVE. P.O. BOX 14 JERSEY CITY, N. J. 07302

(201) 435-8274

B 4646

CUSTOMER

A.J. OSTER CO.
50 SIMS AVENUE
PROVIDENCE, R.I. 02909

SHIP TO:

PICK UP:

VOICE DATE	OUR ORDER	CUST. ORDER NO.	F.O.B.	VIA	DELIVERY DATE	TERMS
10 85						NET 30 DAYS

DESCRIPTION	WEIGHT IN POUNDS OLD BALANCE	DELIVERED	RETURNED	NEW BALANCE	UNIT PRICE	TAX %	EXTENSION	NET AMOUNT
ODE I								
OT ORANG #7781 WITH EXTRA LEANING FOR CU & ZINC		14,535			10		1,453.50	
OT BLACK #7778 WITH EXTRA INC CLEANING		13,062			10		1,306.20	
OT GREEN #7779 WITH XTRA ZINC CLEANING		12,377			10		1,237.70	$3,997.40

CR" METAL BALANCE IS OWED TO YOU

SPECIAL INSTRUCTIONS

DATE RECEIVED	PHONE	LETTER	SALESMAN
PICK UP		DELIVERY	
METAL			

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PITTSBURGH SINCE 1888

METAL & EQUIPMENT CO. INC.

FOOT OF JERSEY AVE. P.O. BOX 14 JERSEY CITY, N. J. 07302

(201) 435-8274

B 5003

CUSTOMER

A.J. OSTER CO.
50 SIMS AVENUE
PROVIDENCE, R.I. 02909

SHIP TO:

PICK UP:

INVOICE DATE	OUR ORDER	CUST. ORDER NO.	F.O.B.	VIA	DELIVERY DATE	TERMS
9 30 85		7554				NET 30 DAYS

DESCRIPTION	WEIGHT IN POUNDS				UNIT PRICE	TAX %	EXTENSION	NET AMOUNT
	OLD BALANCE	DELIVERED	RETURNED	NEW BALANCE				
CODE I TOLL WORK CREDIT ON INVOICE #B 4437							1,642.29 CR	$1,642.29 CR

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RECEIVED R-5202 7/2/84

CUSTOMER	GROSS	TARE	DRUMS NO.	DRUMS KIND	METAL	CREDIT
AJ Oster	2518	100	3	F	Slag	2418
			1		Slag	215

3

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<DOCUMENT>
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<SEQUENCE>1
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<DESCRIPTION>FORM 10-K405
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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-K

(Mark One)

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2001

OR

[_] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

FILE COPY

Commission file number 1-1070
OLIN CORPORATION

(Exact name of registrant as specified in its charter)

Virginia (State or other jurisdiction of incorporation or organization)	13-1872319 (I.R.S. Employer Identification No.)
501 Merritt 7, P.O. Box 4500, Norwalk, CT (Address of principal executive offices)	06856-4500 (Zip code)

Registrant's telephone number, including area code: (203) 750-3000

Securities registered pursuant to Section 12(g) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, par value $1 per share	New York Stock Exchange Chicago Stock Exchange Pacific Exchange, Inc.
Series A Participating Cumulative Preferred Stock Purchase Rights	New York Stock Exchange Chicago Stock Exchange Pacific Exchange, Inc.

RELEASABLE
MAY 18 2011
REVIEWER MD

Securities registered pursuant to Section 12(g) of the Act: None

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Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of

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1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [_]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

As of January 31, 2002, the aggregate market value of registrant's common stock, par value $1 per share held by non-affiliates of registrant was approximately $619,096,100.

As of January 31, 2002, 43,441,998 shares of the registrant's common stock were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the following document are incorporated by reference in this Form 10-K as indicated herein:

Document	Part of 10-K into which incorporated
Proxy Statement relating to Olin's 2002 Annual Meeting of Shareholders	Part III

<PAGE>

PART I

Item I. BUSINESS

GENERAL

Olin Corporation is a Virginia corporation, incorporated in 1892, having its principal executive offices in Norwalk, Connecticut. It is a manufacturer concentrated in three business segments: Chlor Alkali Products, Metals and Winchester(R).

Chlor Alkali Products manufactures chlorine and caustic soda, sodium hydrosulfite, hydrochloric acid and bleach products. Metals products include copper and copper alloy sheet, strip and foil, welded tube, fabricated parts, metal packages and stainless steel strip. Winchester products include sporting ammunition, canister powder, reloading components, small caliber military ammunition and industrial cartridges.

PRODUCTS, SERVICES AND STRATEGIES

Chlor Alkali Products

Products and Services

We have been involved in the U.S. chlor alkali industry for more than 100 years and are a major participant in the U.S. chlor alkali market. We are the fourth largest chlor alkali producer in the United States, with capacity of 1.15 million Electrochemical Units, or ECUs, per year, including production from our joint venture with PolyOne Corporation, which we refer to as our Sunbelt joint venture. We are the largest producer measured by production volume of chlorine and caustic soda in the eastern United States, with facilities located in McIntosh, Alabama, Charleston, Tennessee, Augusta, Georgia, and Niagara

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Falls, New York. Since transportation costs can be a significant part of the final cost of the product to the customer, our close proximity to our customers is a competitive advantage. Approximately two-thirds of our caustic soda production is high purity, which normally commands a premium selling price in the market.

Chlorine and caustic soda are co-produced commercially primarily by the electrolysis of salt. These co-products are produced simultaneously, and in a fixed ratio of 1.0 ton of chlorine to 1.1 tons of caustic soda. The industry refers to this as an ECU. Much of our chlorine and caustic produced in the U.S. is captively consumed in the production of downstream products and vertical integration is common. We sell chlorine and caustic not used internally to third parties.

Chlorine is used as a raw material in the production of thousands of products, but a significant portion of U.S. chlorine production is consumed in the manufacture of ethylene dichloride or EDC, a precursor for polyvinyl chloride, or PVC. PVC is a plastic used in applications such as vinyl siding, plumbing and automotive parts. Other U.S. end-use markets for chlorine include chlorinated intermediates, isocyanates and water treatment. With the weakening of the U.S. economy in 2000 and 2001, we have seen a consequent reduction in demand for PVC, which is the largest single end-product application of chlorine.

Caustic soda has a wide variety of end use applications, the largest of which is in the pulp and paper industry. Caustic soda is also used in the production of detergents and soaps, alumina and a variety of other inorganic and organic chemicals.

The chlor alkali industry is cyclical, both as a result of changes in demand for each of the co-products and as a result of the large increments in which new capacity is added. Because chlorine and caustic are produced in a fixed ratio, the supply of one product can be constrained both by the physical capacity of the production facilities and/or by the ability to sell the co-product. Prices for both products respond rapidly to changes in supply and demand. ECU prices experienced the most recent sustained peak in 1995, with the subsequent trough coming in 1999. Prices peaked again in early 2001 and have since retreated. In the period 1991-2001, average ECU netbacks as reported by Chemical Market Associates, Inc. have been in excess of approximately $425 and as low as approximately $150.

Raw materials, including electricity, represent approximately 60% of the total cost of producing an ECU. Electricity is the single largest variable cost component in the production of chlor alkali products. Our electricity costs have been stable over the last ten years because we are supplied by utilities that primarily utilize coal, hydroelectric and nuclear power and have relatively minor exposure to natural gas. The commodity nature of this industry places an added emphasis on cost management and we believe that we have managed our manufacturing costs in a manner that makes us one of the low cost producers in the industry. In addition, as market demand grows in the future, the design of our Sunbelt plant will enable us to expand capacity cost-effectively.

We also manufacture a small volume of chlor alkali-related products and we recently invested in capacity and product upgrades in these areas. These products include chemically processed salt, hydrochloric acid, sodium hypochlorite and hydrogen. We also sell sodium hydrosulfite into the paper, textile and clay bleaching market.

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The following table lists products of our Chlor Alkali Products business, with principal products on the basis of annual sales highlighted in bold face.

<TABLE>
<CAPTION>

Products & Services	Major End Uses	Plants & Facilities
<S>	<C>	<C>
CHLORINE/CAUSTIC SODA	Pulp & paper processing, chemical manufacturing, water purification, manufacture of vinyl chloride, bleach, swimming pool chemicals & urethane chemicals	Augusta, GA Charleston, TN McIntosh, AL Niagara Falls, NY
Sodium Hydrosulfite	Paper, textile & clay bleaching	Augusta, GA Charleston, TN Salto, Brazil
Sodium Hypochlorite	Household cleaners, laundry bleaching, swimming pool sanitizers, semi-conductors, water treatment, textiles, pulp & paper and food processing	Augusta, GA Charleston, TN McIntosh, AL Niagara Falls, NY
Hydrochloric Acid	Steel, oil & gas, plastics, organic chemical synthesis, water and wastewater treatment, brine treatment, artificial sweeteners, pharmaceuticals, food processing and ore and mineral processing	Augusta, GA Charleston, TN Niagara Falls, NY

</TABLE>

Strategies

Continued Role as a Preferred Supplier to Merchant Market Customers. Based on our market research, we believe our Chlor Alkali Products business is viewed as a preferred supplier by our merchant market customers. We will continue to focus on providing quality customer service to our merchant market customers. Our chlorine customers are more concentrated in the faster growing end-markets for chlorine, such as inorganics and urethanes, and less concentrated in the slower growing, but larger, organics and vinyls markets. We also plan to continue developing relationships with these customers and other customers in higher growth-end markets.

Pursue Incremental Expansion Opportunities. Recently, we have invested in capacity and product upgrades in our chemically processed salt, hydrochloric acid, sodium hypochlorite and hydrogen businesses. These expansions will increase our captive use of chlorine while increasing the sales of these co-products. These niche markets provide opportunities to upgrade chlorine and caustic to higher value-added applications. We also have the opportunity, when market conditions permit, to pursue incremental expansion at our Sunbelt joint venture.

Metals

Products and Services

We have been in the Metals business for approximately 85 years. We are

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a leading manufacturer of brass and other copper alloy sheet and strip in the United States. We also reroll and form other metals. We believe that we hold the leading share of the U.S. copper and copper alloy sheet, strip, plate and foil market. We refer to this market as the copper sheet and strip market. We also believe we hold leading positions for premium priced, high performance alloys in the United States. We participate in non-U.S. markets for high performance alloys through exports, technology licensing, joint ventures and local distribution. Participants in the copper sheet and strip market include integrated brass mills, reroll mills and distributors, with many participants engaging in multiple roles. We believe that we are the largest U.S. participant in each of these categories. We believe that our status as the largest U.S. participant affords us a favorable industry position as one of the lowest cost producers. We also believe we are a quality and service leader and a specialty product innovator.

All of our mills are QS9000 certified and all of our plants are ISO 9000 certified. We maintain many technological advantages over our competition through our patent-protected technologies. We believe our high performance alloys provide superior strength, conductivity and formability to customers in the automotive, electrical, electronic and telecommunications industries. We currently hold 29 U.S. patents associated with high performance alloys and 64 other U.S. patents related to various proprietary processing and technical capabilities, many of which are also registered in foreign jurisdictions. To further our global presence, we have established relationships with Yamaha Corporation in Japan (joint venture) and Wieland-Werke A.G of Germany (technical alliance) that provide

us with greater global reach and enable us to participate in the Asian and European high performance alloys markets. In June 2001, we acquired the stock of Monarch Brass & Copper Corp., which we refer to as Monarch, for approximately $49 million. Monarch was a privately held, specialty brass manufacturer headquartered in Waterbury, CT, with annual revenues of approximately $95 million in 2000. Monarch enhances our high performance copper alloy production capabilities and expands our portfolio of products.

In addition, through sales of our clad metal, produced by a proprietary cladding process, we believe we are a major supplier of coinage metal to the U.S. Mint. We also supply coinage metal to foreign governments. We produce ammunition cartridge cups for use captively in the manufacture of our Winchester sporting ammunition, which constitutes a small portion of our total Metals segment output. We also sell cartridge brass to other ammunition makers. This relationship, along with our growing fabrication business for select customers, provides us with a significant "captive" customer base.

Brass and other copper alloys are manufactured by melting copper together with various combinations of zinc, lead or other metals. The resulting product goes through a series of processes, including casting, hot rolling, milling, cold rolling, annealing, cleaning and slitting. The principal end-use markets for metal products include: automotive for connectors and radiators; electronics for lead frames, connectors, wiring and telecommunications applications; ammunition; coinage; and other applications such as builder's hardware, plumbing supplies and welding tube for utility condensers and industrial heat exchangers.

Historically, the copper sheet and strip market has exhibited GDP-type growth. In the late 1990's and in 2000, this market expanded at a rapid pace

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principally due to the strength of the U.S. economy. From 1997 to 2000, the market grew at an annualized growth rate of approximately 8%. In 2001 and into 2002, the copper sheet and strip market has been facing lower volume demands because of the economic downturn.

The following table lists products and services of our Metals business, with principal products on the basis of annual sales highlighted in bold face.

<TABLE>
<CAPTION>

Products and Services	Major End Uses	Plants &
<S>	<C>	<C>
COPPER & COPPER ALLOY SHEET & STRIP (STANDARD & HIGH PERFORMANCE)	Electronic connectors, lead frames, electrical components, communications, automotive, builders' hardware, coinage, ammunition	Bryan, OH East Alto Indianapo Seymour, Waterbury locations Iwata, Ja (Yamaha-O Metal Cor
Network of metals service centers	Electronic connectors, electrical components, communications, automotive, builders' hardware, household products	Allentown Alliance, Caguas, P Carol Str Suwanee, Warwick, Watertown Yorba Lin Queretaro Global Se S.A. de C
POSIT-BOND(R) CLAD METAL	Coinage strip & blanks	East Alto
ROLLED COPPER FOIL, COPPERBOND(R) FOIL, STAINLESS STEEL STRIP	Printed circuit boards, electrical & electronic, automotive	Waterbury
COPPER ALLOY WELDED TUBE	Utility condensers, industrial heat exchangers, refrigeration & air conditioning, builders' hardware, automotive	Cuba, MO
FABRICATED PRODUCTS	Builders' hardware, cartridge cases, transportation, household & recreational products	East Alto
HIGH PERFORMANCE, HIGH RELIABILITY, HERMETIC METAL PACKAGES FOR MICROELECTRONICS INDUSTRY	All industry market segments; computer, communications, medical, industrial, instrumentation, automotive, consumer, aerospace and military	New Bedfo

</TABLE>

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*If site is not operated by Olin or a majority-owned, direct or indirect subsidiary, name of joint venture, affiliate or operator is indicated.

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Strategies

Continue Profitable Growth Globally. Our strategy is to be a leading worldwide supplier of specialty copper-based products and related engineered materials. We intend to achieve this goal by building our high performance alloys business on a global basis. In 2001, we took a number of actions to further develop our global presence, including expanding our high quality integrated mill at East Alton, Illinois, acquiring Monarch and entering into a technical alliance with Wieland-Werke.

Maintain Premier Specialty Product Innovator Position. We believe that we manufacture more high performance alloys than any other competitor, and we are investing to expand our product line. Our specialty products include proprietary high performance alloys and materials that meet strength, gauge, formability and conductivity requirements for applications in our customers' industries.

Increase Cost Efficiencies. We will continue to focus on achieving economies of scale, improved manufacturing processes and innovation in pursuit of cost reductions. We strive for profit improvements primarily through yield improvements, increased equipment utilization and capacity enhancements.

Continue Our Quality Leadership. Our plants all maintain ISO 9000 certification and our integrated mills are QS9000 certified. We continue to conduct detailed customer surveys, which indicate that our products satisfy or exceed customer expectations. We have received many "supplier of the year" awards from our customers, some of whom are among the largest or most respected companies in their respective industries. For example, Square D and Universal Fasteners each awarded us "supplier of the year" for 2000.

Leverage Our Service and Distribution Leadership for Growth. We believe that we are one of the service and distribution leaders in the copper-based metals industry. Our A.J. Oster distribution system extends throughout the United States and also includes facilities in Puerto Rico and Mexico. We sell directly from the mill to large volume customers, and to small and medium size customers through A.J. Oster and other licensed distributors. We intend to leverage our service leadership and our distribution network to improve our just-in-time delivery services and our customized order capabilities.

Winchester

Products and Services

Winchester is in its 135/th/ year of operation. Winchester is a premier developer and manufacturer of small caliber ammunition for sale to domestic and international retailers, law enforcement agencies and domestic and international militaries. We believe we are a leading U.S. producer of ammunition for recreational shooters, hunters, law enforcement agencies and the U.S. Armed Forces. Our legendary Winchester product line includes all major gauges and calibers of shotgun shells, rimfire and centerfire ammunition for pistols and rifles, canister powder, reloading components and industrial cartridges. We believe we are the market leader in both shotshell and centerfire pistol ammunitions. We expect the sporting ammunition industry to show a relatively flat growth profile for 2002 to 2004.

Winchester has strong relationships throughout the sales and distribution chain and strong ties to traditional dealers and distributors. Winchester has built its business with key high volume mass merchants and specialty sporting goods retailers. We have consistently developed

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industry-leading ammunition, and in seven of the last ten years, including each of the past four years, Winchester was recognized with the "Ammunition of the Year" award from the Shooting Industry Academy of Excellence for its technological and design leadership. In 2000, we received Wal-Mart's "Supplier of the Year" award in the hunting and fishing category.

The following table lists products and services of our Winchester business, with principal products on the basis of annual sales highlighted in bold face.

<TABLE>
<CAPTION>

Products & Services	Major End Uses	Plants & Faci
<S>	<C>	<C>
WINCHESTER(R) SPORTING AMMUNITION (SHOT-SHELLS, SMALL CALIBER CENTERFIRE & RIMFIRE AMMUNITION)	Hunters & recreational shooters, law enforcement agencies	East Alton, I Geelong, Aust
Small caliber military ammunition	Infantry and mounted weapons	East Alton, I
Government-owned arsenal operation	Maintenance of U.S. Army laid-away production plant	Baraboo, WI
Industrial products (8 gauge loads & powder-actuated tool loads)	Maintenance applications in power & concrete industries, powder-actuated tools in construction industry	East Alton, I Geelong, Aust

</TABLE>

<PAGE>

Strategies

Leverage Existing Strengths. Winchester will focus on seeking new opportunities to leverage the legendary Winchester brand name and will continue to offer a full line of ammunition products to the markets we serve, with specific focus on investments that lower our costs and that make Winchester ammunition the retail brand of choice.

Focus on Product Line Growth. With a long record of pioneering new product offerings, Winchester has built a strong reputation as an industry innovator. This includes the introduction of reduced-lead and non-lead products, which are growing in popularity for use in indoor shooting ranges and for outdoor hunting.

INTERNATIONAL OPERATIONS

We have sales offices and subsidiaries in various countries which support the worldwide export of products from the United States as well as overseas production facilities. In addition, we manufacture and distribute sodium hydrosulfite in Brazil.

Yamaha-Olin Metal Corporation manufactures high-performance copper alloys in Japan for sale to the electronics industry throughout the Far East. One of our subsidiaries loads and packs sporting and industrial ammunition in Australia. See the Note "Segment Information" of the Notes to Consolidated Financial Statements in Item 8, for geographic segment data. We are

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incorporating our segment information from that Note into this section of our Form 10-K.

CUSTOMERS AND DISTRIBUTION

During 2001, no single customer accounted for more than 5% of consolidated sales. Products we sell to industrial or commercial users or distributors for use in the production of other products constitute a major part of our total sales. We sell some of our products, such as sporting ammunition and brass, to a large number of users or distributors, while we sell others, such as chlorine and caustic soda, in substantial quantities to a relatively small number of industrial users. We discuss the customers for each of our three businesses in more detail above under "Products and Services."

We market most of our products and services primarily through our sales force and sell directly to various industrial customers, the U.S. Government and its prime contractors, to wholesalers and other distributors.

Because we engage in some government contracting activities and make sales to the U.S. Government, we are subject to extensive and complex U.S. Government procurement laws and regulations. These laws and regulations provide for ongoing government audits and reviews of contract procurement, performance and administration. Failure to comply, even inadvertently, with these laws and regulations and with laws governing the export of munitions and other controlled products and commodities could subject us or one or more of our businesses to civil and criminal penalties, and under certain circumstances, suspension and debarment from future government contracts and the exporting of products for a specified period of time.

COMPETITION

We are in active competition with businesses producing the same or similar products, as well as, in some instances, with businesses producing different products designed for the same uses. With respect to certain product groups, such as ammunition and copper alloys, and with respect to certain chlor alkali products, we are among the largest manufacturers or distributors in the United States. We encounter competition in price, delivery, service, performance, product innovation and product recognition and quality, depending on the product involved.

EMPLOYEES

As of December 31, 2001, we had approximately 5,900 employees (excluding approximately 100 employees at Government-owned, contractor-operated facilities), with approximately 5,800 working in the United States and approximately 100 working in foreign countries. Various labor unions represent a majority of our hourly-paid employees for collective bargaining purposes. Although some labor contracts extend for as long as five years, others are for shorter periods, and we must re-negotiate those more frequently. A labor contract for approximately forty employees at the Brass Division's Bryan, Ohio facility expires in September 2002 and a labor

<PAGE>

contract for approximately 210 employees at the Chlor Alkali Products Division's McIntosh, Alabama facility expires in April 2003. While we believe our relations with our employees and their various representatives are generally satisfactory, we cannot assure you that we can conclude these labor contracts or any other

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labor agreements without work stoppages.

RESEARCH ACTIVITIES; PATENTS

Our research activities are conducted on a product-group basis at a number of facilities. Company-sponsored research expenditures were approximately $5 million during each of 2001 and 2000 and $7 million during 1999.

We own or license a number of patents, patent applications and trade secrets covering our products and processes, particularly for use in our Metals segment. We believe that, in the aggregate, the rights under our patents and licenses are important to our operations, but we do not consider any individual patent or license or group of patents and licenses related to a specific process or product to be of material importance to our total business.

RAW MATERIALS AND ENERGY

We purchase the major portion of our raw material requirements. The principal basic raw materials we purchase for our production of Chlor Alkali Products are salt, electricity, sulfur dioxide, chlorine and hydrogen. Copper, zinc and various other nonferrous metals are required for the Metals business. Lead, brass and propellant are the principal raw materials used in the Winchester business. We typically purchase our principal basic raw materials pursuant to multiyear contracts. In the manufacture of ammunition, we use a substantial percentage of our own output of cartridge brass. We provide additional information with respect to specific raw materials in the tables above under "Products and Services."

Electricity is the predominant energy source for our manufacturing facilities. Most of our facilities are served by utilities which generate electricity principally from coal, hydro and nuclear power.

ENVIRONMENTAL AND TOXIC SUBSTANCES CONTROLS

<TABLE>
<CAPTION>

2

<S>	<C
Cash Outlays:	
Remedial and Investigatory Spending (Charged to Reserve)	$
Capital Spending	
Plant Operations (Charged to Cost of Goods Sold)	
	-
Total Cash Outlays	$
	=
Reserve for Environmental Liabilities:	
Beginning Balance	$
Charges to Income	
Business Acquired	
Remedial and Investigatory Spending	
	-
Ending Balance	$
	=

</TABLE>

The establishment and implementation of federal, state and local standards to regulate air, water and land quality have affected and will

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continue to affect substantially all of our manufacturing locations. Federal legislation providing for regulation of the manufacture, transportation, use and disposal of hazardous and toxic substances has imposed additional regulatory requirements on industry, particularly the chemicals industry. In addition, implementation of environmental laws, such as the Resource Conservation and Recovery Act and the Clean Air Act, has required and will continue to require new capital expenditures and will increase operating costs. We employ waste minimization and pollution prevention programs at our manufacturing sites.

We are a party to various governmental and private environmental actions associated with waste disposal sites and manufacturing facilities. We provide for associated costs of investigatory and remedial activities in accordance with generally accepted accounting principles governing probability and the ability to reasonably estimate future costs. Charges to income for investigatory and remedial efforts were material to operating results in the past three years and may be material to net income in future years. Such charges to income were $14 million, $15 million and $17 million in 2001, 2000 and 1999, respectively.

Cash outlays for remedial and investigatory activities associated with former waste sites and past operations were not charged to income but instead to reserves established for such costs that we identified and expensed to income in prior years. Cash outlays for normal plant operations for the disposal of waste and the operation and maintenance of pollution control equipment and facilities to ensure compliance with mandated and voluntarily imposed environmental quality standards were charged to income. Historically, we funded our environmental capital expenditures through cash flow from operations and we expect to do so in the future.

Our estimated environmental liability is attributable to approximately 60 sites, 18 of which were on the United States Environmental Protection Agency's ("USEPA") National Priority List ("NPL"). Ten sites accounted for approximately 73% of the reserve taken for such liabilities and, of the remaining sites, no one site accounted for more than 2% of such liability. Two of these ten sites are in the investigatory stage of the remediation process. In this stage, remedial investigation and feasibility studies are conducted by either us or other potentially responsible parties and a Record of Decision, which we also refer to as a ROD, or its equivalent has not yet been issued. At four of the ten sites, a ROD or its equivalent has been issued by either the USEPA or responsible state agency and we, either alone or as a member of a group of potentially responsible parties, were engaged in performing the remedial measures required by that ROD. At the remaining four of the ten sites, part of the site is subject to a ROD and another part is still in the investigative stage of remediation. All ten sites were either former manufacturing facilities or waste sites containing contamination generated by those facilities.

Our consolidated balance sheets included liabilities for future environmental expenditures to investigate and remediate known sites amounting to $100 million at December 31, 2001, and $110 million at December 31, 2000, of which $73 million and $85 million were classified as other noncurrent liabilities, respectively. Those amounts did not take into account any discounting of future expenditures or any consideration of insurance recoveries or advances in technology. We reassess those liabilities periodically to determine if environmental circumstances and/or remediation efforts and our estimate of related costs have changed. As a result of these reassessments, future charges to income may be made for additional liabilities.

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Total environmental-related cash outlays for 2002 are estimated to be $50 million, of which $27 million is expected to be spent on remedial and investigatory efforts, $5 million on capital projects and $18 million on normal plant operations.

Annual environmental-related cash outlays for site investigation and remediation, capital projects and normal plant operations are expected to range between approximately $40-$50 million over the next several years, $25 million to $30 million of which is expected to be charged against reserves recorded on our balance sheet. While we do not anticipate a material increase in the projected annual level of our environmental-related costs, there is always the possibility that such increases may occur in the future in view of the uncertainties associated with environmental exposures. Environmental exposures are difficult to assess for numerous reasons, including the identification of new sites, developments at sites resulting from investigatory studies, advances in technology, changes in environmental laws and regulations and their application, the scarcity of reliable data pertaining to identified sites, the difficulty in assessing the involvement and financial capability of other potentially responsible parties and our ability to obtain contributions from other parties and the lengthy time periods over which site remediation occurs. It is possible that some of these matters (the outcomes of which are subject to various uncertainties) may be resolved unfavorably against us. At December 31, 2001, we estimate we may have additional contingent environmental liabilities of $40 million in addition to the amounts for which we have already taken a reserve.

See our discussion of our environmental matters in Item 3, "Legal Proceedings" below, the Note "Environmental" of the Notes to Consolidated Financial Statements contained in Item 8, and Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations."

ADDITIONAL FACTORS THAT MAY AFFECT FUTURE RESULTS

In addition to the other information in this Form 10-K, the following factors should be considered in evaluating Olin and our business. All of our forward-looking statements should be considered in light of these factors. Additional risks and uncertainties that we are unaware of or that we currently deem immaterial also may become important factors that affect us.

Sensitivity to Global Economic Conditions and Cyclicality -- Our operating results could be negatively affected during economic downturns.

The business of most of our customers, particularly our automotive, coinage, electrical connectors, telecommunications and distributor customers, are, to varying degrees, cyclical and have historically experienced periodic downturns. These economic and industry downturns have been characterized by diminished product demand, excess manufacturing capacity and, in some cases, lower average selling prices. Therefore, any significant downturn in our customers' markets or in global economic conditions could result in a reduction in demand for our products and could adversely affect our results of operations or financial condition. As a result of the depressed economic conditions beginning in the fourth quarter of 2000 and continuing throughout 2001, our vinyls, urethanes and pulp and paper customers have had lower demand for our Chlor Alkali Products, our automotive, coinage, electrical connectors, telecommunications and housing customers have had lower demand for our Metals products and our ammunition customers have had lower demand for our Winchester products. Lower demand in all three of our business segments has adversely affected our business and results of operations. Specifically, cutbacks in

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production of automobiles and the further slowdown in the coinage and telecommunications markets have adversely affected our results of operations in our Metals segment.

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Although we don't generally sell a large percentage of our products directly to customers abroad, a large part of our financial performance is dependent upon a healthy economy beyond the United States. Our customers sell their products abroad. As a result, our business is affected by general economic conditions and other factors in Western Europe and most of East Asia, particularly China and Japan, including fluctuations in interest rates, market demand, labor costs and other factors beyond our control. The demand for our customers' products, and therefore, our products, is directly affected by such fluctuations. Our joint venture, Yamaha-Olin Metal Corporation, located in Japan, is particularly susceptible to these fluctuations. We cannot assure you that events having an adverse effect on the industries in which we operate will not occur or continue, such as a further downturn in the Western European, Asian or world economies, increases in interest rates, unfavorable currency fluctuations or a prolonged slowdown in the automotive, coinage, electrical connectors or telecommunications industries.

Cyclical Pricing Pressure -- Our profitability could be reduced by declines in average selling prices in the industries in which we operate, particularly declines in the ECU netback price.

Our historical operating results reflect the cyclical and sometimes volatile nature of the chemical, metals and ammunition industries. We experience cycles of fluctuating supply and demand in each of our business segments, particularly in the Chlor Alkali Products division, which results in changes in selling prices. Periods of high demand, tight supply and increasing operating margins tend to result in increased capacity and production until supply exceeds demand, generally followed by periods of oversupply and declining prices. The industry build cycle, and its impact on industry pricing, has been most pronounced in our Chlor Alkali Products segment. For example, in 1995 and 1996, the chlor alkali industry was very profitable due to a tight supply/demand balance, which resulted in both higher operating rates and higher ECU prices. Higher profits led to reinvestment to expand capacity. This new capacity became operational in 1998 and 1999, resulting in industry over-capacity. This imbalance was exacerbated by falling demand as a result of the Asian financial crisis. The supply/demand imbalance resulted in both lower operating rates and lower ECU prices, and in 1999, many chlor alkali producers had operating losses. The supply/demand balance improved due to improved economic conditions in 2000 compared to 1999, and ECU prices increased in 2000 compared to 1999. As the U.S. and world economies have deteriorated in 2001, the chlor alkali industry again is experiencing a period of oversupply because of lower industry demand for both chlorine and caustic.

Price in the chlor alkali industry is a major supplier selection criterion. We have little or no ability to raise prices in this large commodity market. Decreases in the average selling prices of our products could have a material adverse effect on our profitability. For example, assuming all other costs remain constant, a $10 change in our ECU netback causes a corresponding $11 million increase or decrease in our annual revenues and pre-tax profits, when we are operating at full capacity. While we strive to maintain or increase our profitability by reducing costs through improving production efficiency, emphasizing higher margin products, and by controlling selling and administration expenses, we cannot assure you that these efforts will be

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sufficient to offset fully the effect of changes in pricing on operating results.

Because of the cyclical nature of our businesses, we cannot assure you that pricing or profitability in the future will be comparable to any particular historical period, including the most recent period shown in our operating results. We cannot assure you that the chlor alkali industry will not experience adverse trends in the future, or that our operating results and/or financial condition will not be adversely affected by them.

Our Metals and Winchester segments are also subject to changes in operating results as a result of cyclical pricing pressures, but to a lesser extent than the Chlor Alkali Products segment. We generally pass changes in prices for copper and other metals along to our customers as part of the negotiated price of the finished product in most of our Metals segment product lines. However, our Metals segment experiences manufacturing or pricing pressure with respect to its tolling charges, and we cannot assure you that adverse trends in pricing and margins will not affect operating results in the future. Similarly, selling prices of ammunition are affected by changes in raw material costs and market demand, and declines in average selling prices of our Winchester segment could adversely affect our profitability.

Indebtedness -- Our indebtedness could adversely affect our financial condition, limit our ability to grow and compete and prevent us from fulfilling our obligation under our indebtedness.

As of December 31, 2001, we had approximately $431 million of indebtedness outstanding, excluding our guarantee of $97.5 million of indebtedness of our Sunbelt joint venture. This does not include the $190 million of available lines of credit on which we had nothing outstanding on that date. As of December 31, 2001, our indebtedness represented 61.4% of our total capitalization. On January 3, 2002, we entered into a new $140 million three-year revolving senior credit facility, which we refer to as our senior credit facility. Our senior credit facility replaced the $190 million credit facilities available on December 31, 2001. As of March 1, 2002, we had $140 million of availability under our senior credit facility.

Our indebtedness could adversely affect our financial condition, limit our ability to grow and compete and prevent us from fulfilling our obligations under our indebtedness. Despite our level of indebtedness, our senior credit facility and the indenture governing our 9.125% Senior Notes permit us to borrow additional money. If we borrow more money, as we intend to do in order to grow our business, the risks related to our indebtedness could be increased significantly.

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Debt Service -- We may not be able to generate sufficient cash to service our debt, which may require us to refinance our indebtedness or default on our scheduled debt payments. Our ability to generate cash depends on many factors beyond our control.

Our ability to generate sufficient cash flow from operations to make scheduled payments on our debt depends on a range of economic, competitive and business factors, many of which are outside our control. We cannot assure you that our business will generate sufficient cash flow from operations. If we are unable to meet our expenses and debt obligations, we may need to refinance all or a portion of our indebtedness on or before maturity, sell assets or raise

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equity. We cannot assure you that we would be able to refinance any of our indebtedness, sell assets or raise equity on commercially reasonable terms or at all, which could cause us to default on our obligations and impair our liquidity. Our inability to generate sufficient cash flow to satisfy our debt obligations, or to refinance our obligations on commercially reasonable terms, would have an adverse effect on our business, financial condition and results of operations, as well as on our ability to satisfy our debt obligations. See "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Imbalance in Demand for Our Chlor Alkali Products - A loss of customers for our chlorine or caustic soda could cause an imbalance in demand for these products, which could have an adverse effect on our results of operations.

Chlorine and caustic soda are produced simultaneously, and in a fixed ratio of 1.0 ton of chlorine to 1.1 tons of caustic soda. The loss of a chlorine or caustic soda customer could cause an imbalance in demand for our chlorine and caustic soda products. An imbalance in demand may require us to reduce production of both chlorine and caustic soda or take other steps to correct the imbalance. Since we cannot store chlorine we may not be able to respond to an imbalance in demand for these products as quickly or efficiently as some of our competitors. If a substantial imbalance occurred, we would need to reduce prices or take other actions that could have a negative impact on our results of operations and financial condition.

Competition - We face competition from other chemical, brass and ammunition companies, which could adversely affect our revenues and financial condition.

We are in active competition with companies producing the same or similar products, as well as, in some instances, with companies producing different products designed for the same uses. With respect to certain product groups, such as ammunition and copper alloys, and with respect to certain chlor alkali products, we are among the largest manufacturers or distributors in the United States. We encounter competition in price, delivery, service, performance, product innovation, and product recognition and quality, depending on the product involved. With respect to certain products, some of our competitors are larger, have greater financial resources and have less debt than we do. As a result, these competitors may be better able to withstand a change in conditions within the industries in which we operate and throughout the economy as a whole. If we do not compete successfully, our business, financial condition and results of operations could be adversely affected.

Environmental Costs - We have ongoing environmental costs, which could also have a material adverse effect on our financial condition.

The nature of our operations and products, including the raw materials we handle, exposes us to the risk of liabilities or claims with respect to environmental matters. We have incurred, and will continue to incur, significant costs and capital expenditures in complying with these environmental laws and regulations. We discussed these costs in more detail above under "Environmental and Toxic Substance Controls."

The ultimate costs and timing of environmental liabilities are difficult to predict. Liability under environmental laws relating to contaminated sites can be imposed retroactively and on a joint and several basis. One liable party could be held responsible for all costs at a site,

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regardless of fault, percentage of contribution to the site or the legality of the original disposal. We could incur significant costs, including cleanup costs, natural resources damages, civil or criminal fines and sanctions and third-party claims, as a result of past or future violations of, or liabilities under, environmental laws. In addition, future events, such as changes to or more rigorous enforcement of environmental laws, could require us to make additional expenditures, modify or curtail our operations and/or install pollution control equipment. See "Management's Discussion and Analysis of Financial Condition and Results of Operations -Environmental Matters."

Production Hazards - Our facilities are subject to operating hazards, which may disrupt our business.

We are dependent upon the continued safe operation of our production facilities. Our production facilities are subject to hazards associated with the manufacture, handling, storage and transportation of chemical materials and products and ammunition, including leaks and ruptures, explosions, fires, inclement weather and natural disasters, unscheduled downtime and environmental hazards. From time to time in the past, we have had incidents that have temporarily shut down or otherwise disrupted our

manufacturing, causing production delays and resulting in liability for workplace injuries and fatalities. Some of our products involve the manufacture and/or handling of a variety of explosive and flammable materials. Use of these products by our customers could also result in liability if an explosion, fire, spill or other accident were to occur. We cannot assure you that we will not experience these types of incidents in the future or that these incidents will not result in production delays or otherwise have a material adverse effect on our business, financial condition or results of operations.

Tax Audits - We are currently subject to ongoing tax audits, which may result in additional tax payments.

We are currently subject to ongoing audits by the Internal Revenue Service in connection with our Federal tax returns for the years from 1992 to 1998; however, we have closed all tax years through 1991. Depending on the outcome of these audits, we may be required to pay additional taxes, and any additional taxes and related interest could be substantial. We have reserved amounts which we believe will be sufficient for any adverse outcome, but the actual amount of any such additional taxes and the timing of any such payments is uncertain.

Item 2. PROPERTIES

We have manufacturing sites at 22 separate locations in 13 states and Puerto Rico and two manufacturing sites and a distribution facility in three foreign countries. Most manufacturing sites are owned although a number of small sites are leased. We listed the locations at or from which our products and services are manufactured, distributed or marketed in the tables set forth under the caption "Products and Services."

We lease warehouses, terminals and distribution offices and space for executive and branch sales offices and service departments throughout the country and overseas.

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Item 3. LEGAL PROCEEDINGS

(a) We continue to work with the USEPA with respect to remediation of mercury contamination at the site of our former mercury cell Chlor Alkali Products plant in Saltville, Virginia.

Additional work is required including the covering of certain former waste ponds and additional investigation and monitoring. We began work to cover the ponds in 2001 and expect the work to be completed in 2003.

We have met several times with the site's Natural Resources Trustees at the Trustees' request regarding past releases from the Saltville site and the nearby Holston River. We do not know whether the Trustees will claim any natural resource damages associated with releases from the site. We believe that any liability incurred in this matter will not be materially adverse to our financial condition or liquidity. See "Environmental Matters" contained in Item 7--"Management's Discussion and Analysis of Financial Condition and Results of Operations."

(b) As part of the continuing environmental investigation by federal, state and local governments of waste disposal sites, we have entered into a number of settlement agreements requiring us to contribute to the cost of the investigation and cleanup of a number of sites. We expect this process of investigation and cleanup to continue. See "Environmental Matters" contained in Item 7 --"Management's Discussion and Analysis of Financial Condition and Results of Operations."

(c) As a result of a recent internal audit of our East Alton, Illinois facility, we determined that recent upgrades to certain operations may not have been completed in full compliance with all USEPA regulations. Although our facility received a modification to its air emissions permit from the Illinois Environmental Protection Agency ("IEPA") for the upgrade, the permit modification may not have addressed or completely addressed all applicable regulations. On February 15, 2002, we disclosed to USEPA and IEPA that the upgrade may not have been in compliance with all aspects of USEPA regulations. We have offered to work with USEPA and IEPA to determine the nature and extent of the issues and to correct them, if necessary. As part of the resolution of this issue, we may need to enhance pollution control equipment at our East Alton facility and pay some penalty. While we do not expect that the ultimate resolution of this matter will have a material impact on our financial position, we cannot, at this time, determine the financial impact, if any, on our results of operations in a particular year.

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(d) We and our subsidiaries are defendants in various other legal actions arising out of our normal business activities, none of which management believes to be material.

Item 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

We did not submit any matter to a vote of security holders during the three months ended December 31, 2001.

Executive Officers as of February 28, 2002

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<TABLE>
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Name and Age	Office
<S>	<C>
Donald W. Griffin (65)	Chairman of the Board
Joseph D. Rupp (51)	President and Chief Executive Officer
Anthony W. Ruggiero (60)	Executive Vice President and Chief Finan
Peter C. Kosche (59)	Senior Vice President, Corporate Affairs
George B. Erensen (58)	Vice President and General Tax Counsel
Mary E. Gallagher (36)	Vice President and Controller
Thomas M. Gura (56)	Vice President and President, Brass and
Johnnie M. Jackson, Jr. (56)*	Vice President, General Counsel and Secr
John L. McIntosh (47)	Vice President and President, Chlor Alka
Janet M. Pierpont (54)	Vice President and Treasurer

</TABLE>

No family relationship exists between any of the above named executive officers or between any of them and any of our Directors. Such officers were elected to serve, subject to the By-laws, until their respective successors are chosen.

Each of the above-named executive officers, except M.E. Gallagher and J.L. McIntosh, has served as an executive officer for not less than the past five years.

Mary E. Gallagher was elected a Corporate Vice President on April 27, 2000. She was elected Controller on April 29, 1999. Prior to that time, and since she joined Olin in May 1996, she served as Director, Accounting and Financial Reporting. Prior to joining Olin, she served as a Senior Manager with KPMG LLP.

John L. McIntosh was elected a Corporate Vice President on February 1, 1999 and also serves as President, Chlor Alkali Products Division. Prior to that time, since 1997, he served as Vice President, Operations for Olin's specialty chemicals operations. He also served as Vice President, Manufacturing and Engineering for Chlor Alkali and was Director of Manufacturing, Engineering and Purchasing for that division from 1991 through 1997.

* Effective March 1, 2002, Johnnie M. Jackson, Jr. retired from his position as Vice President, General Counsel and Secretary.

PART II

Item 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

As of January 31, 2002, we had approximately 7,500 record holders of our common stock.

Our common stock is traded on the New York Stock Exchange, Chicago Stock Exchange and Pacific Exchange, Inc.

Set forth in the Note "Other Financial Data" to the Notes to Consolidated Financial Statements in Item 8 is information concerning the high and low sales prices of our common stock and dividends paid on our common stock during each quarterly period in 2001 and 2000.

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Item 6. Selected Financial Data

<TABLE>
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Nine-Year Financial Summary

($ and shares in millions, except per share data)	2001	2000	1999	199
<S>	<C>	<C>	<C>	<C>
Operations				
Sales	$1,271	$1,549	$1,395	$1,50
Cost of Goods Sold	1,122	1,277	1,215	1,23
Selling and Administration	116	127	122	12
Research and Development	5	5	7	1
Gain (Loss) on Sales and Restructurings of Businesses and Spin-off Costs	(39)	--	--	(6
Interest Expense	17	16	16	1
Interest and Other Income (Expense)	15	7	(8)	
Income (Loss) from Continuing Operations Before Taxes	(13)	131	27	5
Income Tax Provision (Benefit)	(4)	50	10	2
Income (Loss) from Continuing Operations	(9)	81	17	3
Discontinued Operations	--	--	4	4
Net Income (Loss)	(9)	81	21	7
Financial Position				
Working Capital	281/(1)/	253/(1)/	252/(1)/	22
Property, Plant and Equipment, Net	477	483	468	47
Total Assets	1,219	1,123	1,063	1,58
Capitalization:				
Short-Term Debt	102/(1)/	1/(1)/	1/(1)/	
Long-Term Debt	329/(1)/	228/(1)/	229/(1)/	23
Shareholders' Equity	271	329	309	79
Total Capitalization	702	558	539	1,02
Per Share Data				
Net Income (Loss):				
Basic:				
Continuing Operations	(0.22)	1.80	0.36	0.7
Discontinued Operations	--	--	0.09	0.8
Net Income (Loss)	(0.22)	1.80	0.45	1.6
Diluted:	--			
Continuing Operations/(2)/	(0.22)	1.80	0.36	0.7
Discontinued Operations	--	--	0.09	0.8
Net Income (Loss)	(0.22)	1.80	0.45	1.6

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Cash Dividends:				
Common (historical)	0.80	0.80	0.90	1.2
Common (continuing operations)	0.80	0.80	0.80	0.8
ESOP Preferred (annual rate)	--	--	--	-
Series A Preferred (annual rate)	--	--	--	-
Shareholders' Equity/(3)/	6.24	7.48	6.87	17.2
Market Price of Common Stock:				
High	22.75	23.19	19.88	49.3
Low	12.05	14.19	9.50	23.8
Year End	16.14	22.13	19.81	28.3
Other				
Capital Expenditures	65	95	73	7
Depreciation	85	79	78	7
Common Dividends Paid	35	36	41	5
Purchases of Common Stock	14	20	11	11
Current Ratio	1.8	1.9	2.0	1.
Total Debt to Total Capitalization/(4)/	61.4%	41.0%	42.7%	22.
Effective Tax Rate	30.8%	38.2%	37.0%	35.
Average Common Shares Outstanding	43.6	44.9	45.4	47.
Shareholders	7,500	8,000	8,600	9,20
Employees/(5)/	5,900	6,700	6,700	6,40

</TABLE>

In December 1996, we sold our isocyanates business for $565 in cash. 1996 and prior include the operating results of the isocyanates business.

(1) Working Capital includes $165 ($57 in 2000, $21 in 1999, $50 in 1998, $157 in 1997, $518 in 1996) of Cash and Cash Equivalents and $37 ($25 in 2000, 1999 and 1998, $28 in 1997, $87 in 1996) of Short-Term Investments in 2001.
(2) Includes gain of $2.20 on sale of the isocyanates business in 1996.
(3) In 1994 and 1993, calculation is based on common shares and Series A Conversion Preferred Stock outstanding.
(4) Excluding reduction to equity for the Employee Stock Ownership Plan from 1993 through 1996.
(5) Employee data exclude employees who work at government-owned/contractor-operated facilities.

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Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Business Background

Our operations are concentrated in three businesses: Chlor Alkali Products, Metals and Winchester. All three are capital intensive manufacturing businesses with growth rates closely tied to the general economy. While each segment has a commodity element to it, our ability to influence pricing is quite limited and the portion of the business that is strictly commodity varies by division. Our Chlor Alkali Products business is a commodity business where all supplier products are identical and price is the major supplier selection criterion. We have little or no ability to influence prices in this large, global commodity market. Cyclical price swings, driven by changes in supply/demand, can be abrupt and significant and, given capacity in our Chlor Alkali Products business, can lead to very significant changes in our overall profitability. While a majority

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of Metals sales are of a commodity nature, this business has a significant volume of specialty engineered products targeted for specific end-use markets. In these applications, technical capability and performance differentiate the product and play a significant role in product selection and thus price is not the only selection criterion. Winchester also has a commodity element to its business but a majority of Winchester ammunition is sold as consumer branded product where there is the opportunity to differentiate certain offerings through innovative new product development and enhanced product performance. While competitive pricing versus other branded ammunition products is important, it is again not the only factor in product selection.

Consolidated Results of Operations

<TABLE>
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	2001	2000	19
	($ in millions, except per share d		
<S>	<C>	<C>	<C>
Sales	$ 1,271	$ 1,549	$ 1,3
Gross Margin	149	272	1
Selling and Administration	116	127	1
Restructuring Charge	39	--	
Interest Expense, net	16	14	
Other Income	22	3	
Income (Loss) from Continuing Operations	(9)	81	
Net Income (Loss)	(9)	81	
Diluted Earnings (Loss) Per Common Share:			
Income (Loss) from Continuing Operations	$ (0.22)	$ 1.80	$ 0.
Net Income (Loss)	$ (0.22)	$ 1.80	$ 0.

</TABLE>

For the full year 2001, we recorded restructuring charges totaling $39 million pretax and unusual items of $3 million pretax for a total of $42 million pretax or $0.67 diluted EPS.

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In the third quarter, we recorded a pretax charge for restructuring and unusual items of $29 million (or $0.40 diluted EPS) primarily for costs associated with a salaried workforce reduction through an early retirement incentive program. Cost of Goods Sold and Other Income included $2 million and $1 million respectively, of unusual items. Cost of Goods Sold included the write-off of inventory associated with cancelled customer orders. Other Income included the write-off of an investment in an E-commerce company. The third-quarter restructuring charge of $26 million related to the 190 employees retiring in connection with the retirement program and represented primarily pension and postretirement benefit curtailment losses and severance. As of December 31, 2001, 150 employees had retired and the remainder will retire in the first quarter of 2002. The severance of $4 million recorded in Accrued Liabilities will be paid out of our operating cash flows over time.

In the fourth quarter we recorded a restructuring charge of $13 million pretax, or $.27 diluted EPS, primarily for costs associated with idling our

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Indianapolis brass mill, consolidating distribution operations of the recently acquired Monarch Brass & Copper Corp. ("Monarch") with the A.J. Oster metals service center business, and reducing staffing levels in Chlor Alkali Products. A significant portion of the charge relating to the idling of the Indianapolis facility represented pension and postretirement curtailment losses and severance for 200 employees. Another portion of the charge related to 38 Chlor Alkali employees who accepted our offer of a voluntary special separation program whereby employees accept a voluntary lay off and receive full separation benefits and also receive their accrued pension benefits at the same time. The balance of the restructuring charge relates to costs associated with the consolidation of certain Monarch facilities in order to optimize distribution operations. The severance and fringe benefits of $8 million recorded in Accrued Liabilities will be paid out of our operating cash flows over time.

In 2001, we were notified that we would receive shares of Prudential Insurance Company as a result of its decision to demutualize from a mutual company to a stock company. We recorded a gain of $11 million in other income in 2001. We received the shares and immediately sold them in January 2002.

At midnight on December 3, 2000, a work stoppage began at the Metals and Winchester manufacturing facilities at East Alton, IL, after the union and we were unable to agree on a new labor contract. After several weeks of negotiations, the parties entered into a new labor contract and the union workers returned to work on January 23, 2001. The work stoppage had an adverse impact in 2000 and 2001 on the profitability of the Metals and Winchester operations, including product fulfillment issues, additional expenses and contract settlement costs.

In June 2000, we signed a letter of intent with Occidental Petroleum Corporation, which we refer to as Occidental, to combine the companies' chlor alkali and related businesses in a partnership. In October 2000, we announced that the letter of intent had expired. The partnership negotiations were discontinued primarily due to regulatory issues and certain other matters on which the parties could not agree.

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On February 8, 1999, we completed the spin-off of our specialty chemicals businesses as Arch Chemicals, Inc., which we refer to as Arch Chemicals. The results of operations reflect Arch Chemicals as discontinued operations for the 1999 period presented.

2001 Compared to 2000

Sales decreased 18% due to lower volumes, metal values and selling prices. Sales volumes were lower across all segments with the biggest impact coming from the Metals segment, which was heavily impacted by a soft economy, particularly in the automotive, electronics and telecommunications industries and to a lesser extent by the strike at the East Alton, IL facility in the first quarter of 2001. The price decrease was primarily related to lower prices in the Metals and Winchester segments.

Gross margin percentage decreased from 18% in 2000 to 12% in 2001 primarily due to lower sales volumes.

Selling and administration as a percentage of sales was 9% in 2001 up from 8% in 2000 due to the lower sales base in 2001 as a result of the factors noted

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above. Selling and administration was $11 million lower than in 2000 primarily due to lower incentive compensation costs and fees incurred in 2000 associated with the discontinued chlor alkali partnership negotiations.

The decrease in operating results from the non-consolidated affiliates was due primarily to the lower operating results from the Sunbelt joint venture ($9 million loss in 2001; breakeven in 2000), which was adversely impacted by lower chlorine pricing.

In 2001, other income included the gains on the demutualization of Prudential Insurance of $11 million and on the sale of excess real estate property of $6 million.

The effective tax rate decreased to 30.8% from 38.2% due to operating losses, carryover of foreign tax rate differential and an increase in the valuation allowance.

2000 Compared to 1999

In 2000 sales increased 11% due to increased selling prices and volumes and higher metal values. Selling prices were higher across all segments with the biggest impact related to higher Electrochemical Unit ("ECU") netbacks (gross price less freight, discounts, etc.) in the Chlor Alkali Products segment. The increase in sales volumes was related to the Metals segment.

Gross margin percentage increased from 13% in 1999 to 18% in 2000 primarily due to higher ECU prices.

Selling and administration as a percentage of sales was 8% in 2000, down from 9% in 1999, due to the higher sales base in 2000 as a result of the factors noted above. Selling and administration was $5 million higher than in 1999 due to higher administration expenses, primarily higher incentive compensation costs and the fees incurred in 2000 associated with the

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discontinued chlor alkali partnership negotiations with Occidental, offset in part by higher pension income.

The increase in operating results from the non-consolidated affiliates was due primarily to the improved operating results from the Sunbelt joint venture, which was favorably impacted by the higher ECU pricing.

Research and development expenses decreased due to restructuring in the fourth quarter of 1999 of the process technology department in the Chlor Alkali Products segment.

The effective tax rate increased to 38.2% from 37.0%. The increase was attributable to lower tax benefits related to export sales and increased state income taxes, partially offset by lower cost of company-owned life insurance programs and a decrease in the valuation allowance related to state income tax loss carryforward.

Segment Operating Results

We define segment operating income as earnings before interest expense, interest income, other income, restructuring charge and unusual items and income

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taxes and include the operating results of non-consolidated affiliates. Segment operating income includes an allocation of corporate operating expenses. Segment operating results in 2001 exclude the restructuring charge and unusual items ($42 million, pretax).

Chlor Alkali Products

	2001	2000	1999
	($ in millions)		
Sales	$ 384	$ 392	$ 336
Operating Income (Loss)	8	27	(58)

2001 Compared to 2000

Sales decreased 2% from 2000 primarily due to lower volumes offset in part by higher ECU netbacks. Our average ECU netbacks in 2001 were approximately $315, compared to $300 in 2000. The chlor alkali industry participates in markets, such as vinyls, urethanes and pulp and paper, which have been negatively impacted by poor economic conditions. These markets have faced declining demand for their products, which in turn, negatively impacts our products. Soft demand for chlorine in these markets, caused primarily by the slowdown in the general economy, has led to reduced chlor alkali operating rates across the industry. This weak demand forced operating rates to decline to approximately mid to low 80% from 88% in 2000 and caused an erosion of chlorine's pricing structure. This contributed to the decline in sales and operating income in 2001. Also, operating income was lower in 2001 primarily due to lower sales

volumes, higher manufacturing costs and losses from the Sunbelt joint venture ($9 million loss in 2001; breakeven in 2000) due to lower chlorine prices. The increased manufacturing costs included higher salt costs and higher fixed cost absorption due to lower production volumes.

2000 Compared to 1999

Sales and operating results in 2000 were higher than 1999 primarily due to higher ECU netbacks and ongoing cost reduction initiatives. Average ECU netbacks in 2000 were approximately $300, compared to $225 in 1999. While the pricing cycle improved, demand for chlorine decreased particularly in the second half of 2000, primarily due to the depressed vinyl market. This weak demand along with higher electricity rates, forced industry operating rates to decline (to approximately 88% in 2000 down from 95% in 1999), which impacted the availability of caustic. Caustic demand was high and most suppliers were on order control or allocation. This tight caustic market supported several price increases, which more than offset the declining chlorine prices. Higher selling prices, lower operating costs and improved operating results in 2000 from the Sunbelt joint venture due to the increase in ECU prices offset the fees associated with the discontinued chlor alkali partnership negotiations with Occidental and contributed to the significant improvement in operating income.

Metals

	2001	2000	1999

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	($ in millions)		
Sales	$ 618	$ 880	$ 773
Operating Income	7	95	77

2001 Compared to 2000

Sales decreased 30% due to a significant decline in volumes associated with the weak economy, offset in part by the sales associated with the Monarch acquisition. Metals' operating results were significantly lower primarily due to the economic slowdown, which resulted in substantially lower shipment levels. A weak economy prevailed all year resulting in a significant reduction of strip shipments to key market segments of our industry. Automotive, coinage, electrical connectors, telecommunications (markets served by Olin Aegis, our business that supplies customized and semi-customized metal packaging for hybrid integrated circuits and thick ceramic substrates for the electronics market) and distributor (markets served by Oster, a network of metal service centers), customers had much lower demand for the industry's products. In addition, the mill products operations in East Alton, IL took a two-week maintenance shutdown in 2001, with no similar shutdown in 2000. Also, the strike at our East Alton facility in the first quarter of 2001 had a moderately adverse impact on Metals' profits, while the reductions of LIFO inventory quantities in 2001 increased operating income by approximately $4 million pretax.

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2000 Compared to 1999

Sales in 2000 increased 14% due to increased volumes and higher metal values and selling prices. Higher volumes and conversion selling prices increased sales by 9% and higher metal values accounted for 5% of the improvement. Strip shipments to the coinage, electronics and ammunition segments were higher in 2000. Oster shipments were higher as well as were those to the telecommunications market served by Olin Aegis. Shipments of strip to the automotive and building products markets were lower in 2000. Higher volumes, improved pricing and a favorable product mix along with the impact from on-going cost reduction programs more than offset the impact of the work stoppage at East Alton and contributed to the improvement in operating income.

Winchester

	2001	2000	1999
	($ in millions)		
Sales	$ 269	$ 277	$ 286
Operating Income	7	20	21

2001 Compared to 2000

Sales in 2001 were slightly lower than 2000 primarily due to lower international sales. International sales were below last year's levels due to decreased foreign military business and unfavorable translation of Australian sales. Domestic commercial sales were comparable to last year despite overall lower selling prices and the effects of the strike at our East Alton facility in the first quarter. Our operating income decreased from $20 million in 2000 to $7 million in 2001. The loss of the Lake City government contract (approximately $4 million), the impact of lower domestic commercial prices, higher

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personnel-related costs as a result of the new labor agreement at the East Alton facility and the impact of the strike were the main contributors to this significant decrease in operating income.

2000 Compared to 1999

Sales in 2000 were slightly lower than 1999 primarily due to lower domestic commercial ammunition volumes, offset in part by higher commercial selling prices. After strong marketplace demand throughout 1999 and the first half of 2000, the market began softening in the third quarter due to an industry-wide market correction. Operating income declined slightly from 1999 due to several factors. The impact of the lower volumes, the work stoppage at East Alton, higher consulting expenses and lower fees from the Lake City Army ammunition plant

more than offset the favorable impact of both higher selling prices and Australia's improved results from foreign currency translation.

In 1999, Winchester was the operator of the U.S. Army's Lake City small-caliber, ammunition plant in Independence, MO. The five-year contract expired at the end of 1999 and represented approximately $5 million in annual pretax profits during the year. On July 30, 1999, the Department of the Army awarded this contract to a competitor. Olin filed a protest to this award. We did not prevail in our protest of the contract award to operate this plant. Therefore, our contract to operate that facility terminated at the end of the first quarter of 2000.

2002 Outlook

In 2002, interest expense will be higher due to our $200 million 9.125% Senior Notes offering in December 2001, offset in part by the income from the temporary investment of funds to be used to retire the $100 million 8% notes maturing in June 2002. Business conditions in many of our downstream markets generally remain depressed, but there are a few early signs of recovery. Based on normal seasonal factors affecting Chlor Alkali and Winchester and the expected modest improvement in the economy, we anticipate an improvement in our quarterly results as the year progresses.

For the first quarter of 2002, we expect that the continued soft economy will adversely affect our chlorine and caustic pricing resulting in a further decrease in our ECU prices from 2001 fourth quarter levels. The recent improvement in EDC (ethylene dichloride - a precursor for polyvinyl chloride or PVC, a plastic used in applications, such as vinyl siding, plumbing and automotive parts) pricing and volumes to the Asian markets may lead to higher chlorine prices. This has resulted in some tightness in chlorine as production remains constrained by the low demand for caustic. In Metals, our projection for the first quarter is that overall demand from our customers will not improve appreciably. There are some signs of improvement but at this point they are not definitive enough to raise our forecasts for the quarter. For the first quarter of 2002, Winchester's sales and operating results will likely decrease modestly from their fourth quarter 2001 levels due to normal seasonal factors.

Discontinued Operations

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	1999
	($ in millions)
Sales	$73
Net Income	4

On February 8, 1999, we completed the spin-off of our specialty chemicals businesses as Arch Chemicals. Accordingly, 1999 includes the operating results of Arch Chemicals for the month of January.

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Environmental Matters

<TABLE>
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	2001
<S>	<C>
Cash Outlays:	
Remedial and Investigatory Spending (Charged to Reserve)	$ 26
Capital Spending	3
Plant Operations (Charged to Cost of Goods Sold)	17
Total Cash Outlays	$ 46
Reserve for Environmental Liabilities:	
Beginning Balance	$ 110
Charges to Income	14
Business Acquired	2
Remedial and Investigatory Spending	(26)
Ending Balance	$ 100

</TABLE>

The establishment and implementation of federal, state and local standards to regulate air, water and land quality has affected and will continue to affect substantially all of our manufacturing locations. Federal legislation providing for regulation of the manufacture, transportation, use and disposal of hazardous and toxic substances, and remediation of contaminated sites, has imposed additional regulatory requirements on industry, particularly the chemicals industry. In addition, implementation of environmental laws, such as the Resource Conservation and Recovery Act and the Clean Air Act, has required and will continue to require new capital expenditures and will increase operating costs. We employ waste minimization and pollution prevention programs at our manufacturing sites.

We are party to various governmental and private environmental actions associated with waste disposal sites and manufacturing facilities. Associated costs of investigatory and remedial activities are provided for in accordance with generally accepted accounting principles governing probability and the ability to reasonably estimate future costs. Charges to income for investigatory and remedial efforts were material to operating results in 2001, 2000, and 1999 and may be material to net income in future years. Such charges to income were $14 million, $15 million and $17 million in 2001, 2000, and 1999 respectively.

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Cash outlays for remedial and investigatory activities associated with former waste sites and past operations were not charged to income but instead were charged to reserves established for such costs identified and expensed to income in prior years. Cash outlays for normal plant operations for the disposal of waste and the operation and maintenance of pollution control equipment and facilities to ensure compliance with mandated and voluntarily imposed environmental quality standards were charged to income. Total environmental-related cash outlays for 2002 are estimated to be $50 million, of which $27 million is expected to be spent on

investigatory and remedial efforts, $5 million on capital projects and $18 million on normal plant operations. Historically, we have funded our environmental capital expenditures through cash flow from operations and expect to do so in the future.

Our estimated environmental liability at the end of 2001 was attributable to approximately 60 sites, 18 of which were United States Environmental Protection Agency ("USEPA") National Priorities List ("NPL") sites. Ten sites accounted for approximately 73% of the reserve taken for such liabilities and, of the remaining sites, no one site accounted for more than 2% of our environmental liability. Two of these ten sites are in the investigatory stage of the remediation process. In this stage, remedial investigation and feasibility studies are conducted by us or other potentially responsible parties (PRPs) and a Record of Decision (ROD) or its equivalent has not been issued. At four of the ten sites, a ROD or its equivalent has been issued by either the USEPA or responsible state agency and we either alone, or as a member of a PRP group, were engaged in performing the remedial measures required by that ROD. At the remaining four of the ten sites, part of the site is subject to a ROD and another part is still in the investigative stage of remediation. All ten sites were either former manufacturing facilities or waste sites containing contamination generated by those facilities.

Our consolidated balance sheets included liabilities for future environmental expenditures to investigate and remediate known sites amounting to $100 million at December 31, 2001, and $110 million at December 31, 2000, of which $73 million and $85 million were classified as other noncurrent liabilities, respectively. Those amounts did not take into account any discounting of future expenditures or any consideration of insurance recoveries or advances in technology. Those liabilities are reassessed periodically to determine if environmental circumstances have changed and/or remediation efforts and our estimate of related costs have changed. As a result of these reassessments, future charges to income may be made for additional liabilities.

Annual environmental-related cash outlays for site investigation and remediation, capital projects, and normal plant operations are expected to range between approximately $40 million to $50 million over the next several years, $25 million to $30 million of which is expected to be charged against reserves recorded on our balance sheet. While we do not anticipate a material increase in the projected annual level of our environmental-related costs, there is always the possibility that such increases may occur in the future in view of the uncertainties associated with environmental exposures. Environmental exposures are difficult to assess for numerous reasons, including the identification of new sites, developments at sites resulting from investigatory studies, advances in technology, changes in environmental laws and regulations and their

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application, the scarcity of reliable data pertaining to identified sites, the difficulty in assessing the involvement and financial capability of other PRPs and our ability to obtain contributions from other parties and the lengthy time periods over which site remediation occurs. It is possible that some of these matters (the outcomes of which are subject to various uncertainties) may be resolved unfavorably against us, which could have a material adverse effect on our operating results and financial condition. At December 31, 2001, we estimate we may have additional contingent environmental liabilities of $40 million in addition to the amounts for which we have already taken a reserve.

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Liquidity, Investment Activity and Other Financial Data

Cash Flow Data
Provided By (Used For)

	2001	2000	1999
	($ in millions)		
Net Cash and Cash Equivalents Provided By Operating Activities From Continuing Operations	$ 76	$ 181	$ 42
Net Operating Activities	76	181	23
Capital Expenditures	(65)	(95)	(73)
Net Investing Activities	(111)	(88)	(74)
Purchases of Olin Common Stock	(14)	(20)	(11)
Net Financing Activities	143	(57)	22

In 2001, income from continuing operations exclusive of non-cash charges, proceeds from long-term debt borrowings and cash equivalents on hand were used to finance our working capital requirements, capital and investment projects, acquisitions, dividends, the purchase of our common stock and debt repayments.

Operating Activities

In 2001, the decrease in cash provided by operating activities of continuing operations was primarily attributable to lower operating results. In 2001, there was no investment in working capital. Whereas in 2000, our investment in working capital increased commensurate with the increase in sales and operating results compared to 1999. In 2001, the reduced accounts receivable and inventory levels more than offset the impact of the liquidation of higher 2000 year-end accounts payable and accrued liability balances. The accounts receivable and inventory levels are lower than normal primarily due to the lower volume of Metals business resulting from the impact of the soft economy on its markets and the declining prices and volumes in our chlor alkali business.

In 2000, the increase in cash flow from operating activities of continuing operations from 1999 was primarily attributable to higher operating income and a lower investment in working capital, which included a tax refund. In 2000, we received approximately $19 million as a result of a tax refund.

Capital Expenditures

Capital spending in 2001 of $65 million was 32% lower than 2000. The capital spending decrease was primarily due to completion of projects that were begun in 2000, primarily to

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expand production capacity in Metals higher value-added product categories, in particular high performance alloys. These products are patented, specialty copper alloys that provide value-added benefits to global customers in the computer, telecommunications and automotive industries. This expansion was completed in the second half of 2001 with the majority of the spending occurring in 2000. Capital spending in 2001 was approximately 76% of depreciation compared to 120% in 2000.

Capital spending in 2000 of $95 million was 30% higher than 1999. The capital spending increase was primarily in the Metals segment to expand production capacity in its higher value-added product categories, in particular high performance alloys. Capital spending in 2000 was approximately 120% of depreciation compared to 95% in 1999.

In 2002, we plan to manage our capital spending at a level approximating 50% of depreciation or about $40 million.

Investing Activities

In June 2001, we acquired the stock of Monarch for approximately $48 million. Monarch was a privately held, specialty brass manufacturer headquartered in Waterbury, CT, with revenues of approximately $95 million in 2000. It produces and distributes an array of high performance copper alloys and other materials used for applications in electronics, telecommunications, automotive products and building products. We financed the purchase price through our credit facilities. The purchase price exceeded the fair value of the identifiable net assets acquired by $19 million.

During 1999, the Company completed the purchase of a manufacturer of microelectronic packages in England and a metal distribution company in Puerto Rico for a total of $3 million.

Financing Activities

At December 31, 2001, we had an unsecured revolving credit agreement with a group of banks with commitments totaling $165 million, all of which was available at December 31, 2001 and 2000. In addition in 2001, we had a $25 million line of credit with another bank, none of which was used. On January 3, 2002, we entered into a new three-year senior revolving credit facility of $140 million, including a sublimit for letters of credit. The new facility replaces our existing credit facilities and will expire on January 3, 2005. We may select various floating rate borrowing options. The senior credit facility includes various customary restrictive covenants, including restrictions related to the ratio of debt to earnings before interest expense, taxes, depreciation and amortization ("leverage ratio") and the ratio of earnings before interest expense, taxes, depreciation and amortization to interest expense ("coverage ratio"). In the event that the leverage ratio equals or exceeds 3.75, we are required under this senior credit facility to grant a security interest in all of our U.S. inventory and accounts receivables. No assets of our subsidiaries will secure our obligation under our senior credit facility.

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In December 2001, we sold $200 million of 9.125% Senior Notes with a maturity date of December 15, 2011. We used a portion of the net proceeds of the offering to repay our short-term indebtedness and plan to use $100 million to repay the 8% notes due in June 2002. Any remaining proceeds will be available for general corporate purposes.

Prior to the spin-off of Arch Chemicals in February 1999, we borrowed $75 million under a credit facility which liability was assumed by Arch Chemicals. We used these funds for general corporate purposes, which included share repurchases.

During 2001, 2000 and 1999, we used $14 million, $20 million and $11 million to repurchase 0.7 million, 1.2 million and 0.9 million shares of our stock, respectively. Our board of directors has approved two share repurchase programs to repurchase a total of 10 million shares of our outstanding common stock. Approximately 298,000 shares remain to be repurchased under these programs.

The percent of total debt to total capitalization increased to 61% at December 31, 2001, from 41% at year-end 2000 and was 43% at year-end 1999. The increase in 2001 from year-end 2000 was due to the issuance of our 9.125% Senior Notes and lower shareholders' equity at December 31, 2001.

Dividends per common share were $0.80 in 2001 and 2000 and $0.90 in 1999. Total dividends paid on common stock amounted to $35 million in 2001, $36 million in 2000 and $41 million in 1999. In 2001 and 2000, we paid a quarterly dividend of $0.20 per share. Prior to the spin-off of Arch Chemicals, we paid a first quarter 1999 dividend of $0.30 per share. Following the distribution of Arch Chemicals, the quarterly dividend was reduced to $0.20 per share to reflect the effect of the distribution.

The payment of cash dividends is subject to the discretion of our board of directors and will be determined in light of then-current conditions, including our earnings, our operations, our financial condition, our capital requirements and other factors deemed relevant by our board of directors. In the future, our board of directors may change our dividend policy, including the frequency or amount of any dividend, in light of then-existing conditions.

LIQUIDITY AND OTHER FINANCING ARRANGEMENTS

Our principal sources of liquidity are from cash and cash equivalents, short-term investments, cash flow from operations, short-term borrowings under a senior revolving credit facility and other financing arrangements. We also have access to the debt and equity markets.

Cash flow from operations is subject to change as a result of the cyclical nature of our operating results, which have been affected recently by economic cycles and resulting downturn in many of the industries served by us, such as automotive, electronics and the telecommunications markets. In addition, cash flow from operations is affected by considerable changes in ECU prices caused by the changes in the supply/demand balance, resulting in the chlor alkali business having tremendous leverage on our earnings. A $10 per ECU price change equates to an $11 million pretax profit change when operating at full capacity.

Our current debt structure is used to fund our business operations and commitments from banks under our revolving credit facility are a source of liquidity. As of December 31, 2001, we

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had long-term borrowings of $431 million of which $86 million was at variable rates. We have interest rate swaps to hedge underlying debt obligations. Annual maturities of long-term debt are $102 million in 2002; $2 million in 2003; $27 million in 2004; $63 million in 2005, $1 million in 2006 and $236 million thereafter. We plan to use a portion of net proceeds from the offering of our $200 million 9.125% Senior Notes to repay the $100 million 8% notes due in June 2002.

Our total debt to capitalization ratio increased to 61% at December 31, 2001, from 41% at year-end 2000, and was 43% at year-end 1999. The increase in 2001 from year-end 2000 was due to the new 9.125% Senior Notes and lower shareholders' equity at December 31, 2001.

We use operating leases for certain properties, such as railroad cars, distribution, warehousing and office space, data processing and office equipment. Leases covering these properties generally contain escalation clauses based on increased costs of the lessor, primarily property taxes, maintenance and insurance and have renewal or purchase options. Future minimum rent payments under operating leases having initial or remaining non-cancelable lease terms in excess of one year at December 31, 2001 are as follows: $21 million in 2002; $20 million in 2003; $18 million in 2004; $16 million in 2005; $15 million in 2006 and $61 million thereafter. Assets under capital leases are not significant.

On December 31, 1997, we entered into a long-term, sulfur dioxide supply agreement with Alliance Specialty Chemicals, Inc. ("Alliance"), formerly known as RFC SO2, Inc. Alliance has the obligation to deliver annually 36,000 tons of sulfur dioxide. Alliance owns the sulfur dioxide plant, which is located at our Charleston, TN facility and is operated by us. The price for the sulfur dioxide is fixed over the life of the contract. In addition, we are obligated to make a monthly payment of approximately $200 thousand to an outside third party. Commitments related to this agreement are approximately $2 million per year for each year of 2002 through 2006 and $12 million thereafter.

We utilize a credit facility, standby letters of credit and guarantees. In January 2002, we entered into a new senior revolving credit facility with a group of banks. This credit facility is described above under the caption, "Financing Activities". As of March 1, 2002, we did not have any outstanding borrowings under this credit facility.

At December 31, 2001, we had outstanding standby letters of credit of $49 million. These letters of credit were used to support certain long-term debt obligations.

We and our partner, PolyOne Corporation ("PolyOne") own equally the Sunbelt Chlor Alkali Partnership ("Sunbelt joint venture"). The partnership owns assets with productive capability to manufacture 275 thousand tons of caustic soda and 250 thousand tons of chlorine on an annual basis. We market all of the caustic soda production for the venture, while all of the chlorine production is required to be purchased by Oxy Vinyls (a joint venture between OxyChem and PolyOne) based on a formula tied to the market price of chlorine. The construction of this plant and equipment was financed by the issuance of $195 million of Guaranteed Secured Senior Notes due 2017. The Sunbelt joint venture sold $97.5 million of Guaranteed Secured Senior

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Notes due 2017, Series O, and $97.5 million of Guaranteed Secured Senior Notes due 2017, Series G. We refer to these notes as the Sunbelt Notes. The Sunbelt Notes bear interest at a rate of 7.23% per annum payable semiannually in arrears on each June 22 and December 22.

We have guaranteed Series O of the Sunbelt Notes, and PolyOne has guaranteed Series G of the Sunbelt Notes, in both cases pursuant to customary guaranty agreements. Our guarantee and PolyOne's guarantee are separate, rather than joint. In other words, we are not required to make any payments to satisfy the indebtedness of PolyOne. An insolvency or bankruptcy of PolyOne will not automatically trigger acceleration of the Sunbelt Notes or cause us to be required to make payments under our guarantee, even if PolyOne is required to make payments under its guarantee. However, if the Sunbelt joint venture does not make timely payments on the Sunbelt Notes, whether as a result of a failure to pay on a guarantee or otherwise, the holders of the Sunbelt Notes may proceed against the assets of the Sunbelt joint venture for repayment.

Beginning on December 22, 2002 and each year thereafter, our Sunbelt joint venture is required to repay approximately $12 million of the Sunbelt Notes, of which approximately $6 million is attributable to Series O of the Sunbelt Notes. In the event our Sunbelt joint venture cannot make any of these payments, we would be required to fund our half of such payment. In certain other circumstances, we may also be required to repay the Sunbelt Notes prior to their maturity. We and PolyOne have agreed that, if we or PolyOne intend to transfer our respective interests in the Sunbelt joint venture and the transferring party is unable to obtain consent from holders of 80% of the aggregate principal amount of the indebtedness related to the guarantee being transferred after good faith negotiations, then we and PolyOne will be required to repay our respective portions of the Sunbelt Notes. In such event, any make whole or similar penalties or costs will be paid by the transferring party.

Critical Accounting Policies and Estimates

Our discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, sales and expenses, and related disclosure of contingent assets and liabilities. Significant estimates in our consolidated financial statements include environmental, restructuring and other unusual items, litigation, income tax reserves including deferred tax asset valuation allowance, pension, postretirement and other benefits and allowance for doubtful accounts. We base our estimates on prior experience, facts and circumstances and other assumptions that we believe to be reasonable. Actual results may differ from these estimates.

We believe the determination of our environmental cost accruals is a critical accounting policy. Accruals for environmental matters are recorded when it is probable that a liability has been incurred and the amount of the liability can be reasonably estimated, based upon current law and existing technologies. These amounts, which are not discounted and are exclusive of claims against third parties, are adjusted periodically as assessments and

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remediation efforts progress or additional technical or legal information becomes available.

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Environmental exposures are difficult to assess for numerous reasons, including the identification of new sites, developments at sites resulting from investigatory studies, advances in technology, changes in environmental laws and regulations and their application, the scarcity of reliable data pertaining to identified sites, the difficulty in assessing the involvement and financial capability of other potentially responsible parties and our ability to obtain contributions from other parties and the lengthy time periods over which site remediation occurs. It is possible that some of these matters (the outcomes of which are subject to various uncertainties) may be resolved unfavorably against us, which could have a material adverse effect on our operating results and financial condition.

New Accounting Standards

As of January 1, 2001, we adopted Statement of Financial Accounting Standards, ("SFAS"), No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended by SFAS No. 137 and No. 138. See our description of Derivative Financial Instruments below for additional information.

During the third quarter of 2001, the Financial Accounting Standards Board, ("FASB"), issued SFAS No. 141, "Business Combinations," and SFAS No. 142, "Goodwill and Other Intangible Assets." SFAS No. 141 requires that the purchase method of accounting be used for all business combinations initiated after June 30, 2001. SFAS No. 141 also specifies criteria that intangible assets acquired in a purchase method business combination must meet to be recognized and reported apart from goodwill. SFAS No. 142 requires that goodwill and intangible assets with indefinite useful lives no longer be amortized, but instead tested for impairment at least annually in accordance with the provisions of this statement. Goodwill amortization for the year ended December 31, 2001 was approximately $2 million. SFAS No. 142 also requires that intangible assets with estimable useful lives be amortized over their respective estimated useful lives to their estimated residual values, and reviewed for impairment in accordance with SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of." The adoption of these statements will increase pretax income by approximately $2 million, resulting from the elimination of goodwill amortization and will not have a material impact on our financial statements.

The FASB issued SFAS No. 143, "Accounting for Asset Retirement Obligations." SFAS No. 143 requires that the fair value of a liability for an asset retirement be recognized in the period in which it is incurred if a reasonable estimate of fair value can be made. The associated asset retirement costs are capitalized as part of the carrying amount of the long-lived asset. This statement is effective for fiscal years beginning after June 30, 2002. At this time, it is not practical to reasonably estimate the impact of adopting this statement on our financial statements.

The FASB issued SFAS No. 144, "Accounting for Impairment or Disposal of Long-Lived Assets." SFAS No. 144 addresses the financial accounting and reporting for the impairment or disposal of long-lived assets. This statement requires that one accounting model be used for long-lived assets to be disposed of by sale whether previously held and used or newly acquired.

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In addition, it broadened the presentation of discontinued operations to include more disposal transactions. This statement is effective for fiscal years beginning after December 15, 2001, and interim periods within those fiscal years. At this time, we believe that the adoption of this statement will not have a material impact on our financial statements.

Derivative Financial Instruments

In 1998, the FASB issued Statement No. 133 "Accounting for Derivative Instruments and Hedging Activities." It requires an entity to recognize all derivatives as either assets or liabilities in the statement of financial position and measure those instruments at fair value. The implementation date of this statement is effective for all fiscal quarters of fiscal years beginning after June 15, 2000. We adopted FASB No. 133 on January 1, 2001, and will achieve hedge accounting treatment for substantially all of our business transactions whose risks are covered using derivative instruments. SFAS No. 133 requires that all derivative instruments be recorded on the balance sheet at their fair value. The accounting treatment of changes in fair value is dependent upon whether or not a derivative instrument is designated as a hedge and, if so, the type of hedge. For derivatives designated as a fair value hedge, the changes in the fair value of both the derivative and the hedged item are recognized in earnings. For derivatives designated as a cash flow hedge, the change in fair value of the derivative is recognized in other comprehensive income until the hedged item is recognized in earnings. Ineffective portions are recognized currently in earnings. Unrealized gains and losses on derivatives not qualifying for hedge accounting are recognized currently in earnings. Upon adoption of this statement, we recorded on January 1, 2001, assets totaling $1.2 million and liabilities totaling $2.1 million with an offsetting entry to Accumulated Other Comprehensive Income (Loss). The new standard does not allow for the hedge accounting treatment on the portion of any hedge that is not effective. The ineffectiveness, which was recorded at January 1, 2001, was a loss of less than $0.1 million.

Previously, we accounted for forward contracts to buy and sell foreign currencies under SFAS No. 52, "Foreign Currency Translation" and futures contracts to reduce the impact of metal price fluctuations under SFAS No. 80, "Accounting for Futures Contracts." At December 31, 2001, we had no forward contracts to buy or sell foreign currencies. At December 31, 2000, we had forward contracts to sell foreign currencies with a face value of $4 million (which approximates carrying value) and no forward contracts to buy foreign currencies. Foreign currency exchange gains (losses), net of taxes, were less than $(1) million in 2001, less than $1 million in 2000 and less than $(1) million in 1999. At December 31, 2001, we had open positions in futures contracts totaling $47 million (2000 - $27 million). If the futures contracts had been settled on December 31, 2001, we would have recognized a loss of $1 million. Gains (losses) on futures contracts, net of taxes, were $(6) million in 2001, less than $1 million in 2000 and $1 million in 1999.

We use cash flow hedges of commodities such as copper, zinc, nickel and lead to provide a measure of stability in managing our exposure to price fluctuations. We also use fair value hedges of interest rate swaps as a means of hedging changes in interest rates on our outstanding debt obligations.

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At December 31, 2001, Accumulated Other Comprehensive Income (Loss) included a pretax decline in fair value of $3 million. In addition, the unfavorable ineffective portion of changes in fair value resulted in a $1 million charge to earnings for the year ended December 31, 2001. Offsetting the above, there were assets totaling $1 million and liabilities of $5 million.

Our foreign currency contracts and certain commodity derivatives did not meet the criteria of SFAS No. 133 to qualify for hedge accounting. The cumulative effect of items not qualifying for hedge accounting for 2001 was not material to earnings.

Risk Management

We periodically evaluate risk retention and insurance levels for product liability, property damage and other potential areas of risk. Based on the cost and availability of insurance and the likelihood of a loss occurring, our management decides the amount of insurance coverage to purchase from unaffiliated companies and the appropriate amount of risk to retain. The current levels of risk retention are believed to be appropriate and are consistent with those of other companies in the various industries in which we operate.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to market risk in the normal course of our business operations due to our operations in different foreign currencies, our purchases of certain commodities, and our ongoing investing and financing activities. The risk of loss can be assessed from the perspective of adverse changes in fair values, cash flows and future earnings. We have established policies and procedures governing our management of market risks and the use of financial instruments to manage exposure to such risks.

Certain raw materials, namely copper, lead, and zinc used primarily in our Metals and Winchester segments products are subject to price volatility. Depending on market conditions, we may enter into futures contracts and put and call option contracts in order to reduce the impact of metal price fluctuations. As of December 31, 2001, we maintained open positions on futures contracts totaling $47 million. Assuming a hypothetical 10% increase in commodity prices, which are currently hedged, we would experience a $4.7 million increase in our cost of inventory purchased, which would be offset by a corresponding increase in the value of related hedging instruments.

We are exposed to changes in interest rates primarily as a result of our investing and financing activities. Investing activity is not material to our consolidated financial position, results of operations, or cash flow. Our current debt structure is used to fund business operations and commitments from banks under our revolving credit facility are a source of liquidity. As of

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December 31, 2001, we had long-term borrowings of $431 million of which $86 million are at variable rates. We have interest rate swaps to hedge underlying debt obligations. We swapped interest payments on $50 million principal amount of our 9.125% Senior Notes to a floating rate (5.55125% at December 31, 2001). In February 2002, we swapped interest payments on $30 million principal amount

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of our 9.125% Senior Notes to an estimated floating rate of 5.68%. During 1992, we swapped interest payments on $50 million principal amount of our 8% notes due 2002, to a floating rate (1.91375% at December 31, 2001). In June 1995, we offset this transaction by swapping interest payments to a fixed rate of 6.485%.

If the actual change in interest or commodities pricing is substantially different than expected, the net impact of interest rate risk or commodity risk on our cash flow may be materially different than that disclosed above.

We do not enter into any derivative financial instruments for speculative purposes.

Cautionary Statement about Forward-Looking Statements:

This report includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements relate to analyses and other information that are based on management's beliefs, certain assumptions made by management, forecasts of future results, and current expectations, estimates and projections about the markets and economy in which we and our various segments operate. The statements contained in this report that are not statements of historical fact may include forward-looking statements that involve a number of risks and uncertainties.

We have used the words "anticipate," "intend," "may," "expect," "believe," "should," "plan," "will," "estimate," and variations of such words and similar expressions in this report to identify such forward-looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions, which are difficult to predict and many of which are beyond our control. Therefore, actual outcomes and results may differ materially from those matters expressed or implied in such forward-looking statements. We undertake no obligation to update publicly any forward-looking statements, whether as a result of future events, new information or otherwise.

The risks, uncertainties and assumptions that are involved in our forward-looking statements include, but are not limited to:

- general economic, business and market conditions in the United States and overseas, including economic instability or a downturn in the markets served by us, such as automotive, electronics, coinage, telecommunications, ammunition and housing;

- the cyclical nature of our operating results;

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- competitive pressures affecting selling prices and volumes, particularly changes in ECU prices from expected levels;

- the supply/demand balance for our products, including the impact of excess industry capacity;

- the occurrence of unexpected manufacturing interruptions/outages, including those occurring as a result of production hazards;

- efficacy of new technologies;

- loss of key customers or suppliers;

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- acceleration or expansion of backward integration by current and potential customers;
- higher-than-expected raw material and utility costs;
- higher-than-expected transportation and/or logistics costs;
- failure to achieve targeted cost reduction programs;
- environmental costs and other expenditures in excess of those projected;
- changes in laws and regulations inside or outside the United States;
- higher-than-expected interest rates; and
- the occurrence of extraordinary events, such as the attacks on the World Trade Center and the Pentagon that occurred on September 11, 2001.

All of our forward-looking statements should be considered in light of these factors. Some of these risks and uncertainties are described in more detail under the caption, "Additional Factors That May Affect Future Results."

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Item 8. CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

MANAGEMENT REPORT ON FINANCIAL STATEMENTS

Management is responsible for the preparation and integrity of the accompanying consolidated financial statements. These financial statements have been prepared in conformity with generally accepted accounting principles and, where necessary, involve amounts based on management's best judgments and estimates. Management also prepared the other information in this annual report and is responsible for its accuracy and consistency with the financial statements.

The Company's system of internal controls is designed to provide reasonable assurance as to the integrity and reliability of the financial statements, the protection of assets from unauthorized use or disposition, and the prevention and detection of fraudulent financial reporting. This system, which is reviewed regularly, consists of written policies and procedures, an organizational structure providing delegation of authority and segregation of responsibility and is monitored by an internal audit department. The Company's independent auditors also review and test the internal control system along with tests of accounting procedures and records to the extent that they consider necessary in order to issue their opinion on the financial statements. Management believes that the system of internal accounting controls meets the objectives noted above.

Management also recognizes its responsibility for fostering a strong ethical climate so that the Company's affairs are conducted according to the highest standards of personal and corporate conduct. These expectations are summarized in a document entitled "Our Values and Standards of Business Conduct" which is distributed to every employee. The standards, which are also periodically reinforced through personal training sessions, address among other things, the necessity of ensuring open communication within the Company;

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potential conflicts of interest; compliance with all domestic and foreign laws, including those relating to financial disclosure; and the confidentiality of proprietary information. In addition, the Company maintains a systematic program to assess compliance with these standards and has established various outlets, including a confidential telephone help-line (1-800-362-8348), for employees and suppliers to ask questions and share concerns.

The Audit Committee of the Board of Directors, composed solely of outside directors, meets periodically with the independent auditors, management and the Company's internal auditors to review the work of each and to evaluate accounting, auditing, internal controls and financial reporting matters. The Audit Committee annually recommends to the Board of Directors the appointment of independent auditors, subject to shareholder approval. The independent auditors and the Company's internal audit department have independent and free access to the Audit Committee.

/s/ Donald W. Griffin

Donald W. Griffin
Chairman

/s/ Joseph D. Rupp

Joseph D. Rupp
President and
Chief Executive Officer

/s/ Anthony W. Ruggiero

Anthony W. Ruggiero
Executive Vice President and
Chief Financial Officer

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Independent Auditors' Report

To the Board of Directors and Shareholders of Olin Corporation:

We have audited the accompanying consolidated balance sheets of Olin Corporation and subsidiaries as of December 31, 2001 and 2000 and the related consolidated statements of income, shareholders' equity and cash flows for each of the years in the three-year period ended December 31, 2001. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above, present fairly, in all material respects, the financial position of Olin Corporation and subsidiaries as of December 31, 2001 and 2000, and the results

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of their operations and their cash flows for each of the years in the three-year period ended December 31, 2001 in conformity with accounting principles generally accepted in the United States of America.

/s/ KPMG LLP
KPMG LLP

Stamford, Connecticut
January 31, 2002

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Consolidated Balance Sheets
December 31
($ in millions, except per share data)

<TABLE>
<CAPTION>

<S>	2001 <C>
Assets	
Current Assets:	
Cash and Cash Equivalents	$ 165
Short-Term Investments	37
Receivables, Net:	
Trade	129
Other	11
Inventories, Net	223
Income Taxes Receivable	7
Other Current Assets	44
Total Current Assets	616
Property, Plant and Equipment, Net	477
Other Assets	126
Total Assets	$ 1,219
Liabilities and Shareholders' Equity	
Current Liabilities:	
Current Installments of Long-Term Debt	$ 102
Accounts Payable	97
Income Taxes Payable	--
Accrued Liabilities	136
Total Current Liabilities	335
Long-Term Debt	329
Deferred Income Taxes	72
Other Liabilities	212
Total Liabilities	948
Commitments and Contingencies	
Shareholders' Equity:	
Common Stock, Par Value $1 Per Share:	
Authorized, 120,000,000 Shares	

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Issued and Outstanding 43,440,223 Shares (43,980,441 in 2000)	43
Additional Paid-In Capital	205
Accumulated Other Comprehensive Loss	(18)
Retained Earnings	41
Total Shareholders' Equity	271
Total Liabilities and Shareholders' Equity	$ 1,219

</TABLE>

The accompanying Notes to Consolidated Financial Statements are an integral part of the consolidated financial statements.

<PAGE>

Consolidated Statements of Income
Years ended December 31
($ in millions, except per share data)

<TABLE>
<CAPTION>

	2001
<S>	<C>
Sales	$ 1,271
Operating Expenses:	
Cost of Goods Sold	1,122
Selling and Administration	116
Research and Development	5
Restructuring Charge	39
Earnings (Loss) of Non-consolidated Affiliates	(8)
Interest Expense	17
Interest Income	1
Other Income	22
Income (Loss) from Continuing Operations Before Taxes	(13)
Income Tax Provision (Benefit)	(4)
Income (Loss) from Continuing Operations	(9)
Income from Discontinued Operations, Net of Taxes	--
Net Income (Loss)	$ (9)
Net Income (Loss) Per Common Share:	
Basic:	
Continuing Operations	$ (0.22)
Discontinued Operations	--
Total Net Income (Loss)	$ (0.22)
Diluted:	
Continuing Operations	$ (0.22)
Discontinued Operations	--
Total Net Income (Loss)	$ (0.22)

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The accompanying Notes to Consolidated Financial Statements are an integral part of the consolidated financial statements.

<PAGE>

Consolidated Statements of Shareholders' Equity
($ in millions, except per share data)

<TABLE>
<CAPTION>

	Common Stock			A
	Shares Issued	Par Value	Additional Paid-In Capital	Co In
<S>	<C>	<C>	<C>	<C
Balance at January 1, 1999	45,922,864	$ 46	$ 243	
Comprehensive Income:				
Net Income	--	--	--	
Translation Adjustment	--	--	--	
Comprehensive Income	--	--	--	
Dividends Paid:				
Common Stock ($0.90 per share)	--	--	--	
Spin-off of Arch Chemicals, Inc	--	--	--	
Stock Repurchase	(921,400)	(1)	(10)	
Other Transactions	60,432	--	1	
Balance at December 31, 1999	45,061,896	45	234	
Comprehensive Income:				
Net Income	--	--	--	
Translation Adjustment	--	--	--	
Minimum Pension Liability Adjustment	--	--	--	
Comprehensive Income	--	--	--	
Dividends Paid:				
Common Stock ($0.80 per share)	--	--	--	
Stock Options Exercised	67,111	--	1	
Stock Repurchase	(1,162,297)	(1)	(19)	
Other Transactions	13,731	--	--	
Balance at December 31, 2000	43,980,441	44	216	
Comprehensive Income:				
Net Loss	--	--	--	
Translation Adjustment	--	--	--	
Net Unrealized Losses	--	--	--	
Comprehensive Loss	--	--	--	
Dividends Paid:				
Common Stock ($0.80 per share)	--	--	--	
Stock Options Exercised	161,093	--	2	
Stock Repurchase	(694,870)	(1)	(13)	
Other Transactions	(6,441)	--	--	
Balance at December 31, 2001	43,440,223	$ 43	$ 205	

</TABLE>

The accompanying Notes to Consolidated Financial Statements are an integral

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part of the consolidated financial statements.

<PAGE>

Consolidated Statements of Cash Flows
Years ended December 31
($ in millions)

<TABLE>
<CAPTION>

<S>
Operating Activities
Income (Loss) from Continuing Operations .....
Adjustments to Reconcile Income (Loss) from Continuing Operations to Net Cash and Cash Equivalents Provided by Operating Activities:
Loss (Earnings) of Non-consolidated Affiliates .....
Depreciation .....
Amortization of Intangibles .....
Deferred Taxes .....
Restructuring Charge .....
Other Income-Demutualization .....
Change in Assets and Liabilities Net of Purchases and Sales of Businesses:
Receivables .....
Inventories .....
Other Current Assets .....
Accounts Payable and Accrued Liabilities .....
Income Taxes Payable .....
Other Noncurrent Liabilities .....
Other Operating Activities .....

Net Cash and Cash Equivalents Provided by Operating Activities from Continuing Operations .....
Discontinued Operations:
Net Income .....
Change in Net Assets .....

Net Operating Activities .....

Investing Activities
Capital Expenditures .....
Businesses Acquired in Purchase Transactions .....
Purchases of Short-Term Investments .....
Proceeds from Sale of Short-Term Investments .....
Investments and Advances - Affiliated Companies at Equity .....
Other Investing Activities .....

Net Investing Activities .....

Financing Activities
Long-Term Debt:
Borrowings .....
Repayments .....
Short-Term Debt Repayments .....
Borrowings under Line of Credit Assumed by Arch Chemicals, Inc. .....
Purchase of Olin Common Stock .....
Stock Options Exercised .....

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Dividends Paid .....
Other Financing Activities .....

Net Financing Activities .....

Net Increase (Decrease) in Cash and Cash Equivalents .....
Cash and Cash Equivalents, Beginning of Year .....

Cash and Cash Equivalents, End of Year .....

Cash Paid (Received) for Interest and Income Taxes:
Interest .....
Income Taxes, Net of Refunds .....

</TABLE>

The accompanying Notes to Consolidated Financial Statements are an integral part of the consolidated financial statements.

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Notes to Consolidated Financial Statements
($ in millions, except share data)

Accounting Policies

The preparation of the consolidated financial statements requires estimates and assumptions that affect amounts reported and disclosed in the financial statements and related notes. Actual results could differ from those estimates.

Basis of Presentation

The consolidated financial statements include the accounts of Olin Corporation and all majority-owned subsidiaries. Investments in 20-50% owned affiliates are accounted for on the equity method. Accordingly, we include only our share of earnings or losses of these affiliates in consolidated net income.

Foreign Currency Translation

Foreign affiliates' balance sheet amounts are translated at the exchange rates in effect at year-end, and income statement amounts are translated at the average rates of exchange prevailing during the year. Translation adjustments are included in Accumulated Other Comprehensive Income (Loss). Where foreign affiliates operate in highly inflationary economies, non-monetary amounts are translated at historical exchange rates while monetary assets and liabilities are translated at the current rate with the related adjustments reflected in the Consolidated Statements of Income.

Cash and Cash Equivalents

All highly liquid investments, with a maturity of three months or less at the date of purchase, are considered to be cash equivalents.

Short-Term Investments

Marketable securities are accounted for in accordance with Statement of Financial Accounting Standards ("SFAS") No. 115, "Accounting for Certain Investments in Debt and Equity Securities." We have classified our marketable

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equity securities as available-for-sale which are reported at fair market value with unrealized gains and losses included in Shareholders' Equity net of applicable taxes. The fair value of marketable securities is determined by quoted market prices. Unrealized gains in 2001 were $1; unrealized gains and losses in 2000 were insignificant. Realized gains and losses on sales of investments, as determined on the specific identification method and declines in value of securities judged to be other-than-temporary are included in Other Income in the Consolidated Statements of Income. Interest and dividends on all securities are included in Interest Income and Other Income, respectively.

All investments which have maturities between three and twelve months at purchase, are considered short-term investments and consist of debt securities such as commercial paper, time deposits, certificates of deposit, bankers acceptances, repurchase agreements, and marketable direct obligations of the United States Treasury and its agencies.

Inventories

Inventories are valued principally by the dollar value last-in, first-out (LIFO) method of inventory accounting; such valuations are not in excess of market. Cost for other inventories has been determined principally by the average-cost and first-in, first-out (FIFO) methods. Elements of costs in inventories include raw materials, direct labor and manufacturing overhead.

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Property, Plant and Equipment

Property, plant and equipment are recorded at cost. Depreciation is computed on a straight-line basis over the estimated useful lives of the related assets. Leasehold improvements are amortized over the term of the lease or the estimated useful life of the improvement, whichever is shorter. Start-up costs are expensed as incurred.

Comprehensive Income

We calculated comprehensive income in accordance with SFAS No. 130, "Reporting Comprehensive Income." Accumulated Other Comprehensive Income (Loss) at December 31, 2001 includes cumulative translation losses of $12 ($11 at December 31, 2000), minimum pension liability of $5 ($5 at December 31, 2000) and other unrealized losses of $1. We do not provide for U.S. income taxes on foreign currency translation adjustments since we do not provide for such taxes on undistributed earnings of foreign subsidiaries.

Goodwill

Goodwill, the excess of the purchase price of the acquired businesses over the fair value of the respective net assets, is amortized principally over 30 years on a straight-line basis. We periodically review the value of our goodwill to determine if any impairment has occurred. We assess the potential impairment of recorded goodwill and other long-lived assets by comparing the undiscounted value of expected future operating cash flows in relation to the book value of the goodwill and related long-lived assets. An impairment would be recorded based on the estimated fair value.

During the third quarter of 2001, Financial Accounting Standards Board ("FASB"), issued SFAS No. 142, "Goodwill and Other Intangible Assets". SFAS No. 142 requires that goodwill and intangible assets with indefinite useful lives no

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longer be amortized, but instead tested for impairment at least annually in accordance with the provisions of this statement. Goodwill amortization for the year ended December 31, 2001 was approximately $2. SFAS No. 142 also requires that intangible assets with estimable useful lives be amortized over their respective estimated useful lives to their estimated residual values, and reviewed for impairment in accordance with SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of." Commencing January 1, 2002, we will no longer amortize goodwill and will adopt the provision of SFAS No. 142.

Environmental Liabilities and Expenditures

Accruals for environmental matters are recorded when it is probable that a liability has been incurred and the amount of the liability can be reasonably estimated, based upon current law and existing technologies. These amounts, which are not discounted and are exclusive of claims against third parties, are adjusted periodically as assessment and remediation efforts progress or additional technical or legal information becomes available. Environmental remediation costs are charged to expense as incurred. Environmental costs are capitalized if the costs increase the value of the property and/or mitigate or prevent contamination from future operations.

Income Taxes

Deferred taxes are provided for differences between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse.

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Derivative Financial Instruments

In 1998, the FASB issued SFAS No. 133 "Accounting for Derivative Instruments and Hedging Activities." It requires an entity to recognize all derivatives as either assets or liabilities in the statement of financial position and measure those instruments at fair value. The implementation date of this statement is effective for all fiscal quarters of fiscal years beginning after June 15, 2000. We adopted SFAS No. 133 on January 1, 2001, and will achieve hedge accounting treatment for substantially all of our business transactions whose risks are covered using derivative instruments. The hedge accounting treatment provides for the deferral of gains or losses on derivative instruments until such time as the related transactions occur. Upon adoption of this statement, we recorded on January 1, 2001, assets totaling $1.2 and liabilities totaling $2.1 with an offsetting entry to Accumulated Other Comprehensive Income (Loss). The new standard does not allow for hedge accounting treatment on the portion of any hedge that is not effective. The ineffectiveness, which was recorded at January 1, 2001 was a loss of less than $0.1.

Previously, we accounted for forward contacts to buy and sell foreign currencies under SFAS No. 52, "Foreign Currency Translation" and futures contracts to reduce the impact of metal price fluctuations under SFAS No. 80, "Accounting for Futures Contracts." At December 31, 2001, we had no forward contracts to buy or sell foreign currencies. At December 31, 2000, we had forward contracts to sell foreign currencies with a face value of $4 (which approximates carrying value) and no forward contracts to buy foreign currencies. Foreign currency exchange gains (losses), net of taxes, were less than $(1) in 2001, less than $1 in 2000 and less than $(1) in 1999. At December 31, 2001, we

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had open positions in futures contracts totaling $47 (2000-$27). If the futures contracts had been settled on December 31, 2001, we would have recognized a loss of $1. Gains (losses) on futures contracts, net of taxes, were $(6) in 2001, less than $1 in 2000 and $1 in 1999.

We use cash flow hedges of commodities such as copper, zinc, nickel and lead to provide a measure of stability in managing our exposure to price fluctuations. We also use fair value hedges of interest rate swaps as a means of hedging changes in interest rates on our outstanding debt obligations.

At December 31, 2001, Accumulated Other Comprehensive Income (Loss) included a pretax decline in fair value of $3. In addition, the unfavorable ineffective portion of changes in fair value resulted in a $1 charge to earnings for the year ended December 31, 2001. Offsetting the above, there were assets totaling $1 and liabilities of $5.

Our foreign currency contracts and certain commodity derivatives did not meet the criteria of SFAS No. 133 to qualify for hedge accounting. The cumulative effect of items not qualifying for hedge accounting for the year 2001 was not material to earnings.

Financial Instruments

The carrying values of cash and cash equivalents, accounts receivable and accounts payable approximated fair values due to the short-term maturities of these instruments. The fair value of our long-term debt was determined based on current market rates for debt of the same risk and maturities. At December 31, 2001, the estimated fair value of debt was $432 (2000-$231). The fair values of currency forward contracts were estimated based on quoted market prices for contracts with similar terms.

Stock-Based Compensation

We account for stock-based compensation under SFAS No. 123, "Accounting for Stock-Based Compensation." As allowed under SFAS No. 123, we have chosen to continue to account for stock-based compensation cost in accordance with Accounting Principles Board Opinion ("APB") No. 25, "Accounting for Stock Issued to Employees." Under this opinion, compensation cost is recorded when the fair market value of our stock at the date of grant for fixed options exceeds the exercise price of the stock option. Our policy is to

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grant stock options at the fair market value of our common stock on the date of the grant. Compensation cost for restricted stock awards is accrued over the life of the award based on the quoted market price of our stock at the date of the award.

Earnings Per Share

Basic earnings (loss) per share are computed by dividing net income (loss) by the weighted average number of common shares outstanding. Diluted earnings per share reflect the dilutive effect of stock options (refer to footnote called "Stock Options").

<TABLE>
<CAPTION>
Computation of Earnings (Loss) per Share

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Basic earnings (loss) per share	2001	2000
<S>	<C>	<C>
Income (loss) from continuing operations	$ (9)	$ 8
Basic shares	43.6	44.
Basic earnings (loss) per share-continuing operations	$ (0.22)	$ 1.8
Diluted earnings (loss) per share		
Income (loss) from continuing operations	$ (9)	$ 8
Diluted shares:		
Basic shares	43.6	44.
Stock options	--	.
	43.6	45.
Diluted earnings (loss) per share-continuing operations	$ (0.22)	$ 1.8

</TABLE>

Our Board of Directors approved two share repurchase programs to repurchase a total of 10 million shares of our outstanding common stock. During 2001, 2000 and 1999 we repurchased 0.7 million, 1.2 million and 0.9 million shares, respectively. Approximately 298,000 shares remain to be repurchased under these programs.

Short-Term Investments

Short-term investments, which approximate fair value, were $37 and $25 at December 31, 2001 and 2000, respectively, and represented the equity value of the company-owned life insurance programs and in 2001 included equity shares resulting from the non-cash Prudential demutualization.

Trade Receivables

Allowance for doubtful items was $7 at December 31, 2001 and 2000. Provisions charged to operations were $2 in 2001 and 2000 and less than $1 in 1999. Bad debt write-offs, net of recoveries, were $2 in 2001, $1 in 2000 and less than $1 in 1999.

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Inventories

	2001	2000
Raw materials and supplies	$ 119	$ 126
Work in process	98	111
Finished goods	64	60

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	281	297
LIFO reserves	(58)	(81)
Inventory, net	$ 223	$ 216

Inventories valued using the LIFO method comprised 79% and 77% of the total inventories at December 31, 2001 and 2000, respectively. During 2001, LIFO inventory quantities were reduced resulting in an increase in pretax income of $4.

Property, Plant and Equipment

<TABLE>
<CAPTION>

	Useful Lives	2001	2
<S>	<C>	<C>	<C
Land and improvements to land	10 - 20 Years	$ 60	$
Buildings and building equipment	10 - 25 Years	196	
Machinery and equipment	3 - 12 Years	1,411	
Leasehold improvements		3	
Construction in progress		48	
Property, plant and equipment		1,718	
Less accumulated depreciation		1,241	
Property, plant and equipment, net		$ 477	$

</TABLE>

Leased assets capitalized and included above are not significant. Maintenance and repairs charged to operations amounted to $106, $118 and $116 in 2001, 2000 and 1999, respectively.

Investments - Affiliated Companies

We have a 50% ownership interest in Sunbelt Chlor Alkali Partnership and Yamaha-Olin Metal Corporation, both of which are accounted for using the equity method of accounting. Combined financial positions and results of operations of these two equity-basis affiliates in their entirety were as follows:

<TABLE>
<CAPTION>

	100% Basis	
	2001	2000
<S>	<C>	<C>
Condensed Balance Sheet Data:		
Current assets	$ 27	$ 35
Noncurrent assets	149	160
Current liabilities	9	13
Noncurrent liabilities	195	195
Condensed Income Statement Data:		
Net sales	98	148
Gross profit	17	38
Net income (loss)	(10)	11

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</TABLE>

Pursuant to a note purchase agreement dated December 22, 1997, the Sunbelt joint venture sold $97.5 of Guaranteed Secured Senior Notes Due 2017, Series O, and $97.5 of Guaranteed Secured Senior Notes Due 2017, Series G. We refer to these notes as the Sunbelt Notes. The Sunbelt Notes bear interest at a rate of 7.23% per annum, payable semiannually in arrears on each June 22 and December 22.

We have guaranteed Series O of the Sunbelt Notes, and PolyOne Corporation ("PolyOne"), our partner in this venture, has guaranteed Series G of the Sunbelt Notes, in both cases pursuant to customary guarantee agreements. Our guarantee and PolyOne's guarantee are separate, rather than joint. In other words we are not required to make any payments to satisfy the indebtedness of PolyOne. An insolvency or bankruptcy of PolyOne will not automatically trigger acceleration of the Sunbelt Notes or cause us to be required to make payments under our guarantee, even if PolyOne is required to make payments under its guarantee. However, if the Sunbelt joint venture does not make timely payments on the Sunbelt Notes, whether as a result of a failure to pay on a guarantee or otherwise, the holders of the Sunbelt Notes may proceed against the assets of the Sunbelt joint venture for repayment.

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Beginning on December 22, 2002 and each year thereafter, our Sunbelt joint venture is required to repay approximately $12 of the Sunbelt Notes, of which approximately $6 is attributable to Series O of the Sunbelt Notes. In the event our Sunbelt joint venture cannot make any of these payments, we would be required to fund our half of such payment. In certain other circumstances, we may also be required to repay the Sunbelt Notes prior to their maturity. We and PolyOne have agreed that, if we or PolyOne intend to transfer our respective interests in the Sunbelt joint venture and the transferring party is unable to obtain consent from holders of 80% of the aggregate principal amount of the indebtedness related to the guarantee being transferred after good faith negotiations, then we and PolyOne will be required to repay our respective portions of the Sunbelt Notes. In such event, any make whole or similar penalties or costs will be paid by the transferring party.

Short-Term Borrowings

At December 31, 2001, we had an unsecured revolving credit agreement with a group of banks with commitments totaling $165, all of which was available at December 31, 2001 and 2000. In addition, we had a $25 credit facility with another bank, none of which was used. On January 3, 2002, we entered into a new three-year senior revolving credit facility of $140, including a sublimit for letters of credit. The new facility replaces our existing credit facilities and will expire on January 3, 2005. We may select various floating rate borrowing options. The senior credit facility includes various customary restrictive covenants including restrictions related to the ratio of debt to earnings before interest expense, taxes, depreciation and amortization ("leverage ratio") and the ratio of earnings before interest expense, taxes, depreciation and amortization to interest expense ("coverage ratio"). In the event that the leverage ratio equals or exceeds 3.75, we are required under this senior credit facility to grant a security interest in all of our U.S. inventory and accounts receivables. No assets of our subsidiaries will secure our obligation under our senior credit facility.

Long-Term Debt

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<TABLE>
<CAPTION>

<S>

Notes payable:	
7.11%, due 2005	
7.30% due 2005	
7.75%, due 2005	
8%, due 2002	
9.125%, due 2011	
Industrial development and environmental improvement obligations:	
Payable at interest rates of 0.85% to 5.60%, which vary with short-term tax exempt rates, due 2004-2017	
Payable at interest rates of 6% to 6.88%, due 2002-2008	
Total senior debt	
Amounts due within one year	
Total long-term debt	

</TABLE>

In December 2001, we sold $200 of 9.125% Senior Notes Due 2011 with a maturity date of December 15, 2011. We used a portion of the net proceeds of this offering to repay our short-term indebtedness and plan to use $100 to repay the 8% notes due in June 2002. Any remaining proceeds will be available for general corporate purposes. In February 2002, we swapped interest payments on $30 principal amount of our 9.125% Senior Notes to an estimated floating rate of 5.68%.

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In December 2001, we swapped interest payments on $50 principal amount of our 9.125% Senior Notes due 2011 to a floating rate (5.55125% at December 31, 2001). During 1992, we swapped interest payments on $50 principal amount of the 8% notes due 2002 to a floating rate (1.91375% at December 31, 2001). In June 1995, we offset this transaction by swapping interest payments to a fixed rate of 6.485%. The difference between interest paid and interest received is included as an adjustment to interest expense. A settlement of the fair market value of the interest rate swaps as of December 31, 2001 would result in a cost of less than $1. Counter-parties to interest rate swap contracts are major financial institutions. Our loss in the event of nonperformance by a counter-party is not significant.

At December 31, 2001, there remained $48 unissued under the medium-term note program registered in May 1994.

Annual maturities of long-term debt are $102 in 2002, $2 in 2003, $27 in 2004, $63 in 2005, $1 in 2006 and $236 thereafter.

Interest expense incurred on short-term borrowings and long-term debt totaled $18 in 2001, $17 in 2000 and $16 in 1999; of which $1 was capitalized in 2001 and 2000.

Pension Plans and Retirement Benefits

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Essentially all of our domestic pension plans are non-contributory final-average-pay or flat-benefit plans and all domestic employees are covered. Our funding policy is consistent with the requirements of federal laws and regulations. We provide certain postretirement health care and life insurance benefits for eligible active and retired domestic employees.

<TABLE>
<CAPTION>

Change in Benefit Obligation	Pension Benefits 2001	Pension Benefits 2000
<S>	<C>	<C>
Benefit obligation at beginning of year	$ 1,135	$1,068
Service cost	14	21
Interest cost	88	83
Amendments	24	--
Actuarial loss	66	51
Benefits paid	(92)	(88)
Curtailment	25	--
Benefit obligation at end of year	$ 1,260	$1,135

</TABLE>

Change in Plan Assets	Pension Benefits 2001	Pension Benefits 2000
Fair value of plan assets at beginning of year	$ 1,297	$1,424
Actual return on plan assets	(47)	(44)
Employer contribution	6	5
Benefits paid	(92)	(88)
Fair value of plan assets at end of year	$ 1,164	$1,297

<PAGE>

<TABLE>

At December 31, 2001 and 2000, the benefit obligation of the qualified pension plan was $1,209 and $1,086, respectively; and the fair value of the assets of the qualified pension plan was $1,164 and $1,297, respectively. At December 31, 2001 and 2000, the benefit obligation of the non-qualified pension plan was $51 and $49, respectively.

	Pension Benefits 2001	Pension Benefits 2000	Pos 2001
<S>	<C>	<C>	<C>

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Funded status	$ (96)	$ 162	$ (7
Unrecognized actuarial (gain) loss	82	(163)	2
Unrecognized prior service cost	37	22	(
Net amount recognized	$ 23	$ 21	$ (5
Amounts recognized in the consolidated balance sheet consist of:			
Prepaid benefit cost in other assets	$ 61	$ 57	$ -
Accrued benefit liability in other liabilities	(46)	(44)	(5
Accumulated other comprehensive income	8	8	-
Net amount recognized	$ 23	$ 21	$ (5

</TABLE>

<TABLE>
<CAPTION>
Principal Assumptions for Pension and Postretirement Benefits as of December 31, 200

<S>
Weighted average discount rate .....
Weighted average rate of compensation increase .....
Long-term rate of return on assets .....
</TABLE>

<TABLE>
<CAPTION>

	Pension Benefits		
Components of Net Periodic Benefit Cost (Income)	2001	2000	1999
<S>	<C>	<C>	<C>
Service cost	$ 14	$ 21	$ 15
Interest cost	88	83	79
Expected return on plan assets	(120)	(114)	(103)
Amortization of prior service cost	6	4	4
Recognized actuarial loss (gain)	(2)	(12)	(6)
Curtailment	17	--	--
Net periodic benefit cost (income)	$ 3	$ (18)	$ (11)

</TABLE>

Our common stock represented approximately 1% of the plan assets at December 31, 2001 and 2000, respectively.

Our foreign subsidiaries maintain pension and other benefit plans, which are consistent with statutory practices and are not significant.

Our pension plan provides that if, within three years following a change of control of Olin, any corporate action is taken or filing made in contemplation of, among other things, a plan termination or merger or other transfer of assets or liabilities of the plan, and such termination, merger or transfer thereafter takes place, plan benefits would automatically be increased for affected participants (and retired participants) to absorb any plan surplus.

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The accumulated postretirement benefit obligation was determined using the projected unit credit method and an assumed discount rate of 7.5% in 2001 and 7.75% in 2000. The assumed health care cost trend rate used for pre-65 retirees was 5.75% in 2001, 6.5% in 2000 and 7.5% in 1999, declining one-half percent per annum to 5%. For post-65 retirees, we provide a fixed dollar benefit, which is not subject to escalation.

Assumed health care cost trend rates have a significant effect on the amounts reported for the postretirement health care plan. A one-percentage-point increase (decrease) in assumed health care cost trend rates would have a less than $1 increase (decrease) in total service and interest cost components and a $2 increase (decrease) in the postretirement benefit obligation.

<PAGE>

Income Taxes

<TABLE>
<CAPTION>

Components of Pretax Income (Loss) from Continuing Operations	2001	2000
<S>	<C>	<C>
Domestic	$ (20)	$ 126
Foreign	7	5
Pretax income (loss)	$ (13)	$ 131

Components of Income Tax Expense (Benefit)		
Currently payable:		
Federal	$ 5	$ 26
State	(2)	5
Foriegn	2	2
	5	33
Deferred	(9)	17
Income tax expense (benefit)	$ (4)	$ 50

</TABLE>

The following table accounts for the difference between the actual tax provision and the amounts obtained by applying the statutory U.S. federal income tax rate of 35% to the income from continuing operations before taxes.

Effective Tax Rate Reconciliation(Percent)	2001	2000	1999
Statutory federal tax rate	35.0	35.0	35.0
Foreign rate differential	1.3	0.3	4.3
Export tax incentive	5.3	(0.4)	(9.0)
Company-owned life insurance programs	(2.0)	0.2	6.9
State income taxes, net	4.7	6.0	(13.0)

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Change in valuation allowance	(9.5)	(2.2)	22.2
Equity income of foreign affiliates	3.3	(0.5)	(2.2)
Other, net	(7.3)	(0.2)	(7.2)
Effective tax rate	30.8	38.2	37.0

Components of Deferred Tax Assets and Liabilities	2001	2000
Deferred tax assets:		
Pension and postretirement benefits	$ 12	$ 12
Environmental reserves	39	43
Accrued liabilities	26	27
Minimum tax credits	23	15
State net operating losses	7	6
Other miscellaneous items	36	25
Total deferred tax assets	143	128
Valuation allowance	(5)	(2)
Net deferred tax assets	138	126
Deferred tax liabilities:		
Property, plant and equipment	66	64
Capital loss	80	80
Other miscellaneous items	29	33
Total deferred tax liabilities	175	177
Net deferred tax liability	$ 37	$ 51

Included in Other Current Assets at December 31, 2001 and 2000 are $35 and $29, respectively, of net current deferred assets. The deferred tax provision for 2001 does not reflect the tax effect of $1 resulting from hedging activity under SFAS No. 133 or $4 resulting from the acquisition of Monarch. For the year 2000, the deferred tax provision does not reflect $2 resulting from additional minimum pension liability adjustment required by SFAS No. 87, "Employers Accounting for Pensions."

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Realization of the net deferred tax assets is dependent on future reversals of existing taxable temporary differences and adequate future taxable income, exclusive of reversing temporary differences and carryforwards. Although realization is not assured, we believe that it is more likely than not that the net deferred tax assets will be realized.

We have state net operating loss carryforwards of approximately $123, which are available to offset future state taxable income, if any, through 2014. We also have minimum tax credit carryforwards of approximately $23, which are available to reduce future federal regular income taxes, if any, over an indefinite period.

At December 31, 2001, our share of the cumulative undistributed earnings of foreign subsidiaries was approximately $7. No provision has been made for U.S. or additional foreign taxes on the undistributed earnings of foreign

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subsidiaries since we intend to continue to reinvest indefinitely these earnings. Foreign tax credits would be available to substantially reduce or eliminate any amount of additional U.S. tax that might be payable on these foreign earnings in the event of distributions or sale.

Accrued Liabilities

Included in accrued liabilities are the following items:

	2001	2000
Accrued compensation and employee benefits ...	$ 34	$ 49
Environmental	27	25
Accrued insurance	11	13
Accrued cost for restructuring	12	--
Other	52	61
	$ 136	$ 148

Contributing Employee Ownership Plan

The Contributing Employee Ownership Plan is a defined contribution plan available to essentially all domestic employees, which provides a match of employee contributions. We are matching employee contributions with common stock. Expenses related to the plan are based on common stock allocated to participants. These costs (primarily our contributions) amounted to $6 in 2001 and $5 in 2000 and 1999.

Employees become vested in the value of the contributions we make to the CEOP according to a schedule based on service. After two years of service, participants are 25% vested. They vest in increments of 25% for each additional year and after five years of service, they are 100% vested in the value of the contributions that we have made to their accounts.

Employees may transfer any or all of the value of the investments purchased with their own contributions, including Olin Common Stock, to any one or combination of investments available in the Plan. Such transfers may be made without limitation, at any time and as often as employees choose. The Olin common stock purchased with our contributions may not be transferred until employees terminate employment with the company. However, employees who are age 50 or older may withdraw any or all of the value of the Olin common stock purchased with our contributions without the usual suspension of contribution penalty. Provided the amount of the withdrawal is rolled over to an Individual Retirement Account, tax payments would be deferred until the employee takes a distribution from the Individual Retirement Account.

Stock Options

Under the stock option plans, options may be granted to purchase shares of our common stock at not less than fair market value at the date of grant, and are exercisable for a period not exceeding ten years from that date. Options granted under the 1996 Stock Option Plan and the 2000 and the 1991 Long Term Incentive Plans vest over three years. In 2001, long term

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incentive awards were given with stock options representing one-half of the

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aggregate value of the long term incentive award opportunity, and performance share awards making up the other half. The option price was set at the fair market value of common stock on the date of the grant, and the options have a ten-year term. The other half of the individual long term incentive award takes the form of performance shares, with the number of performance shares based on the competitive analysis and the price of our stock at the time of the grant. At the end of a three-year performance cycle, participants receive a performance share award denominated in shares of our stock, paid half in shares of our stock and half in cash, based on Olin's average annual return on capital in relation to the average annual return on capital among the S&P MidCap 400 companies. In 2000, a one-time grant of Performance Accelerated Vesting Stock Options was granted with an exercise price of $18.97, which represented fair value. Options for 924,000 shares were outstanding at December 31, 2001. These options have a term of 120 months and vest in 119 months, and can vest early, but only if the stock price increases to $28 per share or more for 10 days in any 30 calendar day period.

The 2000 Long Term Incentive Plan and the 1996 Stock Option Plan are the only plans with stock options available for future grants. At December 31, 2001, total shares of 2,296,533 were available for grant under all active stock-based plans. Of this total, stock options of 1,902,375 shares and stock awards of 394,158 shares were available for future grants. As a result of the spin-off of Arch Chemicals the outstanding Olin options as of February 8, 1999 were converted into both an option to purchase Olin common stock and an option to purchase Arch Chemicals common stock with an adjustment of the exercise price designed to preserve the "intrinsic value" at the time of the spin-off. Olin will be responsible for delivering shares of Olin common stock upon exercise, and Arch Chemicals will be responsible for delivering shares of Arch Chemicals stock upon exercise. The options maintain the original vesting schedule. The following table has been restated to reflect the new option price of the Olin options as a result of the transaction described above.

	Shares	Option Price Per Share	Weighted Average Option Price Per Share
Outstanding at January 1, 1999	3,113,149	$13.34 - $29.69	$ 22.85
Granted	784,150	12.72 - 15.85	15.84
Exercised	--	--	--
Canceled	(218,049)	15.85 - 29.69	21.09
Outstanding at December 31, 1999	3,679,250	12.72 - 27.17	21.46
Granted	1,943,800	18.97	18.97
Exercised	(67,111)	13.69 - 17.16	16.09
Canceled	(142,995)	15.85 - 27.17	20.22
Outstanding at December 31, 2000	5,412,944	12.72 - 27.17	20.67
Granted	451,300	15.66 - 20.67	18.59
Exercised	(161,093)	13.34 - 17.16	14.53
Canceled	(66,879)	15.85 - 27.17	20.62
Outstanding at December 31, 2001	5,636,272	$12.72 - $27.17	$ 20.68

Of the outstanding options at December 31, 2001, options covering 3,444,871 shares are currently exercisable at a weighted average exercise price of $22.01 and options covering 689,645 shares are held by Arch Chemicals employees. At December 31, 2001 and 2000, the average exercise period for the outstanding options was 75 months and 82 months, respectively.

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At December 31, 2001, common shares reserved for issuance under the 1988 Stock Option Plan, the 1991 Long Term Incentive Plan, the 1996 Stock Option Plan, the 2000 Long Term Incentive Plan, and Options Available Only for Arch Employees were 8,047,486. An additional 688,640 shares were reserved under the Monarch Brass & Copper Corp. ("Monarch") Deferral Plan, 1997 Stock Plan for Non-Employee Directors and the Employee Deferral Plan, and of these shares, approximately 117,000 shares were committed.

In 1996, we adopted SFAS No. 123, "Accounting for Stock-Based Compensation" and as permitted by SFAS No. 123, we continue to account for the costs of stock compensation in accordance with APB No. 25. Pro forma net income (loss) and earnings (loss) per share were calculated based on the following assumptions as if we had recorded compensation expense for the stock options granted during the year. The fair value of each option granted during 2001, 2000 and 1999 was estimated on the date of grant, using the Black-Scholes option-pricing model with the following weighted-average assumptions used: dividend yield of 5.69% in 2001, 4.21% in 2000 and 5.35% in 1999, risk-free interest rate of 4.92% in 2001, 5.18% in 2000 and 6.25% in 1999, expected volatility of 29% in 2001, 2000 and 1999 and an expected life of 7 years. The fair value of options granted during 2001, 2000 and 1999 was $5.34, $5.59 and $3.85, respectively. The following table shows the difference between reported and pro forma net income (loss) and earnings (loss) per share as if we had recorded compensation expense for the stock options granted during the year.

($ in millions, except per share data)	2001	2000	1999
Net Income (Loss)			
As reported	$ (9)	$ 81	$ 21
Pro forma	(12)	77	17
Per Share Data:			
Basic			
As reported	(0.22)	1.80	0.45
Pro forma	(0.27)	1.71	0.38
Diluted			
As reported	(0.22)	1.80	0.45
Pro forma	(0.27)	1.71	0.38

Shareholder Rights Plan

Effective February 1996, our Board of Directors adopted a new Shareholder Rights Plan to replace the prior plan which had been adopted in 1986. This plan is designed to prevent an acquirer from gaining control of us without offering a fair price to all shareholders. Each right entitles a shareholder (other than the acquirer) to buy one-five hundredth share of Series A Participating Cumulative Preferred Stock at an exercise price of one hundred twenty dollars. The rights are exercisable only if a person acquires more than 15% of our common stock or if our Board of Directors so determines following the commencement of a tender or exchange offer to acquire more than 15% of our common stock. If any person acquires more than 15% of our common stock and in the event of a subsequent merger or combination, each right will entitle the holder (other than the acquirer) to purchase stock or other property of the acquirer having a value of twice the exercise price. We can redeem the rights at $.005 per right for a certain period of time. The rights will expire on February 27, 2006, unless

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redeemed earlier by us.

Segment Information

We define segment operating income as earnings before interest expense, interest income, other income, restructuring charge and unusual items and income taxes, and include the operating results of non-consolidated affiliates. Segment operating results in 2001 exclude the restructuring charge and unusual items ($42 million, pretax).

<PAGE>

<TABLE>

Sales:	2001	2000
<S>	<C>	<C>
Chlor Alkali Products	$ 384	$ 39
Metals	618	88
Winchester	269	27
Total sales	$ 1,271	$ 1,54
Operating Income (Loss) Before Restructuring Charge and Unusual Items:		
Chlor Alkali Products	$ 8	$ 2
Metals	7	9
Winchester	7	2
Total Operating Income	$ 22	$ 14
Equity Income (Loss) in Affiliated Companies, Included in Operating Income:		
Chlor Alkali Products	$ (9)	$ -
Metals	1	
Total Equity Income in Affiliated Companies	$ (8)	$
Depreciation Expense:		
Chlor Alkali Products	$ 39	$ 3
Metals	33	2
Winchester	13	1
Depreciation Expense	$ 85	$ 7
Amortization Expense:		
Metals	$ 2	$
Capital Spending:		
Chlor Alkali Products	$ 22	$ 3
Metals	36	5
Winchester	6	1

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Other	1	
Total Capital Spending	$ 65	$ 9

Assets:		
Chlor Alkali Products	$ 217	$ 25
Metals	503	50
Winchester	142	15
Other	357	21
Total Consolidated Assets	$ 1,219	$ 1,12

Investments & Advances to (from) Affiliated Companies at Equity:		
Chlor Alkali Products	$ (22)	$ (1
Metals	7	
Total Investments & Advances - Affiliated Companies	$ (15)	$ (

</TABLE>

Segment operating income includes an allocation of corporate charges based on various allocation methodologies. Segment assets include only those assets which are directly identifiable to a segment and do not include such items as cash, deferred taxes and other assets. Sales by segment substantially represent sales for our three product lines.

<TABLE>
<CAPTION>

Geographic Data:	2001	2000
Sales		
<S>	<C>	<C>
United States	$ 1,214	$ 1,488
Foreign	57	61
Transfers between areas		
United States	14	14
Eliminations	(14)	(14)
Total Sales	$ 1,271	$ 1,549

</TABLE>

<PAGE>

<TABLE>

<S>	<C>	<C>	<C
Assets			
United States	$ 1,171	$ 1,069	$
Foreign	45	47	
Investments	7	7	
Eliminations	(4)	--	
Total Assets	$ 1,219	$ 1,123	$

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</TABLE>

Transfers between geographic areas are priced generally at prevailing market prices. Export sales from the United States to unaffiliated customers were $61, $93, and $73 in 2001, 2000, and 1999, respectively.

Acquisitions

In June 2001, we acquired the stock of Monarch for approximately $48. Monarch was a privately held, specialty brass manufacturer headquartered in Waterbury, CT with annual revenues of approximately $95 in 2000. It produces and distributes an array of high performance copper alloys and other materials used for applications in electronics, telecommunications, automotive and building products. We financed the purchase through our credit lines. The purchase price exceeded the fair value of the identifiable net assets acquired by $19. The acquisition has been accounted for using the purchase method of accounting. The operating results of Monarch, which have been included in the accompanying financial statements since the date of acquisition, were not material.

Supplemental cash flow information on the business acquired is as follows:

	2001
Working capital	$ 20
Property, plant and equipment	16
Goodwill	18
Debt	(11)
Other	5
Purchase price	$ 48

Restructurings and Unusual Items

For the full year 2001, we recorded restructuring charges totaling $39 pretax and unusual items of $3 pretax for a total of $42 or $0.67 diluted EPS.

In the third quarter, we recorded a pretax charge for restructuring and unusual items of $29 (or $0.40 diluted EPS) primarily for costs associated with a salaried workforce reduction through an early retirement incentive program. Cost of Goods Sold and Other Income include $2 and $1, respectively, of unusual items. Cost of Goods Sold included the write-off of inventory associated with cancelled customer orders. Other Income included the write-off of an investment in an E-commerce company. The third-quarter restructuring charge of $26 related to the 190 employees retiring in connection with the retirement program and represented primarily pension and postretirement benefit curtailment losses and severance. As of December 31, 2001, 150 employees had retired and the remainder will retire in the first quarter of 2002. The severance of $4 recorded in Accrued Liabilities will be paid out of our operating cash flows over time.

<PAGE>

In the fourth quarter we recorded a restructuring pretax charge of $13 pretax, (or $0.27 diluted EPS), primarily for costs associated with idling our Indianapolis brass mill, consolidating distribution operations of the recently acquired Monarch with the A.J. Oster metals service center business, and

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reducing staffing levels in Chlor Alkali Products. A significant portion of the charge relating to the idling of the Indianapolis facility represented primarily pension and postretirement curtailment losses and severance for 200 employees. Another portion of the charge related to 38 Chlor Alkali employees who accepted our offer of a voluntary special separation program whereby employees accept a voluntary lay off and receive full separation benefits and also receive their accrued pension benefits at the same time. The balance of the restructuring charge relates to costs associated with the consolidation of certain Monarch facilities in order to optimize distribution operations. The severance and fringe benefits of $8 recorded in Accrued Liabilities will be paid out of our operating cash flows over time.

The following table summarizes the major components of the 2001 charges and the remaining balances as of December 31, 2001:

<TABLE>
<CAPTION>

	Origina Charge
<S>	<C>
Employee early retirement programs and severance	$ 30
Optimization of Metals facilities	9
Write-off assets	3
	$ 42

</TABLE>

Discontinued Operations

On February 8, 1999, we completed the spin-off of our specialty chemicals businesses as Arch Chemicals, Inc. Under the terms of the spin-off of Arch Chemicals, we distributed to our holders of common stock as of the close of business on February 1, 1999 one Arch Chemicals common share for every two shares of Olin common stock. In February 1999 prior to the distribution, we borrowed $75 under a credit facility, which liability was assumed by Arch Chemicals.

The historical operating results of these businesses are shown net of tax as discontinued operations in the consolidated statements of income. Accordingly, 1999 includes the operating results of Arch Chemicals for the month of January. The discontinued operations include an allocation of corporate overhead with the allocation based on either effort committed or number of employees. Management believes that the allocation methods used to allocate the costs and expenses are reasonable; however, such allocated amounts may or may not necessarily be indicative of what those expenses would have been had Arch Chemicals operated independently of Olin. Interest expense was not allocated to Arch Chemicals.

We have entered into tax sharing agreements with Arch Chemicals effectively providing that we will be responsible for the tax liability of Arch Chemicals for the years that Arch Chemicals was included in our consolidated income tax returns. Income taxes have been allocated to Arch Chemicals based on its pretax income and calculated on a separate company basis pursuant to the requirements of SFAS No. 109, "Accounting for Income Taxes". Income taxes allocated to the discontinued operations were $2 in 1999.

In addition, we entered into several other agreements with Arch Chemicals,

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which cover such matters as technology transfers, transition services, covenants not to compete and chlorine and caustic supply.

Condensed historical combined income statement data of the discontinued operations are summarized below:

	1999
Combined Statements of Income	
Sales	$73
Net income	4

<PAGE>

Environmental

We are party to various governmental and private environmental actions associated with waste disposal sites and manufacturing facilities. Charges to income for investigatory and remedial efforts were $14 in 2001, $15 in 2000 and $17 in 1999. The consolidated balance sheets include reserves for future environmental expenditures to investigate and remediate known sites amounting to $100 at December 31, 2001, and $110 at December 31, 2000, of which $73 and $85 are classified as other noncurrent liabilities, respectively.

Environmental exposures are difficult to assess for numerous reasons, including the identification of new sites, developments at sites resulting from investigatory studies, advances in technology, changes in environmental laws and regulations and their application, the scarcity of reliable data pertaining to identified sites, the difficulty in assessing the involvement and financial capability of other potentially responsible parties and our ability to obtain contributions from other parties and the lengthy time periods over which site remediation occurs. It is possible that some of these matters (the outcomes of which are subject to various uncertainties) may be resolved unfavorably against us, which could have a material adverse effect on our operating results and financial condition. At December 31, 2001, we estimate we may have additional contingent environmental liabilities of $40 in addition to the amounts for which we have already taken a reserve.

Commitments and Contingencies

We lease certain properties, such as railroad cars, distribution, warehousing and office space, data processing and office equipment. Leases covering these properties generally contain escalation clauses based on increased costs of the lessor, primarily property taxes, maintenance and insurance and have renewal or purchase options. Total rent expense charged to operations amounted to $32 in 2001, $33 in 2000 and $32 in 1999, (sublease income is not significant). Future minimum rent payments under operating leases having initial or remaining non-cancelable lease terms in excess of one year at December 31, 2001 are as follows: $21 in 2002; $20 in 2003; $18 in 2004; $16 in 2005; $15 in 2006; and $61 thereafter.

On December 31, 1997, we entered into a long-term, sulfur dioxide supply agreement with Alliance Specialty Chemicals, Inc. ("Alliance"), formerly known as RFC SO2, Inc. Alliance has the obligation to deliver annually 36,000 tons of sulfur dioxide. Alliance owns the sulfur dioxide plant, which is located at our Charleston, TN facility and is operated by us. The price for the sulfur dioxide is fixed over the life of the contract. In addition, we are obligated to make a minimum monthly payment of approximately $.2 to an outside third party.

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Commitments related to this agreement are approximately $2 per year for each year of 2002 through 2006 and $12 thereafter.

There are a variety of non-environmental legal proceedings pending or threatened against us. Probable losses related to those matters have been accrued in the accompanying financial statements. Any contingent amounts in excess of amounts accrued are not expected to have a material adverse effect on our results of operations, financial position or liquidity.

<PAGE>

Other Financial Data

Quarterly Data (Unaudited)

<TABLE>
<CAPTION>

	First Quarter	Second Quarter	Third Quarter/(1)/	Fourth Quarter/(2)/
2001				
<S>	<C>	<C>	<C>	<C>
Sales	$ 334	$ 325	$ 334	$ 278
Cost of goods sold	295	282	303	242
Net income (loss)	2	7	(19)	1
Net income (loss) per common share:				
Basic	.06	.15	(.45)	.02
Diluted	.06	.15	(.45)	.02
Common dividends per share	.20	.20	.20	.20
Market price of common stock/(3)/				
High	22.75	22.53	18.00	17.25
Low	17.76	14.90	13.30	12.05
2000				
Sales	$ 382	$ 397	$ 413	$ 357
Cost of goods sold	318	324	340	295
Net income	19	24	23	15
Net income per common share:				
Basic	.43	.52	.52	.34
Diluted	.43	.52	.52	.34
Common dividends per share	.20	.20	.20	.20
Market price of common stock/(3)/				
High	21.50	19.25	18.00	23.19
Low	14.88	14.19	15.00	16.00

</TABLE>

(1) Operating results in 2001 include a Restructuring Charge and Unusual Items of $29 pretax, or $0.40 diluted EPS, primarily for costs associated with a salaried workforce reduction through an early retirement incentive program.

(2) Operating results in 2001 include an additional Restructuring Charge of $13 pretax, or $0.27 diluted EPS, primarily for costs associated with the consolidation of certain Metals facilities in order to optimize

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distribution operations and a voluntary retirement program.

(3) New York Stock Exchange composite transactions.

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Economic Value Added Performance Measure (Unaudited)

In 1995, we selected an innovative business management system known as Economic Value Added, or EVA(R). Developed by Stern Stewart & Company, EVA is a management tool that builds upon and refines traditional tools. It is designed to help maximize long-term profitability, increase return on capital employed and operate businesses more effectively. EVA is a method of measuring a company's financial health by taking operating profit after taxes and subtracting a charge for capital employed. The table below summarizes our EVA calculation for the years ended December 31, 2001 and 2000:

	2001	2000
Earnings before interest and taxes	$ 3	$ 145
Adjustments	69	29
Operating profit before taxes	72	174
Cash taxes at 35%	(25)	(61)
Net operating profit after taxes	47	113
Strategic Investment	2	--
Capital charge	(84)	(76)
EVA	$ (35)	$ 37
Average capital employed	$ 889	$ 806
Return on capital	5.5%	14.0%
Cost of capital	9.4%	9.4%

Earnings Before Interest and Taxes

Earnings (loss) before interest and taxes ("EBIT") are calculated as pretax profits (loss) plus interest expense, less interest income. For EVA purposes, material gains and losses on asset or business sales and restructurings are excluded from EBIT but instead, the related cash flows are considered permanent increases or decreases to the capital employed and are therefore part of the capital charge forever.

Adjustments to EBIT

Various adjustments are made to EBIT in order to determine operating profit before taxes, make EVA a better management tool and drive appropriate decision making and include the following:

Goodwill is considered a permanent investment in capital employed. Accordingly, an adjustment is made to add goodwill amortization back to EBIT and average capital employed is adjusted such that the original amount of goodwill purchased is included in the asset base.

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LIFO (last-in first-out) based inventory is restated to a FIFO (first-in first-out) basis to appropriately reflect the actual current investment in inventory.

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Operating Leases are considered investments in capital and therefore an adjustment is made to EBIT to remove the implicit financing cost and average capital is increased by the net present value of the operating leases.

Environmental remediation accruals are removed from EBIT and the after tax cash cost of legacy environmental remediation expenditures is added to the average capital base.

Special Charges, such as Restructuring Charge and Unusual Items in 2001, are excluded from EBIT and the actual cash expenditures are accounted for as a permanent increase in average capital.

Major Asset Sales are accounted for such that the pretax book gain or loss is excluded from EBIT and any after tax cash gain is a permanent reduction of average capital and any after tax cash loss is a permanent increase to average capital.

Strategic Investment

The strategic investment relates to adjustment for strategic investments with negative short-term EVA impacts.

Capital Charge

The capital charge is the EVA based average capital employed multiplied by the cost of capital. The cost of capital is our target weighted average cost of debt and equity capital.

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Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

PART III

Item 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

We incorporate the biographical information relating to our Directors under the heading "Item 1 -- Election of Directors" in our Proxy Statement relating to our 2002 Annual Meeting of Shareholders (the "Proxy Statement") by reference in this Report. See also the list of executive officers following Item 4 of this Report. We incorporate the information regarding compliance with Section 16 of the Securities Exchange Act of 1934, as amended, contained in the paragraph entitled "Section 16(a) Beneficial Ownership Reporting Compliance" under the heading "Security Ownership of Directors and Officers" in our Proxy Statement by reference in this Report.

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Item 11. EXECUTIVE COMPENSATION

The information under the heading "Executive Compensation" in the Proxy Statement (but excluding the Report of the Compensation Committee on Executive Compensation and the Performance Graph) is incorporated by reference in this Report. The information under the heading "Additional Information Regarding the Board of Directors -- Compensation of Directors" in the Proxy Statement is incorporated by reference in this Report.

Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

We incorporate the information concerning holdings of our common stock by certain beneficial owners contained under the heading "Certain Beneficial Owners" in our Proxy Statement and the information concerning beneficial ownership of our common stock by our directors and officers under the heading "Security Ownership of Directors and Officers" in our Proxy Statement by reference in this Report.

Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Not applicable.

PART IV

Item 14. EXHIBITS, CONSOLIDATED FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

(a) 1. Consolidated Financial Statements

Included in Item 8 above.

2. Consolidated Financial Statement Schedules

Schedules not included herein are omitted because they are inapplicable or not required or because the required information is given in the consolidated financial statements and notes thereto.

Separate consolidated financial statements of 50% or less owned subsidiaries accounted for by the equity method are not summarized herein and have been omitted because, in the aggregate, they would not constitute a significant subsidiary.

3. Exhibits

Management contracts and compensatory plans and arrangements are listed as Exhibits 10(a) through 10(s) below.

3 (a) Olin's Restated Articles of Incorporation as amended effective May 8, 1997--Exhibit 3 to Olin's Form 10-Q for the Quarter ended March 31, 1997.*

(b) By-laws of Olin as amended effective January 1, 2002.

4 (a) Articles of Amendment designating Series A Participating Cumulative Preferred Stock, par value $1 per share --Exhibit 2 to Olin's Form 8-A dated February 21, 1996, covering Series A Participating Cumulative Preferred Stock Purchase Rights.*

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(b) Rights Agreement dated as of February 27, 1996 between Olin and Chemical Mellon Shareholder Services, LLP, Rights Agent -- Exhibit 1 to Olin's Form 8-A dated February 21, 1996, covering Series A Participating Cumulative Preferred Stock Purchase Rights.*

(c) Form of Senior Debt Indenture between Olin and Chemical Bank -- Exhibit 4(a) to Form 8-K dated June 15, 1992; Supplemental Indenture dated as of March 18, 1994 between Olin and Chemical Bank -- Exhibit 4(c) to Registration Statement No. 33-52771 and Second Supplemental Indenture dated as of December 11, 2001 between Olin and JPMorgan Chase Bank, formerly known as Chemical Bank -- Exhibit 4 to Form 8-K dated December 20, 2001.*

(d) Form of Subordinated Debt Indenture between Olin and Bankers Trust Company-- Exhibit 4(i) to Registration Statement No. 33-4479.*

(e) Credit Agreement dated as of January 3, 2002 among Olin and the banks named therein-- Exhibit 4 to Olin's Form 8-K dated January 10, 2002.*

(f) 9.125% Senior Note Due 2011.

We are party to a number of other instruments defining the rights of holders of long-term debt. No such instrument authorizes an amount of securities in excess of 10% of the total assets of Olin and its subsidiaries on a consolidated basis. Olin agrees to furnish a copy of each instrument to the Commission upon request.

10(a) 1988 Stock Option Plan for Key Employees of Olin Corporation and Subsidiaries as amended through February 23, 1995--Exhibit 10(b) to Olin's Form 10-K for 1994.*

(b) Amended and Restated Employee Deferral Plan, effective November 1, 1997, as amended and restated effective as of February 8, 1999 -- Exhibit 10(c) to Olin's Form 10-K for 1998.*

(c) Olin Senior Executive Pension Plan amended as of July 27, 2000-- Exhibit 10(d) to Olin's Form 10-Q for the quarter ended September 30, 2000.*

(d) Olin Supplemental Contributing Employee Ownership Plan as amended through March 1, 2001-- Exhibit 10(d) to Olin's Form 10-Q for the quarter ended March 31, 2001.*

(e) Olin Corporation Key Executive Life Insurance Program-- Exhibit 10(b) to Olin's Form 10-Q for quarter ended March 31, 1986.*

(f) Form of Olin Corporation Endorsement Split Dollar Agreement (effective January 1, 1993)--Exhibit 10(s) to Olin's Form 10-K for 1992.*

(g) Form of executive agreement between Olin and certain executive officers as amended December 10, 1998--Exhibit 10(h) to Olin's Form 10-K for 1998.*

(h) Form of special severance agreement provided to certain employees to become operative upon a "change in control" event -- Exhibit 10(n) to Olin's Form 10-K for 1997.*

(i) Olin 1991 Long Term Incentive Plan, as amended through February 23, 1995 -- Exhibit 10(u) to Olin's Form 10-K for 1994.*

(j) 1997 Stock Plan for Non-Employee Directors as amended effective February 22, 2001 -- Exhibit 10(j) to Olin's Form 10-Q for the quarter ended March 31, 2001.*

(k) Olin Senior Management Incentive Compensation Plan, as amended through December 9, 1999--Exhibit A to Olin's 2000 Proxy Statement dated March 14, 2000.*

(l) Description of Restricted Stock Unit Awards granted under the Olin 1991 Long Term Incentive Plan-- Exhibit 10(bb) to Olin's Form 10-K for 1995.*

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(m)	Description of Restricted Stock Unit Awards granted under the 2000 Long Term Incentive Plan.
(n)	Form of EVA Incentive Plan (Management Incentive Compensation Plan)-- Exhibit 10(dd) to Olin's Form 10-K for 1996.*
(o)	1996 Stock Option Plan for Key Employees of Olin Corporation and Subsidiaries-- Exhibit A to Olin's 1996 Proxy Statement dated March 12, 1996.*
(p)	Olin Supplementary and Deferral Benefit Pension Plan restated as of February 8, 1999--Exhibit 10(s) to Olin's Form 10-Q for the quarter ended March 31, 1999.*
(q)	Form of Senior Executive Retention Agreement between Olin and certain executive officers-- Exhibit 10(q) to Olin's Form 10-K for 1999.*
(r)	Olin Corporation 2000 Long Term Incentive Plan as amended through October 25, 2001.
(s)	2001 Performance Share Program -- Exhibit 10(w) to Olin's Form 10-Q for quarter ended March 31, 2001.*
(t)	Distribution Agreement between Olin Corporation and Arch Chemicals, Inc., dated as of February 1, 1999-- Exhibit 2.1 to Olin's Form 8-K filed February 23, 1999.*
(u)	Partnership Agreement between Olin Sunbelt, Inc. and 1997 Chloralkali Venture Inc. dated August 23, 1996--Exhibit 99.1 to Olin's Form 8-K dated December 3, 2001.*
(v)	Amendment to Partnership Agreement between Olin Sunbelt, Inc. and 1997 Chloralkali Venture Inc. dated December 23, 1997--Exhibit 99.2 to Olin's Form 8-K dated December 3, 2001.*
(w)	Amendment to Partnership Agreement between Olin Sunbelt, Inc. and 1997 Chloralkali Venture Inc. dated December 23, 1997--Exhibit 99.3 to Olin's Form 8-K dated December 3, 2001.*
(x)	Amendment to Partnership Agreement between Olin Sunbelt, Inc. and 1997 Chloralkali Venture Inc. dated April 30, 1998--Exhibit 99.4 to Olin's Form 8-K dated December 3, 2001.*
(y)	Note Purchase Agreement dated December 22, 1997 between the Sunbelt Chlor Alkali Partnership and the Purchasers named therein--Exhibit 99.5 to Olin's Form 8-K dated December 3, 2001.*
(z)	Guarantee Agreement dated December 22, 1997 between Olin and the Purchasers named therein--Exhibit 99.6 to Olin's Form 8-K dated December 3, 2001.*
(aa)	Subordination Agreement dated December 22, 1997 between Olin and the Subordinated Parties named therein--Exhibit 99.7 to Olin's Form 8-K dated December 3, 2001.*
11	Computation of Per Share Earnings (included in the Note-- "Earnings Per Share" to Notes to Consolidated Financial Statements in Item 8.)
12	Computation of Ratio of Earnings to Fixed Charges (unaudited).
21	List of Subsidiaries.
23	Consent of KPMG LLP dated March 4, 2002.

*Previously filed as indicated and incorporated herein by reference. Exhibits incorporated by reference are located in SEC File No. 1-1070 unless otherwise indicated.

<PAGE>

Any of the foregoing exhibits are available from the Company by writing to: Mr. Richard E. Koch, Vice President, Investor Relations and Public Affairs, Olin Corporation, 501 Merritt 7, P.O. Box 4500, Norwalk, CT 06856-4500.

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(b) Reports on Form 8-K

Form 8-K filed December 20, 2001, filing Second Supplemental Indenture with respect to 9.125% Senior Notes due 2011.

Form 8-K filed December 3, 2001, filing certain documents related to the partnership between Olin Sunbelt, Inc. and 1997 Chloralkali Venture Inc.

Form 8-K furnished under Item 9 on October 2, 2001, furnishing a press release dated October 1, 2001, announcing Olin was lowering its third quarter diluted earnings per share projection.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: March 1, 2002 OLIN CORPORATION

By /s/ JOSEPH D. RUPP

Joseph D. Rupp
President and
Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

<TABLE>
<CAPTION>

Signature	Title
<S>	<C>
/s/ JOSEPH D. RUPP Joseph D. Rupp	President and Chief Executive Officer and Director (Principal Executive Officer)
/s/ DONALD W. GRIFFIN Donald W. Griffin	Director and Chairman of the Board
/s/ WILLIAM W. HIGGINS William W. Higgins	Director
/s/ RANDALL W. LARRIMORE Randall W. Larrimore	Director
/s/ STEPHEN F. PAGE Stephen F. Page	Director

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/s/ G. JACKSON RATCLIFFE, JR. G. Jackson Ratcliffe, Jr.	Director
/s/ RICHARD M. ROMPALA Richard M. Rompala	Director
/s/ ANTHONY W. RUGGIERO Anthony W. Ruggiero	Executive Vice President and Chief Financial Officer and Director (Principal Financial Officer)
/s/ MARY E. GALLAGHER Mary E. Gallagher	Vice President and Controller (Principal Accounting Officer)

</TABLE>

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Olin CORPORATION 2000 ANNUAL REPORT

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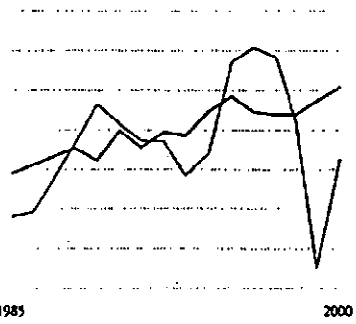
Delivering shareholder value.

ANNUAL DIVISION PRETAX INCOME

OLIN BRASS
CHLOR ALKALI



We expect our 2001 earnings per share to be in the $1.80 range, with higher earnings from our Chlor Alkali Products business approximately offsetting the impact of a slowing economy and a strike that occurred during December and January at our Brass and Winchester operations in East Alton, IL. We are confident, however, that if the economy begins rebounding in the second half of 2001, we will have the momentum we need to achieve solid earnings growth in 2002.

COMPLEMENTARY BUSINESSES

Olin offers unique advantages as an investment, because our three businesses have leveraged their strengths and values to create market leadership positions, high quality products, competitive cost advantages, strong customer relationships and a safe working environment for our employees. As a result, Olin has earned a well-deserved reputation for consistent operational excellence throughout the business cycle, in good times and in bad times.

We're also making good progress in improving our returns over the course of the business cycle. Here, the very diversity of our businesses is a great help. As shown above, with Olin Brass in our portfolio we provide much more stable cash flows than other pure

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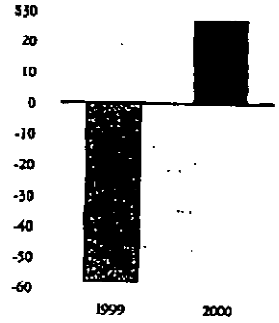
and towards telecommunication customers, such as Nortel Networks and Lucent Technologies, is driving strong sales and earnings growth at Aegis. To help Aegis meet rising demand both in North America and Europe, Olin Brass acquired Isotronics UK in England in 1999, and we're investing this year to expand further Aegis' production capacity.

We believe our East Alton mill is the industry's low-cost producer. Through our Brass Mill 2000 Program, we have strengthened that position through improved business processes, innovation, and selective investments.

The Supplier of the Year awards Olin Brass received in 2000 from key customers indicate we are doing the right things at the right time to maintain our product quality and service leadership. And on the service front, our A.J. Oster network of metals service centers sets the benchmark for distribution and service excellence and is *the* market leader, a position bolstered by new service centers in Atlanta and Mexico and an acquisition in Puerto Rico.

To capitalize on a growing base of international business, Olin Brass has been strengthening its global capabilities through select investments, alliances, and joint ventures. Last year, for instance, we formed a joint technology alliance with Wieland, the European high performance alloy leader. We are conducting joint R&D to create new high performance alloys for use throughout the world. In 2000 we introduced Alloy 180180, a jointly developed, high strength, high conductivity alloy for use in electronics applications. Our Yamaha Olin (YOM) joint venture, established in 1987, continues to be an example of a joint venture that works very well. In 2000, YOM shipped a record volume of Alloy 7025, the alloy of choice for high performance leadframe applications.



In conclusion, Olin Brass helps make Olin special because it is a solid performer well positioned for growth in its most profitable businesses. It is the industry leader in the markets it serves. We are investing in Olin Brass' business segments to sustain our competitive advantages; and we have a sound strategy that builds upon our strengths in low-cost production, quality leadership, service leadership, and specialty products innovation.

CHLOR ALKALI PRODUCTS

Olin Chlor Alkali Products continues to be an attractive cyclical business, with very good returns and strongly positive EVA over the course of its business cycle. Olin is the fourth largest chlor alkali producer in the United States, and the industry leader in the eastern half of the U.S.

We expect that our chlor alkali business will see higher product prices through 2002. Nonetheless, we are intensifying our focus on reducing costs, so we can both increase profits during cyclical peaks and mitigate the effects of downturns by lowering our break-even point.

One special difference that sets Olin Chlor Alkali Products apart from competitors is our current power cost advantage. Unlike others who recently have been severely affected by steep spikes in energy costs, particularly for natural gas and oil, we purchase electricity primarily from utilities that generate power with coal, nuclear and hydropower.

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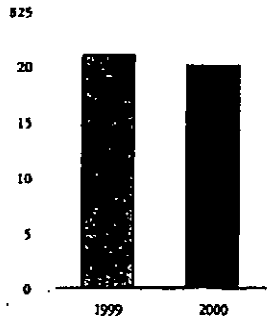
Leveraging our strengths.



WINCHESTER

Now in its 135th year of operation, Winchester enjoys excellent brand name recognition and is the leading North American producer of sporting and law enforcement ammunition. Winchester has been designated Category Manager at numerous retail accounts because of its commitment to and knowledge of ammunition. This past year, Winchester received the coveted Supplier of the Year award from Wal-Mart in the sporting goods area.

Even with a strong brand, it is critical that Winchester be price, and therefore cost, competitive. We have made solid progress on being a low-cost manufacturer through strategic investments. Winchester is also benefiting from the introduction of innovative new products targeted at growing market niches. In 2000, our *Supreme® Partition Gold®* sabot slug won the Ammunition Product of the Year award from the Shooting Industry Academy of Excellence — the fourth consecutive year Winchester has won this prestigious award.

Although Winchester's markets are mature, we will continue to capitalize on the Winchester brand name, develop the right new products, and improve efficiencies to ensure that Winchester ammunition is the preferred choice of the consumer. In so doing, Winchester should deliver solid earnings and cash flow while adding significant synergies to Olin Brass, thus providing special value to Olin.

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Olin News

Olin Corporation, P.O. Box 4500, 501 Merritt 7, Norwalk, CT 06856-4500

FOR IMMEDIATE RELEASE

Joseph D. Rupp Elected Executive Vice President, Operations

NORWALK, CT, March 1, 2001 – Olin Corporation **(NYSE: OLN)** today announced that its Board of Directors has elected Joseph D. Rupp, 50, to the position of Executive Vice President, Operations effective immediately. Mr. Rupp will be responsible for all Olin business operations including Brass, Winchester® and Chlor Alkali Products. Thomas M. Gura, President Winchester, and John L. McIntosh, President Chlor Alkali Products, will report to Mr. Rupp. At this time, Mr. Rupp will continue his direct responsibility for Olin Brass.

Mr. Rupp joined Olin's Brass Division in 1972 after graduating from the University of Missouri - Rolla with a BS degree in Metallurgy. After holding a number of positions of increasing responsibility in the Brass manufacturing and engineering organization, in 1982 Mr. Rupp was named Director Mill Products Manufacturing. He was appointed Vice President Manufacturing and Engineering for Olin Brass in 1985. He has been President of Olin Brass and a Corporate Vice President since 1996. Mr. Rupp is Vice Chairman of the Copper and Brass Fabricators Council and a director of the Copper Development Association. Mr. Rupp will be based at Olin Corporation's headquarters in Norwalk, CT.

Mr. Rupp will join Olin's Corporate Leadership Team consisting of Donald W. Griffin, Chairman, President and Chief Executive Officer; Anthony W. Ruggiero, Executive Vice President and Chief Financial Officer; Peter C. Kosche, Senior Vice President, Corporate Affairs; and Johnnie M. Jackson, Vice President and General Counsel. The Leadership Team will continue to function as an integral part of the company's management process.

Headquartered in Norwalk, CT, Olin Corporation had 2000 sales of $1.5 billion and is a leading North American producer of copper and copper-based alloys, sporting ammunition, and chlorine and caustic soda.

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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-K

(Mark One)

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2000

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission file number 1-1070

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

Virginia (State or other jurisdiction of incorporation or organization)	13-1872319 (I.R.S. Employer Identification No.)
501 Merritt 7, P.O. Box 4500, Norwalk, CT (Address of principal executive offices)	06856-4500 (Zip Code)

Registrant's telephone number, including area code: (203) 750-3000

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, par value $1 per share	New York Stock Exchange Chicago Stock Exchange Pacific Exchange, Inc.
Series A Participating Cumulative Preferred Stock Purchase Rights	New York Stock Exchange Chicago Stock Exchange Pacific Exchange, Inc.

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

As of January 31, 2001, the aggregate market value of registrant's common stock, par value $1 per share ("Common Stock") held by non-affiliates of registrant was approximately $780,668,500.

As of January 31, 2001, 43,985,349 shares of the registrant's common stock were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE
Portions of the following document are incorporated by reference in this Form 10-K as indicated herein:

Document	Part of 10-K into which incorporated
Proxy Statement relating to Olin's 2001 Annual Meeting of Shareholders	Part III

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Metals

Products & Services	*Major End Uses*	*Plants & Facilities**	*Major Raw Materials & Components for Products/Services*
Copper & copper alloy sheet & strip (standard & high performance)	Electronic connectors, lead frames, electrical components, communications, automotive, builders' hardware, coinage, ammunition	Bryan, OH East Alton, IL Indianapolis, IN Waterbury, CT Iwata, Japan (Yamaha-Olin Metal Corporation)	copper, zinc & other nonferrous metals
Network of metals service centers	Electronic connectors, electrical components, communications, automotive, builders' hardware, household products	Allentown, PA Alliance, OH Caguas, PR Carol Stream, IL Suwanee, GA Warwick, RI Watertown, CT Yorba Linda, CA	copper & copper alloy sheet, strip, tube & steel & aluminum strip
Posit-bond® clad metal	Coinage strip & blanks	East Alton, IL	cupronickel, copper & aluminum
Rolled copper foil, Copperbond® foil, stainless steel strip	Printed circuit boards, electrical & electronic, automotive	Waterbury, CT	copper & copper alloy sheet and strip and stainless steel strip
Copper alloy welded tube	Utility condensers, industrial heat exchangers, refrigeration & air conditioning, builders' hardware, automotive	Cuba, MO	copper alloy strip
Fabricated products	Builders' hardware, cartridge cases, transportation, household & recreational products	East Alton, IL	copper, copper alloy and stainless steel strip
High performance, high reliability, hermetic metal packages for microelectronics industry	All industry market segments; computer, communications, medical, industrial, instrumentation, automotive, consumer, aerospace and military	New Bedford, MA	all metals, metal alloys, metal matrix composites, special alloys and glasses

* If site is not operated by Olin or a majority-owned, direct or indirect subsidiary, name of joint venture, affiliate or operator is indicated. Sites manufacture, distribute or market one or more of the identified products or services.

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2000 DEVELOPMENTS

Winchester operated the U.S. Army's Lake City small caliber ammunition plant in Independence, Missouri under a five-year contract that expired at the end of 1999. The contract represented approximately $5 million in annual pretax profits during 1999. The Company was one of several bidders for a new ten-year, fixed-price contract. On July 30, 1999, the Department of the Army awarded this contract to a competitor. Olin appealed the award and lost the appeal. The Company continued operating the plant through March 2000.

In June 2000, the Company signed a letter of intent with Occidental Petroleum Corporation ("Occidental") to combine the companies' chlor alkali and related businesses in a partnership. In October 2000, the Company announced that its letter of intent had expired. The partnership negotiations were discontinued primarily due to regulatory issues, and certain other matters on which the parties could not agree.

The Company and the International Association of Machinists and Aerospace Workers District #9 were unable to agree on a new labor contract for approximately 2,700 Brass and Winchester division hourly paid employees at the Company's East Alton, Illinois facility. The union voted to strike effective at the expiration of the previous contract at midnight on December 3, 2000. On January 21, 2001, the Company and the union agreed to a new labor contract and employees returned to work on January 23, 2001.

INTERNATIONAL OPERATIONS

Olin has sales offices and subsidiaries in various countries which support the worldwide export of products from the United States as well as overseas production facilities. In addition, Olin has manufacturing interests in Brazil.

Yamaha-Olin Metal Corporation, a joint venture with Yamaha Corporation, manufactures high-performance copper alloys in Japan for sale to the electronics industry throughout the Far East. An Olin subsidiary loads and packs sporting and industrial ammunition in Australia. See the Note "Segment Information" of the Notes to Consolidated Financial Statements in Item 8, for geographic segment data which are incorporated by reference.

CUSTOMERS AND DISTRIBUTION

During 2000, no single customer accounted for more than 5% of Olin's total consolidated sales. Products which Olin sells to industrial or commercial users or distributors for use in the production of other products constitute a major part of Olin's total sales. Some of its products, such as sporting ammunition and brass, are sold to a large number of users or distributors, while others, such as chlorine and caustic soda, are sold in substantial quantities to a relatively small number of industrial users.

Most of Olin's products and services are marketed primarily through its sales force and sold directly to various industrial customers, the U.S. Government and its prime contractors, to wholesalers and other distributors.

Chlor Alkali Products. Principal customers of Olin's Chlor Alkali products include the pulp and paper industries, vinyl chloride and urethane manufacturers and household and industrial cleaner suppliers.

Metals. Principal customers of Olin's copper and copper alloy strip, sheet and welded tube include producers of electrical and electronic equipment, builders' hardware and appliances, the plumbing, automotive and air-conditioning industries and manufacturers of a variety of consumer goods.

Olin manufactures cartridge brass for its ammunition business and for other ammunition makers. Olin also serves numerous high-technology markets through a thin-gauge reroll operation that produces stainless steels, high-temperature alloys and glass sealing alloys, in addition to copper and copper alloys. Posit-Bond® clad metal has made Olin a major supplier of metal to the U.S. Mint. Olin also sells various alloys to foreign governments for coinage purposes.

The Metals business is also focused on the electronics market, providing high performance and high-quality materials needed by the electronics industry and other advanced technology customers. These materials include Olin-developed proprietary alloys and Copperbond® treated copper foil marketed to the printed circuit industry.

Fabricated products are principally sold to ammunition manufacturers, the U.S. Armed Forces, building product suppliers, household product manufacturers and automotive manufacturers.

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information with respect to specific raw materials is set forth in the table above under the caption "Products and Services."

Electricity is the predominant energy source for Olin's manufacturing facilities. Most of Olin's facilities are served by utilities which generate electricity principally from coal, hydro and nuclear power.

ENVIRONMENTAL AND TOXIC SUBSTANCES CONTROLS

	2000	1999	1998
	($ in millions)		
Cash Outlays:			
Remedial and Investigatory Spending (Charged to Reserve)	$30	$21	$20
Capital Spending	3	3	2
Plant Operations	17	17	17
Total Cash Outlays	$50	$41	$39

The establishment and implementation of federal, state and local standards to regulate air, water and land quality have affected and will continue to affect substantially all of Olin's manufacturing locations. Federal legislation providing for regulation of the manufacture, transportation, use and disposal of hazardous and toxic substances has imposed additional regulatory requirements on industry, particularly the chemicals industry. In addition, implementation of environmental laws, such as the Resource Conservation and Recovery Act and the Clean Air Act, has required and will continue to require new capital expenditures and will increase operating costs. Olin is enrolled in the United States Environmental Protection Agency's Voluntary Industrial Toxics Reduction Program. Olin employs waste minimization and pollution prevention programs at its manufacturing sites.

Olin is party to various governmental and private environmental actions associated with waste disposal sites and manufacturing facilities. Associated costs of investigatory and remedial activities are provided for in accordance with generally accepted accounting principles governing probability and the ability to reasonably estimate future costs. Charges to income for investigatory and remedial efforts were material to operating results in the past three years and may be material to net income in future years. Such charges to income were $15 million, $17 million and $16 million in 2000, 1999 and 1998, respectively.

Cash outlays for remedial and investigatory activities associated with former waste sites and past operations were not charged to income but instead were charged to reserves established for such costs identified and expensed to income in prior years. Cash outlays for normal plant operations for the disposal of waste and the operation and maintenance of pollution control equipment and facilities to ensure compliance with mandated and voluntarily imposed environmental quality standards were charged to income. Historically, Olin has funded its environmental capital expenditures through cash flow from operations and expects to do so in the future.

Olin's estimated environmental liability is attributable to 56 sites, 18 of which were on the National Priority List ("NPL"). Ten sites accounted for approximately 75% of such liability and, of the remaining sites, no one site accounted for more than 2% of such liability. Two of these ten sites are in the investigatory stage of the remediation process. In this stage, remedial investigation and feasibility studies are conducted by either Olin, the United States Environmental Protection Agency ("EPA") or other potentially responsible parties ("PRPs") and a Record of Decision ("ROD") or its equivalent has not yet been issued. At five of the ten sites, a ROD or its equivalent has been issued by either the EPA or responsible state agency and Olin, either alone or as a member of a PRP group, was engaged in performing the remedial measures required by that ROD. At the remaining three of the ten sites, part of the site is subject to a ROD and another part is still in the investigative stage of remediation. All ten sites were either former manufacturing facilities or waste sites containing contamination generated by those facilities.

The Company's consolidated balance sheets included liabilities for future environmental expenditures to investigate and remediate known sites amounting to $110 million at December 31, 2000 and $125 million at December 31, 1999, of which $85 million and $100 million were classified as other noncurrent liabilities, respectively. Those amounts did not take into account any discounting of future expenditures or any consideration of insurance recoveries or advances in technology. Those liabilities are reassessed periodically to determine if environmental

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(b) As part of the continuing environmental investigation by federal, state and local governments of waste disposal sites, Olin has entered into a number of settlement agreements requiring it to contribute to the cost of the investigation and cleanup of a number of sites. This process of investigation and cleanup is expected to continue. See "Environmental Matters" contained in Item 7 — Management's Discussion and Analysis of Financial Condition and Results of Operations.

(c) Olin and its subsidiaries are defendants in various other legal actions arising out of their normal business activities, none of which is considered by management to be material.

Item 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matter was submitted to a vote of security holders during the three months ended December 31, 2000.

Executive Officers of Olin Corporation as of March 1, 2001

Name and Age	*Office*	*Served as an Olin Officer Since*
Donald W. Griffin (64)	Chairman of the Board, President and Chief Executive Officer	1983
Anthony W. Ruggiero (59) . . .	Executive Vice President and Chief Financial Officer	1995
Peter C. Kosche (58)	Senior Vice President, Corporate Affairs	1993
George B. Erensen (57)	Vice President and General Tax Counsel	1990
Mary E. Gallagher (35)	Vice President and Controller	1999
Thomas M. Gura (55)	Vice President and President, Winchester Division	1997
Johnnie M. Jackson, Jr. (55) . . .	Vice President, General Counsel and Secretary	1995
John L. McIntosh (46)	Vice President and President, Chlor Alkali Products Division	1999
Janet M. Pierpont (53)	Vice President and Treasurer	1990
Joseph D. Rupp (50)	Vice President and President, Brass Division	1996

No family relationship exists between any of the above named executive officers or between any of them and any Director of Olin. Such officers were elected to serve as such, subject to the By-laws, until their respective successors are chosen.

Each of the above-named executive officers, except M.E. Gallagher, T.M. Gura, and J.L. McIntosh, has served Olin as an executive officer for not less than the past five years.

Mary E. Gallagher was elected a Corporate Vice President on April 27, 2000. She was elected Controller on April 29, 1999. Prior to that time, and since she joined the Corporation in May 1996, she served as Director, Accounting and Financial Reporting. Prior to joining the Corporation, she served as a Senior Manager with KPMG LLP.

Thomas M. Gura was elected a Corporate Vice President on September 25, 1997. He was appointed President of the Winchester Division on August 19, 1997. Prior to that time, he served as Vice President, Marketing and Sales of the Brass Division.

John L. McIntosh was elected a Corporate Vice President on February 1, 1999 and also serves as President, Chlor Alkali Products Division. Prior to that time, since 1997, he served as Vice President, Operations for Olin's specialty chemicals operations. He also served as Vice President, Manufacturing and Engineering for Chlor Alkali and was Director of Manufacturing, Engineering and Purchasing for that division from 1991 through 1997.

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Item 6. SELECTED FINANCIAL DATA

EIGHT-YEAR FINANCIAL SUMMARY

	2000	1999	1998	1997	1996	1995	1994	1993
	($ and shares in millions, except per share data)							
Operations								
Sales	$1,549	$1,395	$1,504	$1,572	$1,817	$1,886	$1,686	$1,507
Cost of Goods Sold	1,277	1,215	1,239	1,276	1,455	1,541	1,425	1,447
Selling and Administration	127	122	123	132	155	153	139	135
Research and Development	5	7	10	8	20	17	18	21
Interest Expense	16	16	17	24	27	33	27	29
Interest and Other Income (Expense)	7	(8)	7	15	13	(5)	—	—
Gain (Loss) on Sales and Restructurings of Businesses and Spin-off Costs	—	—	(63)	—	179	—	—	(26)
Income (Loss) from Continuing Operations Before Taxes	131	27	59	147	352	137	77	(151)
Income Tax Provision (Benefit)	50	10	21	50	125	47	26	(60)
Income (Loss) from Continuing Operations	81	17	38	97	227	90	51	(91)
Discontinued Operations	—	4	40	56	53	50	40	(1)
Net Income (Loss)	81	21	78	153	280	140	91	(92)
Financial Position								
Working Capital	251[1]	252[1]	225[1]	273[1]	385[1]	24	88	(15)
Property, Plant and Equipment, Net	483	468	475	517	400	580	540	534
Total Assets	1,123	1,063	1,589	1,707	2,118	1,963	1,749	1,685
Capitalization:								
Short-Term Debt	1[1]	1[1]	1[1]	8[1]	137[1]	122	29	113
Long-Term Debt	228[1]	229[1]	230[1]	262[1]	271[1]	406	418	449
Shareholders' Equity	329	309	790	879	946	841	749	596
Total Capitalization	558	539	1,021	1,149	1,354	1,369	1,196	1,158
Per Share Data								
Net Income (Loss):								
Basic:								
Continuing Operations	1.80	0.36	0.79	1.91	4.30	1.71	0.87	(2.82)
Discontinued Operations	—	0.09	0.85	1.11	1.04	1.04	0.96	(0.03)
Net Income (Loss)	1.80	0.45	1.64	3.02	5.34	2.75	1.83	(2.85)
Diluted:								
Continuing Operations[2]	1.80	0.36	0.79	1.90	4.26	1.70	0.87	(2.82)
Discontinued Operations	—	0.09	0.84	1.10	1.01	0.97	0.96	(0.03)
Net Income (Loss)	1.80	0.45	1.63	3.00	5.27	2.67	1.83	(2.85)
Cash Dividends:								
Common (historical)	0.80	0.90	1.20	1.20	1.20	1.20	1.10	1.10
Common (continuing operations)	0.80	0.80	0.80	0.80	0.80	0.80	0.73	0.73
ESOP Preferred (annual rate)	—	—	—	—	5.97	5.97	5.97	5.97
Series A Preferred (annual rate)	—	—	—	—	—	3.64	3.64	3.64
Shareholders' Equity[3]	7.48	6.87	17.25	17.98	18.13	17.03	15.43	13.62
Market Price of Common Stock:								
High	23.19	19.88	49.31	51.38	48.00	38.63	30.13	25.25
Low	14.19	9.50	23.88	35.38	34.88	24.25	23.00	20.00
Year End	22.13	19.81	28.31	46.88	37.63	37.13	25.75	24.75
Other								
Capital Expenditures	95	73	78	76	74	116	80	80
Depreciation	79	78	76	76	84	77	78	74
Common Dividends Paid	36	41	58	61	60	57	44	42
Purchases of Common Stock	21	11	112	163	—	—	—	—
Current Ratio	1.9	2.0	1.8	1.8	1.6	1.0	1.2	1.0
Total Debt to Total Capitalization[4]	41.1%	42.7%	22.6%	23.5%	30.0%	37.9%	36.5%	46.8%
Effective Tax Rate	38.2%	37.0%	35.6%	34.0%	35.5%	34.3%	33.2%	40.0%
Average Common Shares Outstanding	44.9	45.4	47.9	50.5	50.0	47.6	41.0	38.2
Shareholders	8,000	8,600	9,200	10,600	11,300	12,000	12,100	13,000
Employees[5]	6,700	6,700	6,400	6,600	6,200	7,200	7,500	7,100

In December 1996, the Company sold its isocyanates business for $565 in cash. 1996 and prior include the operating results of the isocyanates business.

(1) Working Capital includes $57 ($21 in 1999, $50 in 1998, $157 in 1997, $518 in 1996) of Cash and Cash Equivalents and $25 ($25 in 1999 and 1998, $28 in 1997, $87 in 1996) of Short-Term Investments in 2000.

(2) Includes gain of $2.20 on sale of the isocyanates business in 1996.

(3) In 1994 and 1993, calculation is based on common shares and Series A Conversion Preferred Stock outstanding.

(4) Excluding reduction to equity for the Employee Stock Ownership Plan from 1993 through 1996.

(5) Employee data exclude employees who work at government-owned/contractor-operated facilities.

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Research and development expenses decreased due to restructuring in the fourth quarter of 1999 of the process technology department in the Chlor Alkali segment.

The effective tax rate increased to 38.2% from 37.0%. The increase was attributable to lower tax benefits related to export sales and increased state income taxes, partially offset by lower cost of Company-owned life insurance programs and a decrease in the valuation allowance related to state income tax loss carryforward.

At midnight on December 3, 2000, a work stoppage began at the Metals and Winchester manufacturing facilities at East Alton, IL, after the Company and the union were unable to agree on a new labor contract. After several weeks of negotiations, the parties entered into a new labor contract and the union workers returned to work on January 23, 2001. The work stoppage had an adverse impact in 2000 on the profitability of the Metals and Winchester operations including product fulfillment issues, additional expenses and contract settlement costs.

In June 2000, the Company signed a letter of intent with Occidental to combine the companies' chlor alkali and related businesses in a partnership. In October 2000, the Company announced that its letter of intent had expired. The partnership negotiations were discontinued primarily due to regulatory issues, and certain other matters on which the parties could not agree.

On February 8, 1999, the Company completed the Spin-Off of its specialty chemicals businesses as Arch Chemicals. The results of operations reflect Arch Chemicals as discontinued operations for the 1999 and 1998 periods presented.

1999 Compared to 1998

Sales decreased 7% due to lower ECU prices and lower metal values, which were offset in part by higher volumes across all business segments. Also, sales were lower due to the shutdown of the rod, wire and tube businesses at Indianapolis, IN, in the fourth quarter of 1998.

The gross margin percentage in 1999 was 13% compared to 18% in 1998. The decrease in the gross margin percentage was due to the lower ECU prices offset in part by higher volumes and improved product mix in the Brass and Winchester segments.

Selling and Administration as a percentage of sales increased to 9% in 1999 from 8% in 1998. Selling and Administration decreased $1 million from $123 million in 1998 to $122 million in 1999, primarily due to lower pension related costs.

In 1999, losses of non-consolidated affiliates were $11 million compared to break-even in 1998 due to the impact of lower ECU prices on the Company's Sunbelt Chlor Alkali joint venture.

Interest expense, net of interest income in 1999, was equal to 1998. Lower interest expense as a result of the repayment of debt in June of 1998 was offset by lower interest income on lower average cash, cash equivalents and short-term investment balances.

The effective tax rate increased from 35.6% to 37.0%. This increase was attributable to higher non-deductible expenses related to Company-owned life insurance programs and unrealized state income tax benefits, partially offset by increased benefits related to foreign sales.

In the third quarter of 1998, the Company recorded a $42 million pretax charge ($0.55 diluted EPS) related to the sale of the microelectronic packaging unit at Manteca, CA, for $4 million in cash, and the restructuring of the rod, wire and tube businesses at Indianapolis, IN. In the fourth quarter of 1998, the Company recorded a $21 million pretax charge ($0.32 diluted EPS) for non-recurring costs associated with the Spin-Off (primarily severance, investment banking and legal fees).

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1999 Compared to 1998

Sales in 1999 were down 5% due to lower metal values and the loss of sales associated with the shutdown of the rod, wire and tube businesses at the end of 1998, offset in part by higher volumes. Strip volumes were higher as a result of the strength in the automotive, housing, ammunition and coinage markets. Higher demand from the distribution market improved Oster's performance. Operating income increased due to the shutdown of the unprofitable rod, wire and tube businesses, overall higher volumes in the retained businesses and favorable sales mix.

Winchester

	2000	1999	1998
	($ in millions)		
Sales	$277	$286	$266
Operating Income	20	21	13

2000 Compared to 1999

Sales in 2000 were slightly lower than 1999 primarily due to lower domestic commercial ammunition volumes, offset in part by higher commercial selling prices. After strong marketplace demand throughout 1999 and the first half of 2000, the market began softening in the third quarter due to an industry-wide market correction. Operating income declined slightly from 1999 due to several factors. The impact of the lower volumes, the work stoppage at East Alton, higher consulting expenses and lower fees from the Lake City Army Ammunition Plant more than offset the favorable impact of both higher selling prices and Australia's improved results from foreign currency activity.

In 1999, Winchester was the operator of the U.S. Army's Lake City small-caliber, ammunition plant in Independence, MO. The five-year contract expired at the end of 1999 and represented approximately $5 million in annual pretax profits during the year. On July 30, 1999, the Department of the Army awarded this contract to a competitor. Olin filed a protest to this award. The Company did not prevail in its protest of the contract award to operate this plant. Therefore, the Company's contract to operate that facility ended at the end of the first quarter of 2000.

1999 Compared to 1998

Sales were up 8% due to higher volumes offset in part by lower selling prices. Commercial sales were higher due to higher industry-wide consumer demand partially driven by Y2K concerns and improved market share. Contract sales were lower than the prior year due to reduced demand in the military product categories. Operating income was higher due to increased sales volumes and lower material costs offset in part by the lower selling prices.

2001 FULL YEAR OUTLOOK

Consolidated

The Company expects that its 2001 full year earnings per share will be in the $1.80 range, with higher earnings from our Chlor Alkali Products business approximately offsetting the impact of the now-settled strike at our Brass and Winchester operations in East Alton, and the effect of a slowing economy.

Chlor Alkali Products

Sales and operating income are expected to increase significantly due to higher ECU pricing and cost reduction initiatives. Demand for chlorine is expected to remain weak, thus exerting pressure on chlorine prices. It is expected that demand from the vinyl sector will recover by mid-year and will result in higher operating rates later in 2001 and into 2002. This should result in higher ECU prices in 2001 and 2002 compared with 2000. Caustic demand is expected to remain strong in 2001 and the improving caustic prices are expected to offset the decline in chlorine prices during the first half of 2001.

Metals

Sales and operating income are expected to be lower in 2001 due to the impact in the first quarter of the strike at the East Alton facility. In addition, signs of an economic slowdown are appearing in many market segments that Metals

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ENVIRONMENTAL MATTERS

	2000	1999	1998
	($ in millions)		
Cash Outlays:			
Remedial and Investigatory Spending (Charged to Reserve)	$ 30	$ 21	$ 20
Capital Spending	3	3	2
Plant Operations	17	17	17
Total Cash Outlays	$ 50	$ 41	$ 39
Environmental Liabilities:			
Beginning Balance	$125	$129	$133
Charges to Income	15	17	16
Remedial and Investigatory Spending	(30)	(21)	(20)
Ending Balance	$110	$125	$129

The establishment and implementation of federal, state and local standards to regulate air, water and land quality has affected and will continue to affect substantially all of the Company's manufacturing locations. Federal legislation providing for regulation of the manufacture, transportation, use and disposal of hazardous and toxic substances has imposed additional regulatory requirements on industry, particularly the chemicals industry. In addition, implementation of environmental laws, such as the Resource Conservation and Recovery Act and the Clean Air Act, has required and will continue to require new capital expenditures and will increase operating costs. The Company employs waste minimization and pollution prevention programs at its manufacturing sites.

The Company is party to various governmental and private environmental actions associated with waste disposal sites and manufacturing facilities. Associated costs of investigatory and remedial activities are provided for in accordance with generally accepted accounting principles governing probability and the ability to reasonably estimate future costs. Charges to income for investigatory and remedial efforts were material to operating results in 2000, 1999, and 1998 and may be material to net income in future years. Such charges to income were $15 million, $17 million and $16 million in 2000, 1999, and 1998 respectively.

Cash outlays for remedial and investigatory activities associated with former waste sites and past operations were not charged to income but instead were charged to reserves established for such costs identified and expensed to income in prior years. Cash outlays for normal plant operations for the disposal of waste and the operation and maintenance of pollution control equipment and facilities to ensure compliance with mandated and voluntarily imposed environmental quality standards were charged to income. Historically, the Company has funded its environmental capital expenditures through cash flow from operations and expects to do so in the future.

The Company's estimated environmental liability at the end of 2000 was attributable to 56 sites, 18 of which were on the National Priority List (NPL). Ten sites accounted for approximately 75% of such liability and, of the remaining sites, no one site accounted for more than 2% of such liability. Two of these ten sites are in the investigatory stage of the remediation process. In this stage, remedial investigation and feasibility studies are conducted by either the Company, the United States Environmental Protection Agency (EPA) or other potentially responsible parties (PRPs) and a Record of Decision (ROD) or its equivalent has not been issued. At five of the ten sites, a ROD or its equivalent has been issued by either the EPA or responsible state agency and the Company either alone, or as a member of a PRP group, was engaged in performing the remedial measures required by that ROD. At the remaining three of the ten sites, part of the site is subject to a ROD and another part is still in the investigative stage of remediation. All ten sites were either former manufacturing facilities or waste sites containing contamination generated by those facilities.

The Company's consolidated balance sheets included liabilities for future environmental expenditures to investigate and remediate known sites amounting to $110 million at December 31, 2000, and $125 million at December 31, 1999, of which $85 million and $100 million were classified as other noncurrent liabilities, respectively. Those amounts did not take into account any discounting of future expenditures or any consideration of insurance recoveries or advances in technology. Those liabilities are reassessed periodically to determine if environmental

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Spin-Off of Arch Chemicals, primarily in the information technology area. Capital spending in 1999 was approximately 95% of depreciation compared with about 100% in 1998. Capital spending in 2001 is expected to be approximately equal to 2000's amount of $95 million. The majority of the capital spending in 2001 is expected to be attributable to projects, which were begun in 2000, primarily in the Metals segment to expand production capacity for high performance alloys.

Investing Activities

During 1999, the Company completed the purchase of a manufacturer of microelectronic packages in England and a metal distribution company in Puerto Rico for a total of $3 million.

In 1998, the Company sold its microelectronic packaging unit at Manteca, CA, for $4 million in cash.

Financing Activities

Prior to the Spin-Off of Arch Chemicals in February 1999, the Company borrowed $75 million under a credit facility which liability was assumed by Arch Chemicals. The Company has used these funds for general corporate purposes, which included share repurchases.

At December 31, 2000, the Company had an unsecured revolving credit agreement with a group of banks with commitments totaling $165 million, all of which was available. The Company may select various floating rate borrowing options. This agreement expires October 15, 2002. The Company believes that the credit facility is adequate to satisfy its liquidity needs for the foreseeable future. The credit facility includes various customary restrictive covenants including restrictions related to the ratio of debt to earnings before interest expense, taxes, depreciation and amortization and the ratio of earnings before interest expense, taxes, depreciation and amortization to interest expense.

In May of 1998, the Company repaid $38 million of 7.97% notes.

During 2000, 1999 and 1998, the Company used $20 million, $11 million and $112 million to repurchase 1.2 million, 0.9 million and 3.1 million shares of the Company's stock, respectively. The Board of Directors has approved two share repurchase programs to repurchase a total of 10 million shares of the Company's stock. It is expected that this program will be completed during 2001 with the repurchase of 1 million shares.

The percent of total debt to total capitalization decreased to 41% at December 31, 2000, from 43% at year-end 1999 and was 23% at year-end 1998. Contributing to the increase in 1999 was the reduction to equity resulting from the Spin-Off of Arch Chemicals.

Dividends per common share were $0.80 in 2000, $0.90 in 1999 and $1.20 in 1998. Total dividends paid on common stock amounted to $36 million in 2000, $41 million in 1999 and $58 million in 1998. In 2000, the Company paid a quarterly dividend of $0.20 per share. Prior to the Spin-Off, the Company paid a first quarter 1999 dividend of $0.30 per share. Following the distribution of Arch Chemicals, the quarterly dividend was reduced to $0.20 per share to reflect the effect of the distribution.

During 1992, the Company swapped interest payments on $50 million principal amount of its 8% notes due 2002, to a floating rate (6.46406% at December 31, 2000). In June 1995, the Company offset this transaction by swapping interest payments to a fixed rate of 6.485%.

NEW ACCOUNTING STANDARDS

In 1998, the Financial Accounting Standards Board ("FASB") issued Statement No. 133 "Accounting for Derivative Instruments and Hedging Activities." It requires an entity to recognize all derivatives as either assets or liabilities in the statement of financial position and measure those instruments at fair value. The implementation date of this statement is effective for all fiscal quarters of fiscal years beginning after June 15, 2000. The Company adopted FASB No. 133 on January 1, 2001, and will achieve hedge accounting treatment for substantially all of the Company's business transactions whose risks are covered using derivative instruments. The hedge accounting treatment provides for the deferral of gains or losses on derivative instruments until such time as the related transactions occur. The Company estimates that if it had accounted for its derivatives in accordance with the new standard as of December 31, 2000, assets totaling $1.2 million and liabilities totaling $2.1 million would have been recorded on the balance sheet with an offsetting entry to Other Comprehensive Income. The new standard does not allow for the special accounting treatment

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of Olin Corporation:

We have audited the accompanying consolidated balance sheets of Olin Corporation and subsidiaries as of December 31, 2000 and 1999 and the related consolidated statements of income, shareholders' equity and cash flows for each of the years in the three-year period ended December 31, 2000. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above, present fairly, in all material respects, the financial position of Olin Corporation and subsidiaries as of December 31, 2000 and 1999, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2000 in conformity with generally accepted accounting principles in the United States of America.

KPMG LLP

Stamford, Connecticut
January 25, 2001

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CONSOLIDATED STATEMENTS OF INCOME

Years ended December 31
($ in millions, except per share data)

	2000	1999	1998
Sales	$1,549	$1,395	$1,504
Operating Expenses:			
Cost of Goods Sold	1,277	1,215	1,239
Selling and Administration	127	122	123
Research and Development	5	7	10
Earnings (Loss) of Non-consolidated Affiliates	2	(11)	—
Interest Expense	16	16	17
Interest Income	2	2	3
Other Income	3	1	4
Loss on Sale and Restructurings of Businesses and Spin-off Costs	—	—	(63)
Income from Continuing Operations Before Taxes	131	27	59
Income Taxes	50	10	21
Income from Continuing Operations	81	17	38
Income from Discontinued Operations, Net of Taxes	—	4	40
Net Income	$ 81	$ 21	$ 78
Net Income Per Common Share:			
Basic:			
Continuing Operations	$ 1.80	$ 0.36	$ 0.79
Discontinued Operations	—	0.09	0.85
Total Net Income	$ 1.80	$ 0.45	$ 1.64
Diluted:			
Continuing Operations	$ 1.80	$ 0.36	$ 0.79
Discontinued Operations	—	0.09	0.84
Total Net Income	$ 1.80	$ 0.45	$ 1.63

The accompanying Notes to Consolidated Financial Statements are an integral part of the consolidated financial statements.

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CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended December 31
($ in millions)

	2000	1999	1998
Operating Activities			
Income from Continuing Operations	$ 81	$ 17	$ 38
Adjustments to Reconcile Income from Continuing Operations to Net Cash and Cash Equivalents Provided by Operating Activities:			
Loss (Earnings) of Non-consolidated Affiliates	(2)	11	—
Depreciation	79	78	76
Amortization of Intangibles	2	2	2
Deferred Taxes	17	11	104
Loss on Sale and Restructurings of Businesses and Spin-off Costs	—	—	63
Minimum Pension Liability	(3)	—	(2)
Change in Assets and Liabilities Net of Purchases and Sales of Businesses:			
Receivables	—	(4)	(5)
Inventories	(8)	(7)	7
Other Current Assets	1	(1)	4
Accounts Payable and Accrued Liabilities	25	(34)	(57)
Income Taxes Payable	30	(1)	(33)
Other Noncurrent Liabilities	(11)	(21)	4
Other Operating Activities	(30)	(9)	(25)
Net Cash and Cash Equivalents Provided by Operating Activities from Continuing Operations	181	42	176
Discontinued Operations:			
Net Income	—	4	40
Change in Net Assets	—	(23)	(38)
Net Operating Activities	181	23	178
Investing Activities			
Capital Expenditures	(95)	(73)	(78)
Businesses Acquired in Purchase Transactions	—	(3)	—
Proceeds from Sales of Businesses	—	—	4
Purchases of Short-Term Investments	—	(34)	(25)
Proceeds from Sale of Short-Term Investments	—	34	28
Investments and Advances — Affiliated Companies at Equity	10	(3)	(3)
Other Investing Activities	(3)	5	(2)
Net Investing Activities	(88)	(74)	(76)
Financing Activities			
Long-Term Debt Repayments	(1)	(1)	(39)
Borrowings under Line of Credit Assumed by Arch Chemicals, Inc.	—	75	—
Purchase of Olin Common Stock	(20)	(11)	(112)
Stock Options Exercised	1	—	3
Dividends Paid	(36)	(41)	(58)
Other Financing Activities	(1)	—	(3)
Net Financing Activities	(57)	22	(209)
Net Increase (Decrease) in Cash and Cash Equivalents	36	(29)	(107)
Cash and Cash Equivalents, Beginning of Year	21	50	157
Cash and Cash Equivalents, End of Year	$ 57	$ 21	$ 50
Cash Paid (Received) for Interest and Income Taxes:			
Interest	$ 16	$ 16	$ 17
Income Taxes, Net of Refunds	$ 2	$ (6)	$ (31)

The accompanying Notes to Consolidated Financial Statements are an integral part of the consolidated financial statements.

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COMPREHENSIVE INCOME

The Company calculated comprehensive income in accordance with SFAS No. 130, "Reporting Comprehensive Income." Accumulated Other Comprehensive Loss at December 31, 2000 includes cumulative translation adjustments of $11 ($8 at December 31, 1999) and minimum pension liability of $5 ($2 at December 31, 1999). The Company does not provide for U.S. income taxes on foreign currency translation adjustments since it does not provide for such taxes on undistributed earnings of foreign subsidiaries.

GOODWILL

Goodwill, the excess of the purchase price of the acquired businesses over the fair value of the respective net assets, is amortized principally over 30 years on a straight-line basis. The Company periodically reviews the value of its goodwill to determine if any impairment has occurred. The Company assesses the potential impairment of recorded goodwill and other long-lived assets by comparing the undiscounted value of expected future operating cash flows in relation to the book value of the goodwill and related long-lived assets. An impairment would be recorded based on the estimated fair value.

ENVIRONMENTAL LIABILITIES AND EXPENDITURES

Accruals for environmental matters are recorded when it is probable that a liability has been incurred and the amount of the liability can be reasonably estimated, based upon current law and existing technologies. These amounts, which are not discounted and are exclusive of claims against third parties, are adjusted periodically as assessment and remediation efforts progress or additional technical or legal information becomes available. Environmental remediation costs are charged to expense. Environmental costs are capitalized if the costs increase the value of the property and/or mitigate or prevent contamination from future operations.

INCOME TAXES

Deferred taxes are provided for differences between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse.

DERIVATIVE FINANCIAL INSTRUMENTS

The Company enters into forward sales and purchase contracts and currency options to manage currency risk resulting from purchase and sale commitments denominated in foreign currencies (principally Australian dollar and Canadian dollar) and relating to particular anticipated but not yet committed purchases and sales expected to be denominated in those currencies. All of the currency derivatives expire within one year and are for United States dollar equivalents. At December 31, 2000, the Company had a forward contract to buy a foreign currency with a face value of $4 and no forward contracts to sell foreign currencies. At December 31, 1999, the Company had forward contracts to sell foreign currencies with face values of $7 and no forward contracts to buy foreign currencies. The fair market value of the forward contracts to buy and sell at December 31, 2000 and 1999 approximated the carrying values. The Company had no outstanding option contracts at December 31, 2000 and 1999. The counter-parties to the forward contracts are major financial institutions. The risk of loss to the Company in the event of nonperformance by a counter-party is not significant.

In accordance with SFAS No. 52, "Foreign Currency Translation," a transaction is classified as a hedge when it is designated as, and is effective as, a hedge of a foreign currency commitment and the foreign currency commitment is firm. A hedge is considered by the Company to be effective when the transaction reduces the currency risk on its foreign currency commitments. If a transaction does not meet the criteria to qualify as a hedge, it is considered to be speculative. For a foreign currency commitment that is classified as a hedge, any gain or loss on the commitment is deferred and included in the basis of the underlying item. Any unrealized gains or losses associated with foreign currency commitments that are classified as speculative are recognized in the current period. Foreign currency gains and losses realized are included in the Consolidated Statements of Income in Selling and Administration. If a foreign currency transaction previously considered as a hedge is terminated before the transaction date of the related commitment, any deferred gain or loss shall continue to be deferred and included in the basis of the underlying item. Premiums paid for currency options and gains or losses on forward sales and purchase contracts were not material to operating results.

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EARNINGS PER SHARE

Basic earnings per share are computed by dividing net income by the weighted average number of common shares outstanding. Diluted earnings per share reflect the dilutive effect of stock options.

Computation of Earnings per Share	*2000*	*1999*	*1998*
BASIC EARNINGS PER SHARE			
Income from continuing operations	$ 81	$ 17	$ 38
Basic shares	44.9	45.4	47.6
Basic earnings per share — continuing operations	$1.80	$0.36	$0.79
DILUTED EARNINGS PER SHARE			
Income from continuing operations	$ 81	$ 17	$ 38
Diluted shares:			
Basic shares	44.9	45.4	47.6
Stock options	.1	—	.3
	45.0	45.4	47.9
Diluted earnings per share — continuing operations	$1.80	$0.36	$0.79

The Board of Directors has authorized the Company to purchase up to 10 million shares of common stock of the Company under two share repurchase programs which began in January of 1997. During 2000, 1999 and 1998 the Company repurchased 1.2 million, 0.9 million and 3.1 million shares, respectively. It is expected that the programs will be completed during 2001 with the repurchase of 1 million shares.

SHORT-TERM INVESTMENTS

Short-term investments, which approximate fair value were $25 at December 31, 2000 and 1999, and represented the equity value of the Company-owned life insurance program.

TRADE RECEIVABLES

Allowance for doubtful items was $7 and $6 at December 31, 2000 and 1999, respectively. Provisions charged to operations were $2 in 2000 and less than $1 in 1999 and 1998. Bad debt write-offs, net of recoveries were $1 in 2000, less than $1 in 1999 and $1 in 1998.

INVENTORIES

	2000	*1999*
Raw materials and supplies	$126	$120
Work in process	111	111
Finished goods	60	50
	297	281
LIFO reserves	(81)	(73)
Inventory, net	$216	$208

Inventories valued using the LIFO method comprised 77% and 78% of the total inventories at December 31, 2000 and 1999, respectively.

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PENSION PLANS AND RETIREMENT BENEFITS

Essentially all of the Company's domestic pension plans are non-contributory final-average-pay or flat-benefit plans and all domestic employees are covered. The Company's funding policy is consistent with the requirements of federal laws and regulations. The Company provides certain postretirement health care and life insurance benefits for eligible active and retired domestic employees.

	Pension Benefits		*Other Postretirement Benefits*	
Change in Benefit Obligation	*2000*	*1999*	*2000*	*1999*
Benefit obligation at beginning of year	$1,068	$1,180	$65	$71
Service cost	21	15	2	1
Interest cost	83	79	5	5
Actuarial loss (gain)	51	(123)	11	(3)
Benefits paid	(88)	(83)	(13)	(9)
Benefit obligation at end of year	$1,135	$1,068	$70	$65

	Pension Benefits	
Change in Plan Assets	*2000*	*1999*
Fair value of plan assets at beginning of year	$1,424	$1,295
Actual return on plan assets	(44)	230
Employer contribution	5	4
Asset transfers to Arch Chemicals	—	(22)
Benefits paid	(88)	(83)
Fair value of plan assets at end of year	$1,297	$1,424

	Pension Benefits		*Other Postretirement Benefits*	
	2000	*1999*	*2000*	*1999*
Funded status	$ 162	$ 356	$(70)	$(65)
Unrecognized actuarial (gain) loss	(163)	(377)	20	10
Unrecognized transition obligation (asset)	—	(6)	—	—
Unrecognized prior service cost	22	26	(3)	(4)
Net amount recognized	$ 21	$ (1)	$(53)	$(59)
Amounts recognized in the consolidated balance sheet consist of:				
Prepaid benefit cost	$ 57	$ 27	$ —	$ —
Accrued benefit liability	(44)	(30)	(53)	(59)
Accumulated other comprehensive income	8	2	—	—
Net amount recognized	$ 21	$ (1)	$(53)	$(59)

Principal Assumptions for Pension and Postretirement Benefits	*2000*	*1999*
Weighted average discount rate	7.75%	8.0%
Weighted average rate of compensation increase	4.6%	4.6%
Long-term rate of return on assets	9.5%	9.5%

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INCOME TAXES

Components of Pretax Income from Continuing Operations	*2000*	*1999*	*1998*
Domestic	$126	$24	$ 54
Foreign	5	3	5
Pretax income	$131	$27	$ 59

Components of Income Tax Expense (Benefit)			
Currently payable:			
Federal	$ 26	$ (9)	$ (88)
State	5	5	3
Foreign	2	3	2
	33	(1)	(83)
Deferred	17	11	104
Income tax expense	$ 50	$10	$ 21

The following table accounts for the difference between the actual tax provision and the amounts obtained by applying the statutory U.S. federal income tax rate of 35% to the income from continuing operations before taxes.

Effective Tax Rate Reconciliation (Percent)	*2000*	*1999*	*1998*
Statutory federal tax rate	35.0	35.0	35.0
Foreign income tax	0.1	0.5	(0.3)
Foreign sales corporation	(0.4)	(9.0)	(0.9)
Company-owned life insurance programs	0.2	6.9	(5.4)
State income taxes, net	6.0	(13.0)	1.7
Change in valuation reserve	(2.2)	22.2	—
Equity in net income of affiliates	(0.5)	(2.2)	(0.9)
Other, net	—	(3.4)	6.4
Effective tax rate	38.2	37.0	35.6

Components of Deferred Tax Assets and Liabilities	*2000*	*1999*
Deferred tax assets:		
Pension and postretirement benefits	$ 12	$ 23
Environmental reserves	43	49
Non-deductible reserves	27	37
Alternative minimum tax	15	15
State net operating losses	6	10
Other miscellaneous items	25	10
Total deferred tax assets	128	144
Valuation allowance	(2)	(6)
Net deferred tax assets	126	138
Deferred tax liabilities:		
Property, plant and equipment	64	59
Capital loss	80	80
Other miscellaneous items	33	35
Total deferred tax liabilities	177	174
Net deferred tax liability	$ 51	$ 36

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options maintain the original vesting schedule. The following table has been restated to reflect the new option price of the Olin options as a result of the transaction described above.

	Shares	Option Price Per Share	Weighted Average Option Price Per Share
Outstanding at January 1, 1998	2,446,463	$13.34 – $29.69	$21.36
Granted	835,700	18.33 – 29.38	27.12
Exercised	(84,528)	13.34 – 24.68	19.12
Canceled	(84,486)	16.04 – 29.38	25.75
Outstanding at December 31, 1998	3,113,149	13.34 – 29.69	22.85
Granted	784,150	12.72 – 15.85	15.84
Exercised	—	—	—
Canceled	(218,049)	15.85 – 29.69	21.09
Outstanding at December 31, 1999	3,679,250	12.72 – 27.17	21.46
Granted	1,943,800	18.97	18.97
Exercised	(67,111)	13.69 – 17.16	16.09
Canceled	(142,995)	15.85 – 27.17	20.22
Outstanding at December 31, 2000	5,412,944	$12.72 – $27.17	$20.67

Of the outstanding options at December 31, 2000, options covering 2,839,402 shares are currently exercisable at a weighted average exercise price of $22.07 and options covering 701,000 shares are held by Arch Chemicals employees. At December 31, 2000 and 1999, the average exercise period for the outstanding options was 82 months and 79 months, respectively.

At December 31, 2000, common shares reserved for issuance under the 1998 Stock Option Plan, the 1991 Long Term Incentive Plan, the 1996 Stock Option Plan, the 2000 Long Term Incentive Plan and Options Available Only for Arch Employees were 8,243,172. An additional 200,432 shares were reserved under the 1997 Non-Employee Directors Plan and the Employee Deferral Plan, and of these shares, approximately 102,000 shares were committed.

In 1996, the Company adopted SFAS No. 123, "Accounting for Stock-Based Compensation". As allowed by SFAS No. 123, the Company has not recognized compensation cost for stock-based compensation arrangements. Pro forma net income and earnings per share were calculated based on the following assumptions as if the Company had recorded compensation expense for the stock options granted during the year. The fair value of each option granted during 2000, 1999 and 1998 was estimated on the date of grant, using the Black-Scholes option-pricing model with the following weighted-average assumptions used: dividend yield of 4.21% in 2000, 5.35% in 1999 and 3.2% in 1998, risk-free interest rate of 5.18% in 2000, 6.25% in 1999 and 5.5% in 1998, expected volatility of 29% in 2000 and 1999 and 27% in 1998 and an expected life of 7 years. The fair value of options granted during 2000, 1999 and 1998 was $5.59, $3.85 and $11.77, respectively. The following table shows the difference between reported and pro forma net income and earnings per share as if the Company had recorded compensation expense for the stock options granted during the year.

($ in millions, except per share data)	2000	1999	1998
Net Income			
As reported	$ 81	$ 21	$ 78
Pro forma	77	17	72
Per Share Data:			
Basic			
As reported	1.80	0.45	1.64
Pro forma	1.71	0.38	1.52
Diluted			
As reported	1.80	0.45	1.63
Pro forma	1.71	0.38	1.52

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SEGMENT INFORMATION

Segment operating income is defined as earnings before interest, other income and income taxes and includes earnings of non-consolidated affiliates. Segment operating results in 1998 exclude the charge for the sale of the microelectronic packaging unit at Manteca, CA, and the restructuring of the rod, wire and tube businesses at Indianapolis, IN ($42 pretax); and non-recurring costs associated with the Spin-Off of Arch Chemicals ($21 pretax).

	2000	1999	1998
Sales:			
Chlor Alkali Products	$ 392	$ 336	$ 428
Metals	880	773	810
Winchester	277	286	266
Total sales	$1,549	$1,395	$1,504
Operating Income (Loss) Before Loss on Sale and Restructuring of Businesses and Spin-off Costs:			
Chlor Alkali Products	$ 27	$ (58)	$ 55
Metals	95	77	64
Winchester	20	21	13
Total Operating Income	$ 142	$ 40	$ 132
Equity Income (Loss) in Affiliated Companies, Included in Operating Income:			
Chlor Alkali Products	$ —	$ (13)	$ (1)
Metals	2	2	1
Total Equity Income in Affiliated Companies	$ 2	$ (11)	$ —
Depreciation Expense:			
Chlor Alkali Products	$ 37	$ 36	$ 33
Metals	29	30	32
Winchester	13	12	11
Depreciation Expense	$ 79	$ 78	$ 76
Amortization Expense:			
Metals	$ 2	$ 2	$ 2
Capital Spending:			
Chlor Alkali Products	$ 31	$ 27	$ 31
Metals	51	33	25
Winchester	12	13	12
Other	1	—	10
Total Capital Spending	$ 95	$ 73	$ 78
Assets:			
Chlor Alkali Products	$ 250	$ 263	$ 297
Metals	500	461	440
Winchester	156	165	161
Other	217	174	186
Net Assets of Discontinued Operations	—	—	505
Total Consolidated Assets	$1,123	$1,063	$1,589
Investments & Advances — Affiliated Companies at Equity:			
Chlor Alkali Products	$ (13)	$ (3)	$ 7
Metals	7	6	5
Total Investments & Advances — Affiliated Companies	$ (6)	$ 3	$ 12

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The adjustments represent changes in estimates of the cash expenditures for the major components of the 1998 charges. The adjustments have been used to write-down the non-cash assets associated with the restructuring as cash recoveries were less than the original estimate.

Since the Company was unable to sell the rod, wire, and tube businesses at Indianapolis in 1998, the Company decided to shut down the operations, which occurred on December 31, 1998. The Company continues to produce sheet and strip copper-based alloys at the Indianapolis facility.

DISCONTINUED OPERATIONS

On February 8, 1999, the Company completed the spin-off of its specialty chemicals businesses as Arch Chemicals, Inc. Under the terms of the spin-off, the Company distributed to its holders of common stock as of the close of business on February 1, 1999 one Arch Chemicals common share for every two shares of Olin common stock. In February 1999 prior to the distribution, Olin borrowed $75 under a credit facility, which liability was assumed by Arch Chemicals.

The historical operating results of these businesses are shown net of tax as discontinued operations in the consolidated statements of income. Accordingly, 1999 includes the operating results of Arch Chemicals for the month of January, while 1998 includes twelve months of operating results. The discontinued operations include an allocation of corporate overhead with the allocation based on either effort committed or number of employees. Management believes that the allocation methods used to allocate the costs and expenses are reasonable; however, such allocated amounts may or may not necessarily be indicative of what those expenses would have been had Arch Chemicals operated independently of Olin. Interest expense was not allocated to Arch Chemicals.

The Company has entered into tax sharing agreements with Arch Chemicals effectively providing that the Company will be responsible for the tax liability of Arch Chemicals for the years that Arch Chemicals was included in the Company's consolidated income tax returns. Income taxes have been allocated to Arch Chemicals based on their pretax income and calculated on a separate company basis pursuant to the requirements of Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes". Income taxes allocated to the discontinued operations were $2 and $21 in 1999 and 1998, respectively.

In addition, the Company entered into several other agreements with Arch Chemicals, which cover such matters as technology transfers, transition services, covenants not to compete and chlorine and caustic supply.

Condensed historical combined balance sheet and income statement data of the discontinued operations are summarized below:

	1999	*1998*
Combined Statements of Income		
Sales	$73	$863
Net income	4	40

ENVIRONMENTAL

The Company is party to various governmental and private environmental actions associated with waste disposal sites and manufacturing facilities. Environmental provisions charged to income amounted to $15 in 2000, $17 in 1999 and $16 in 1998. Charges to income for investigatory and remedial efforts were material to operating results in 2000, 1999 and 1998. The consolidated balance sheets include reserves for future environmental expenditures to investigate and remediate known sites amounting to $110 at December 31, 2000, and $125 at December 31, 1999, of which $85 and $100 were classified as other noncurrent liabilities, respectively.

Environmental exposures are difficult to assess for numerous reasons, including the identification of new sites, developments at sites resulting from investigatory studies, advances in technology, changes in environmental laws and regulations and their application, the scarcity of reliable data pertaining to identified sites, the difficulty in assessing the involvement and financial capability of other potentially responsible parties and the Company's ability to obtain contributions from other parties and the length of time over which site remediation occurs. It is possible that some of

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ECONOMIC VALUE ADDED PERFORMANCE MEASURE (UNAUDITED)

In 1995, the Company recognized a need to improve our total return to shareholders. After a thorough review of our financial management systems, we selected an innovative business management system known as Economic Value Added, or EVA®. Developed by Stern Stewart & Company, EVA is a highly successful management tool that builds upon and refines traditional tools. It is designed to help maximize long-term profitability, increase return on capital employed and operate businesses more effectively. EVA is recognized as a reliable predictor of stock market performance over a period of time. A positive correlation has been demonstrated between improvement in a company's EVA and the price of its stock. EVA is a method of measuring the Company's financial health by taking operating profit after taxes and subtracting a charge for capital employed. The table below summarizes the Company's EVA calculation for the years ended December 31, 2000 and 1999:

	2000	*1999*
Earnings before interest and taxes	$145	$ 41
Adjustments	29	30
Operating profit before taxes	174	71
Cash taxes at 35%	(61)	(25)
Net operating profit after taxes	113	46
Capital charge	(76)	(71)
EVA	$ 37	$ (25)
Average capital employed	$806	$758
Return on capital	14.0%	6.1%
Cost of capital	9.4%	9.4%

Earnings Before Interest and Taxes

Earnings before interest and taxes ("EBIT") is calculated as pretax profits plus interest expense, less interest income. For EVA purposes, material gains and losses on asset or business sales and restructurings are excluded from EBIT but instead, the related cash flows are considered permanent increases or decreases to the capital employed and are therefore part of the capital charge forever.

Adjustments to EBIT

Various adjustments are made to EBIT (as defined above) in order to determine operating profit before taxes, make EVA a better management tool and drive appropriate decision making and include the following:

Goodwill is considered a permanent investment in capital employed. Accordingly, an adjustment is made to add goodwill amortization back to EBIT and average capital employed is adjusted such that the original amount of goodwill purchased is included in the asset base.

LIFO (last-in first-out) based inventory is restated to a FIFO (first-in first-out) basis to appropriately reflect the actual current investment in inventory.

Operating Leases are considered investments in capital and therefore an adjustment is made to EBIT to remove the implicit financing cost and average capital is increased by the net present value of the operating leases.

Environmental remediation accruals are removed from EBIT and the after tax cash cost of legacy environmental remediation expenditures is added to the average capital base.

Special Charges, such as the non-recurring costs associated with the Spin-Off of Arch Chemicals in 1998, are excluded from EBIT and the actual cash expenditures are accounted for as a permanent increase in average capital.

Major Asset Sales are accounted for such that the pretax book gain or loss is excluded from EBIT and any after tax cash gain is a permanent reduction of average capital and any after tax cash loss is a permanent increase to average capital.

Capital Charge

The capital charge is the EVA based average capital employed multiplied by the cost of capital. The cost of capital is the Company's target weighted average cost of debt and equity capital.

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PART IV

Item 14. EXHIBITS, CONSOLIDATED FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

(a) 1. Consolidated Financial Statements

Included in Item 8 above.

2. Consolidated Financial Statement Schedules

Schedules not included herein are omitted because they are inapplicable or not required or because the required information is given in the consolidated financial statements and notes thereto.

Separate consolidated financial statements of 50% or less owned subsidiaries accounted for by the equity method are not summarized herein and have been omitted because, in the aggregate, they would not constitute a significant subsidiary.

3. Exhibits

Management contracts and compensatory plans and arrangements are listed as Exhibits 10(a) through 10(q) below.

3 (a) Olin's Restated Articles of Incorporation as amended effective May 8, 1997 — Exhibit 3 to Olin's Form 10-Q for the Quarter ended March 31, 1997.*

(b) By-laws of Olin as amended effective April 29, 1999 — Exhibit 4.2 to Registration Statement No. 333-35818.*

4 (a) Articles of Amendment designating Series A Participating Cumulative Preferred Stock, par value $1 per share — Exhibit 2 to Olin's Form 8-A dated February 21, 1996, covering Series A Participating Cumulative Preferred Stock Purchase Rights.*

(b) Rights Agreement dated as of February 27, 1996 between Olin and Chemical Mellon Shareholder Services, LLP, Rights Agent — Exhibit 1 to Olin's Form 8-A dated February 21, 1996, covering Series A Participating Cumulative Preferred Stock Purchase Rights.*

(c) Form of Senior Debt Indenture between Olin and Chemical Bank — Exhibit 4(a) to Form 8-K dated June 15, 1992; Supplemental Indenture dated as of March 18, 1994 between Olin and Chemical Bank — Exhibit 4(c) to Registration Statement No. 33-52771; Prospectus Supplement dated June 17, 1992 to Prospectus dated June 16, 1992, with respect to Olin's 8% Senior Notes Due 2002 filed under Registration Statement No. 33-4479; and Prospectus Supplement dated May 23, 1995 to Prospectus dated May 4, 1994 relating to Medium Term Notes, Series A filed under Registration Statement No. 33-52771.*

(d) Form of Subordinated Debt Indenture between Olin and Bankers Trust Company — Exhibit 4(i) to Registration Statement No. 33-4479.*

(e) Amended and Restated Credit Agreement, dated as of September 30, 1993 and amended and restated as of February 22, 1999, among Olin and the banks named therein. — Exhibit 4(e) to Olin's Form 10-K for 1998.*

Olin is party to a number of other instruments defining the rights of holders of long-term debt. No such instrument authorizes an amount of securities in excess of 10% of the total assets of Olin and its subsidiaries on a consolidated basis. Olin agrees to furnish a copy of each instrument to the Commission upon request.

10(a) 1988 Stock Option Plan for Key Employees of Olin Corporation and Subsidiaries as amended through February 23, 1995 — Exhibit 10(b) to Olin's Form 10-K for 1994.*

(b) Amended and Restated Employee Deferral Plan, effective November 1, 1997, as amended and restated effective as of February 8, 1999 — Exhibit 10(c) to Olin's Form 10-K for 1998.*

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(v) Five-year Credit Agreement dated as of January 27, 1999, among Arch Chemicals, Inc., Olin Corporation, the Lenders party thereto, Bank of America, National Trust and Savings Association, as Syndication Agent, Wachovia Bank, N.A., as Documentation Agent, The Chase Manhattan Bank, as Administrative Agent and Chase Securities, Inc., as Arranger — Exhibit 10.2 to Olin's Form 8-K filed February 23, 1999.*

11 Computation of Per Share Earnings (included in the Note — "Earnings Per Share" to Notes to Consolidated Financial Statements in Item 8.)

12 Computation of Ratio of Earnings to Fixed Charges (unaudited).

21 List of Subsidiaries.

23 Consent of KPMG LLP dated March 7, 2001.

* Previously filed as indicated and incorporated herein by reference. Exhibits incorporated by reference are located in SEC File No. 1-1070 unless otherwise indicated.

Any of the foregoing exhibits are available from the Company for a nominal charge by writing to: Mr. Richard E. Koch, Vice President, Investor Relations and Public Affairs, Olin Corporation, 501 Merritt 7, P.O. Box 4500, Norwalk, CT 06856-4500.

(b) Reports on Form 8-K

Form 8-K filed October 3, 2000 with respect to expiration of Letter of Intent to form a chlor-alkali partnership between Olin Corporation and Occidental Petroleum Corporation.

Form 8-K filed November 30, 2000 announcing a presentation to be made at the December 5, 2000 Salomon Smith Barney Chemical Conference.

Form 8-K filed December 6, 2000 announcing: 1) that Olin and the International Association of Machinists & Aerospace Workers District #9 were unable to agree on a new labor contract at Olin's East Alton, Illinois facility, and 2) in advance of Olin's presentation at the December 5, 2000 Salomon Smith Barney Chemical Conference in New York, that Olin would provide guidance regarding its forecasted earnings and that, as a result of Olin and the International Association of Machinists & Aerospace Workers District #9 being unable to agree on a new labor contract for approximately 2,700 Brass and Winchester division hourly paid employees at Olin's East Alton, Illinois facility, the Company now anticipates that the strike may cause fiscal 2000 results to be in the $1.80 per share range as compared with its previous forecast of $1.85 but notes that it is premature to evaluate what effect, if any, this strike may have on its 2001 forecast of $2.50 per share.

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BOARD OF DIRECTORS

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Chairman, President and
Chief Executive Officer
Olin Corporation

WILLIAM W. HIGGINS
Retired, former Senior Vice President
The Chase Manhattan Bank, N.A.

RANDALL W. LARRIMORE
President and Chief Executive Officer
United Stationers Inc.

STEPHEN F. PAGE
President and Chief Executive Officer
Otis Elevator Company

G. JACKSON RATCLIFFE, JR.
Chairman, President and
Chief Executive Officer
Hubbell Incorporated

RICHARD M. ROMPALA
Chairman, President and
Chief Executive Officer
The Valspar Corporation

ANTHONY W. RUGGIERO
Executive Vice President and
Chief Financial Officer
Olin Corporation

CORPORATE MANAGEMENT

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Chairman, President and
Chief Executive Officer

ANTHONY W. RUGGIERO
Executive Vice President and
Chief Financial Officer

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JOHNNIE M. JACKSON, JR.
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Vice President and General Tax Counsel

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Vice President, Auditing,
Business Ethics and Integrity

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Vice President, Investor
Relations and Public Affairs

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Vice President, Planning and Development

DENNIS R. McGOUGH
Vice President, Human Resources

STUART N. ROTH
Vice President, Regulatory Audit and
Deputy General Counsel

OPERATIONS MANAGEMENT

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President, Brass, and Corporate
Vice President

JOHN L. McINTOSH
President, Chlor Alkali
Products, and Corporate
Vice President

THOMAS M. GURA
President, Winchester,
and Corporate Vice President

TRANSFER AGENT AND REGISTRAR

Mellon Investor Services
85 Challenger Road
Overpeck Center
Ridgefield Park, NJ 07660
Telephone: (800) 306-8594
www.mellon-investor.com

STOCK EXCHANGE LISTINGS

Common Stock
Ticker Symbol: OLN
New York Stock Exchange
Pacific Exchange, Inc.
Chicago Stock Exchange

TRUSTEES FOR 8% AND 7.11% NOTES

The Chase Manhattan Bank
Chase National Corporate
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DIVIDEND REINVESTMENT SERVICE

Olin provides a Dividend Reinvestment Service to its shareholders.
For more information, write to:

Mellon Investor Services
P.O. Box 3315
South Hackensack, NJ 07606
Telephone: (800) 306-8594
www.mellon-investor.com

FREE SHAREHOLDER INFORMATION

Telephone: (800) 656-OLIN
Quarterly earnings releases and other corporate news releases are available. Earnings are generally released during the third week of April, July, October, and the fourth week of January. This same information is also available on the Internet at www.olin.com.

FOR INVESTOR INFORMATION

Richard E. Koch
Vice President, Investor
Relations and Public Affairs
Olin Corporation
501 Merritt 7
P.O. Box 4500
Norwalk, CT 06856-4500
Telephone: (203) 750-3254

TRADEMARKS

Olin a registered trademark of Olin Corporation. Italicized words identifying products in this report are trademarks or service marks of Olin Corporation or its subsidiaries or affiliates, except EVA, a registered trademark of Stern Stewart & Company; *Partition Gold*, a registered trademark of Olin Corporation and Nosler, Inc; and MetalSpectrum, a service mark of MetalSpectrum, LLC.

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Olin

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OLIN CORPORATION
1999 Annual Report

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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-K

(Mark One)

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 1999

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to

Commission file number 1-1070

Olin Corporation

(Exact name of registrant as specified in its charter)

Virginia (State or other jurisdiction of incorporation or organization)	13-1872319 (I.R.S. Employer Identification No.)
501 Merritt 7 P.O. Box 4500 Norwalk, CT (Address of principal executive offices)	06856-4500 (Zip Code)

Registrant's telephone number, including area code: (203) 750-3000

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, par value $1 per share	New York Stock Exchange Chicago Stock Exchange Pacific Exchange, Inc.
Series A Participating Cumulative Preferred Stock Purchase Rights	New York Stock Exchange Chicago Stock Exchange Pacific Exchange, Inc.

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.
Yes ✓ No _____.

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ✓

As of January 31, 2000, the aggregate market value of registrant's common stock, par value $1 per share ("Common Stock") held by non-affiliates of registrant was approximately $781,856,000.

As of January 31, 2000, 45,080,744 shares of the registrant's common stock were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE
Portions of the following document are incorporated by reference in this Form 10-K as indicated herein:

Document	Part of 10-K into which incorporated
Proxy Statement relating to Olin's 2000 Annual Meeting of Shareholders	Part III

METALS

Products & Services	Major End Uses	Plants & Facilities*	Major Raw Materials & Components for Products/Services
Copper & copper alloy sheet & strip (standard & high performance)	Electronic connectors, lead frames, electrical components, communications, automotive, builders' hardware, coinage, ammunition	Bryan, OH East Alton, IL Indianapolis, IN Waterbury, CT Iwata, Japan (Yamaha-Olin Metal Corporation)	copper, zinc & other nonferrous metals
Network of metals service centers	Electronic connectors, electrical components, communications, automotive, builders' hardware, household products	Allentown, PA Alliance, OH Caguas, PR Carol Stream, IL Warwick, RI Watertown, CT Yorba Linda, CA	copper & copper alloy sheet, strip, tube & steel & aluminum strip
Posit-bond® clad metal	Coinage strip & blanks	East Alton, IL	cupronickel, copper & aluminum
Rolled copper foil, Copperbond® foil, stainless steel strip	Printed circuit boards, electrical & electronic, automotive	Waterbury, CT	copper, zinc & other nonferrous metals, stainless steel
Copper alloy welded tube	Utility condensers, industrial heat exchangers, refrigeration & air conditioning, builders' hardware, automotive	Cuba, MO	copper, zinc & other nonferrous metals
Fabricated products	Builders' hardware, cartridge cases, shaped charge cones, transportation, household & recreational products	East Alton, IL	brass & stainless steel strip
High performance, high reliability, hermetic metal packages for Microelectronics Industry	All industry market segments; computer, communications, medical, industrial, instrumentation, automotive, consumer, aerospace and military	New Bedford, MA	all metals, metal alloys, metal matrix composites, special alloys and glasses

* If site is not operated by Olin or a majority-owned, direct or indirect subsidiary, name of joint venture, affiliate or operator is indicated. Sites manufacture, distribute or market one or more of the identified products or services.

1999 Developments

As noted above, Olin distributed its specialty chemical businesses to its shareholders as a separate public company, Arch Chemicals, effective on February 8, 1999, when Olin distributed to its shareholders one share of Arch Chemicals Common Stock for each two shares of Olin Common Stock held of record on February 1, 1999. The businesses transferred by Olin to Arch Chemicals fell within three segments: microelectronic chemicals, water chemicals and performance chemicals.

Winchester has operated the U.S. Army's Lake City small caliber ammunition plant in Independence, Missouri under a five-year contract that expired at the end of 1999. The contract represented approximately $5 million in annual pretax profits during 1999. The Company was one of several bidders for a new ten-year, fixed-price contract. On July 30, 1999, the Department of the Army awarded this contract to a competitor. Olin has appealed this award, and a decision is expected during the first quarter of 2000. If the Company ultimately loses the appeal, it will continue operating the plant until at least the end of the first quarter of 2000.

International Operations

Olin has sales offices and subsidiaries in various countries which support the worldwide export of products from the United States as well as overseas production facilities. In addition, Olin has manufacturing interests in Brazil.

Yamaha-Olin Metal Corporation, a joint venture with Yamaha Corporation, manufactures high-performance copper alloys in Japan for sale to the electronics industry throughout the Far East. An Olin subsidiary loads and packs sporting and industrial ammunition in Australia. See the Note "Segment Information" of the Notes to Consolidated Financial Statements in Item 8, for geographic segment data which are incorporated by reference.

Customers and Distribution

During 1999, no single customer accounted for more than 3.4% of Olin's total consolidated sales. Products which Olin sells to industrial or commercial users or distributors for use in the production of other products constitute a major part of Olin's total sales. Some of its products, such as sporting ammunition and brass, are sold to a large number of users or distributors, while others, such as chlorine and caustic soda, are sold in substantial quantities to a relatively small number of industrial users.

Most of Olin's products and services are marketed primarily through its sales force and sold directly to various industrial customers, the U.S. Government and its prime contractors, to wholesalers and other distributors.

Chlor Alkali Products. Principal customers of Olin's Chlor Alkali products include the pulp and paper industries, vinyl chloride and urethane manufacturers and household and industrial cleaner suppliers.

Metals. Principal customers of Olin's copper and copper alloy strip, sheet and welded tube include producers of electrical and electronic equipment, builders' hardware and appliances, the plumbing, automotive and air-conditioning industries and manufacturers of a variety of consumer goods.

Olin manufactures cartridge brass for its ammunition business and for other ammunition makers. Olin also serves numerous high-technology markets through a thin-gauge reroll operation that produces stainless steels, high-temperature alloys and glass sealing alloys, in addition to copper and copper alloys. Posit-Bond® clad metal has made Olin a major supplier of metal to the U.S. Mint. Olin also sells various alloys to foreign governments for coinage purposes.

related to a specific process or product to be of material importance when viewed from the standpoint of Olin's total business.

Raw Materials and Energy

Olin purchases the major portion of its raw material requirements. The principal basic raw materials purchased by Olin for its production of chlor alkali products are salt, electricity, and sulfur. Copper, zinc and various other nonferrous metals are required for the metals business. Lead, brass and propellant are the principal raw materials used in the Winchester business. Olin's principal basic raw materials are typically purchased pursuant to multiyear contracts. In the manufacture of ammunition, Olin uses a substantial percentage of its own output of cartridge brass. Additional information with respect to specific raw materials is set forth in the table above under the caption "Products and Services."

Electricity is the predominant energy source for Olin's manufacturing facilities. Most of Olin's facilities are served by utilities which generate electricity principally from coal, hydro and nuclear power.

Environmental and Toxic Substances Controls

	1999	1998	1997
	($ in millions)		
Cash Outlays:			
Remedial and Investigatory Spending (Charged to Reserve)	$21	$20	$31
Capital Spending	3	2	2
Plant Operations	17	17	15
Total Cash Outlays	$41	$39	$48

The establishment and implementation of federal, state and local standards to regulate air, water and land quality has affected and will continue to affect substantially all of Olin's manufacturing locations. Federal legislation providing for regulation of the manufacture, transportation, use and disposal of hazardous and toxic substances has imposed additional regulatory requirements on industry, particularly the chemicals industry. In addition, implementation of environmental laws, such as the Resource Conservation and Recovery Act and the Clean Air Act, has required and will continue to require new capital expenditures and will increase operating costs. Olin is enrolled in the United States Environmental Protection Agency's Voluntary Industrial Toxics Reduction Program. Olin employs waste minimization and pollution prevention programs at its manufacturing sites.

Olin is party to various governmental and private environmental actions associated with waste disposal sites and manufacturing facilities. Associated costs of investigatory and remedial activities are provided for in accordance with generally accepted accounting principles governing probability and the ability to reasonably estimate future costs. Charges to income for investigatory and remedial efforts were material to operating results in the past three years and may be material to net income in future years. Such charges to income were $17 million, $16 million and $17 million in 1999, 1998 and 1997, respectively.

Cash outlays for remedial and investigatory activities associated with former waste sites and past operations were not charged to income but instead were charged to reserves established for such costs identified and expensed to income in prior years. Cash outlays for normal plant operations for the disposal of waste and the operation and maintenance of pollution control equipment and facilities to ensure compliance with mandated and voluntarily imposed environmental quality standards were charged to income. Historically, Olin has funded its environmental capital expenditures through cash flow from operations and expects to do so in the future.

Item 3. ***Legal Proceedings***

(a) In 1987, the EPA issued a ROD recommending remedial actions and ecological studies with respect to mercury contamination at the site of Olin's former mercury cell Chlor Alkali plant in Saltville, Virginia. The EPA, under Section 122 of CERCLA, asked Olin to undertake the work called for in the ROD, and Olin agreed to do so. In November 1988, Olin submitted to the EPA a work plan for remedial action, including additional stormwater run-off control around Pond #5 and construction of a wastewater treatment plant for the outfall from Pond #5. Olin then implemented that remedial action.

Olin completed the remedial investigation and feasibility study of the former chlorine plant site, including Ponds # 5 and 6, in 1994. The EPA issued a ROD in 1995, calling for covering the former waste ponds, treatment of run-off from the ponds, and additional monitoring and investigation. In 1997, Olin negotiated a consent decree with the EPA under which Olin is implementing the ROD. The ROD does not address remediation of the former chlorine plant site or the Holston River, which are the subject of the additional studies.

Olin has completed clean-up activities at two small locations near Olin's former plant site, the Graveyard Dump Site and the former power plant.

In October 1996, Olin met with the site's Natural Resources Trustees at the Trustee's request. At that time, Olin indicated a willingness to cooperate in assessing whether there are any natural resource damages to the Holston River associated with releases from the site.

Olin believes that any liability incurred by it in this matter will not be materially adverse to its financial condition or liquidity. See "Environmental Matters" contained in Item 7—Management's Discussion and Analysis of Financial Condition and Results of Operations.

(b) As part of the continuing environmental investigation by federal, state and local governments of waste disposal sites, Olin has entered into a number of settlement agreements requiring it to contribute to the cost of the investigation and cleanup of a number of sites. This process of investigation and cleanup is expected to continue. See "Environmental Matters" contained in Item 7 —Management's Discussion and Analysis of Financial Condition and Results of Operations.

(c) Olin and its subsidiaries are defendants in various other legal actions arising out of their normal business activities, none of which is considered by management to be material.

PART II

Item 5. *Market for the Registrant's Common Equity and Related Stockholder Matters*

As of January 31, 2000, there were approximately 8,570 record holders of Olin Common Stock.

Olin Common Stock is traded on the New York Stock Exchange, Chicago Stock Exchange and Pacific Exchange, Inc.

Set forth in the Note "Other Financial Data" to the Notes to Consolidated Financial Statements in Item 8 is information concerning the high and low sales prices of Olin Common Stock and dividends paid on Olin Common Stock during each quarterly period in 1999 and 1998.

Item 7. *Management's Discussion and Analysis of Financial Condition and Results of Operations*

Consolidated Results of Operations

	1999	1998[1]	1997
	($ in millions, except per share data)		
Sales	$1,315	$1,426	$1,499
Gross Margin	180	265	296
Selling and Administration	120	123	132
Interest Expense, net	14	14	14
Loss on Sale and Restructurings of Businesses and Spin-Off Costs	—	(63)	—
Income from Continuing Operations	17	38	97
Net Income	21	78	153
Diluted Earnings Per Common Share:			
Income from Continuing Operations	$ 0.36	$ 0.79	$ 1.90
Net Income	$ 0.45	$ 1.63	$ 3.00

(1) Includes the charge for the sale of the microelectronic packaging unit at Manteca, CA and the restructuring of the rod, wire and tube businesses at Indianapolis, IN ($42 pretax, $26 after tax and $0.55 diluted earnings per share) and non-recurring costs associated with the Spin-Off of Arch Chemicals ($21 pretax, $15 after tax and $0.32 diluted earnings per share).

Business Background

The Company's operations are concentrated in three businesses: Chlor Alkali, Metals and Winchester. All three are capital intensive manufacturing businesses with growth rates closely tied to the general economy. While each segment has a commodity element to it, where the Company's ability to influence pricing is quite limited, the portion of the business that is strictly commodity varies by Division. Chlor Alkali is a commodity business where all supplier products are identical and price is the major supplier selection criteria. The Company has little or no ability to influence prices in this large, global commodity market. Cyclical price swings, driven by changes in supply/demand, can be abrupt and significant and, given Olin's Chlor Alkali capacity, can lead to very significant changes in overall Company profitability. While a majority of Metals sales are of a commodity nature, this business has a significant volume of specialty engineered products targeted for specific end use markets. In these applications, technical capability and performance differentiate the product and play a significant role in product selection and thus price is not the only selection criteria. Winchester also has a commodity element to its business but a majority of Winchester ammunition is sold as consumer branded product where there is the opportunity to differentiate certain offerings through innovative new product development and enhanced product performance. While competitive pricing versus other branded ammunition products is important, it is again not the only factor in product selection.

1999 Compared to 1998

Sales decreased 8% due to lower Electrochemical Unit ("ECU") prices and lower metal values, which were offset in part by higher volumes across all business segments. Also, sales were lower due to the shutdown of the rod, wire and tube businesses at Indianapolis, IN, in the fourth quarter of 1998.

The gross margin percentage in 1999 was 14% compared to 19% in 1998. The decrease in the gross margin percentage was due to the lower ECU prices offset in part by higher volumes and improved product mix in the Brass and Winchester segments.

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for the sale of the microelectronic packaging unit at Manteca, CA and the restructuring of the rod, wire and tube businesses at Indianapolis, IN ($42 million pretax) and non-recurring costs associated with the Spin-Off of Arch Chemicals ($21 million pretax).

Chlor Alkali Products

	1999	1998	1997
	($ in millions)		
Sales	$273	$366	$411
Operating (Loss) Income	(58)	55	99

1999 Compared to 1998

Sales and operating results in 1999 were lower than 1998 due to lower ECU pricing offset in part by higher volumes. ECU prices in 1999 were in the $225 range compared to the $340 range in 1998. Sales volumes were higher and operating rates in 1999 averaged about 95% compared with about 90% in 1998. Lower demand as a result of the Asian and the Latin American financial crisis and increased worldwide capacity resulted in a severe downturn in the industry pricing cycle beginning in late 1997, reaching a 25 year low in the third quarter of 1999, and then moving up in the fourth quarter of 1999.

1998 Compared to 1997

Sales were lower than 1997 due to lower pricing and lower volumes. Including the Company's share of the sales volumes from the Sunbelt joint venture, which is accounted for on an equity basis, total volumes were higher than 1997. Operating income decreased due to the lower pricing, lower operating rates, and higher manufacturing costs. Average ECU prices in 1998 were in the $340 range compared to the $360 range in 1997. Operating rates in 1998 were in the 90% range compared with the 100% range in 1997. Lower operating rates were a result of lower demand for chlorine as a result of the Asian financial crisis, unusually hot weather in the southeast, which caused higher electricity costs, and restricted salt availability. Manufacturing costs were higher as a result of the lower operating rates, higher depreciation and higher power costs.

Metals

	1999	1998	1997
	($ in millions)		
Sales	$761	$799	$836
Operating Income	77	64	62

1999 Compared to 1998

Sales in 1999 were down 5% due to lower metal values and the loss of sales associated with the shutdown of the rod, wire and tube businesses at the end of 1998 offset in part by higher volumes. Strip volumes were higher as a result of the strength in the automotive, housing, ammunition and coinage markets. Higher demand from the distribution market improved A.J. Oster Company's ("Oster") performance. Operating income increased due to the shutdown of the unprofitable rod, wire and tube businesses, overall higher volumes in the retained businesses and favorable sales mix.

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Chlor Alkali Products

Sales and operating income are expected to increase significantly due to higher ECU pricing and cost reduction initiatives. The Chlor Alkali industry pricing, which was at a 25 year low in the third quarter of 1999 improved in the fourth quarter of 1999 and is expected to improve further in 2000 as demand for both chlorine and caustic soda is expected to remain strong.

Metals

Sales are expected to be higher in 2000 due to higher volumes and metal values. The market outlook is favorable and the Company believes that there will continue to be strong demand from the automotive, housing, electronic connectors and coinage markets worldwide. Operating income is expected to be higher due to higher volumes and improved product sales mix.

Winchester

Sales in 2000 are expected to be slightly higher due to modest selling price increases, which will be partially offset by slightly lower volumes. Commercial volumes are expected to be down slightly as consumer demand returns to more normalized levels post Y2K. Contract sales are expected to improve due to increased international demand. Assuming the Company does not prevail in its appeal to retain the contract to operate the U.S. Army's Lake City ammunition plant, operating income will be lower in 2000 as higher selling prices are expected to offset only a portion of the lost fees from Lake City.

Cautionary Statement under Federal Securities Laws: The information contained in the 2000 First Quarter and Full Year Outlook sections (and subsections thereof), the Environmental Matters section, the Liquidity, Investment Activity and Other Financial Data section, and the Environmental and Commitments and Contingencies notes to the Consolidated Financial Statements contains forward-looking statements that are based on management's beliefs, certain assumptions made by management and current expectations, estimates and projections about the markets and economy in which the Company and its various divisions operate. Words such as "expects," "believes," "should," "plans," "will," "estimates," and variations of such words and similar expressions are intended to identify such forward-looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions ("Future Factors") which are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expected or forecasted in such forward-looking statements. The Company undertakes no obligation to update publicly any forward-looking statements, whether as a result of future events, new information or otherwise. Future Factors which could cause actual results to differ materially from those discussed in these sections and notes include but are not limited to: general economic and business and market conditions; lack of moderate growth in the U.S. economy or even a slight recession in 2000; competitive pricing pressures; changes in Chlor Alkali's ECU prices from expected levels; Chlor Alkali operating rates below current levels; higher-than-expected raw material costs; higher-than-expected transportation and/or logistics costs; a downturn in any of the markets the Company serves such as the electronics, automotive, ammunition and housing; the supply/demand balance for the Company's products, including the impact of excess industry capacity; efficacy of new technologies; changes in U.S. laws and regulations; failure to achieve targeted cost reduction programs; capital expenditures, such as cost overruns, in excess of those scheduled; environmental costs in excess of those projected; and the occurrence of unexpected manufacturing interruptions/outages.

Discontinued Operations

	1999	1998	1997
	($ in millions)		
Sales	$73	$863	$930
Net Income	4	40	56

the investigatory stage of the remediation process. In this stage, remedial investigation and feasibility studies are conducted by either the Company, EPA or other PRPs and a ROD or its equivalent has not been issued. At six of the ten sites, a ROD or its equivalent has been issued by either the EPA or responsible state agency and the Company either alone, or as a member of a PRP group, was engaged in performing the remedial measures required by that ROD. At the remaining three of the ten sites, part of the site is subject to a ROD and another part is still in the investigative stage of remediation. All ten sites were either former manufacturing facilities or waste sites containing contamination generated by those facilities.

The Company's consolidated balance sheets included liabilities for future environmental expenditures to investigate and remediate known sites amounting to $125 million at December 31, 1999 and $129 million at December 31, 1998, of which $100 million and $99 million were classified as other noncurrent liabilities, respectively. Those amounts did not take into account any discounting of future expenditures or any consideration of insurance recoveries or advances in technology. Those liabilities are reassessed periodically to determine if environmental circumstances have changed and/or remediation efforts and their costs can be better estimated. As a result of these reassessments, future charges to income may be made for additional liabilities.

Total environmental-related cash outlays for 2000 are estimated to be $47 million, of which $25 million is expected to be spent on investigatory and remedial efforts, $5 million on capital projects and $17 million on normal plant operations.

Annual environmental-related cash outlays for site investigation and remediation, capital projects, and normal plant operations are expected to range between $40-$50 million over the next several years. While the Company does not anticipate a material increase in the projected annual level of its environmental-related costs, there is always the possibility that such increases may occur in the future in view of the uncertainties associated with environmental exposures. Environmental exposures are difficult to assess for numerous reasons, including the identification of new sites, developments at sites resulting from investigatory studies, advances in technology, changes in environmental laws and regulations and their application, the scarcity of reliable data pertaining to identified sites, the difficulty in assessing the involvement and financial capability of other potentially responsible parties and the Company's ability to obtain contributions from other parties and the lengthy time periods over which site remediation occurs. It is possible that some of these matters (the outcomes of which are subject to various uncertainties) may be resolved unfavorably against the Company. At December 31, 1999, the Company had estimated additional contingent environmental liabilities of $40 million.

Liquidity, Investment Activity and Other Financial Data

Cash Flow Data

Provided By (Used For)	1999	1998	1997
	($ in millions)		
Net Cash and Cash Equivalents Provided by (Used for) Operating Activities from Continuing Operations	$ 42	$ 178	$ (33)
Net Operating Activities	23	180	(12)
Capital Expenditures	(73)	(78)	(76)
Net Investing Activities	(74)	(78)	(4)
Purchases of Olin Common Stock	(11)	(112)	(163)
Net Financing Activities	22	(209)	(345)

In 1999, cash flows from operations, cash and cash equivalents on hand and borrowings under a revolving credit facility assumed by Arch Chemicals, were used to finance the Company's working capital requirements, capital and investment projects, dividends, the payment of a liability resulting from the sale of a former business and the purchase of the Company's common stock.

As a result of the Spin-Off in February of 1999, the Company amended its unsecured revolving credit agreement with a group of banks reducing the aggregate commitments from $250 million to $165 million. The Company may select various floating rate borrowing options. This agreement expires October 15, 2002. At December 31, 1999, the Company had $165 million available under this facility. The Company believes that the credit facility is adequate to satisfy its liquidity needs for the foreseeable future. The credit facility includes various customary restrictive covenants including restrictions related to the ratio of debt to earnings before interest, taxes, depreciation and amortization and the ratio of earnings before interest, taxes, depreciation and amortization to interest.

In May of 1998, the Company repaid $38 million of 7.97% notes. In June 1997, the Company repaid $125 million of 9.5% subordinated notes.

During 1999, 1998 and 1997, the Company used $11 million, $112 million and $163 million to repurchase .9 million, 3.1 million and 3.8 million shares of the Company's stock, respectively. The Board of Directors has approved two share repurchase programs to repurchase a total of 10 million shares of the Company's stock. It is expected that this program will be completed during 2000.

The percent of total debt to total capitalization increased to 43% at December 31, 1999, from 23% at year-end 1998 and 24% at year-end 1997. Contributing to the increase in 1999 was the reduction to equity resulting from the Spin-Off of Arch Chemicals.

Dividends per common share were $0.90 in 1999 and $1.20 in 1997 and 1998. Total dividends paid on common stock amounted to $41 million in 1999, $58 million in 1998 and $61 million in 1997. The Company paid a first quarter 1999 dividend of $0.30 per share on March 10, 1999 to shareholders of record on January 19, 1999. Following the distribution of Arch Chemicals, the quarterly dividend was reduced to $0.20 per share to reflect the effect of the distribution. The quarterly Arch Chemicals dividend was $0.10 per equivalent Olin common share ($0.20 per Arch Chemicals common share). This resulted in the same total dividend of $1.20 per Olin equivalent share in 1999.

During 1992, the Company swapped interest payments on $50 million principal amount of its 8% notes due 2002, to a floating rate (6.0975% at December 31, 1999). In June 1995, the Company offset this transaction by swapping interest payments to a fixed rate of 6.485%.

New Accounting Standards

In 1998, the Financial Accounting Standards Board "FASB" issued Statement No. 133 "Accounting for Derivative Instruments and Hedging Activities." It requires an entity to recognize all derivatives as either assets or liabilities in the statement of financial position and measure those instruments at fair value. The FASB has postponed the implementation date of this statement, which will now be effective for all fiscal quarters of fiscal years beginning after June 15, 2000. The Company is currently evaluating the effect this statement will have on its financial position and results of operations in the period of adoption.

Effective January 1, 1999, the Company adopted Statement of Position 98-1, "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use" and Statement of Position 98-5, "Reporting on the Costs of Start-up Activities." Adoption of these statements did not have a material effect on the Company's results of operations or financial position.

Derivative Financial Instruments

The Company enters into forward sales and purchase contracts and currency options to manage currency risk resulting from purchase and sale commitments denominated in foreign currencies (principally Australian dollar and Canadian dollar) and relating to particular anticipated but not yet

Risk Management

The Company periodically evaluates risk retention and insurance levels for product liability, property damage and other potential areas of risk. Based on the cost and availability of insurance and the likelihood of a loss occurring, management decides the amount of insurance coverage to purchase from unaffiliated companies and the appropriate amount of risk to retain. The current levels of risk retention are believed to be appropriate and are consistent with those of other companies in the various industries in which the Company operates.

Item 7A. ***Quantitative and Qualitative Disclosures About Market Risk***

The Company is exposed to market risk in the normal course of its business operations due to its operations in different foreign currencies, its purchases of certain commodities, and its ongoing investing and financing activities. The risk of loss can be assessed from the perspective of adverse changes in fair values, cash flows and future earnings. The Company has established policies and procedures governing its management of market risks and the use of financial instruments to manage exposure to such risks.

The primary purpose of the Company's foreign currency hedging activities is to manage currency risk resulting from purchase and sale commitments denominated in foreign currencies (principally Australian dollar and Canadian dollar) and relating to particular anticipated purchases and sales expected to be denominated in those same foreign currencies. Foreign currency hedging activity is not material to the Company's consolidated financial position, results of operations, or cash flow.

Certain raw materials, namely copper, lead, and zinc used primarily in the Company's Metals and Winchester segments products are subject to price volatility. Depending on market conditions, the Company may enter into futures contracts and put and call option contracts in order to reduce the impact of metal price fluctuations. As of December 31, 1999, the Company maintained open positions on futures contracts totaling $36 million. Assuming a hypothetical 10% increase in commodity prices which are currently hedged, the Company would experience a $3.6 million increase in its cost of inventory purchased, which would be offset by a corresponding increase in the value of related hedging instruments.

The Company is exposed to changes in interest rates primarily as a result of its investing and financing activities. Investing activity is not material to the Company's consolidated financial position, results of operations, or cash flow. The current debt structure of the Company is comprised primarily of long-term fixed rate debt utilized to fund business operations and maintain liquidity. As of December 31, 1999, the Company had long-term borrowings of $229 million of which $35 million was at variable rates. Assuming a decrease of 100 basis points in the interest rate for borrowings of a similar nature, which the Company becomes unable to capitalize on in the short-term as a result of the structure of its fixed rate financing, future cash flows would be affected by approximately $1.9 million. Assuming an increase of 100 basis points in the interest rate for borrowings on Industrial Development and Environmental Improvement Obligations, future cash flows would be negatively affected by approximately $0.4 million. The Company has interest rate swaps to hedge underlying debt obligations. Interest rate swap activity is not material to the Company's consolidated financial position, results of operations, or cash flow.

If the actual change in interest or commodities pricing is substantially different than expected, the net impact of interest rate risk or commodity risk on the Company's cash flow may be materially different than that disclosed above.

The Company does not enter into any derivative financial instruments for trading purposes.

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Independent Auditors' Report

To the Board of Directors and Shareholders of Olin Corporation

We have audited the accompanying consolidated balance sheets of Olin Corporation and subsidiaries as of December 31, 1999 and 1998 and the related consolidated statements of income, shareholders' equity and cash flows for each of the years in the three-year period ended December 31, 1999. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above, present fairly, in all material respects, the financial position of Olin Corporation and subsidiaries as of December 31, 1999 and 1998, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 1999 in conformity with generally accepted accounting principles.

KPMG LLP

Stamford, Connecticut
January 27, 2000

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Consolidated Statements of Income
Years ended December 31
($ in millions, except per share data)

	1999	1998	1997
Sales	$1,315	$1,426	$1,499
Operating Expenses:			
Cost of Goods Sold	1,135	1,161	1,203
Selling and Administration	120	123	132
Research and Development	9	10	8
Earnings (Loss) of Non-consolidated Affiliates	(11)	—	1
Interest Expense	16	17	24
Interest Income	2	3	10
Other Income	1	4	4
Loss on Sale and Restructurings of Businesses and Spin-off Costs	—	(63)	—
Income from Continuing Operations Before Taxes	27	59	147
Income Taxes	10	21	50
Income from Continuing Operations	17	38	97
Income from Discontinued Operations, Net of Taxes	4	40	56
Net Income	$ 21	$ 78	$ 153
Net Income Per Common Share:			
Basic:			
Continuing Operations	$ 0.36	$ 0.79	$ 1.91
Discontinued Operations	0.09	0.85	1.11
Total Net Income	$ 0.45	$ 1.64	$ 3.02
Diluted:			
Continuing Operations	$ 0.36	$ 0.79	$ 1.90
Discontinued Operations	0.09	0.84	1.10
Total Net Income	$ 0.45	$ 1.63	$ 3.00

The accompanying Notes to Consolidated Financial Statements are an integral part of the consolidated financial statements.

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Consolidated Statements of Cash Flows

Years ended December 31 ($ in millions)

	1999	1998	1997
Operating Activities			
Income from Continuing Operations	$ 17	$ 38	$ 97
Adjustments to Reconcile Income from Continuing Operations to Net Cash and Cash Equivalents Provided by Operating Activities:			
Loss (Earnings) of Non-consolidated Affiliates	11	—	(1)
Depreciation	78	76	76
Amortization of Intangibles	2	2	2
Deferred Taxes	11	104	41
Loss on Sale and Restructurings of Businesses and Spin-off Costs	—	63	—
Change in Assets and Liabilities Net of Purchases and Sales of Businesses:			
Receivables	(4)	(5)	(19)
Inventories	(7)	7	(14)
Other Current Assets	(1)	4	(5)
Accounts Payable and Accrued Liabilities	(34)	(57)	(45)
Income Taxes Payable	(1)	(33)	(122)
Other Noncurrent Liabilities	(21)	4	(36)
Other Operating Activities	(9)	(25)	(7)
Net Cash and Cash Equivalents Provided by Operating Activities from Continuing Operations	42	178	(33)
Discontinued Operations:			
Net Income	4	40	56
Change in Net Assets	(23)	(38)	(35)
Net Operating Activities	23	180	(12)
Investing Activities			
Capital Expenditures	(73)	(78)	(76)
Businesses Acquired in Purchase Transactions	(3)	—	(2)
Proceeds from Sales of Businesses	—	4	5
Purchases of Short-Term Investments	(34)	(25)	(126)
Proceeds from Sale of Short-Term Investments	34	28	185
Investments and Advances—Affiliated Companies at Equity	(3)	(3)	(84)
Repayments of Advances From a Joint Venture	—	—	98
Other Investing Activities	5	(4)	(4)
Net Investing Activities	(74)	(78)	(4)
Financing Activities			
Long-Term Debt Repayments	(1)	(39)	(137)
Borrowings under Line of Credit Assumed by Arch Chemicals, Inc.	75	—	—
Purchase of Olin Common Stock	(11)	(112)	(163)
Repayment from ESOP	—	—	5
Stock Options Exercised	—	3	13
Dividends Paid	(41)	(58)	(61)
Other Financing Activities	—	(3)	(2)
Net Financing Activities	22	(209)	(345)
Net Decrease in Cash and Cash Equivalents	(29)	(107)	(361)
Cash and Cash Equivalents, Beginning of Year	50	157	518
Cash and Cash Equivalents, End of Year	$ 21	$ 50	$ 157
Cash Paid (Received) for Interest and Income Taxes:			
Interest	$ 16	$ 17	$ 27
Income Taxes, Net of Refunds	$ (6)	$ (31)	$ 166

The accompanying Notes to Consolidated Financial Statements are an integral part of the consolidated financial statements.

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Property, Plant and Equipment

Property, plant and equipment are recorded at cost. Depreciation is computed on a straight-line basis over the estimated useful lives of the related assets. Leasehold improvements are amortized over the term of the lease or the estimated useful life of the improvement, whichever is shorter. Start-up costs are expensed as incurred.

Comprehensive Income

The Company calculated comprehensive income in accordance with SFAS No. 130, "Reporting Comprehensive Income." Accumulated Other Comprehensive Loss at December 31, 1999 includes cumulative translation adjustments of $8 ($23 at December 31, 1998) and minimum pension liability of $2 ($2 at December 31, 1998). The Company does not provide for U.S. income taxes on foreign currency translation adjustments since it does not provide for such taxes on undistributed earnings of foreign subsidiaries.

Goodwill

Goodwill, the excess of the purchase price of the acquired businesses over the fair value of the respective net assets, is amortized principally over 30 years on a straight-line basis. The Company periodically reviews the value of its goodwill to determine if any impairment has occurred. The Company assesses the potential impairment of recorded goodwill and other long-lived assets by comparing the undiscounted value of expected future operating cash flows in relation to the book value of the goodwill and related long-lived assets. An impairment would be recorded based on the estimated fair value.

Environmental Liabilities and Expenditures

Accruals for environmental matters are recorded when it is probable that a liability has been incurred and the amount of the liability can be reasonably estimated, based upon current law and existing technologies. These amounts, which are not discounted and are exclusive of claims against third parties, are adjusted periodically as assessment and remediation efforts progress or additional technical or legal information becomes available. Environmental remediation costs are charged to expense. Environmental costs are capitalized if the costs increase the value of the property and/or mitigate or prevent contamination from future operations.

Income Taxes

Deferred taxes are provided for differences between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse.

Derivative Financial Instruments

The Company enters into forward sales and purchase contracts and currency options to manage currency risk resulting from purchase and sale commitments denominated in foreign currencies (principally Australian dollar and Canadian dollar) and relating to particular anticipated but not yet committed purchases and sales expected to be denominated in those currencies. All of the currency derivatives expire within one year and are for United States dollar equivalents. At December 31, 1999, the Company had forward contracts to sell foreign currencies with face values of $7 (1998-$4) and no forward contracts to buy foreign currencies. The fair market value of the forward contracts to sell at December 31, 1999 and 1998 approximated the carrying value. The Company had no outstanding option contracts at December 31, 1999 and 1998. The counterparties to the options and contracts are major financial institutions. The risk of loss to the Company in the event of nonperformance by a counterparty is not significant.

Earnings Per Share

Basic earnings per share are computed by dividing net income by the weighted average number of common shares outstanding. Diluted earnings per share reflect the dilutive effect of stock options.

Computation of Earnings per Share	1999	1998	1997
Basic earnings per share			
Income from continuing operations	$ 17	$ 38	$ 97
Basic shares	45.4	47.6	50.5
Basic earnings per share-continuing operations	$0.36	$0.79	$1.91
Diluted earnings per share			
Income from continuing operations	$ 17	$ 38	$ 97
Diluted shares:			
Basic shares	45.4	47.6	50.5
Stock options	—	.3	.4
	45.4	47.9	50.9
Diluted earnings per share-continuing operations	$0.36	$0.79	$1.90

The Board of Directors has authorized the Company to purchase up to 10 million shares of common stock of the Company under two share repurchase programs which began in January of 1997. During 1999, 1998 and 1997 the Company repurchased .9 million, 3.1 million and 3.8 million shares, respectively. It is expected that the programs will be completed during 2000.

Short-Term Investments

	1999	1998
Tax exempt	$25	$20
Certificates of deposit	—	4
U.S. Government and government agencies	—	1
Total	$25	$25

Trade Receivables

Allowance for doubtful items was $6 at December 31, 1999 and 1998, respectively. Provisions charged to operations were less than $1 in 1999, 1998 and 1997. Bad debt write-offs, net of recoveries were less than $1 in 1999, $1 in 1998 and $2 in 1997.

Inventories

	1999	1998
Raw materials and supplies	$120	$113
Work in process	111	102
Finished goods	50	47
	281	262
LIFO reserves	(73)	(63)
Inventory, net	$208	$199

Inventories valued using the LIFO method comprised 76% and 79% of the total inventories at December 31, 1999 and 1998, respectively. During 1998, LIFO inventory quantities were reduced resulting in the liquidation of one LIFO layer and part of another layer. The effect of this liquidation increased net income by $1.

market value of the interest rate swaps as of December 31, 1999 would result in a receipt of approximately $1. Counterparties to interest rate swap contracts are major financial institutions. The risk of loss to the Company in the event of nonperformance by a counterparty is not significant.

Annual maturities of long-term debt for the next five years are $1 in 2000 and 2001, $101 in 2002, $1 in 2003 and $27 in 2004.

Interest expense incurred on short-term borrowings and long-term debt totaled $16 in 1999, $18 in 1998 and $25 in 1997; of which $1 was capitalized in 1998 and 1997.

Pension Plans and Retirement Benefits

Essentially all of the Company's domestic pension plans are non-contributory final-average-pay or flat-benefit plans and all domestic employees are covered. The Company's funding policy is consistent with the requirements of federal laws and regulations. The Company provides certain postretirement health care and life insurance benefits for eligible active and retired domestic employees.

	Pension Benefits		Other Postretirement Benefits	
Change in Benefit Obligation	1999	1998	1999	1998
Benefit obligation at beginning of year	$1,180	$1,155	$ 71	$ 71
Service cost	15	15	1	1
Interest cost	79	79	5	5
Amendments	—	1	—	—
Actuarial loss (gain)	(123)	8	(3)	2
Benefits paid	(83)	(78)	(9)	(8)
Benefit obligation at end of year	$1,068	$1,180	$ 65	$ 71

	Pension Benefits	
Change in Plan Assets	1999	1998
Fair value of plan assets at beginning of year	$1,295	$1,224
Actual return on plan assets	230	146
Employer contribution	4	3
Asset transfers to Arch Chemicals	(22)	—
Benefits paid	(83)	(78)
Fair value of plan assets at end of year	$1,424	$1,295

	Pension Benefits		Other Postretirement Benefits	
	1999	1998	1999	1998
Funded status	$ 356	$ 115	$(65)	$(71)
Unrecognized actuarial (gain) loss	(377)	(146)	10	13
Unrecognized transition obligation (asset)	(6)	(13)	—	—
Unrecognized prior service cost	26	29	(4)	(4)
Net amount recognized	$ (1)	$ (15)	$(59)	$(62)
Amounts recognized in the consolidated balance sheet consist of:				
Prepaid benefit cost	$ 27	$ 12	$ —	$ —
Accrued benefit liability	(28)	(29)	(59)	(62)
Accumulated other comprehensive income	—	2	—	—
Net amount recognized	$ (1)	$ (15)	$(59)	$(62)

Income Taxes

Components of Pretax Income from Continuing Operations	1999	1998	1997
Domestic	$ 24	$ 54	$144
Foreign	3	5	3
Pretax income	$ 27	$ 59	$147

Components of Income Tax Expense (Benefit)			
Currently payable:			
Federal	$ (9)	$(88)	$ 12
State	5	3	(4)
Foreign	3	2	1
	(1)	(83)	9
Deferred	11	104	41
Income tax expense	$ 10	$ 21	$ 50

The following table accounts for the difference between the actual tax provision and the amounts obtained by applying the statutory U.S. federal income tax rate of 35% to the income from continuing operations before taxes.

Effective Tax Rate Reconciliation (Percent)	1999	1998	1997
Statutory federal tax rate	35.0	35.0	35.0
Foreign income tax	0.5	(0.3)	(0.9)
Foreign sales corporation	(9.0)	(0.9)	(0.5)
Company-owned life insurance programs	6.9	(5.4)	(1.6)
State income taxes, net	(13.0)	1.7	0.2
Change in valuation reserve	22.2	—	—
Equity in net income of affiliates	(2.2)	(0.9)	(0.4)
Other, net	(3.4)	6.4	2.2
Effective tax rate	37.0	35.6	34.0

Components of Deferred Tax Assets and Liabilities	1999	1998
Deferred tax assets:		
Pension and postretirement benefits	$ 23	$ 30
Environmental reserves	49	50
Non-deductible reserves	37	46
Alternative minimum tax	15	4
State net operating losses	10	—
Other miscellaneous items	10	18
Total deferred tax assets	144	148
Valuation allowance	(6)	—
Net deferred tax assets	138	148
Deferred tax liabilities:		
Property, plant and equipment	59	69
Capital loss	80	80
Other miscellaneous items	35	24
Total deferred tax liabilities	174	173
Net deferred tax liability	$ 36	$ 25

Stock Options

Under the stock option plans, options may be granted to purchase shares of the Company's common stock at not less than fair market value at the date of grant, and are exercisable for a period not exceeding ten years from that date. Options granted under the 1996 Stock Option Plan vest over three years. The 1996 Stock Option Plan and the 1991 Long Term Incentive Plan are the only plans with stock options available for future grants. At December 31, 1999, approximately 2,254,000 shares were available for future grants. As a result of the Spin-Off of Arch Chemicals the outstanding Olin options as of February 8, 1999 were converted into both an option to purchase Olin common stock and an option to purchase Arch Chemicals common stock with an adjustment of the exercise price designed to preserve the "intrinsic value" at the time of the spin-off. Olin will be responsible for delivering shares of the Olin common stock upon exercise, and Arch Chemicals will be responsible for delivering shares of Arch Chemicals stock upon exercise. The options maintain their original vesting schedule. The following table has been restated to reflect the new option price of the Olin options as a result of the transaction described above.

	Shares	Option Price Per Share	Weighted Average Option Price Per Share
Outstanding at January 1, 1997	2,397,719	$13.34—$25.49	$20.20
Granted	599,200	24.34—29.69	24.43
Exercised	(413,258)	13.34—24.68	18.08
Canceled	(137,198)	24.38—24.68	24.57
Outstanding at December 31, 1997	2,446,463	13.34—29.69	21.36
Granted	835,700	18.33—29.38	27.12
Exercised	(84,528)	13.34—24.68	19.12
Canceled	(84,486)	16.04—29.38	25.75
Outstanding at December 31, 1998	3,113,149	13.34—29.69	22.85
Granted	784,150	12.72—15.85	15.84
Exercised	—	— — —	—
Canceled	(218,049)	15.85—29.69	21.09
Outstanding at December 31, 1999	3,679,250	$12.72—$27.17	$21.46

Of the outstanding options at December 31, 1999, options covering 2,298,584 shares are currently exercisable at a weighted average exercise price of $21.92 and options covering 730,000 shares are held by Arch Chemicals employees.

At December 31, 1999, common shares reserved for issuance under these plans were 6,081,813 and under additional remuneration agreements were estimated to be 100,000.

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Segment Information

Segment operating income is defined as earnings before interest, other income and income taxes and includes earnings of non-consolidated affiliates. Segment operating results in 1998 exclude the charge for the sale of the microelectronic packaging unit at Manteca, CA and the restructuring of the rod, wire and tube businesses at Indianapolis, IN ($42 pretax); and non-recurring costs associated with the spin-off of Arch Chemicals ($21 pretax).

	1999	1998	1997
Sales:			
Chlor Alkali Products	$ 273	$ 366	$ 411
Metals	761	799	836
Winchester	281	261	252
Total sales	$1,315	$1,426	$1,499
Operating Income (Loss) Before Loss on Sale and Restructuring of Businesses and Spin-off Costs:			
Chlor Alkali Products	$ (58)	$ 55	$ 99
Metals	77	64	62
Winchester	21	13	(4)
Total Operating Income	$ 40	$ 132	$ 157
Equity Income (Loss) In Affiliated Companies, Included in Operating Income:			
Chlor Alkali Products	$ (13)	$ (1)	$ (2)
Metals	2	1	3
Total Equity Income In Affiliated Companies	$ (11)	$ —	$ 1
Depreciation Expense:			
Chlor Alkali Products	$ 36	$ 33	$ 33
Metals	30	32	32
Winchester	12	11	11
Depreciation Expense	$ 78	$ 76	$ 76
Amortization Expense:			
Metals	$ 2	$ 2	$ 2
Capital Spending:			
Chlor Alkali Products	$ 27	$ 31	$ 22
Metals	33	25	28
Winchester	13	12	9
Other	—	10	17
Total Capital Spending	$ 73	$ 78	$ 76
Investments in and Advances to Affiliated Companies at Equity:			
Chlor Alkali Products	$ 3	$ 3	$ 84
Assets:			
Chlor Alkali Products	$ 263	$ 297	$ 290
Metals	461	440	487
Winchester	165	161	155
Other	174	186	319
Net Assets of Discontinued Operations	—	505	456
Total Consolidated Assets	$1,063	$1,589	$1,707
Investments & Advances—Affiliated Companies at Equity:			
Chlor Alkali Products	$ (3)	$ 7	$ 7
Metals	6	5	3
Total Investments & Advances—Affiliated Companies	$ 3	$ 12	$ 10

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In October 1997, the Company and Asahi Glass Company established separate ownership of two joint ventures the companies had previously formed in polyols and microelectronic packaging systems. The Company became the sole owner of Aegis, Inc., a manufacturer of metal hermetic packages that was established in 1986. Conversely, Asahi Glass Company became the sole owner of the former Asahi-Olin joint venture in polyols that was established in 1974.

Supplemental cash flow information on businesses disposed is as follows:

	1998	1997
Proceeds	$ 4	$ 5
Working capital	(4)	—
Property, plant and equipment	(8)	—
Investments and advances	—	(11)
Other assets	—	3
Other liabilities	—	3
Loss on disposition of businesses	$(8)	$ —

The following table summarizes the major components of the 1998 charges and the remaining balances as of December 31, 1999 excluding the non-cash asset writedown:

	Beginning of Year	Amounts Utilized	Adjustments	Accrued Restructuring Costs
Employee Termination and Severance	$14	$ (8)	$(5)	$ 1
Legal and Investment Banker Fees	8	(8)	—	—
Exit Costs	5	(1)	(2)	2
Other	5	(5)	—	—
	$32	$(22)	$(7)	$ 3

The adjustments represent changes in estimates of the cash expenditures for the major components of the 1998 charges. The adjustments will be utilized for the non-cash asset writedown, which was understated due to the lower-than-expected cash recoveries on these assets.

Since the Company was unable to sell the rod, wire, and tube businesses at Indianapolis in 1998, the Company decided to shut down the operations, which occurred on December 31, 1998. The Company continues to produce sheet and strip copper-based alloys at the Indianapolis facility.

Discontinued Operations

On February 8, 1999, the Company completed the spin-off of its specialty chemicals businesses as Arch Chemicals, Inc. Under the terms of the spin-off, the Company distributed to its holders of common stock as of the close of business on February 1, 1999 one Arch Chemicals common share for every two shares of Olin common stock. In February 1999 prior to the distribution, Olin borrowed $75 under a credit facility, which liability was assumed by Arch Chemicals.

The historical operating results of these businesses are shown net of tax as discontinued operations in the consolidated statements of income. Accordingly, 1999 includes the operating results of Arch Chemicals for the month of January. The years 1998 and 1997 include twelve months of operating results. The discontinued operations include an allocation of corporate overhead with the allocation based on either effort committed or number of employees. Management believes that the allocation methods used to allocate the costs and expenses are reasonable, however, such allocated amounts may or may not necessarily be indicative of what those expenses would have been had Arch

operations amounted to $32 in 1999, $38 in 1998 and $33 in 1997 (sublease income is not significant). Future minimum rent payments under operating leases having initial or remaining noncancelable lease terms in excess of one year at December 31, 1999 are as follows: $18 in 2000; $16 in 2001; $14 in 2002; $12 in 2003; $10 in 2004; and $34 thereafter.

There are a variety of non-environmental legal proceedings pending or threatened against the Company. Those matters that are probable have been accrued for in the accompanying financial statements. Any contingent amounts in excess of amounts accrued are not expected to have a material adverse effect on results of operations, financial position or liquidity of the Company.

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Economic Value Added Performance Measure (Unaudited)

In 1995, the Company recognized a need to improve our total return to shareholders. After a thorough review of our financial management systems, we selected an innovative business management system known as Economic Value Added, or EVA®. Developed by Stern Stewart & Company, EVA is a highly successful management tool that builds upon and refines traditional tools. It is designed to help maximize long-term profitability, increase return on capital employed and operate businesses more effectively. EVA is recognized as a reliable predictor of stock market performance over a period of time. A positive correlation has been demonstrated between improvement in a company's EVA and the price of its stock. EVA is a method of measuring the Company's financial health by taking operating profit after taxes and subtracting a charge for capital employed. The table below summarizes the Company's EVA calculation for the years ended December 31, 1999 and 1998:

	1999	1998[1]
Earnings before interest and taxes	$ 41	$136
Adjustments	30	27
Operating profit before taxes	71	163
Cash taxes at 35%	(25)	(57)
Net operating profit after taxes	46	106
Capital charge	(71)	(67)
EVA	$ (25)	$ 39
Average capital employed	$758	$712
Return on capital	6.1%	14.9%
Cost of capital	9.4%	9.4%

(1) Adjusted to reflect the Spin-Off of Arch Chemicals, Inc.

Earnings Before Interest and Taxes

Earnings before interest and taxes ("EBIT") is calculated as pretax profits plus interest expense, less interest income. EBIT in 1998 excludes the $63 million pretax charge for the sale of the microelectronic packaging unit at Manteca, CA, the restructuring of the rod, wire and tube businesses at Indianapolis, IN and non-recurring costs associated with the Spin-Off of Arch Chemicals. For EVA purposes, gains and losses on asset or business sales and restructurings are excluded from EBIT but instead, the related cash flows are considered permanent increases or decreases to the capital employed and are therefore part of the capital charge forever.

Adjustments to EBIT

Various adjustments are made to EBIT (as defined above) in order to determine operating profit before taxes, make EVA a better management tool and drive appropriate decision making and include the following:

Goodwill is considered a permanent investment in capital employed. Accordingly, an adjustment is made to add goodwill amortization back to EBIT and average capital employed is adjusted such that the original amount of goodwill purchased is included in the asset base.

LIFO (last in first out) based inventory is restated to a FIFO (first in first out) basis to appropriately reflect the actual current investment in inventory.

Operating Leases are considered investments in capital and therefore an adjustment is made to EBIT to remove the implicit financing cost and average capital is increased by the net present value of the operating leases.

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Item 9. ***Changes in and Disagreements with Accountants on Accounting and Financial Disclosure***

Not applicable.

PART III

Item 10. ***Directors and Executive Officers of the Registrant***

The biographical information relating to Olin's Directors under the heading "Item 1—Election of Directors" in the Proxy Statement relating to Olin's 2000 Annual Meeting of Shareholders (the "Proxy Statement") is incorporated by reference in this Report. See also the list of executive officers following Item 4 of this Report. The information regarding compliance with Section 16 of the Securities Exchange Act of 1934, as amended, contained in the paragraph entitled "Section 16(a) Beneficial Ownership Reporting Compliance" under the heading "Security Ownership of Directors and Officers" in the Proxy Statement is incorporated by reference in this Report.

Item 11. ***Executive Compensation***

The information under the heading "Executive Compensation" in the Proxy Statement (but excluding the Report of the Compensation Committee on Executive Compensation appearing on pages 10 through 11 of the Proxy Statement and the graph appearing on page 15 of the Proxy Statement) is incorporated by reference in this Report. The information under the heading "Additional Information Regarding the Board of Directors—Compensation of Directors" in the Proxy Statement is incorporated by reference in this Report.

Item 12. ***Security Ownership of Certain Beneficial Owners and Management***

The information concerning holdings of Olin stock by certain beneficial owners contained under the heading "Certain Beneficial Owners" in the Proxy Statement and the information concerning beneficial ownership of Olin stock by directors and officers of Olin under the heading "Security Ownership of Directors and Officers" in the Proxy Statement are incorporated by reference in this Report.

Item 13. ***Certain Relationships and Related Transactions***

Not applicable.

PART IV

Item 14. ***Exhibits, Consolidated Financial Statement Schedules, and Reports on Form 8-K***

(a) 1. **Consolidated Financial Statements**

Included in Item 8 above.

2. **Consolidated Financial Statement Schedules**

Schedules not included herein are omitted because they are inapplicable or not required or because the required information is given in the consolidated financial statements and notes thereto.

Separate consolidated financial statements of 50% or less owned subsidiaries accounted for by the equity method are not summarized herein and have been omitted because, in the aggregate, they would not constitute a significant subsidiary.

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(i) Form of special severance agreement provided to certain employees to become operative upon a "change in control" event—Exhibit 10(n) to Olin's Form 10-K for 1997.*

(j) Olin 1991 Long Term Incentive Plan, as amended through February 23, 1995—Exhibit 10(u) to Olin's Form 10-K for 1994.*

(k) Amended and Restated 1997 Stock Plan for Non-Employee Directors as amended and restated effective as of July 28, 1999—Exhibit 10(n) to Olin's Form 10-Q for the quarter ended June 30, 1999.*

(l) Olin Senior Management Incentive Compensation Plan, as amended through December 9, 1999—Exhibit A to Olin's 2000 Proxy Statement dated March 14, 2000.*

(m) Description of Restricted Stock Unit Awards granted under the Olin 1991 Long Term Incentive Plan—Exhibit 10(bb) to Olin's Form 10-K for 1995.*

(n) Form of EVA Incentive Plan (Management Incentive Compensation Plan)—Exhibit 10(dd) to Olin's Form 10-K for 1996.*

(o) 1996 Stock Option Plan for Key Employees of Olin Corporation and Subsidiaries—Exhibit A to Olin's 1996 Proxy Statement dated March 12, 1996.*

(p) Olin Supplementary and Deferral Benefit Pension Plan restated as of February 8, 1999 —Exhibit 10(s) to Olin's Form 10-Q for the quarter ended March 31, 1999.*

(q) Form of Senior Executive Retention Agreement between Olin and certain executive officers.

(r) Olin Corporation 2000 Long Term Incentive Plan—Exhibit B to Olin's 2000 Proxy Statement dated March 14, 2000.*

(s) Assumption of Liabilities and Indemnity Agreement, dated December 31, 1996, between Olin Corporation and Primex Technologies, Inc.—Exhibit 10(ii) to Olin's Form 10-K for 1996.*

(t) Distribution Agreement between Olin Corporation and Arch Chemicals, Inc., dated as of February 1, 1999—Exhibit 2.1 to Olin's Form 8-K filed February 23, 1999.*

(u) Form of Employee Benefits Allocation Agreement between Olin Corporation and Arch Chemicals, Inc.—Exhibit 10(v) to Olin's Form 10-K for 1998.*

(v) 364-Day Credit Agreement dated as of January 27, 1999, among Arch Chemicals, Inc., Olin Corporation, the Lenders party thereto, Bank of America, National Trust and Savings Association, as Syndication Agent, Wachovia Bank, N.A., as Documentation Agent, The Chase Manhattan Bank, as Administrative Agent and Chase Securities, Inc., as Arranger—Exhibit 10.1 to Olin's Form 8-K filed February 23, 1999.*

(w) Five-year Credit Agreement dated as of January 27, 1999, among Arch Chemicals, Inc., Olin Corporation, the Lenders party thereto, Bank of America, National Trust and Savings Association, as Syndication Agent, Wachovia Bank, N.A., as Documentation Agent, The Chase Manhattan Bank, as Administrative Agent and Chase Securities, Inc., as Arranger—Exhibit 10.2 to Olin's Form 8-K filed February 23, 1999.*

11. Computation of Per Share Earnings (included in the Note—"Earnings Per Share" to Notes to Consolidated Financial Statements in Item 8.)

12. Computation of Ratio of Earnings to Fixed Charges (unaudited).

21. List of Subsidiaries.

23. Consent of KPMG LLP dated March 7, 2000.

27. Financial Data Schedule.

* Previously filed as indicated and incorporated herein by reference. Exhibits incorporated by reference are located in SEC File No. 1-1070 unless otherwise indicated.

Any of the foregoing exhibits are available from the Company for a nominal charge by writing to: Mr. Richard E. Koch, Vice President, Investor Relations and Public Affairs, Olin Corporation, 501 Merritt 7, P.O. Box 4500, Norwalk, CT 06856-4500.

(b) Reports on Form 8-K

No reports on Form 8-K were filed during the quarter ended December 31, 1999.

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Corporate Leadership

Donald W. Griffin
Chairman, President and Chief Executive Officer

Anthony W. Ruggiero
Executive Vice President and Chief Financial Officer

Peter C. Kosche
Senior Vice President, Corporate Affairs

Johnnie M. Jackson, Jr.
Vice President, General Counsel and Secretary

George B. Erensen
Vice President and General Tax Counsel

Janet M. Pierpont
Vice President and Treasurer

Mary E. Gallagher
Controller

Robert K. Gebing
Vice President, Auditing, Business Ethics and Integrity

Richard E. Koch
Vice President, Investor Relations and Public Affairs

Dennis R. McBough
Vice President, Human Resources

Stuart K. Roth
Vice President, Regulatory Audit and Deputy General Counsel

Corporate Management

Joseph D. Rupp
President, Brass, and Corporate Vice President

John T. McIntosh
President, Chlor Alkali Products, and Corporate Vice President

Thomas M. Gura
President, Winchester, and Corporate Vice President

Transfer Agent and Registrar
ChaseMellon
Shareholder Services, L.L.C.
85 Challenger Road
Overpeck Center
Ridgefield Park, NJ 07660
Telephone: (800) 306-8594
www.chasemellon.com

Stock Exchange Listings
Common Stock
Ticker Symbol: OLN
New York Stock Exchange
Pacific Stock Exchange
Chicago Stock Exchange

Trustees for 8% and 7.11% Notes
The Chase Manhattan Bank
Chase National Corporate Services International
73 Tremont Street
Boston, MA 02108-3913
Telephone: (617) 557-6553

Commercial Paper Dealers
Banc of America Securities L.L.C.
1455 Market Street 13th Floor
San Francisco, CA 94103
Telephone: (415) 622-3456

Goldman Sachs & Co.
Fixed Income Money Markets
85 Broad Street
New York, NY 10004
Telephone: (212) 902-8279

Dividend Reinvestment Service
Olin provides a Dividend Reinvestment Service to its shareholders. For more information, write to:
ChaseMellon
Shareholder Services, L.L.C.
P.O. Box 3336
South Hackensack, NJ 07606
Telephone: (800) 306-8594
www.chasemellon.com

Free Shareholder Information
Telephone: (800) 656-OLIN
Quarterly earnings releases and other corporate news releases are available. Earnings are generally released during the third week of April, July, October, and the fourth week of January. This same information is also available on the Internet at: http://www.olin.com.

Trademarks
Olin, a registered trademark of Olin Corporation; italicized words identifying products in this report are trademarks or servicemarks of Olin Corporation or its subsidiaries or affiliates, except EVA, a registered trademark of Stern Stewart & Company.

Form 10-K Available
Olin's Annual Report on Form 10-K is available upon request.

Write to:
Richard E. Koch
Vice President, Investor Relations and Public Affairs
Olin Corporation
501 Merritt 7
P.O. Box 4500
Norwalk, CT 06856-4500
Telephone: (203) 750-3254

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Proud Heritage...Promising Future

Olin

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Olin

501 MERRITT 7, P.O. BOX 4500, NORWALK, CT 06856-4500

March 1999

Dear Olin Shareholder:

We are pleased to provide you with several key documents that provide insights into our company, its financial performance and prospects, and the market-leading positions upon which we are building. Together, these materials profile a company that has both a proud heritage and a promising future.

You will find in this package three key documents: our proxy statement; a Form 10K with detailed insights into Olin's financial performance in 1998; and a brochure that vividly captures the nature of the new Olin and our three divisions -- Brass, Winchester and Chlor Alkali Products. The brochure also cites two new initiatives in the realms of health, safety and the environment that build on our long heritage of acting with integrity in all that we do.

In early February we completed the spin off of Olin's specialty chemicals businesses as Arch Chemicals, Inc. The purpose of the spin off was to free each of the new companies -- Olin and Arch Chemicals -- to focus exclusively on strengthening its own unique competitive advantages in the very different markets that they serve. In this way, each company can accelerate its own growth and enhance its ability to provide long-term shareholder value.

I want to take this opportunity to remind you of several easy ways in which you can track our progress in the days and months ahead. As always, you can call our toll-free shareholder information number -- 800-656-OLIN -- to receive our latest earnings press release and other up-to-date information about our company and businesses. For those of you with Internet capabilities, please check out our web site -- www.olin.com -- which is in the process of being updated to better reflect our new enterprise.

We very much appreciate your interest in Olin, and we hope that you will remain a shareholder as we write these fresh new chapters in our long and proud history.

Very truly yours,

Donald W. Griffin
Chairman, President & CEO
Olin Corporation

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Welcome to the New Olin

As we enter our 108th year of operation in 1999, we are celebrating our beginning as a "new" company. With the spin off of our specialty chemicals operations as Arch Chemicals, Inc., Olin is now a $1.5 billion company that is a leading North American producer of copper alloys, ammunition and chlorine and caustic soda.

We are poised to capitalize on the leadership positions that we've built over the past 100 years to make the next 100 years even better. We'll do so by pursuing synergistic growth opportunities; focusing on the needs of our customers; and lowering costs to further enhance our position as one of the world's best basic materials businesses.

Olin Brass is the world's leading developer of high performance copper alloys and the U.S. market share leader in copper and copper alloy strip; Chlor Alkali Products is the largest producer of chlorine and caustic soda in the eastern United States; and Winchester is a leading producer of small caliber ammunition in North America with global brand name recognition.

These leadership positions are built on the foundation of several critical business skills. We're not only a low-cost producer in our key industries, but we're recognized as leaders in product quality and technology. Over the years, we've also forged strong relationships with our customers – earning their trust and repeat business with products that enable them to do everything from producing cars and electronic devices to making polyvinyl chloride products and improving their target shooting performance.

We enter 1999 with a strong balance sheet and sufficient cash flow to give us the financial flexibility to pursue synergistic investment opportunities. These investments must not only add to top-line revenue growth, but should also enhance our profitability by strengthening our cost positions through greater economies of scale, improved productivity and other synergies.

We at Olin are excited to be writing a new chapter in our long, proud history. In the months and years ahead, we will capitalize on our leadership positions in copper alloys, ammunition and chlorine and caustic soda by intensely focusing on customer needs, aggressively managing costs and pursuing synergistic growth opportunities. Olin Corporation: We stand for excellence. We stand for ethics. We stand for value.

Donald W. Griffin
Chairman, President & CEO

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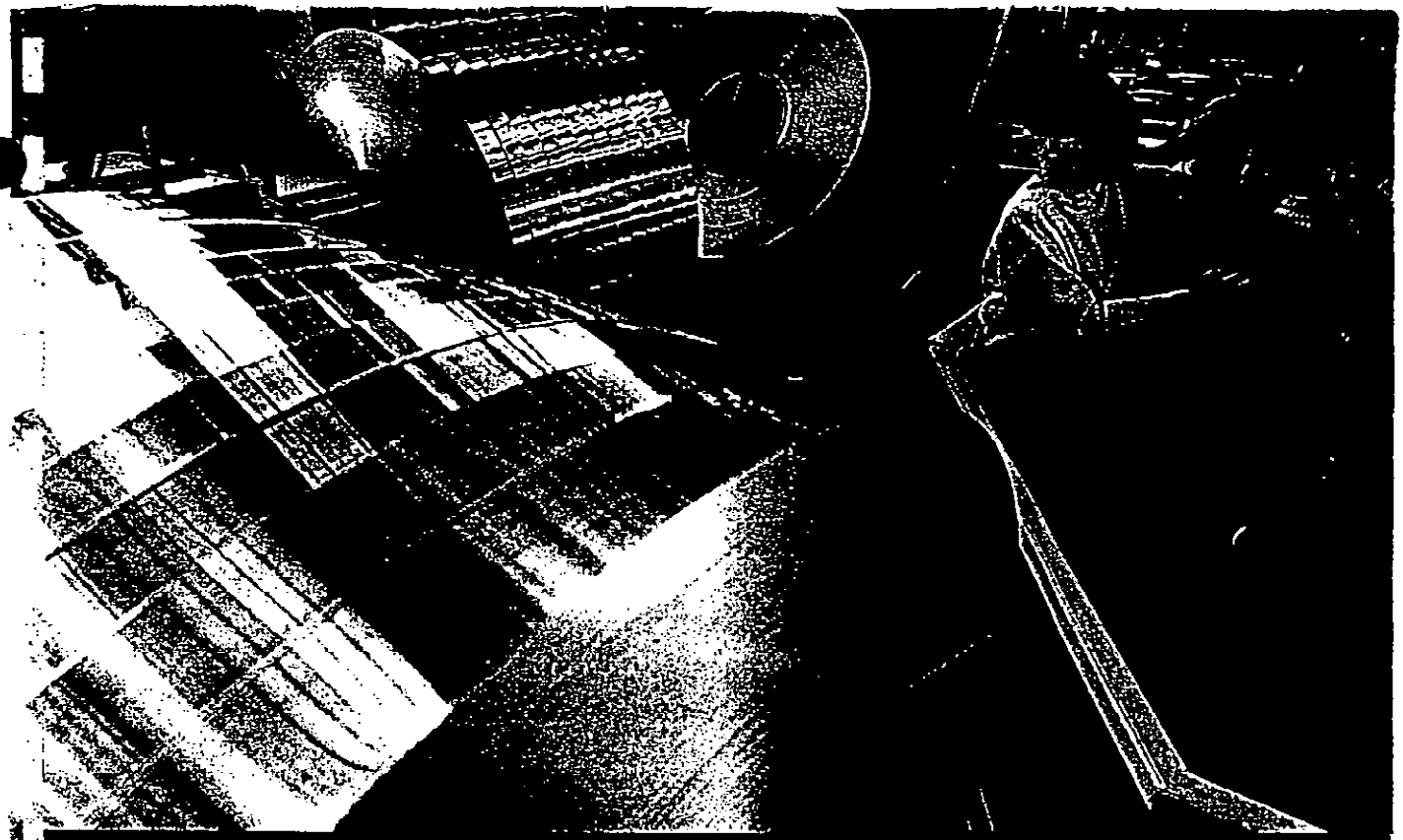

From our world-class brass mill in East Alton, Illinois (above) to our network of metals service centers, Olin Brass can serve the needs of both large and small customers.

Brass Growth Opportunities

Olin Brass, the worldwide leader in copper alloy development, continued to capitalize on this position with rapid market acceptance of Alloy 663, which was released in late 1997. Developed at our Metals Research Laboratories in Connecticut, this alloy was designed for high performance, low-cost applications in the automotive and electronics markets. In addition, in 1998 we launched another patented product – Alloy 186 – that was also designed for the automotive, electronics and semiconductor industries. Both alloys will be supported globally, a key initiative in Olin Brass' efforts to strengthen our leadership in high performance copper alloys.

As the longest continuous supplier of metal to the U.S. Mint, Olin Brass is well positioned to compete for major new contracts for coinage metal. In the year 2000, for example, the Mint will begin producing a new dollar coin. And beginning in 1999, they will begin minting billions of new commemorative state quarters – a project that will run through the year 2008.

Through our Brass Mill 2000 initiative, we continue to add equipment that is designed to increase productivity and yields. This initiative, combined with high performance alloy growth, should enhance our margins as we move into the 21st Century.

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With the construction of the Sunbelt plant, high purity caustic soda now accounts for two-thirds of our total system capacity.

Chlor Alkali Growth Opportunities

We have a multifaceted growth strategy for Chlor Alkali Products, one that encompasses both internal expansions and external acquisitions and alliances. For example, we designed the Sunbelt plant to allow for significant expansion when needed, and debottlenecking our Niachlor plant will provide additional product for the Northeastern and Canadian markets.

We also are studying growth opportunities created by ongoing alliances and consolidation in the chlor alkali and chlorine chain industries. And we're actively pursuing ways to further capitalize on the unique resources at our site in McIntosh, Alabama – which is itself a valuable asset to fuel Olin's growth.

Our plant, for example, literally sits on a huge underground salt dome that serves as a source of the brine used in making chlorine and caustic soda. At year-end 1998, we started up a project to significantly expand our brine capacity and our ability to provide high-purity salt to our own chlor alkali plants as well as to customers who use it to make products such as sodium chlorate. Building on an existing business, we're also seeking further opportunities to lease additional space in our salt dome cavities for the storage of natural gas or compressed air for peak demand power generation.

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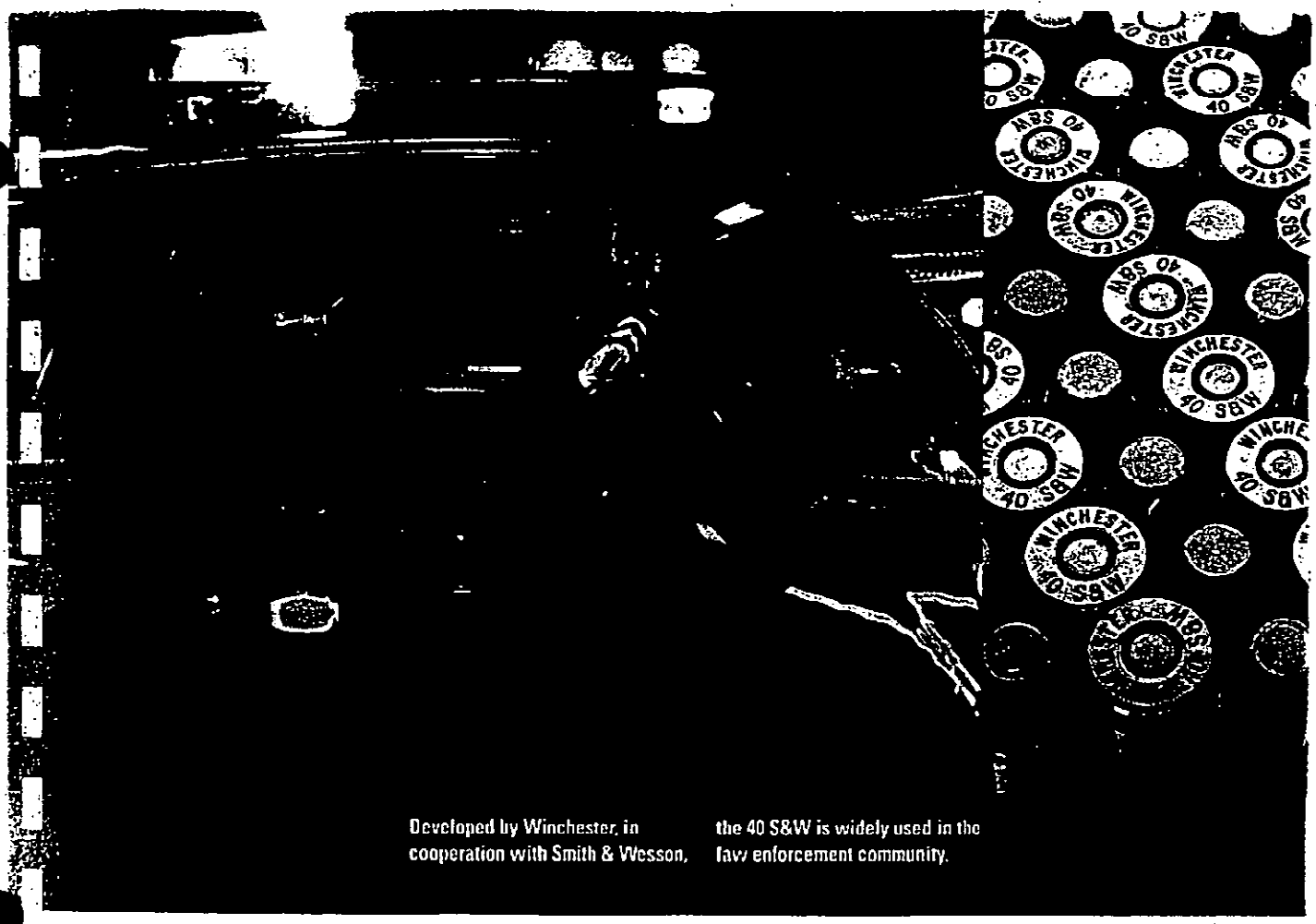

Developed by Winchester, in cooperation with Smith & Wesson, the 40 S&W is widely used in the law enforcement community.

Winchester has also strengthened its ammunition offerings through alliances with other industry leaders, including one with Nosler. One product of this alliance – Winchester Supreme® Partition Gold™ – incorporates an enhanced design of the famous Nosler partition bullet as well as patented design features from Winchester. This new round won top honors in 1998 from the Shooting Industry Academy of Excellence.

Winchester is also solidifying its reputation as the sporting ammunition technology leader with some innovative non-lead product offerings. Designed for use in indoor shooting ranges and related applications, Winchester's new SuperClean™ ammunition has a jacketed tin bullet and a primer that is free of both lead and heavy metals. In late 1998, the Federal Law Enforcement Training Center issued a sole source contract to Winchester for an initial 300,000 rounds of 40 caliber SuperClean ammunition. This training Center already uses Winchester's Ranger Frangible™ ammunition – which won't ricochet when fired into steel plates – for close-quarter firearms training.

Winchester, the world's largest ammunition producer, is aggressively seeking new opportunities to leverage the legendary Winchester brand name and our technological leadership.

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Corporate Management

Operations Management

From left: Peter C. Kasche, Senior Vice President, Corporate Affairs;
Anthony W. Ruggiero, Executive Vice President and Chief Financial Officer;
Johnnie M. Jackson, Jr., Vice President, General Counsel and Secretary

Investor Information

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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-K

(Mark One)

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 1998

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to

Commission file number 1-1070

Olin Corporation
(Exact name of registrant as specified in its charter)

Virginia (State or other jurisdiction of incorporation or organization)	13-1872319 (I.R.S. Employer Identification No.)
501 Merritt 7 P.O. Box 4500 Norwalk, CT (Address of principal executive offices)	06856-4500 (Zip Code)

Registrant's telephone number, including area code: (203) 750-3000

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, par value $1 per share	New York Stock Exchange Chicago Stock Exchange Pacific Stock Exchange
Series A Participating Cumulative Preferred Stock Purchase Rights	New York Stock Exchange Chicago Stock Exchange Pacific Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.
Yes ✓ No _____.

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ✓

As of January 31, 1999, the aggregate market value of registrant's common stock, par value $1 per share ("Common Stock") held by non-affiliates of registrant was approximately $1,073,761,590.

As of January 31, 1999, 45,963,259 shares of the registrant's common stock were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE
Portions of the following documents are incorporated by reference in this Form 10-K as indicated herein:

Document	Part of 10-K into which incorporated
Proxy Statement relating to Olin's 1999 Annual Meeting of Shareholders	Part III

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METALS

Products & Services	Major End-Uses	Plants & Facilities*	Major Raw Materials & Components for Products/Services
Copper & copper alloy sheet & strip (standard & high performance)	Electronic connectors, lead frames, electrical components, communications, automotive, builders' hardware, coinage, ammunition	Bryan, OH East Alton, IL Indianapolis, IN Waterbury, CT Iwata, Japan (Yamaha-Olin Metal Corporation)	copper, zinc & other nonferrous metals
Network of metals service centers	Electronic connectors, electrical components, communications, automotive, builders' hardware, household products	Allentown, PA Alliance, OH Caguas, PR Carol Stream, IL Warwick, RI Watertown, CT Yorba Linda, CA	copper & copper alloy sheet, strip, tube & steel & aluminum strip
Posit-Bond® clad metal	Coinage strip & blanks	East Alton, IL	cupronickel, copper & aluminum
Rolled copper foil, Copperbond® foil, stainless steel strip	Printed circuit boards, electrical & electronic, automotive	Waterbury, CT	copper, zinc & other nonferrous metals, stainless steel
Copper alloy welded tube	Utility condensers, industrial heat exchangers, refrigeration & air conditioning, builders' hardware, automotive	Cuba, MO	copper, zinc & other nonferrous metals
Fabricated products	Builders' hardware, cartridge cases, shaped charge cones, transportation, household & recreational products	East Alton, IL	brass & stainless steel strip
Olin Aegis: High performance, high reliability, hermetic metal packages for microelectronics industry	All industry market segments; computer, communications, medical, industrial, instrumentation, automotive, consumer, aerospace and military	New Bedford, MA	all metals, metal alloys, metal matrix composites, special alloys and glasses

* If site is not operated by Olin or a majority-owned, direct or indirect subsidiary, name of joint venture, affiliate or operator is indicated. Sites manufacture, distribute or market one or more of the identified products or services.

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Spin-Off of Arch Chemicals

On July 29, 1998 the Board of Directors of Olin approved in principle a plan to distribute Olin's specialty chemical businesses to its shareholders as a separate public company, Arch Chemicals, which was incorporated on August 25, 1998. The Spin-Off was effective on February 8, 1999, when Olin distributed to its shareholders one share of Arch Chemicals Common Stock for each two shares of Olin Common Stock held of record on February 1, 1999.

The businesses transferred by Olin to Arch Chemicals fall within three segments: microelectronic chemicals, water chemicals and performance chemicals. The microelectronic chemicals segment consists of the manufacture and supply of a range of products and services to semiconductor manufacturers and to flat panel display manufacturers. The microelectronic chemicals segment includes a variety of high purity acids, bases, oxidizers, etchants and solvents. The microelectronic chemicals segment has also manufactured a wide range of photoresist and ancillary products encompassing negative, g-line, I-line and 248nm deep UV technologies to meet the needs of the semiconductor industry.

The water chemicals segment includes chemicals manufactured and sold and equipment distributed on a worldwide basis for the sanitization and recreational use of residential and commercial pool water and the purification of potable water, including calcium hypochlorite and chlorinated isocyanurates.

The performance chemicals segment consists of the manufacture and sale of a broad range of products with diverse end uses. The performance chemicals segment manufactures flexible polyols, specialty polyols, urethane systems and glycol and glycol ethers, biocides that control the growth of micro-organisms, hydrazine hydrates as well as propellant grade hydrazine and hydrazine derivatives and supplies sulfuric acid regeneration services and virgin sulfuric acid sales.

1998 Developments

In April 1998, the Board of Directors of Olin authorized the purchase of up to 5 million shares, or approximately 10%, of the then-outstanding Common Stock of Olin. During 1998, Olin repurchased 1.9 million shares under this program and repurchased an additional 1.2 million shares under a repurchase program authorized by the Board of Directors in October 1997.

In September 1998, Olin recorded a $42 million pretax charge ($0.55 diluted earnings per share) related to the sale of the microelectronic packaging unit at Manteca, California for $4 million in cash, and the restructuring of its rod, wire and tube businesses at Indianapolis, Indiana.

In December 1998, Olin recorded a $21 million pretax charge ($.32 diluted earnings per share) related to the Spin-Off of Arch Chemicals.

International Operations

Olin has sales offices and subsidiaries in various countries which support the worldwide export of products from the United States as well as overseas production facilities. In addition, Olin has manufacturing interests in Brazil.

Yamaha-Olin Metal Corporation, a joint venture with Yamaha Corporation, manufactures high-performance copper alloys in Japan for sale to the electronics industry throughout the Far East. An Olin subsidiary loads and packs sporting and industrial ammunition in Australia. See the Note "Segment Information" of the Notes to Consolidated Financial Statements in Item 8, for geographic segment data which are incorporated by reference.

Customers and Distribution

During 1998, no single customer accounted for more than 2.4% of Olin's total consolidated sales. Products which Olin sells to industrial or commercial users or distributors for use in the production of

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Employees

As of December 31, 1998, after adjusting for the effects of the Spin-off, Olin had approximately 6,400 employees (excluding approximately 1,000 employees at Government-owned, contractor-operated facilities and excluding employees of disposed businesses, including Arch Chemicals), approximately 6,300 of whom were working in the United States and approximately 100 of whom were working in foreign countries. A majority of the hourly-paid employees are represented, for purposes of collective bargaining, by various labor unions. Some labor contracts extend for as long as five years, but during most years new agreements must be negotiated in a number of Olin's plants, although Olin has no major labor contracts scheduled to expire in 1999. While relations between Olin and its employees and their various representatives are generally considered satisfactory, there can be no assurance that new labor contracts can be concluded without work stoppages. No major work stoppages have occurred in the last three years.

Research Activities; Patents

Olin's research activities are conducted on a product-group basis at a number of facilities. Company-sponsored research expenditures were approximately $10 million during 1998, $8 million during 1997 and $20 million during 1996.

Olin owns, or is licensed under, a number of patents, patent applications and trade secrets covering its products and processes. Olin believes that, in the aggregate, the rights under such patents and licenses are important to its operations, but does not consider any patent or license or group thereof related to a specific process or product to be of material importance when viewed from the standpoint of Olin's total business.

Raw Materials and Energy

Olin purchases the major portion of its raw material requirements. The principal basic raw materials purchased by Olin for its production of chlor alkali products are salt, electricity, and sulfur. Copper, zinc and various other nonferrous metals are required for the metals business. Lead, brass and propellant are the principal raw materials used in the Winchester business. Olin's principal basic raw materials are typically purchased pursuant to multiyear contracts. In the manufacture of ammunition, Olin uses a substantial percentage of its own output of cartridge brass. Additional information with respect to specific raw materials is set forth in the table above under the caption entitled "Products and Services."

Electricity is the predominant energy source for Olin's manufacturing facilities. Most of Olin's facilities are served by utilities which generate electricity principally from coal, hydro and nuclear power.

Environmental and Toxic Substances Controls

	1998	1997	1996
	($ in millions)		
Cash Outlays:			
Remedial and Investigatory Spending	$20	$31	$30
Capital Spending	2	2	3
Plant Operations	17	15	16
Total Cash Outlays	$39	$48	$49

The establishment and implementation of federal, state and local standards to regulate air, water and land quality has affected and will continue to affect substantially all of Olin's manufacturing

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related costs, there is always the possibility that such increases may occur in the future in view of the uncertainties associated with environmental exposures. Environmental exposures are difficult to assess for numerous reasons, including the identification of new sites, developments at sites resulting from investigatory studies, advances in technology, changes in environmental laws and regulations and their application, the scarcity of reliable data pertaining to identified sites, the difficulty in assessing the involvement and financial capability of other potentially responsible parties and Olin's ability to obtain contributions from other parties and the lengthy time periods over which site remediation occurs. It is possible that some of these matters (the outcomes of which are subject to various uncertainties) may be resolved unfavorably against Olin. At December 31, 1998, Olin had estimated additional environmental contingent liabilities of $40 million.

See also Item 3, "Legal Proceedings" below, the Note "Environmental" of the Notes to Consolidated Financial Statements contained in Item 8, and Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Item 2. *Properties*

Olin has manufacturing sites at 15 separate locations in 12 states and Puerto Rico and two manufacturing sites in two foreign countries. Most manufacturing sites are owned although a number of small sites are leased. Listed under Item 1 above in the table set forth under the caption "Products and Services" are the locations at or from which Olin's products and services are manufactured, distributed or marketed by segment.

Olin leases warehouses, terminals and distribution offices and space for executive and branch sales offices and service departments throughout the country and overseas.

Item 3. *Legal Proceedings*

(a) In 1979, an action was commenced in the U.S. District Court in New York by the United States against Occidental Chemical Corporation (then known as Hooker Chemical & Plastics Corporation) ("Oxychem"), certain related companies, Olin and the City of Niagara Falls, New York, alleging that chemical wastes were migrating in violation of environmental laws or regulations from a site in Niagara Falls where Oxychem and Olin own adjacent, inactive chemical waste landfills. The United States sought injunctive relief and an order requiring Oxychem and Olin, among other things, to secure the landfill site, install a leachate collection system and treat whatever leachate is collected, as well as an order requiring Oxychem and Olin to place $16.5 million in trust or provide a bond to ensure that the site will be secured. The United States also sought civil penalties for each day of alleged violation of the Clean Water Act which currently has a maximum daily penalty of $27,500.

In 1980, the State of New York (the "State") filed a complaint as co-plaintiff in the same action based upon essentially the same factual allegations as in the suit brought by the United States. The State is seeking $100 million in compensatory damages and $100 million in punitive damages. The State also requested a court order to abate the alleged nuisance and penalties of $10,000 per day for alleged violations of each of four provisions of New York's Environmental Conservation Law. In 1983, the State filed a motion to amend its complaint to include a count under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended ("CERCLA") alleging damage to natural resources. In 1986, the Department of Justice filed a motion to amend its complaint to include a CERCLA and SARA (Superfund Amendments and Reauthorization Act of 1986) count. Oxychem and Olin have filed an opposition to the motions and the court deferred a ruling on both motions.

Under stipulations, Olin and Oxychem conducted a remedial investigation and feasibility study. In 1990, the EPA issued a Proposed Remedial Action Plan followed by a ROD. In 1991, the EPA issued

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Item 4. *Submission of Matters to a Vote of Security Holders*

No matter was submitted to a vote of security holders during the three months ended December 31, 1998.

Executive Officers of Olin Corporation as of March 1, 1999

Name and Age	Office	Served as an Olin Officer Since
Donald W. Griffin (62)	Chairman of the Board, President and Chief Executive Officer	1983
Anthony W. Ruggiero (57)	Executive Vice President and Chief Financial Officer	1995
Peter C. Kosche (56)	Senior Vice President, Corporate Affairs	1993
George B. Erensen (55)	Vice President and General Tax Counsel	1990
Thomas M. Gura (53)	Vice President and President, Winchester Division	1997
Johnnie M. Jackson, Jr. (53)	Vice President, General Counsel and Secretary	1995
John L. McIntosh (44)	Vice President and President, Chlor Alkali Products Division	1999
Janet M. Pierpont (51)	Vice President and Treasurer	1990
Joseph D. Rupp (48)	Vice President and President, Brass Division	1996

No family relationship exists between any of the above named executive officers or between any of them and any Director of Olin. Such officers were elected to serve as such, subject to the By-laws, until their respective successors are chosen.

Each of the above-named executive officers, except T.M. Gura, J.M. Jackson, J.L. McIntosh, A.W. Ruggiero, and J.D. Rupp, has served Olin as an executive officer for not less than the past five years.

Thomas M. Gura was elected a Corporate Vice President on September 25, 1997. He was appointed President of the Winchester Division on August 19, 1997. Prior to that time, he served as Vice President, Marketing and Sales of the Brass Division.

Johnnie M. Jackson, Jr. was elected a Corporate Vice President on April 27, 1995 and Corporate Secretary on April 29, 1993. Prior to that time, since 1989, he has served Olin in the following capacities: General Counsel—Corporate Resources and Secretary, Associate General Counsel—Corporate Resources and Secretary and Deputy General Counsel.

John L. McIntosh was elected a Corporate Vice President on February 1, 1999. Prior to that time, since 1997, he served as Vice President, Operations for Olin's specialty chemicals operations. He also served as Vice President, Manufacturing and Engineering for Chlor Alkali and was Director of Manufacturing, Engineering and Purchasing for that division from 1991 through 1997.

Anthony W. Ruggiero joined Olin on August 30, 1995 and was elected a Corporate Senior Vice President and Chief Financial Officer on September 29, 1995, and became Executive Vice President on January 1, 1999. From 1990 to 1995, he served as Senior Vice President and Chief Financial Officer of The Reader's Digest Association, Inc. He joined Squibb Corporation in 1969 and served as Senior Vice President and Chief Financial Officer and a director from 1983 to 1990.

Joseph D. Rupp was elected a Corporate Vice President on January 1, 1996 and also serves as President, Brass Division. Prior to that time, since 1985, he served as Vice President, Manufacturing and Engineering for the Brass Division.

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Item 6. *Selected Financial Data*

Six-Year Financial Summary

($ and shares in millions, except per share data)	1998	1997	1996	1995	1994	1993
Operations						
Sales	$1,426	$1,499	$1,758	$1,827	$1,620	$1,446
Cost of Goods Sold	1,161	1,203	1,396	1,482	1,359	1,386
Selling and Administration	123	132	155	153	139	135
Research and Development	10	8	20	17	18	21
Interest Expense	17	24	27	33	27	29
Interest and Other Income (Expense)	7	15	13	(5)	—	—
Gain (Loss) on Sales and Restructurings of Businesses and Spin-off Costs	(63)	—	179	—	—	(26)
Income (Loss) from Continuing Operations Before Taxes	59	147	352	137	77	(151)
Income Tax Provision (Benefit)	21	50	125	47	26	(60)
Income (Loss) from Continuing Operations	38	97	227	90	51	(91)
Discontinued Operations	40	56	53	50	40	(1)
Net Income (Loss)	78	153	280	140	91	(92)
Financial Position						
Working Capital	225[1]	273[1]	385[1]	24	88	(15)
Property, Plant and Equipment, Net	475	517	400	580	540	534
Total Assets	1,577	1,707	2,118	1,963	1,749	1,685
Capitalization:						
Short-Term Debt	1[1]	8[1]	137[1]	122	29	113
Long-Term Debt	230[1]	262[1]	271[1]	406	418	449
Shareholders' Equity	790	879	946	841	749	596
Total Capitalization	1,021	1,149	1,354	1,369	1,196	1,158
Per Share Data						
Net Income (Loss):						
Basic:						
Continuing Operations	0.79	1.91	4.30	1.71	0.87	(2.82)
Discontinued Operations	0.85	1.11	1.04	1.04	0.96	(0.03)
Net Income (Loss)	1.64	3.02	5.34	2.75	1.83	(2.85)
Diluted:						
Continuing Operations	0.79	1.90	4.26	1.70	0.87	(2.82)
Discontinued Operations	0.84	1.10	1.01	0.97	0.96	(0.03)
Net Income (Loss)	1.63	3.00	5.27	2.67	1.83	(2.85)
Cash Dividends:						
Common	1.20	1.20	1.20	1.20	1.10	1.10
ESOP Preferred (annual rate)	—	—	5.97	5.97	5.97	5.97
Series A Preferred (annual rate)	—	—	—	3.64	3.64	3.64
Shareholders' Equity[2]	17.25	17.98	18.13	17.03	15.43	13.62
Market Price of Common Stock:						
High	49 5/16	51 3/8	48	38 5/8	30 1/8	25 1/4
Low	23 7/8	35 3/8	34 7/8	24 1/4	23	20
Year End	28 5/16	46 7/8	37 3/8	37 1/8	25 3/4	24 3/4
Other						
Capital Expenditures	78	76	74	116	80	80
Depreciation	76	76	84	77	78	74
Common Dividends Paid	58	61	60	57	44	42
Purchases of Common Stock	112	163	—	—	—	—
Current Ratio	1.8	1.8	1.6	1.0	1.2	1.0
Total Debt to Total Capitalization[3]	22.6%	23.5%	30.0%	37.9%	36.5%	46.8%
Effective Tax Rate	35.6%	34.0%	35.5%	34.3%	33.2%	40.0%
Average Common Shares Outstanding	47.9	50.5	50.0	47.6	41.0	38.2
Shareholders	9,200	10,600	11,300	12,000	12,100	13,000
Employees[4]	6,400	6,600	6,200	7,200	7,500	7,100

In December 1996, the company sold its isocyanates business for $565 in cash. 1996 and prior include the operating results of the isocyanates business. See Management's Discussion and Analysis of Financial Condition and Results of Operations on page 14.

(1) Working Capital includes $50 ($157 in 1997, $518 in 1996) of Cash and Cash Equivalents and $25 ($28 in 1997, $87 in 1996) of Short-Term Investments in 1998.
(2) In 1994 and 1993, calculation is based on common shares and Series A Conversion Preferred Stock outstanding.
(3) Excluding reduction to equity for the Employee Stock Ownership Plan from 1993 through 1996.
(4) Employee data exclude employees who work at government-owned/contractor-operated facilities.

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On February 8, 1999, the Company completed the Spin-Off of its specialty chemicals businesses as Arch Chemicals. Under the terms of the Spin-Off, the Company distributed to its holders of common stock of record at the close of business on February 1, 1999, one Arch Chemicals common share for every two shares of Olin common stock. The results of operations have been restated to reflect Arch Chemicals as discontinued operations for all periods presented. In the fourth quarter of 1998, the Company recorded a $21 million pretax charge ($0.32 diluted EPS) for non-recurring costs associated with the Spin-Off (primarily severance, investment banking and legal fees).

1997 Compared to 1996

In December of 1996, the Company sold its isocyanates business to ARCO Chemical Company ("ARCO") for $565 million in cash. In connection with this transaction the Company recorded a pretax gain of $188 million. The following comparison of operating results of 1997 to 1996 excludes the sales, gross margin, selling and administration expenses, research and development expenses and net income of the isocyanates businesses in 1996. On December 31, 1996, the Company completed the spin-off of its Ordnance and Aerospace businesses as Primex Technologies, Inc. ("Primex"). Under the terms of that spin-off, the Company distributed to its holders of common stock of record at the close of business on December 19, 1996, one Primex common share for every ten shares of Olin common stock. The 1996 results of operations reflect Primex as discontinued operations. In the fourth quarter of 1996, the Company recorded a $9 million pretax charge for non-recurring costs associated with the Primex spin-off (primarily pension curtailment, investment banking and legal fees).

Sales increased 3% due to higher volumes and the inclusion of the sales from the Niachlor acquisition, offset in part by a drop in selling prices and metal values.

Gross margin percentage was 20% in 1997 and 1996 as lower fixed costs per unit associated with higher volumes offset the impact of lower selling prices.

Selling and administration expenses as a percentage of sales were 9% in 1997 and 1996. Selling and administrative expenses decreased because of lower corporate administration expenses and lower incentive compensation costs.

Interest expense, net of interest income, decreased due to lower interest expense due to the repayment of the $125 million subordinated notes in 1997, and higher interest income due to higher average cash, cash equivalent and short-term investment balances in 1997.

Other income decreased due to the gain on the sale of the Company's corporate headquarters in 1996.

The effective tax rate decreased to 34.0% from 35.5%. Excluding the impact of the gain on the sale of the isocyanates business, the effective tax rate in 1997 increased 2.3% due to lower foreign tax benefits as a result of the sale of the isocyanates business.

In February of 1997, the Company completed the purchase of the remaining 50% of Niachlor with a final payment of $2 million to E.I. du Pont de Nemours and Company (DuPont). In December 1996, the Company made an advance payment of $75 million to DuPont.

In October 1997 the Company and Asahi Glass Company established separate ownership of two former joint ventures the companies had previously formed in polyols and microelectronic packaging systems. The Company became the sole owner of Aegis, Inc., a manufacturer of metal hermetic packages that was established in 1986. Conversely, Asahi Glass Company became the sole owner of the former Asahi-Olin joint venture in polyols that was established in 1974. These transactions did not have a material effect on the Company's results of operations.

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1997 Compared to 1996

Sales were 3% higher than 1996 due to higher volumes offset in part by lower metal values. Increased demand for strip products, particularly from the automotive and electronics markets, along with record specialty product shipments led to higher volumes. Operating income improved as a result of the higher volumes and improved earnings at Oster, which was partially offset by higher manufacturing costs at Indianapolis, IN.

Winchester

	1998	1997	1996
	($ in millions)		
Sales	$261	$252	$256
Operating Income (Loss)	13	(4)	(2)

1998 Compared to 1997

Sales in 1998 were 4% higher than 1997 due to higher volumes offset slightly by lower prices in the centerfire rifle category. Domestic commercial volume growth was driven by improved market share in a modestly growing overall market. Domestic and international military sales were lower as were sales in Australia which has been negatively impacted by the implementation of restrictive government legislation on the sales of firearms and ammunition. Operating income improved significantly from 1997 due to the impact of the higher commercial volumes, lower manufacturing costs, lower commodity costs and lower selling and administrative expenses. In Australia, profits were lower due to the impact of the lower volumes as a result of the restrictive legislation.

1997 Compared to 1996

Sales were lower and the operating loss increased. Reduced military ammunition shipments due to the absence of a U.S. government contract along with lower commercial ammunition sales to distributors were the main contributors to the sales decrease. The profit impact from the lower volumes and increased advertising and selling expenses more than offset higher Lake City Army Ammunition facility management fees.

1999 Outlook

Consolidated

The Company's 1999 operating results are expected to be significantly lower than 1998. 1999 diluted earnings per share are expected to be in the $0.50 range, assuming Chlor Alkali's ECU pricing average for the year remains at approximately current levels.

Chlor Alkali Products

Sales and operating income are expected to decrease due to significantly lower ECU pricing. Capacity additions in the industry combined with lower demand will keep ECU pricing at depressed levels. Operating rates are expected to be in the 90% range, which is consistent with the rest of the industry. Operating results from the Sunbelt joint venture will be lower due to the lower ECU pricing.

Metals

Sales are expected to increase slightly due to higher strip volumes and higher metal values which will more than offset the loss of revenue associated with the rod, wire and tube businesses which were shut down at the end of 1998. Over capacity in the industry and strong competition will keep pricing relatively flat. Operating income is expected to improve due to the cost benefits of the shutdown of the rod, wire and tube businesses, higher volumes and other cost reduction initiatives.

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Environmental Matters

	1998	1997	1996
	($ In millions)		
Cash Outlays:			
Remedial and Investigatory Spending	$20	$31	$30
Capital Spending	2	2	3
Plant Operations	17	15	16
Total Cash Outlays	$39	$48	$49

The establishment and implementation of federal, state and local standards to regulate air, water and land quality has affected and will continue to affect substantially all of the Company's manufacturing locations. Federal legislation providing for regulation of the manufacture, transportation, use and disposal of hazardous and toxic substances has imposed additional regulatory requirements on industry, particularly the chemicals industry. In addition, implementation of environmental laws, such as the Resource Conservation and Recovery Act and the Clean Air Act, has required and will continue to require new capital expenditures and will increase operating costs. The Company employs waste minimization and pollution prevention programs at its manufacturing sites.

The Company is party to various governmental and private environmental actions associated with waste disposal sites and manufacturing facilities. Associated costs of investigatory and remedial activities are provided for in accordance with generally accepted accounting principles governing probability and the ability to reasonably estimate future costs. Charges to income for investigatory and remedial efforts were material to operating results in 1998, 1997, and 1996 and may be material to net income in future years. Such charges to income were $16 million, $17 million and $70 million in 1998, 1997, and 1996 respectively. In 1996, in connection with the sale of the isocyanates business at the Company's Lake Charles, LA facility, a $53 million provision was recorded to provide for contractual liabilities related to future environmental spending at the Lake Charles site.

Cash outlays for remedial and investigatory activities associated with former waste sites and past operations were not charged to income but instead were charged to reserves established for such costs identified and expensed to income in prior years. Cash outlays for normal plant operations for the disposal of waste and the operation and maintenance of pollution control equipment and facilities to ensure compliance with mandated and voluntarily imposed environmental quality standards were charged to income. Historically, the Company has funded its environmental capital expenditures through cash flow from operations and expects to do so in the future.

The Company's estimated environmental liability at the end of 1998 was attributable to 51 sites, 16 of which were on the National Priority List (NPL). Ten sites accounted for approximately 79% of such liability and, of the remaining sites, no one site accounted for more than 2% of such liability. Two of these ten sites were in the investigatory stage of the remediation process. In this stage, remedial investigation and feasibility studies are conducted by either the Company, the United States Environmental Protection Agency (EPA) or other potentially responsible parties (PRPs) and a Record of Decision (ROD) or its equivalent has not been issued. At six of the ten sites, a ROD or its equivalent has been issued by either the EPA or responsible state agency and the Company either alone, or as a member of a PRP group, was engaged in performing the remedial measures required by that ROD. At the remaining two of the ten sites, part of the site is subject to a ROD and another part is still in the investigative stage of remediation. All ten sites were either former manufacturing facilities or waste sites containing contamination generated by those facilities.

The Company's consolidated balance sheets included liabilities for future environmental expenditures to investigate and remediate known sites amounting to $129 million at December 31, 1998 and $133 million at December 31, 1997, of which $99 million and $103 million were classified as

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isocyanates business and increased investment in working capital. The discontinuation of an ammunition prepayment program in 1997 and unusually low accounts receivable levels in the metals segment at year-end 1996 contributed to the investment in working capital in 1997.

Capital Expenditures

Capital spending of $78 million in 1998 was $2 million higher than 1997 and approximated depreciation in both years. Excluding the capital spending ($10 million) and depreciation ($22 million) associated with the isocyanates business in 1996, capital spending in 1996 was slightly higher than depreciation because of capital spending in support of the Brass Mill 2000 project.

Investing Activities

In 1998, the Company sold its microelectronic packaging unit at Manteca, CA, for $4 million in cash.

In February 1997, the Company completed its purchase of the remaining 50% of Niachlor with a final payment of $2 million to E.I. du Pont de Nemours and Company (DuPont). In December 1996, the Company made an advance payment of $75 million to DuPont, which was included in Investment and Advances-Affiliated Companies at Equity in the December 31, 1996 Balance Sheet. This acquisition was accounted for as a purchase in 1997 and consists primarily of property, plant and equipment.

In October 1997 the Company and Asahi Glass Company established separate ownership of two former joint ventures the companies had previously formed in polyols and microelectronic packaging systems. The Company became the sole owner of Aegis, Inc., a manufacturer of metal hermetic packages that was established in 1986. Conversely, Asahi Glass Company became the sole owner of the Asahi-Olin joint venture in polyols that was established in 1974. The net proceeds of this transaction were $5 million and did not have a material effect on the Company's results of operations.

Investment spending in 1997 was primarily attributable to the Sunbelt project, a joint venture formed by the Geon Company and the Company in 1996 to construct and operate a Chlor Alkali facility at the Company's McIntosh, AL site. The facility started operations in December 1997. Also in December, the Company was repaid $98 million of its original advances to the venture, as a result of a long-term financing undertaken by this venture. The Company has guaranteed its share of the venture's long-term debt. In 1996, the Company invested approximately $27 million in this venture.

In December 1996, the Company sold its isocyanates business for $565 million in cash. The sale included all assets at the Company's Lake Charles, LA facility used in the manufacture and sale of toluene diisocyanate, aliphatic isocyanates and nitric acid. Proceeds of $23 million in 1996 from the disposition of property, plant and equipment related primarily to the sale of the corporate headquarters.

Financing Activities

At December 31, 1998, the Company maintained committed credit facilities with banks of $254 million, all of which were available. Included in the $254 million committed credit facility is an unsecured revolving credit agreement with a group of banks which provided a maximum borrowing of $250 million. During 1997, the Company amended the revolving credit agreement, extending the expiration date to October 2002. As a result of the Spin-Off of Arch Chemicals, in February of 1999, the Company amended the revolving credit agreement reducing the aggregate commitments from $250 million to $165 million. The Company may select various floating rate borrowing options. The Company believes that the credit facility is adequate to satisfy its liquidity needs for the near future.

In 1998 the Company adopted SFAS No 131, "Disclosure about Segments of an Enterprise and Related Information," which establishes standards for the way that segment information is to be disclosed in financial statements along with additional information on products and services, geographic areas and major customers.

In 1998, the Company adopted SFAS No. 132, "Employers' Disclosures about Pensions and Other Postretirement Benefits, an amendment to FASB Statements No. 87, 88, and 106," which modifies the disclosure requirements related to pensions and other postretirement benefits.

In 1998, the Financial Accounting Standards Board issued Statement No. 133 ("Statement 133") "Accounting for Derivative Instruments and Hedging Activities." It requires an entity to recognize all derivatives as either assets or liabilities in the statement of financial position and measure those instruments at fair value. This statement is effective for all fiscal quarters of fiscal years beginning after June 15, 1999. The Company is currently evaluating the effect this statement will have on its financial position and results of operations in the period of adoption. After determining the effect of Statement 133, the Company may consider early adoption of this pronouncement.

In 1998, the American Institute of Certified Public Accountants ("AICPA") issued Statement of Position 98-1 ("SOP 98-1"), "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use." SOP 98-1 is effective for fiscal years beginning after December 15, 1998. The Company is currently evaluating the effect this Statement of Position will have on its financial position and results of operations in the period of adoption, but does not believe it will have a material effect.

Also in 1998, the AICPA issued Statement of Position 98-5 ("SOP 98-5"), "Reporting on the Costs of Start-up Activities." This Statement of Position requires the expensing of certain costs such as pre-operating expenses and organizational costs associated with the Company's start-up activities, and is effective for fiscal years beginning after December 15, 1998. The effect of adoption is required to be accounted for as a cumulative effect of change in accounting principle. The Company is still evaluating the effect of this statement on results of operations and financial position. The Company does not expect however that the amount recognized as a cumulative effect of change in accounting principle, if any, would be material.

Euro Conversion

On January 1, 1999, eleven of the fifteen member countries of the European Union adopted the Euro as their common legal currency and established fixed conversion rates between their existing sovereign currencies and the Euro. The Company does not expect the conversion to the Euro to have a material impact on its business, operations, or financial position.

Derivative Financial Instruments

The Company enters into forward sales and purchase contracts and currency options to manage currency risk resulting from purchase and sale commitments denominated in foreign currencies (principally Australian dollar and Canadian dollar) and relating to particular anticipated but not yet committed purchases and sales expected to be denominated in those currencies. All of the currency derivatives expire within one year and are for United States dollar equivalents. At December 31, 1998, the Company had forward contracts to sell foreign currencies with face values of $4 million (1997-$1 million) and forward contracts to buy foreign currencies with face values of $1 million in 1997. The fair market value of the forward contracts to sell at December 31, 1998 and 1997 and the forward contracts to buy at December 31, 1997 approximated the carrying value. The Company had no outstanding option contracts at December 31, 1998 and 1997.

In accordance with Statement of Financial Accounting Standards No. 52, ("SFAS 52"), "Foreign Currency Translation," a transaction is classified as a hedge when the foreign currency is designated

exception of the Metals segment, SAP is currently utilized in a majority of its domestic businesses. Since SAP was also a certified Year 2000 compliant solution, migration plans were adjusted to take advantage of the business benefit while eliminating the cost of remediating old legacy system code. Deployment has been aggressive with all domestic functions and locations (except Metals) transferred to SAP. In the few instances where SAP is not utilized, replacement systems are scheduled for June 1999. Offshore processing systems will continue using existing systems. All systems have been examined with Year 2000 upgrades targeted for completion by the second quarter of 1999.

The Metals segment is addressing the Year 2000 issue by converting existing programs to be compliant. It has completed code converting its entire software portfolio, and is currently heavily engaged in the testing phase of its plan. Completion of all systems is targeted for June 1999.

In the manufacturing area, plant level employees and independent assessments were used to identify places where embedded systems exist and categorize them by the potential impact to the business. Sixteen items, which have the potential for causing process shutdowns or unsafe conditions, remain to be remediated or replaced. The plan, which takes maximum advantage of "planned outages" in order to minimize the impact on operations, targets completion by May 1999.

The supply chain area has seen much activity in terms of assessing vendor Year 2000 preparedness, identifying alternate sources, as well as insertion of certain Year 2000 compliance language in all purchase orders issued. The Company has completed a review of single source and critical suppliers. During 1999, the Company will continue to re-evaluate its suppliers on a periodic basis.

Personal computers, networks, and PBX's represent the majority of items in the Company's infrastructure area. The Company has deployed new Pentium Year 2000 compliant equipment in large numbers to support its SAP deployment program and for internal standards compliance. In addition, the Company is currently utilizing software tools to test the entire PC inventory for Year 2000 compliance and this is expected to be completed by the first quarter of 1999. The Company's wide area network is already Year 2000 compliant as is most of its PBX and voice mail systems. The non-compliant equipment is planned to be replaced with compliant versions as leases expire, but no later than June 1999.

The Company believes its Year 2000 initiative is on track to address all significant Year 2000 issues by the middle of 1999, and is supported by the findings of an independent assessment completed in December 1998. Plans include additional assessments throughout 1999.

Plans for a worst case scenario in the unlikely event of a major failure due to a Year 2000 problem which causes significant disruptions to business operations have been formulated. In the area of business systems, management believes that the Company, with most of its operating units already migrated to Year 2000 compliant solutions, has already significantly reduced its potential risk. As added protection, software migration plans to new releases of SAP and Peoplesoft, which are planned in 1999, include Year 2000 testing scenarios. The Company will continue to monitor progress in the system testing of the converted legacy systems and will redirect existing resources and / or utilize outside assistance in the event of slippage against plans.

The Company continues to focus attention on the manufacturing area. It has deployed several independent initiatives to identify embedded systems, develop comprehensive equipment lists, and obtain vendor certifications of Year 2000 compliance. It has developed plans for further testing with respect to key manufacturing equipment and systems, during periods of scheduled outages.

The Company will continue to monitor progress against plans in the business systems, manufacturing, infrastructure, and supply chain areas, and take corrective action should slippage

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impact of metal price fluctuations. As of December 31, 1998, the Company maintained open positions on futures contracts totalling $44 million. Assuming a hypothetical 10% increase in commodity prices which are currently hedged, the Company would experience a $4.4 million increase in its cost of inventory purchased, which would be offset by a corresponding increase in the value of related hedging instruments.

The Company is exposed to changes in interest rates primarily as a result of its investing and financing activities. Investing activity is not material to the Company's consolidated financial position, results of operations, or cash flow. The financing activities of the Company are comprised primarily of long-term fixed rate debt utilized to fund business operations and maintain liquidity. As of December 31, 1998, the Company had long-term borrowings of $230 million outstanding at varying fixed rates. Assuming a decrease of 100 basis points in the interest rate for borrowings of a similar nature which the Company becomes unable to capitalize on in the short-term as a result of the structure of its fixed rate financings, future cash flows would be affected by approximately $2.3 million. The Company has interest rate swaps to hedge underlying debt obligations. Interest rate swap activity is not material to the Company's consolidated financial position, results of operations, or cash flow.

If the actual change in interest rates or commodities pricing is substantially different than expected, the net impact of interest rate risk or commodity risk on the Company's cash flow may be materially different than that disclosed above.

The Company does not enter into any derivative financial instruments for trading purposes.

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Independent Auditors' Report

To the Board of Directors and Shareholders of Olin Corporation

We have audited the accompanying consolidated balance sheets of Olin Corporation and subsidiaries as of December 31, 1998 and 1997 and the related consolidated statements of income, shareholders' equity and cash flows for each of the years in the three-year period ended December 31, 1998. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements, referred to above, present fairly, in all material respects, the financial position of Olin Corporation and subsidiaries as of December 31, 1998 and 1997, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 1998 in conformity with generally accepted accounting principles.

KPMG LLP

Stamford, Connecticut
January 26, 1999

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Consolidated Statements of Income

Years ended December 31
($ in millions, except per share data)

	1998	1997	1996
Sales	$1,426	$1,499	$1,758
Operating Expenses:			
Cost of Goods Sold	1,161	1,203	1,396
Selling and Administration	123	132	155
Research and Development	10	8	20
Interest Expense	17	24	27
Interest Income	3	10	2
Other Income	4	5	11
Gain (Loss) on Sales and Restructurings of Businesses and Spin-off Costs	(63)	—	179
Income from Continuing Operations Before Taxes	59	147	352
Income Taxes	21	50	125
Income from Continuing Operations	38	97	227
Income from Discontinued Operations, Net of Taxes	40	56	53
Net Income	78	153	280
Preferred Dividends	—	—	4
Net Income Available to Common Shareholders	$ 78	$ 153	$ 276
Net Income Per Common Share:			
Basic:			
Continuing Operations	$ 0.79	$ 1.91	$ 4.30
Discontinued Operations	0.85	1.11	1.04
Total Net Income	$ 1.64	$ 3.02	$ 5.34
Diluted:			
Continuing Operations	$ 0.79	$ 1.90	$ 4.26
Discontinued Operations	0.84	1.10	1.01
Total Net Income	$ 1.63	$ 3.00	$ 5.27

The accompanying Notes to Financial Statements are an integral part of the financial statements.

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Consolidated Statements of Cash Flows

Years ended December 31 ($ in millions)

	1998	1997	1996
Operating Activities			
Income from Continuing Operations	$ 38	$ 97	$227
Adjustments to Reconcile Income from Continuing Operations to Net Cash and Cash Equivalents Provided by Operating Activities:			
Earnings of Non-consolidated Affiliates	—	(1)	(2)
Depreciation	76	76	84
Amortization of Intangibles	2	2	2
Deferred Taxes	104	41	(78)
Loss (Gain) on Sales and Restructurings of Businesses and Spin-off Costs	63	—	(188)
Change in Assets and Liabilities Net of Purchases and Sales of Businesses:			
Receivables	(5)	(19)	26
Inventories	7	(14)	18
Other Current Assets	4	(5)	3
Accounts Payable and Accrued Liabilities	(57)	(45)	(38)
Income Taxes Payable	(33)	(122)	122
Other Noncurrent Liabilities	(8)	(36)	(11)
Other Operating Activities	(13)	(7)	13
Net Cash and Cash Equivalents Provided by Operating Activities from Continuing Operations	178	(33)	178
Discontinued Operations:			
Net Income	40	56	53
Change in Net Assets	(38)	(35)	(8)
Net Operating Activities	180	(12)	223
Investing Activities			
Capital Expenditures	(78)	(76)	(74)
Disposition of Property, Plant and Equipment	—	—	23
Business Acquired in Purchase Transactions	—	(2)	—
Proceeds from Sales of Businesses	4	5	565
Purchases of Short-Term Investments	(25)	(126)	(87)
Proceeds from Sale of Short-Term Investments	28	185	—
Investments and Advances—Affiliated Companies at Equity	(3)	(84)	(103)
Repayments of Advances From a Joint Venture	—	98	—
Other Investing Activities	(4)	(4)	—
Net Investing Activities	(78)	(4)	324
Financing Activities			
Long-Term Debt Repayments	(39)	(137)	(62)
Short-Term Debt Repayments	—	—	(58)
Borrowings under Line of Credit Assumed by Primex Technologies, Inc.	—	—	125
Purchase of Olin Common Stock	(112)	(163)	—
Repayment from ESOP	—	5	17
Stock Options Exercised	3	13	11
Dividends Paid	(58)	(61)	(64)
Other Financing Activities	(3)	(2)	—
Net Financing Activities	(209)	(345)	(31)
Net (Decrease) Increase in Cash and Cash Equivalents	(107)	(361)	516
Cash and Cash Equivalents, Beginning of Year	157	518	2
Cash and Cash Equivalents, End of Year	$ 50	$157	$518
Cash Paid (Received) for Interest and Income Taxes:			
Interest	$ 17	$ 27	$ 40
Income Taxes, Net of Refunds	$ (31)	$166	$104

The accompanying Notes to Financial Statements are an integral part of the financial statements.

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been determined principally by the average-cost and first-in, first out (FIFO) methods. Elements of costs in inventories include raw materials, direct labor and manufacturing overhead.

Property, Plant and Equipment

Property, plant and equipment are recorded at cost. Depreciation is computed on a straight-line basis over the estimated useful lives of the related assets. Leasehold improvements are amortized over the term of the lease or the estimated useful life of the improvement, whichever is shorter. Start-up costs are expensed as incurred.

Comprehensive Income

As of January 1, 1998, the Company adopted SFAS No. 130, "Reporting Comprehensive Income," which established standards for the reporting and display of comprehensive income and its components in the financial statements. Accumulated Other Comprehensive Loss at December 31, 1998 includes cumulative translation adjustments of $23 ($24 at December 31, 1997) and $2 of minimum pension liability. The Company does not provide for U.S. income taxes on foreign currency translation adjustments since it does not provide for such taxes on undistributed earnings of foreign subsidiaries.

Goodwill

Goodwill, the excess of the purchase price of the acquired businesses over the fair value of the respective net assets, is amortized principally over 30 years on a straight-line basis. The Company periodically reviews the value of its goodwill to determine if any impairment has occurred. The Company assesses the potential impairment of recorded goodwill and other long-lived assets by comparing the undiscounted value of expected future operating cash flows in relation to the book value of the goodwill and related long-lived assets. An impairment would be recorded based on the estimated fair value.

Environmental Liabilities and Expenditures

Accruals for environmental matters are recorded when it is probable that a liability has been incurred and the amount of the liability can be reasonably estimated, based upon current law and existing technologies. These amounts, which are not discounted and exclusive of claims against third parties, are adjusted periodically as assessment and remediation efforts progress or additional technical or legal information becomes available. Environmental remediation costs are charged to expense. Environmental costs are capitalized if the costs increase the value of the property and/or mitigate or prevent contamination from future operations.

Income Taxes

Deferred taxes are provided for differences between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse.

Derivative Financial Instruments

The Company enters into forward sales and purchase contracts and currency options to manage currency risk resulting from purchase and sale commitments denominated in foreign currencies (principally Australian dollar and Canadian dollar) and relating to particular anticipated but not yet committed purchases and sales expected to be denominated in those currencies. All of the currency derivatives expire within one year and are for United States dollar equivalents. At December 31, 1998,

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No. 25, "Accounting for Stock Issued to Employees." Under this option, compensation cost is recorded when the fair market value of the Company's stock at the date of grant for fixed options exceeds the exercise price of the stock option. The Company's policy is to grant stock options at a value equal to its common stock's fair market value on the date of the grant. Compensation cost for restricted stock awards is accrued over the life of the award based on the quoted market price of the Company's stock at the date of the award.

Earnings Per Share

Basic earnings per share are computed by dividing net income less the ESOP preferred stock dividend requirement (to the date of its redemption in 1996), and the redemption adjustment (excess of fair value over book value of ESOP shares redeemed) by the weighted average number of common shares outstanding. In December 1996, the Company redeemed the ESOP preferred stock with shares of common stock of equivalent value.

Diluted earnings per share reflect the dilutive effect of stock options and assumed the conversion of outstanding ESOP preferred stock, until its redemption in December 1996, into an equivalent number of common shares at the date of issuance. Net income was reduced by an additional ESOP contribution (differential between the common and the ESOP preferred dividend rates under an assumed conversion) necessary to satisfy the debt service requirement.

Computation of Earnings per Share	1998	1997	1996
Basic earnings per share			
Income from continuing operations	$ 38	$ 97	$ 227
Less ESOP preferred dividends, net of tax benefit	—	—	(4)
Redemption adjustment	—	—	(8)
	$ 38	$ 97	$ 215
Basic shares (in thousands)	47,643	50,519	49,992
Basic earnings per share-continuing operations	$ 0.79	$ 1.91	$ 4.30
Diluted earnings per share			
Income from continuing operations	$ 38	$ 97	$ 227
Less additional ESOP contribution	—	—	(4)
	$ 38	$ 97	$ 223
Diluted Shares (in thousands):			
Basic shares	47,643	50,519	49,992
Assumed conversion ESOP preferred stock	—	—	1,950
Stock options	224	368	369
	47,867	50,887	52,311
Diluted earnings per share-continuing operations	$ 0.79	$ 1.90	$ 4.26

The Board of Directors has authorized the Company to purchase up to 10 million shares of common stock of the Company under two share repurchase programs which began in January of 1997. During 1998 and 1997 the Company repurchased 3.1 million and 3.8 million shares, respectively. It is expected that the programs will be completed during 1999.

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Long-Term Debt

	1998	1997
Notes payable:		
7.11%, due 2005	$ 50	$ 50
7.75%, due 2005	11	11
7.97%, due 1999-2002	—	38
8%, due 2002	100	100
Industrial development and environmental improvement obligations:		
Payable at interest rates of 1% to 5% which vary with short-term tax exempt rates, due 2004-2017	35	35
Payable at interest rates of 6% to 7%, due 1999-2008	35	36
Total senior debt	231	270
Amounts due within one year	1	8
Total long-term debt	$230	$262

In June 1995, the Company sold $50 of 7.11% notes with a maturity date of June 2005. The proceeds from this issue were used to reduce short-term debt incurred for working capital purposes. At December 31, 1998, there remains $248 unissued under the medium-term note program registered in May 1994.

During 1992, the Company swapped interest payments on $50 principal amount of its 8% notes due 2002 to a floating rate (5.15602% at December 31, 1998). In June 1995, the Company offset this transaction by swapping interest payments to a fixed rate of 6.485%. The difference between interest paid and interest received is included as an adjustment to interest expense. A settlement of the fair market value of the interest rate swap as of December 31, 1998 would result in a receipt of approximately $2. Counterparties to interest rate swap contracts are major financial institutions. The risk of loss to the Company in the event of nonperformance by a counterparty is not significant.

Annual maturities of long-term debt for the next five years are $1 in 1999, 2000 and 2001, and $101 in 2002 and $1 in 2003.

Interest expense incurred on short-term borrowings and long-term debt totaled $18 in 1998, $25 in 1997 and $29 in 1996; of which $1 was capitalized in 1998 and 1997 and $2 in 1996.

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Components of Net Periodic Benefit Cost (Income)	Pension Benefits 1998	Pension Benefits 1997	Pension Benefits 1996	Other Postretirement Benefits 1998	Other Postretirement Benefits 1997	Other Postretirement Benefits 1996
Service cost	$ 15	$ 21	$ 22	$ 1	$ 1	$ 2
Interest cost	79	79	74	5	5	4
Expected return on plan assets	(99)	(92)	(87)	—	—	—
Amortization of prior service cost	4	3	4	(1)	(1)	(1)
Recognized actuarial loss (gain)	(6)	(6)	(6)	1	1	—
Net periodic benefit cost (income)	$ (7)	$ 5	$ 7	$ 6	$ 6	$ 5

The Company's common stock represents approximately 2% of the plan assets at December 31, 1998 and 1997.

The Company's foreign subsidiaries maintain pension and other benefit plans which are consistent with statutory practices and are not significant.

The Pension Plan of Olin Corporation provides that if, within three years following a change of control of the Company, any corporate action is taken or filing made in contemplation of, among other things, a plan termination or merger or other transfer of assets or liabilities of the plan, and such termination, merger or transfer thereafter takes place, plan benefits would automatically be increased for affected participants (and retired participants) to absorb any plan surplus.

In addition to the net pension expense above, during 1996 the Company recorded a $6 curtailment loss in connection with the sale of the isocyanates business and the spin-off of the Ordnance and Aerospace divisions as Primex Technologies, Inc. ("Primex").

The accumulated postretirement benefit obligation was determined using the projected unit credit method and an assumed discount rate of 7% in 1998, 7.25% in 1997 and 8% in 1996. The assumed health care cost trend rate used for pre-65 retirees was 8% in 1998, 9.7% in 1997 and 11% in 1996, declining one-half percent per annum to 5.0%. For post-65 retirees, the Company provides a fixed dollar benefit which is not subject to escalation.

Assumed health care cost trend rates have a significant effect on the amounts reported for the postretirement health care plan. A one-percentage-point increase (decrease) in assumed health care cost trend rates would have a less than $1 increase (decrease) in total service and interest cost components and a $3 increase (decrease) in the postretirement benefit obligation.

Subsequent to the spin-off of Arch Chemicals on February 8, 1999, Arch Chemicals will become liable for the payment of all pension plan benefits earned by Arch Chemicals employees prior to and following the spin-off who retire after the spin-off. The Olin pension plan will transfer assets to the Arch Chemicals pension plan and the amount of the assets will be calculated based on the relative percentage of the Projected Benefit Obligation. Such amount may be adjusted to comply with the asset allocation methodology set forth in section 4044 of the Employee Retirement Income Security Act of 1974, as amended, if necessary. Olin will remain liable for postretirement, medical and death benefits provided to all employees who retire prior to the spin-off. Arch Chemicals will become liable for the payment of all retiree medical and death benefits earned by Arch Chemicals employees prior to and following the spin-off who retire after the spin-off. The postretirement plan is an unfunded plan, therefore no assets were transferred.

In connection with the spin-off of Arch Chemicals in the first quarter of 1999, the Company transferred $7 of postretirement benefit liability to Arch Chemicals. During 1996 in connection with the spin-off of Primex Technologies, Inc., the Company transferred $8 of postretirement benefit liability to Primex Technologies, Inc.

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Accrued Liabilities

Included in accrued liabilities are the following items:

	1998	1997
Accrued compensation and employee benefits	$ 43	$ 50
Environmental	30	30
Accrued costs for sales and restructurings of businesses and spin-off costs	30	—
Accrued insurance	21	22
Other	44	77
	$ 168	$179

Contributing Employee Ownership Plan

The Contributing Employee Ownership Plan is a defined contribution plan available to essentially all domestic employees which provides a match of employee contributions. The plan purchased from the Company approximately 1.3 million shares ($100) of a newly authorized 1.75 million share series of the Company's ESOP preferred stock, financed by $60 of notes guaranteed by the Company and a $40 loan from the Company. This loan has been repaid in total to the Company as of December 31, 1992. In December 1996, the Board of Directors approved the redemption of all outstanding shares of ESOP preferred stock with common stock of equivalent value. Upon redemption of the ESOP preferred stock, the Company is matching employee contributions with common stock. The annual fixed preferred dividend rate was $5.97 per share and during 1996, dividends were paid in the first three quarters. Expenses related to the plan are based on ESOP preferred and common stock allocated to participants. These costs (primarily the Company's contributions) amounted to $8, $9 and $8 in 1998, 1997 and 1996, respectively. Interest incurred by the plan totaled $1 in 1996, which was funded by ESOP preferred dividends.

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In 1996, the Company adopted SFAS No. 123, "Accounting for Stock-Based Compensation". As allowed by SFAS No. 123, the Company has not recognized compensation cost for stock-based compensation arrangements. Pro forma net income and earnings per share were calculated based on the following assumptions as if the Company had recorded compensation expense for the stock options granted during the year. The fair value of each option granted during 1998, 1997 and 1996 was estimated on the date of grant, using the Black-Scholes option-pricing model with the following weighted-average assumptions used: dividend yield of 3.2% in 1998, 2.8% in 1997 and 4.0% in 1996, risk-free interest rate of 5.5% in 1998 and 1997 and 6.5% in 1996, expected volatility of 27% in 1998, 21% in 1997 and 22% in 1996 and an expected life of 7 years. The fair value of options granted during 1998, 1997 and 1996 was $11.77, $9.53 and $7.54, respectively. The following table shows the difference between reported and pro forma net income and earnings per share as if the Company had recorded compensation expense for the stock options granted during the year.

($ in millions except per share data)	1998	1997	1996
Net Income			
As reported	$ 78	$153	$280
Pro forma	72	149	277
Per Share Data:			
Basic			
As reported	1.64	3.02	5.34
Pro forma	1.52	2.96	5.29
Diluted			
As reported	1.63	3.00	5.27
Pro forma	1.52	2.95	5.23

Common Stock

In connection with the spin-off of Primex in 1996, its employees were allowed to transfer their account balances from the Company's CEOP into Primex's savings and retirement plan. The Company issued .3 million shares of common stock at a value of $40.50 in exchange for .2 million shares of ESOP preferred stock at a per share value of $85.63 at the time of the transfer.

In December 1996, the Company's board of directors approved the redemption of all outstanding shares of ESOP preferred stock with common stock of equivalent value. Approximately 1.87 million shares of common stock at a per share value of $40.19 were issued in exchange for approximately .9 million shares of ESOP preferred stock at a per share value of $85.75.

Shareholder Rights Plan

Effective February 1996, the Board of Directors adopted a new Shareholder Rights Plan to replace the prior plan which had been adopted in 1986. Like the former plan, the new plan is designed to prevent an acquiror from gaining control of the Company without offering a fair price to all shareholders. Each right entitles a shareholder (other than the acquiror) to buy one-five hundredth share of Series A Participating Cumulative Preferred Stock at an exercise price of one hundred twenty dollars. The rights are exercisable only if a person acquires more than 15% of the Company's common stock or if the Board of Directors so determines following the commencement of a tender or exchange offer to acquire more than 15% of the Company's common stock. If any person acquires more than 15% of the Company's common stock and in the event of a subsequent merger or combination, each right will entitle the holder (other than the acquiror) to purchase stock or other property of the acquiror having a value of twice the exercise price. The Company can redeem the rights at $.005 per right for a certain period of time. The rights will expire on February 27, 2006, unless earlier redeemed by the Company.

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Segment operating income includes an allocation of corporate charges based on various allocation methodologies. Segment assets include only those assets which are directly identifiable to a segment and do not include such items as cash, deferred taxes and other assets. Sales by segment substantially represent sales for the three product lines of the Company.

Geographic Data:	1998	1997	1996
Sales			
United States	$1,388	$1,456	$1,593
Foreign	38	43	165
Transfers between areas			
United States	10	9	101
Foreign	—	—	10
Eliminations	(10)	(9)	(111)
Total Sales	$1,426	$1,499	$1,758
Assets			
United States	$1,084	$1,263	$1,808
Foreign	42	32	36
Investments	4	10	31
Eliminations	(58)	(54)	(43)
Net Assets of Discontinued Operations	505	456	430
Total Assets	$1,577	$1,707	$2,262

Transfers between geographic areas are priced generally at prevailing market prices. Export sales from the United States to unaffiliated customers were $82, $86, and $109 in 1998, 1997, and 1996, respectively.

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The following table summarizes the major components of the 1998 charges and the remaining balances as of December 31, 1998 excluding the non-cash asset writedown described below:

	Charge	Amounts Utilized	Accrued Restructuring Costs
Employee termination and severance	$ 14	$ —	$ 14
Legal and investment banker fees	8	(1)	7
Exit costs	5	—	5
Other	5	(1)	4
	$ 32	$ (2)	$ 30

In September of 1998 the Company announced that it had offered its rod, wire, and tube business at Indianapolis for sale. These businesses were not profitable due to strong domestic and international competition and were not expected to improve significantly. Since the Company was unable to sell the rod, wire, and tube businesses the Company decided to shut down the operations, which occurred on December 31, 1998. The Company will continue to produce sheet and strip copper based alloys at the Indianapolis facility. The assets of the rod, wire, and tube businesses include machinery and equipment with a carrying value of $30. A valuation allowance has been recorded to reflect the estimated net realizable value of the assets net of the amount expected to be recovered in the sale of those assets of $7 over the next twelve months. In 1998, the rod, wire, and tube businesses generated sales of $26 and operating losses of $8.

Employee termination and severance costs relate to the termination of approximately 450 of the 900 employees at the Indianapolis facility as well as approximately 140 employees at the Company's corporate headquarters in Norwalk, CT and various international subsidiaries. The Indianapolis terminations were primarily manufacturing positions while the corporate and international terminations included various corporate functions such as finance, legal, human resources and information technology. The majority of the termination and severance benefits will be paid over the next twelve months.

Legal and investment banker fees relate to the spin-off of Arch Chemicals and are expected to be paid in the next six months.

In connection with the spin-off of Primex in 1996, the Company recorded $9 in spin-off costs which related primarily to pension curtailment, investment banker and legal fees.

Discontinued Operations

On February 8, 1999, the Company completed the spin-off of its specialty chemicals businesses as Arch Chemicals, Inc. Under the terms of the spin-off, the Company distributed to its holders of common stock as of the close of business on February 1, 1999 one Arch Chemicals common share for every two shares of Olin common stock. In February 1999 prior to the distribution, Olin borrowed $75 under a credit facility, which liability was assumed by Arch Chemicals.

On December 31, 1996 the Company completed the spin-off of its Ordnance and Aerospace businesses as Primex. Under the terms of the spin-off, the Company distributed to its holders of common stock as of the close of business on December 19, 1996, one Primex common share for every ten shares of Olin common stock. The spin-off distribution reduced shareholders' equity by $145 which represents the book value of the net assets of Primex as of December 31, 1996.

The historical operating results of these businesses are shown net of tax as discontinued operations in the consolidated statements of income. The discontinued operations include an allocation

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Environmental exposures are difficult to assess for numerous reasons, including the identification of new sites, developments at sites resulting from investigatory studies, advances in technology, changes in environmental laws and regulations and their application, the scarcity of reliable data pertaining to identified sites, the difficulty in assessing the involvement and financial capability of other potentially responsible parties and the Company's ability to obtain contributions from other parties and the length of time over which site remediation occurs. It is possible that some of these matters (the outcomes of which are subject to various uncertainties) may be resolved unfavorably against the Company. At December 31, 1998, the Company had estimated additional contingent environmental liabilities of $40.

Commitments and Contingencies

The Company leases certain properties, such as railroad cars, manufacturing, warehousing and office space, data processing and office equipment. Leases covering these properties generally contain escalation clauses based on increased costs of the lessor, primarily property taxes, maintenance and insurance and have renewal or purchase options. Total rent expense charged to operations amounted to $38 in 1998, $33 in 1997 and $37 in 1996, (sublease income is not significant). Future minimum rent payments under operating leases having initial or remaining noncancelable lease terms in excess of one year at December 31, 1998 are as follows: $17 in 1999; $15 in 2000; $12 in 2001; $10 in 2002; $8 in 2003; and $23 thereafter.

There are a variety of non-environmental legal proceedings pending or threatened against the Company. Those matters that are probable have been accrued for in the accompanying financial statements. Any contingent amounts in excess of amounts accrued are not expected to have a material adverse effect on results of operations, financial position or liquidity of the Company.

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Economic Value Added Performance Measure (Unaudited)

	1998	1997	1996
Earnings before interest and taxes[1]			
—continuing operations	$ 136	$ 161	$ 198
—discontinued operations	61	86	95
	197	247	293
Adjustments[2]	22	22	47
Operating profit before taxes	219	269	340
Cash taxes at 35%	(77)	(94)	(119)
Net operating profit after taxes	142	175	221
Strategic investment[3]	3	—	—
Capital charge	(121)	(108)	(158)
EVA	$ 24	$ 67	$ 63
Average capital employed	$1,288	$1,162	$1,673
Return on capital	11.3%	15.1%	13.2%
Cost of capital	9.4%	9.4%	9.4%

(1) EBIT excludes (i) $63 charge in 1998 related to the sale of the microelectronic packaging unit at Manteca, CA and the restructuring of the rod, wire and tube businesses at Indianapolis, IN ($42) and non-recurring costs associated with the spin-off of Arch Chemicals ($21) and; (ii) the gain on sale of TDI and ADI businesses of $188 in 1996.

(2) Adjustments include principally environmental provisions and other miscellaneous income

(3) Strategic investment relates to adjustment for investment with negative short term EVA impact

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Separate consolidated financial statements of 50% or less owned subsidiaries accounted for by the equity method are not summarized herein and have been omitted because, in the aggregate, they would not constitute a significant subsidiary.

3. Exhibits

Management contracts and compensatory plans and arrangements are listed as Exhibits 10(a) through 10(s) below.

3(a) Olin's Restated Articles of Incorporation as amended effective May 8, 1997—Exhibit 3 to Olin's Form 10-Q for the Quarter ended March 31, 1997.*

(b) By-laws of Olin as amended effective February 8, 1999.

4(a) Articles of Amendment designating Series A Participating Cumulative Preferred Stock, par value $1 per share—Exhibit 2 to Olin's Form 8-A dated February 21, 1996, covering Series A Participating Cumulative Preferred Stock Purchase Rights.*

(b) Rights Agreement dated as of February 27, 1996 between Olin and Chemical Mellon Shareholder Services, LLP, Rights Agent—Exhibit 1 to Olin's Form 8-A dated February 21, 1996, covering Series A Participating Cumulative Preferred Stock Purchase Rights.*

(c) Form of Senior Debt Indenture between Olin and Chemical Bank—Exhibit 4(a) to Form 8-K dated June 15, 1992; Supplemental Indenture dated as of March 18, 1994 between Olin and Chemical Bank—Exhibit 4(c) to Registration Statement No. 33-52771; Prospectus Supplement dated June 17, 1992 to Prospectus dated June 16, 1992, with respect to Olin's 8% Senior Notes Due 2002 filed under Registration Statement No. 33-4479; and Prospectus Supplement dated May 26, 1995 to Prospectus dated May 4, 1994 relating to Medium Term Notes, Series A filed under Registration Statement No. 33-52771.*

(d) Form of Subordinated Debt Indenture between Olin and Bankers Trust Company—Exhibit 4(i) to Registration No. 33-4479.*

(e) Amended and Restated Credit Agreement, dated as of September 30, 1993 and amended and restated as of February 22, 1999, among Olin and the banks named therein.

Olin is party to a number of other instruments defining the rights of holders of long-term debt. No such instrument authorizes an amount of securities in excess of 10% of the total assets of Olin and its subsidiaries on a consolidated basis. Olin agrees to furnish a copy of each instrument to the Commission upon request.

10(a) 1980 Stock Option Plan for Key Employees of Olin Corporation and Subsidiaries, as amended—Exhibit 10(a) to Olin's Form 10-K for 1991.*

(b) 1988 Stock Option Plan for Key Employees of Olin Corporation and Subsidiaries as amended through February 23, 1995—Exhibit 10(b) to Olin's Form 10-K for 1994.*

(c) Amended and Restated Employee Deferral Plan, effective November 1, 1997, as amended and restated effective as of February 8, 1999.

(d) Olin Senior Executive Pension Plan with amendments.

(e) Olin Supplemental Contributing Employee Ownership Plan, effective January 1, 1990 as amended and restated as of September 24, 1998.

(f) Olin Corporation Key Executive Life Insurance Program—Exhibit 10(b) to Olin's Form 10-Q for Quarter ended March 31, 1986.*

(g) Form of Olin Corporation Endorsement Split Dollar Agreement (effective January 1, 1993)—Exhibit 10(s) to Olin's Form 10-K for 1992.*

(h) Form of executive agreement between Olin and certain executive officers as amended December 10, 1998.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

OLIN CORPORATION

Date: March 16, 1999

By /s/ DONALD W. GRIFFIN
Donald W. Griffin
Chairman of the Board,
President and
Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

Signature	Title	Date
/s/ DONALD W. GRIFFIN Donald W. Griffin	Chairman of the Board, President and Chief Executive Officer and Director (Principal Executive Officer)	March 16, 1999
/s/ WILLIAM W. HIGGINS William W. Higgins	Director	March 16, 1999
/s/ ROBERT HOLLAND, JR. Robert Holland, Jr.	Director	March 16, 1999
/s/ SUZANNE DENBO JAFFE Suzanne Denbo Jaffe	Director	March 16, 1999
/s/ RANDALL W. LARRIMORE Randall W. Larrimore	Director	March 16, 1999
/s/ G. JACKSON RATCLIFFE, JR. G. Jackson Ratcliffe, Jr.	Director	March 16, 1999
/s/ RICHARD M. ROMPALA Richard M. Rompala	Director	March 16, 1999
/s/ ANTHONY W. RUGGIERO Anthony W. Rugglero	Executive Vice President and Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	

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Annual Report 1997

Transforming

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Financial Highlights

Years ended December 31 ($ in millions, except per share amounts)	1997	1996
Sales:		
Businesses Retained	$ 2,410	$ 2,342
Business Sold	—	296
Total	2,410	2,638
Operating Income:		
Businesses Retained	230	212
Business Sold	—	47
Total	230	259
Net Income	153	280
Depreciation	118	124
Capital Expenditures	140	126
Diluted Income per Common Share:		
Income from Continuing Operations	3.00	5.43
Net Income	3.00	5.27
Cash Dividends per Common Share	1.20	1.20
Total Debt to Total Capitalization	24.0%	30.4%
Economic Value Added (EVA®)	$ 67	$ 63
Return on Capital	15.1%	13.2%
Number of Shareholders	10,600	11,300
Number of Employees	9,800	9,400

1996 Net Income includes an after-tax gain of $115 (diluted E.P.S.– $2.20) on the sale of the isocyanates business at Lake Charles, LA. Depreciation and capital spending were $22 and $10 for the isocyanates business in 1996, respectively.

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Left to right, seated: Michael E. Campbell, Executive Vice President; Donald W. Griffin, Chairman, President and Chief Executive Officer; *standing,* Johnnie M. Jackson, Jr., Vice President, General Counsel and Secretary; Anthony W. Ruggiero, Senior Vice President and Chief Financial Officer; Peter C. Kosche, Senior Vice President, Corporate Affairs.

We'll be guided in these investments by four key criteria: we will aggressively invest in projects and businesses with market-leadership positions, sustainable competitive advantages, base business growth well in excess of the economy, and returns that will generate Economic Value Added (EVA).

We've already taken many of the steps necessary to put us firmly on target for improving our performance in 1998 and beyond — including capacity expansions in microelectronic materials and biocides.

Last summer, we announced a $42 million expansion plan for our biocides business that should help grow its sales by 40-50% by the year 2000. The expansion will include a new plant in China that will help serve growing Asian demand for antidandruff shampoos. We've already begun expanding our biocides plants in Ireland and New York.

In the second quarter of 1998, Olin Microelectronic Materials is slated to open its new $20 million, ultra-high purity Belgian electronic process chemicals facility. And later this year, it should complete its $28 million, advanced photoresist facility in Rhode Island. The site will provide next-generation photoresists that top-tier semiconductor customers need to

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We are working hard on many fronts to strengthen our market-leadership positions, to achieve operational excellence in all that we do, and to drive prudent and profitable growth on a global basis.

Our major businesses clearly are market leaders. **Olin Pool Products** is the world's largest producer of calcium hypochlorite water sanitizers; **Olin Microelectronic Materials** is a leading global supplier of a complete array of front-end semiconductor chemicals and services; our **Biocides** business is the world's top supplier of key agents for antidandruff shampoos; **Olin Brass** is the largest brass producer in the U.S. and the worldwide leader in copper alloy development; **Chlor Alkali Products** has the largest market share in the eastern U.S.; and **Winchester** is a leading global supplier of sporting ammunition.

Operational excellence represents our commitment to continuously improving everything we do — our manufacturing processes; our cost structure; our productivity; our health, safety and environmental performance; the quality of our products and the value of our services. In addition to growing our existing businesses, we also are actively looking for other opportunities, including acquisitions, in high-growth chemical market segments.

As the examples in the following pages demonstrate, we are making good progress in our quest to leverage our market leadership, operational excellence and plans for prudent and profitable growth to complete the transformation of Olin.

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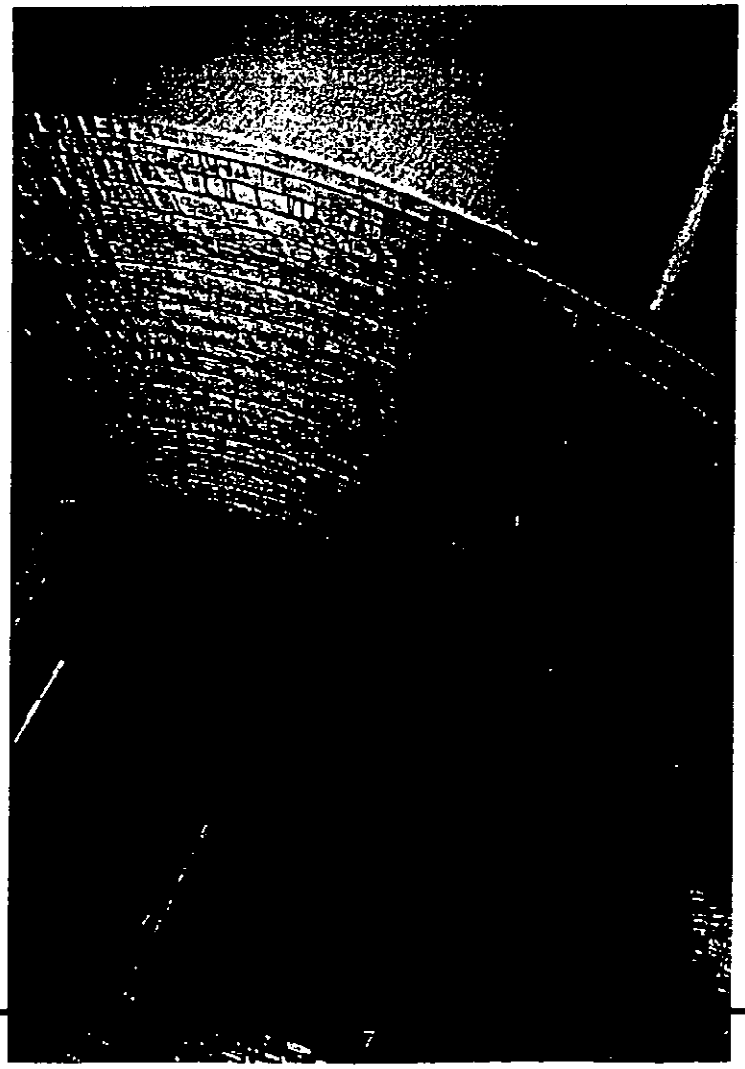
complex, links to customers' supply chains can be simple and practical. For example, Chlor Alkali Products has installed sensors in customers' tanks of Reductone and caustic soda to expedite refilling the tanks, improve inventory management and enhance safety.

Linked to the division's computer system, the sensors alert Olin to send trucks to refill the tanks when product levels hit the re-order point. In turn, the sensor systems enable us to better control our own inventory levels, production schedules and related costs.

Leading from Strength

True to its legendary heritage as an innovator in firearms and ammunition, Winchester is capitalizing on growing segments of the ammunition market — the rapid growth in the number of female shooters and the popularity of target shooting — by introducing innovative new rounds. For example, Winchester is introducing a totally non-toxic, environmentally friendly line of handgun ammunition. This product is geared to meet the needs of many civilian, military and law enforcement indoor ranges. These products incorporate our patented lead-free primer, which is recognized as the most advanced product in the industry, with a lead-free projectile.

Olin Brass, the worldwide leader in copper alloy development, has recently introduced two new, low-cost, high-performance alloys targeted for the automotive and electronics markets. We expect to commercialize a third new alloy during the year designed for high-end automotive electronic and semiconductor applications. All three alloys will be supported globally, a key initiative in Olin Brass' efforts to capitalize on its leadership position in high-performance copper alloys.



Facing page: Olin is an industry leader in transforming supply chain management initiatives into competitive advantages.

Right: Olin Brass is strengthening its worldwide leadership position in copper alloy development.

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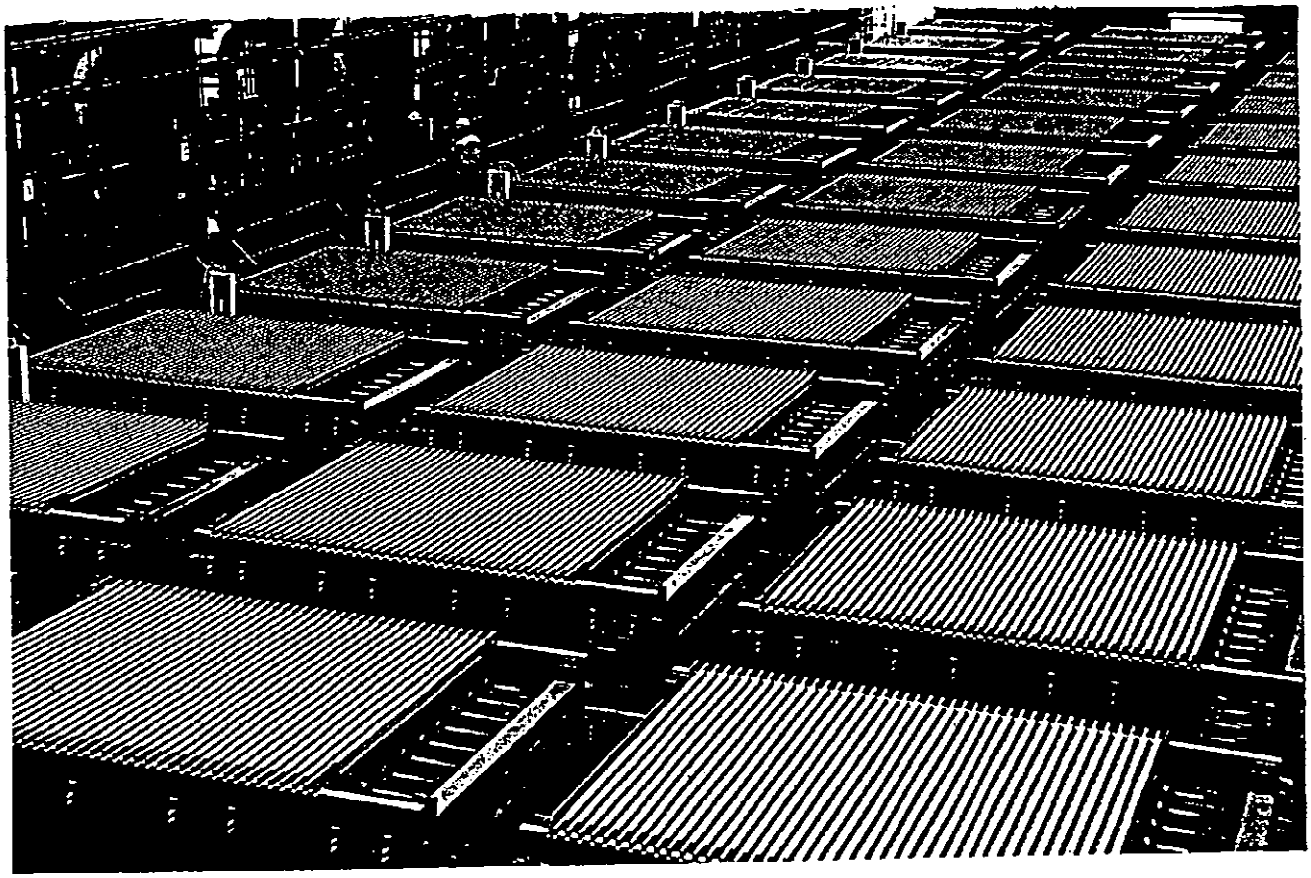

We are striving in every Olin business to be the low-cost producer of the highest quality products and services. In many cases, our cost-cutting efforts are yielding additional benefits in increased productivity and decreased cycle times. For example, through productivity and yield improvements primarily from its Brass Mill 2000 equipment, Brass increased shipments 10% while reducing manufacturing costs. Additional benefits resulted from greater operational flexibility and improved inventory utilization.

To reduce shipping costs and increase the amount of product that customers can display on their shelves, Olin Pool Products has introduced a whole new line of modular packaging. As added benefits, this packaging is both child resistant and senior friendly, includes improved product use directions and is safer to handle, lift and pour.

Above: Olin's new joint venture Sunbelt plant in Alabama should benefit in numerous ways from a new cogeneration power plant.

Productivity

Real time pricing. Off-peak power usage. Low-cost hydroelectric power. Cogeneration. Optimal energy-efficient equipment. Olin is harnessing these and other practices to increase our productivity and reduce energy use and costs.

In the chlor alkali industry, where electric power typically represents more than 40% of the cost of producing chlorine and caustic soda, our Chlor Alkali Products Division employs a "partnership philosophy" with its major energy suppliers. In 1999, for example, Alabama Power will complete construction of a major cogeneration facility that it will own and operate on Olin's site in McIntosh, AL. Fueled by natural gas, this new facility will enhance productivity and reduce operating costs by replacing a coal-fired boiler. In its place, the cogeneration plant will supply 100% of the steam requirements to the two chlor alkali plants at the site. As an added benefit, closing the coal-fired boiler will sharply reduce emissions as well as eliminate costs associated with the disposal of waste ash.

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Environment, Health and Safety

Every Olin business is striving to continuously improve performance in the areas of health, safety and the environment: all key elements of operational excellence. The results are impressive. By implementing innovative pollution prevention techniques, we reduced our total emissions by 75% from 1987 through 1996: one vital area where less truly is more. This achievement is based in part on dramatic progress at our Brass and Winchester facilities in Illinois, which recently received their second Governor's Pollution Prevention award.

We also have dynamic new safety initiatives under way in our chemicals operations, including extensive training for members of self-directed work teams. Under an innovative approach known as the Behavioral Accident Prevention Process, the teams are involved more than ever in "coaching" each other on safe operating practices and in devising solutions to potential safety hazards.

Olin also is a leader in establishing effective community advisory panels in our plant communities. Led by independent facilitators, our 14 panels help us identify and address issues of mutual concern, such as rerouting Olin truck traffic to improve highway safety or coordinating emergency response training with local agencies.

Protecting the environment and health and safety of our workers and communities are paramount in all Olin operations.

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packing more memory, speed and processing power into their semiconductor devices.

We're also helping create the future of photolithography, and by extension, of the entire semiconductor industry, by developing future-generation photoresists — both on our own and in collaboration with Lucent Technologies. This breakthrough technology will be critical to the development of 1-gigabyte chips and even more powerful semiconductor devices in the 21st Century.

In the second quarter of 1998, we will complete the capacity addition at our Belgian manufacturing center for ultra-high purity electronic process chemicals. With this new capacity, we'll be able to expand sales to customers in Europe and further strengthen our global position as a sole-source supplier of the full range of needed semiconductor chemicals.

In addition, later this year we will complete our new diffusion materials facility at our process chemicals site in Mesa, AZ, which is itself just two years old. Used to impart electrical properties to various parts of semiconductor chips, these specialty diffusion chemicals are also one key to the development of advanced semiconductor devices. *Advanced Chemistry. Global Solutions.* These are the keys to creating a bright future at Olin Microelectronic Materials.

Growth in Biocides

Thanks to the ingenuity of our entire biocides team, this key Olin chemical business has enjoyed double-digit sales growth in recent years and is poised to further increase sales by an estimated 40-50% by the year 2000. Better yet, this is one of Olin's most dynamic businesses, with returns that consistently exceed its total cost of capital.

We are taking numerous steps to fuel profitable growth in all four of its major market segments — the antidandruff and personal care market, metalworking fluids, marine antifouling paints, and architectural paints and coatings. Olin is the world's largest provider of both chloropyridines and pyrithione-based biocides. To support rapid global growth in these products, we are investing $42 million to double our capacity through expansions at our existing plants in New York and Ireland and by building a new biocides plant in China. Slated for start-up early next century, the new plant will help serve strong Asian demand for antidandruff shampoos. For the past three years, the Chinese market alone has grown at over 30% per year. This helps explain why the majority of our biocide sales are now overseas.

Olin's environmentally friendly Omadine biocides are the leading product worldwide for replacing tributyl tins in marine antifouling paints. We're also benefiting from increased sales of our new Omacide IPBC biocides, which received U.S. EPA registration last year for use in architectural coatings and metalworking fluids.

The expansion of our biocides plant in Swords, Ireland, is part of an aggressive global growth plan.

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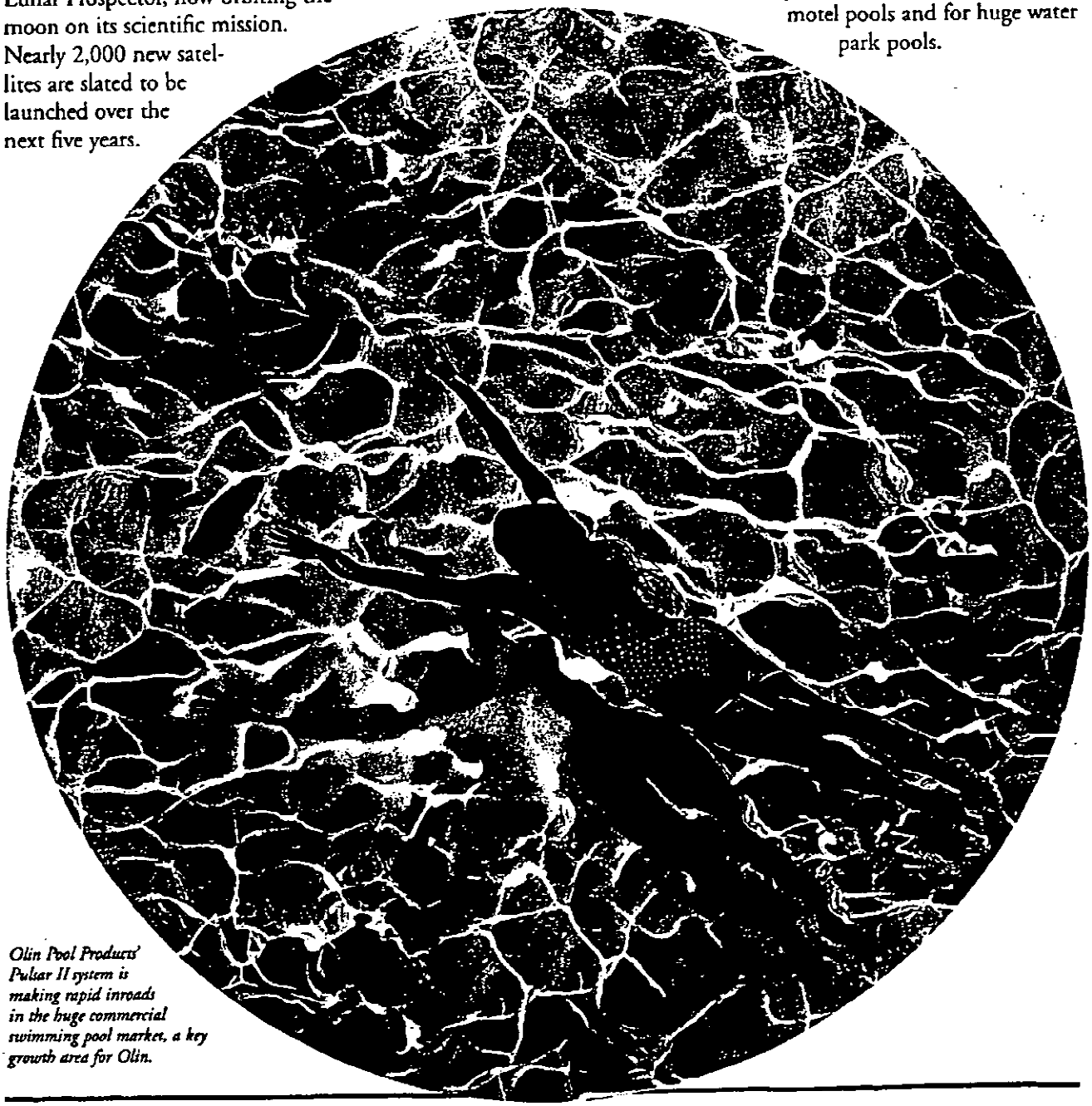
Growth in Other Chemicals

We have prudent growth plans for our other chemical businesses, including pool products, sulfuric acid, hydrazine propellants and solutions, and non-foam polyols. Our hydrazine business, for example, is taking advantage of "astronomical" growth in the satellite business. Today, our *Ultra Pure* hydrazine propellants are on board the majority of the world's satellites, including the Lunar Prospector, now orbiting the moon on its scientific mission. Nearly 2,000 new satellites are slated to be launched over the next five years.

Olin Pool Products is using its innovative Pulsar system to achieve significant growth in the commercial swimming pool market. Pulsar is simpler and safer than liquid bleach and chlorine gas systems, which have historically been used in commercial pools. At present, Olin has a relatively small share of this market. And yet commercial pools involve roughly the same volume of water as in residential pools, where we are the leading global provider of calcium hypochlorite pool chemicals. Today, we have thousands of Pulsar II feeders installed in commercial pools, and they in turn are generating annual sales of millions of pounds of Pulsar pellets. We're expanding our installed base now with new feeders designed for smaller hotel and motel pools and for huge water park pools.



Olin Pool Products' Pulsar II system is making rapid inroads in the huge commercial swimming pool market, a key growth area for Olin.

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Management's Discussion and Analysis of Financial Condition and Results of Operations

Results of Operations

Consolidated

($ in millions, except per share data)	1997	1996[1]	1995[2]
Sales	$2,410	$2,638	$2,665
Gross Margin	544	617	550
Selling and Administration	285	319	293
Operating Income	230	259	223
Interest Expense	25	29	35
Interest Income	11	4	1
Other Income	18	24	15
Gain on Sale of Business	–	188	–
Income from Continuing Operations	153	288	134
Net Income	153	280	140
Per Common Share:			
Basic			
Income from Continuing Operations	$3.02	$5.52	$2.63
Net Income	$3.02	$5.34	$2.75
Diluted			
Income from Continuing Operations	$3.00	$5.43	$2.56
Net Income	$3.00	$5.27	$2.67

[1] Includes the operating results of the isocyanates business which was sold in December 1996. Sales, gross margin, selling and administration and operating income of the isocyanates business in 1996 was $296, $71, $16 and $47, respectively.

[2] Includes the operating results of the isocyanates business which was sold in December 1996. Sales, gross margin, selling and administration and operating income of the isocyanates business in 1995 was $255, $36, $15 and $14, respectively.

In December of 1996, the company sold its isocyanates business to ARCO Chemical Company ("ARCO") for $565 million in cash. In connection with this transaction the company recorded a pretax gain of $188 million. The following comparison of operating results of 1997 to 1996 excludes the sales, gross margin, selling and administration expenses, research and development expenses and operating income of the isocyanates business in 1996.

1997 Compared to 1996

Sales and operating income increased 3% and 8%, respectively. The 3% increase in sales was due to a 4% increase in volume and a 2% increase due to the inclusion of the sales from the Niachlor acquisition offset by a 2% decrease in pricing and a 1% decrease in metal values. The 8% increase in operating income was due to the increase in sales and lower administrative expenses.

Gross margin percentage was 23% in 1997 and 1996 as lower fixed costs per unit due to higher volumes offset the impact of lower selling prices.

Selling and administration expenses decreased in dollars as well as a percentage of sales (12% in 1997, 13% in 1996). Selling and administration expenses decreased in amount due to lower corporate administration expenses, lower incentive compensation costs and the absence of expenses related to the spin-off of Primex Technologies, Inc. ("Primex") incurred in 1996.

Research and development expenses were about equal.

Interest expense decreased due to the $125 million repayment of the 9.5% subordinated notes at maturity in June of 1997.

The increase in interest income is due to higher average levels of cash, cash equivalents and short-term investments during 1997 compared with 1996 primarily as a result of the net proceeds on the sale of the isocyanates business in December 1996.

Other income in 1996 includes the gain on the sale of the company's corporate headquarters ($7 million).

The effective tax rate decreased to 34.6% from 35.4%. Excluding the impact of the gain on the sale of the isocyanates business, the effective tax rate in 1997 increased 1.7% due to reduced tax benefits associated with lower foreign sales primarily due to the absence of the isocyanates business. At December 31, 1997, the company had net deferred tax assets of $99 million, primarily comprised of temporary differences between financial statement and tax bases of assets and liabilities. No valuation allowance has been provided because management believes that it is more likely than not that there will be sufficient taxable income to allow for the realization of these tax benefits.

In February 1997, the company completed the purchase of the remaining 50% of Niachlor (a former Chlor Alkali joint venture) with a final payment of $2 million to E.I. du Pont de Nemours and Company (DuPont). In December 1996, the company made an advance payment of $75 million to DuPont in connection with this transaction. In November 1997, the company sold its surfactants, fluids, non-urethane polypropylene glycol and polyethylene glycol businesses to BASF. In October 1997, the company and Asahi Glass Company established separate ownership of two former joint ventures the companies had previously formed in polyols and microelectronic packaging systems. The company is now the sole owner of Aegis, Inc., a manufacturer of metal hermetic packages that was established in 1986. Conversely, Asahi Glass Company is now the sole owner of the former Asahi-Olin joint venture in polyols that was established in 1974. These transactions did not have a material effect on the company's results of operations.

1996 Compared to 1995

Sales decreased 1% while operating income increased 16%. The decrease in sales was attributable to a 2% decrease in volume and a 3% decrease in metal values offset by a 2% improvement in pricing and a 2% increase due to the inclusion of OCG for a full year. Operating income was enhanced by lower raw material costs and improved product mix. In 1996, record operating results were achieved by both the Chlor Alkali and former Chemicals divisions, including the isocyanates business which was sold in December 1996.

Gross margin percentage was 23%, an increase of 2% due to price increases in several Chemical product lines, higher caustic volumes, lower raw materials costs and an improved product mix.

Selling and administration expenses as a percentage of sales increased to 12% from 11%. Selling and administration expenses increased in amount due primarily to the inclusion of OCG's operating expenses for a full year, expenses related to the spin-off of Primex, higher costs related to incentive compensation programs and higher sales promotion and advertising expenses for Pool Products and Winchester sporting ammunition. This increase was offset in part by the impact of cost reduction programs.

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1996 Compared to 1995 for the Business Sold
Operating results of the isocyanates business were at record levels even though 1996 included 11 months of operations. Higher volumes from increased product offerings, strong international demand and higher prices were the main contributors to this improvement.

Metals and Ammunition

Results of Operations

($ in millions)	1997	1996	1995
Sales	$1,070	$1,052	$1,164
Operating Income	56	52	83

1997 Compared to 1996
Sales and operating income increased 2% and 8%, respectively. The increase in sales was due to a 3% increase in volumes offset by a 1% decrease in metal prices. Increased volumes for Brass products resulted in higher operating income.

Increased demand for Brass strip products, particularly from the automotive and electronics markets, along with record specialty products shipments led to higher volumes. Brass' operating income improved as a result of these additional volumes and the increased earnings at A.J. Oster Company (Oster), partially offset by higher manufacturing costs at Indianapolis, IN.

Winchester's sales were behind last year, while operating income was about equal. Reduced military ammunition shipments due to the absence of a U.S. government contract along with lower commercial ammunition sales to distributors were the main contributors to the sales decrease. The profit impact from the lower volumes and increased advertising and selling expenses offset higher GOCO management fees.

1996 Compared to 1995
Sales and operating income decreased 10% and 37%, respectively. Sales declined due to lower metal values and lower demand for Brass products and a significant decrease in commercial ammunition sales. Operating income declined due to the lower volumes.

Reduced volumes to the electronics, ammunition and utilities industries contributed to Brass' sales decline. Operating income decreased due to the lower volumes and the start-up cost associated with the new tube mill at Indianapolis, IN. The Oster operations achieved a record performance due to higher shipments.

Winchester's domestic commercial ammunition sales were significantly lower in the first half of the year, but were equal to 1995 levels in the second half. Military ammunition sales were well below the prior year level due to the substantial completion in 1995 of several large contracts. The significant decrease in operating results was primarily attributable to the profit impact from the lower volumes which offset the impact of lower commodity costs.

1998 Outlook

Consolidated
The company's 1998 sales and operating income are expected to be higher than 1997. Diluted earnings per share is expected in the $3.40 range, assuming an increase in Chlor Alkali's Electrochemical Unit (ECU) pricing along with anticipated higher operating income in Microelectronic Materials, Biocides, Brass and Winchester.

Chemicals
Chemicals segment sales and operating income are expected to increase due primarily to higher ECU pricing in Chlor Alkali, stronger demand from the semiconductor industry and increased volumes in certain product lines. Chlor Alkali plant operating rates are expected to be near capacity as demand for chlorine and caustic is estimated to continue to be strong. Estimated lower pricing in Pool Products along with higher raw materials costs and higher manufacturing costs, including depreciation expense, are expected to decrease its operating income. In Performance Urethanes and Organics, the 1997 divestment of the surfactants and fluids business is expected to be the main reason for the decrease in sales, while profits are expected to increase from the conversion of certain businesses to tolling arrangements and lower raw material prices. As a result of recent Biocides capacity additions, higher volumes from existing and new products are expected to more than offset additional operating expenses for new product introductions and market-entry costs in Biocides. As the semiconductor industry continues to improve, increased volumes, a more favorable product mix and lower manufacturing costs are expected to improve Microelectronic Materials' performance. During 1998, the Microelectronic Materials division expects to start up its ultra high-purity chemicals plant and distribution center in Zwijndrecht, Belgium and its photoresist facility in North Kingston, RI.

Metals and Ammunition
Sales for the Metals and Ammunition segment are expected to increase. Brass sales are estimated to increase in 1998 as higher volumes offset lower average metal values. Continued overcapacity in the metals industry is expected to create a competitive pricing environment. Winchester's commercial ammunition sales are expected to increase as product demand improves from 1997 levels. Segment operating income is expected to increase due to higher Brass and commercial ammunition volumes, cost reduction initiatives and lower commodity costs.

Cautionary Statement under Federal Securities Laws
The information contained in the 1998 Outlook section (and subsections thereof), the Environmental Matters section, the Liquidity, Investment Activity and Other Financial Data section, and the Environmental and Commitments and Contingencies notes to the Consolidated Financial Statements contains forward-looking statements that are based on management's beliefs, certain assumptions made by management and current expectations, estimates and projec-

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more than 2% of such liability. One of these ten sites was in the investigatory stage of the remediation process. In this stage, remedial investigation and feasibility studies are conducted by either the company, the United States Environmental Protection Agency (EPA) or other potentially responsible parties (PRPs) and a Record of Decision (ROD) or its equivalent has not been issued. At seven of the ten sites, a ROD or its equivalent has been issued by either the EPA or responsible state agency and the company either alone, or as a member of a PRP group, was engaged in performing the remedial measures required by that ROD. At the remaining two of the ten sites, part of the site is subject to a ROD and another part is still in the investigative stage of remediation. All ten sites were either former manufacturing facilities or waste sites containing contamination generated by those facilities.

The company's consolidated balance sheets included liabilities for future environmental expenditures to investigate and remediate known sites amounting to $136 million at December 31, 1997 and $148 million at December 31, 1996, of which $106 million and $113 million were classified as other noncurrent liabilities, respectively. Those amounts did not take into account any discounting of future expenditures or any consideration of insurance recoveries or advances in technology. Those liabilities are reassessed periodically to determine if environmental circumstances have changed and/or remediation efforts and their costs can be better estimated. As a result of these reassessments, future charges to income may be made for additional liabilities.

Total environmental-related cash outlays for 1998 are estimated to be $65 million, of which $30 million is expected to be spent on investigatory and remedial efforts, $8 million on capital projects and $27 million on normal plant operations.

Annual environmental-related cash outlays for site investigation and remediation, capital projects, and normal plant operations are expected to range between $65 – $90 million over the next several years. While the company does not anticipate a material increase in the projected annual level of its environmental-related costs, there is always the possibility that such increases may occur in the future in view of the uncertainties associated with environmental exposures. Environmental exposures are difficult to assess for numerous reasons, including the identification of new sites, developments at sites resulting from investigatory studies, advances in technology, changes in environmental laws and regulations and their application, the scarcity of reliable data pertaining to identified sites, the difficulty in assessing the involvement and financial capability of other potentially responsible parties and the company's ability to obtain contributions from other parties and the lengthy time periods over which site remediation occurs. It is possible that some of these matters (the outcomes of which are subject to various uncertainties) may be resolved unfavorably against the company. At December 31, 1997, the company had estimated additional contingent environmental liabilities of $41 million.

Liquidity, Investment Activity and Other Financial Data

Cash Flow Data

Provided By (Used For)($ in millions)	1997	1996	1995
Net Cash and Cash Equivalents Provided by Operating Activities from Continuing Operations	$53	$266	$210
Net Operating Activities	53	271	187
Capital Expenditures	(140)	(126)	(182)
Net Investing Activities	(65)	274	(199)
Purchases of Olin Common Stock	(163)	–	–
Net Financing Activities	(346)	(29)	13

Cash flows from operations, cash and cash equivalents on hand were used to finance the company's working capital requirements, long-term debt payments, capital and investment projects, dividends, the purchases of the company's common stock and taxes paid on the sale of the isocyanates business.

Operating Activities

In 1997, the decrease in cash flow from operating activities of continuing operations was primarily attributable to lower operating income, an increased investment in working capital and taxes paid on the sale of the isocyanates business. Lower accounts payable and accrued liabilities levels, higher receivable levels, and increased inventory levels in Chlor Alkali, Brass and Microelectronic Materials were the main contributors to the increased investment in working capital. The Niachlor acquisition, the discontinuation of an ammunition prepayment program and an unusually low Brass accounts receivable level at year-end 1996 contributed to the higher overall accounts receivable balances at year-end 1997. During 1997, the company paid taxes of approximately $110 million relating to the sale of its isocyanates business in December 1996. In 1996, the increase in cash flow from operating activities of continuing operations was primarily attributable to higher operating income and a reduced investment in working capital compared to 1995.

Capital Expenditures

Capital expenditures of $140 million in 1997 increased 21% from the prior year (excluding $10 million of capital spending of the isocyanates business) to provide additional capacity for the Chemicals segment. In Microelectronic Materials, there are two major projects: an ultra high-purity chemicals plant and distribution center in Zwijndrecht, Belgium to better serve the semiconductor industry in Europe and a photoresist facility in North Kingston, RI to support the rapid commercialization of advanced photoresist products. These two projects represent a total investment of approximately $50 million, of which approximately $20 million was spent in 1997. The high-purity chemicals plant in Belgium is expected to be completed in the Spring of 1998 while the photoresist facility in Rhode Island is expected to start up in late 1998. In Biocides, the company is investing in a $42 million expansion plan over the next several years, including a new plant to be built in China to support increasing

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In 1989 the company established an ESOP. The ESOP trust borrowed $100 million ($40 million from the company) to purchase 1.3 million shares of the company's convertible preferred stock. The ESOP trust has repaid in full its original loan from the company. This loan to the ESOP was financed by the company through a long-term credit facility and was repaid in July 1996. In December 1996, the board of directors approved the redemption of all outstanding ESOP preferred stock with common stock of equivalent value. Approximately 1.87 million shares of common stock at a per share value of $40.19 were issued in exchange for approximately .9 million shares of ESOP preferred stock at a per share value of $85.75. The annual fixed dividend rate was $5.97 per share and during 1996 dividends were paid in the first three quarters.

Dividends per common share were $1.20 in 1997, 1996 and 1995. Total dividends paid on common stock amounted to $61 million in 1997, $60 million in 1996 and $57 million in 1995, while total ESOP preferred dividends amounted to $4 million in 1996 and $6 million in 1995. Dividends paid on Series A Stock were $3 million in 1995.

On March 1, 1995, 2.76 million shares of the company's $1 par value Series A Conversion Preferred Stock were converted into shares of common stock on a one-for-one basis. The last dividend on these preferred shares was paid in March 1995. During 1992, the company swapped interest payments on $50 million principal amount of its 8% notes due 2002, to a floating rate (6.0625% at December 31, 1997). In the Spring of 1995, the company offset this transaction by swapping interest payments to a fixed rate of 6.485%.

New Accounting Standards

In 1997, the company adopted Statement of Financial Accounting Standards (SFAS) No. 128, "Earnings Per Share," which specifies the computation, presentation and disclosure requirements for earnings per share. This statement is effective for both interim and annual periods ending after December 15, 1997. The calculation of earnings per share according to the provisions of this statement did not have an impact on the previously reported earnings per share amounts.

In June 1997, the FASB issued SFAS No. 130, "Reporting Comprehensive Income," which establishes new disclosures for reporting comprehensive income and SFAS No. 131, "Disclosure about Segments of an Enterprise and Related Information," which established standards for the way that segment information is to be disclosed in the financial statements along with additional information on products and services, geographic areas and major customers. The company will include the required disclosures under SFAS No. 130 in the March 31, 1998 Form 10Q. The company is still assessing the disclosure requirements of SFAS No. 131 which is effective for the years beginning after December 15, 1997.

Year 2000 Computer Systems

The company is in the process of upgrading its information technology systems and implementing SAP. As a result, it is reviewing all internal processes and hardware and software issues. In addition, it is analyzing the issues relating to the Year 2000 and is also discussing with its vendors and customers the possibility of any interface difficulties which may affect the company. With respect to the Year 2000 issue, no significant concerns have been identified to date. While management expects the costs associated with information technology systems will increase over the next few years and will be higher than those in previous years, the additional costs are not expected to be material.

Risk Management

The company periodically evaluates risk retention and insurance levels for product liability, property damage and other potential areas of risk. Based on the cost and availability of insurance and the likelihood of a loss occurring, management decides the amount of insurance coverage to purchase from unaffiliated companies and the appropriate amount of risk to retain. The current levels of risk retention are believed to be appropriate and are consistent with those of other companies in the various industries in which the company operates.

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Ten-Year Financial Summary

($ and shares in millions, except per share data)	1997	1996	1995	1994	1993	1992	1991	1990	1989	1988
Operations										
Sales	$2,410	$2,638	$2,665	$2,268	$2,068	$1,968	$1,829	$2,123	$2,111	$2,067
Cost of Goods Sold	1,866	2,021	2,115	1,844	1,862	1,612	1,587	1,690	1,613	1,596
Restructuring Charge	—	—	—	—	38	—	22	—	—	—
Selling and Administration	285	319	293	256	262	230	213	267	244	254
Research and Development	29	39	34	30	36	33	35	58	58	52
Operating Income (Loss)	230	259	223	138	(130)	93	(28)	108	196	165
Interest Expense	25	29	35	28	30	31	37	42	44	33
Interest and Other Income	29	216	16	9	6	8	15	22	21	14
Income (Loss) from Continuing Operations Before Taxes	234	446	204	119	(154)	70	(50)	88	173	146
Income Tax Provision (Benefit)	81	158	70	40	(61)	25	(25)	23	60	51
Income (Loss) from Continuing Operations Before Cumulative Effect of Accounting Changes	153	288	134	79	(93)	45	(25)	65	113	95
Accounting Changes	—	—	—	—	—	(40)	—	—	—	—
Discontinued Operations	—	(8)	6	12	1	4	12	19	11	3
Net Income (Loss)	153	280	140	91	(92)	9	(13)	84	124	98
Financial Position										
Working Capital	424[1]	528[1]	153	164	60	78	(49)	83	90	84
Property, Plant and Equipment, Net	795	657	841	765	787	826	791	721	674	696
Total Assets	1,946	2,339	2,182	1,920	1,839	1,947	1,904	1,771	1,804	1,858
Capitalization:										
Short-Term Debt	9[1]	139[1]	122	29	121	101	178	104	155	211
Long-Term Debt	268[1]	276[1]	411	418	449	477	520	466	501	474
Shareholders' Equity	879	946	841	749	596	741	666	715	665	683
Total Capitalization	1,156	1,361	1,374	1,196	1,166	1,319	1,364	1,285	1,321	1,368
Per Share Data										
Net Income (Loss):										
Basic:										
Continuing Operations	3.02	5.52	2.63	1.54	(2.88)	.73	(.78)	1.51	2.72	2.25
Accounting Changes	—	—	—	—	—	(1.04)	—	—	—	—
Discontinued Operations	—	(.18)	.12	.29	.03	.11	.32	.51	.29	.07
Net Income (Loss)[2]	3.02	5.34	2.75	1.83	(2.85)	(0.20)	(.46)	2.02	3.01	2.32
Diluted:										
Continuing Operations	3.00	5.43	2.56	1.53	(2.88)	.73	(.78)	1.46	2.65	2.23
Accounting Changes	—	—	—	—	—	(1.04)	—	—	—	—
Discontinued Operations	—	(.16)	.11	.24	.03	.11	.32	.48	.28	.07
Net Income (Loss)	3.00	5.27	2.67	1.77	(2.85)	(.20)	(.46)	1.94	2.93	2.30
Cash Dividends:										
Common	1.20	1.20	1.20	1.10	1.10	1.10	1.10	1.08	.98	.85
ESOP Preferred (annual rate)	—	5.97	5.97	5.97	5.97	5.97	5.97	5.97	5.97	—
Series A Preferred (annual rate)	—	—	3.64	3.64	3.64	3.64	—	—	—	—
Shareholders' Equity[3]	17.98	18.13	17.03	15.43	13.62	16.96	17.51	18.83	17.50	16.68
Market Price of Common Stock:										
High	51⅞	48	38⅞	30⅞	25¼	27⅞	27	30¼	34¼	30
Low	35⅞	34⅞	24¼	23	20	18¼	16¾	14⅞	24¾	20
Year End	46⅞	37⅞	37⅞	25¾	24¾	22⅞	20¼	18⅞	30	25⅛
Other										
Capital Expenditures	140	126	182	131	119	159	165	172	128	134
Depreciation	118	124	118	117	117	103	99	103	103	103
Common Dividends Paid	61	60	57	44	42	41	41	41	39	36
Purchases of Common Stock	163	—	—	—	—	—	2	6	100	84
Current Ratio	1.8	1.7	1.2	1.3	1.1	1.2	1.0	1.2	1.2	1.2
Total Debt to Total Capitalization[4]	24.0%	30.4%	38.2%	36.5%	47.1%	42.0%	48.5%	41.5%	46.2%	50.1%
Effective Tax Rate	34.6%	35.4%	34.3%	33.6%	39.6%	35.7%	50.0%	26.1%	34.7%	34.9%
Average Common Shares Outstanding	50.5	50.0	47.6	41.0	38.2	38.2	38.0	38.2	40.0	42.2
Shareholders	10,600	11,300	12,000	12,100	13,000	13,900	14,600	15,500	16,300	17,600
Employees[5]	9,800	9,400	10,400	10,300	10,100	10,800	11,400	12,100	13,200	14,400

In December 1996, the company sold its isocyanates business for $565 in cash. 1996 and prior include the operating results of the isocyanates business. See Management's Discussion and Analysis of Financial Condition and Results of Operations on p. 17.

[1] Working Capital includes $166 and $524 of Cash and Cash Equivalents and $28 and $87 of Short-Term Investments in 1997 and 1996, respectively.

[2] Basic income or loss per share for 1994, 1993 and 1992 have been restated to conform with SFAS No. 128, "Earnings per Share."

[3] In 1994, 1993 and 1992, calculation is based on common shares and Series A Conversion Preferred Stock outstanding.

[4] Excluding reduction to equity for the Employee Stock Ownership Plan from 1989 through 1996.

[5] Employee data excludes employees who work at government-owned/contractor-operated facilities.

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Consolidated Statements of Income

Years ended December 31 ($ in millions, except per share data)	1997	1996	1995
Sales	$2,410	$2,638	$2,665
Operating Expenses:			
Cost of Goods Sold	1,866	2,021	2,115
Selling and Administration	285	319	293
Research and Development	29	39	34
Operating Income	230	259	223
Interest Expense	25	29	35
Interest Income	11	4	1
Other Income	18	24	15
Gain on Sale of Business	—	188	—
Income from Continuing Operations Before Taxes	234	446	204
Income Taxes	81	158	70
Income from Continuing Operations	153	288	134
Income (Loss) from Discontinued Operations, Net of Taxes	—	(8)	6
Net Income	153	280	140
Preferred Dividends	—	4	9
Net Income Available to Common Shareholders	$ 153	$ 276	$ 131
Net Income (Loss) Per Common Share:			
Basic:			
Continuing Operations	$ 3.02	$ 5.52	$ 2.63
Discontinued Operations	—	(0.18)	.12
Net Income	$ 3.02	$ 5.34	$ 2.75
Diluted:			
Continuing Operations	$ 3.00	$ 5.43	$ 2.56
Discontinued Operations	—	(0.16)	.11
Net Income	$ 3.00	$ 5.27	$ 2.67

The accompanying Notes to Financial Statements are an integral part of the financial statements and also contain information regarding the sale in 1996 of the company's isocyanates business.

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Consolidated Statements of Cash Flows

Years ended December 31 ($ in millions)	1997	1996	1995
Operating Activities			
Income from Continuing Operations	$ 153	$ 288	$ 134
Adjustments to Reconcile Income from Continuing Operations to Net Cash and Cash Equivalents Provided by Operating Activities:			
Earnings of Non-consolidated Affiliates	(7)	(9)	(6
Depreciation	118	124	118
Amortization of Intangibles	6	6	4
Deferred Taxes	36	(74)	4
Gain on Disposition of Business	—	(188)	—
Change in Assets and Liabilities Net of Purchases and Sales of Businesses:			
Receivables	(29)	20	(56
Inventories	(26)	(9)	(13
Other Current Assets	(5)	6	(6
Accounts Payable and Accrued Liabilities	(55)	(2)	44
Income Taxes Payable	(122)	122	2
Noncurrent Liabilities	(19)	(25)	(2
Other Operating Activities	3	7	(13
Net Cash and Cash Equivalents Provided by Operating Activities from Continuing Operations	53	266	210
Discontinued Operations:			
Net Income (Loss)	—	(8)	6
Change in Net Assets	—	13	(29
Net Operating Activities	53	271	187
Investing Activities			
Capital Expenditures	(140)	(126)	(182
Disposition of Property, Plant and Equipment	—	23	—
Business Acquired in Purchase Transactions	(2)	—	(65
Proceeds From Sales of Businesses	17	571	49
Purchases of Short-Term Investments	(126)	(87)	—
Proceeds From Sale of Short-Term Investments	185	—	—
Investments and Advances - Affiliated Companies at Equity	(84)	(102)	1
Repayment of Joint Venture Advances	98	—	—
Other Investing Activities	(13)	(5)	(2)
Net Investing Activities	(65)	274	(199)
Financing Activities			
Long-Term Debt:			
Borrowings	—	—	50
Repayments	(138)	(62)	(25
Short-Term Borrowings (Repayments)	—	(56)	34
Borrowings under Line of Credit Assumed by Primex Technologies, Inc.	—	125	—
Purchases of Olin Common Stock	(163)	—	—
Repayment from ESOP	5	17	5
Stock Options Exercised	13	11	13
Dividends Paid	(61)	(64)	(66
Other Financing Activities	(2)	—	2
Net Financing Activities	(346)	(29)	13
Net (Decrease) Increase in Cash and Cash Equivalents	(358)	516	1
Cash and Cash Equivalents, Beginning of Year	524	8	7
Cash and Cash Equivalents, End of Year	$ 166	$ 524	$ 8
Cash Paid for Interest and Income Taxes:			
Interest	$ 27	$ 40	$ 44
Income Taxes, Net of Refunds	$ 166	$ 104	$ 67

The accompanying Notes to Financial Statements are an integral part of the financial statements and also contain information regarding the sale in 1996 of the company's isocyanates business.

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In accordance with SFAS No. 52, "Foreign Currency Translation," a transaction is classified as a hedge when the foreign currency is designated as, and is effective as, a hedge of a foreign currency commitment and the foreign currency commitment is firm. If a transaction does not meet the criteria to qualify as hedge, it is considered to be speculative. Any unrealized gains or losses associated with foreign currency commitments that are classified as speculative are recognized in the current period. Foreign currency gains and losses realized are included in the income statement in Selling and Administration. If a foreign currency transaction previously considered as a hedge is terminated or matures before the transaction date of the related commitment, any deferred gain or loss shall continue to be deferred until the transaction date of the commitment. Premiums paid for currency options and gains or losses on forward sales and purchase contracts were not material to operating results.

Foreign currency exchange gains (losses), net of taxes, were $1 in 1997, $(4) in 1996, and $(1) in 1995.

Depending on market conditions, the company may enter into futures contracts and put and call option contracts in order to reduce the impact of metal price fluctuations, principally in copper, lead and zinc. In accordance with SFAS No. 80, "Accounting for Futures Contracts," futures contracts are classified as a hedge when the item to be hedged exposes the company to price risk and the futures contract reduces that risk exposure. Future contracts that relate to transactions that are expected to occur are accounted for as a hedge when the significant characteristics and expected terms of the anticipated transaction are identified and it is probable that the anticipated transaction will occur. If a transaction does not meet the criteria to qualify as a hedge, it is considered to be speculative. Any gains or losses associated with futures contracts which are classified as speculative are recognized in the current period. If a futures contract that has been accounted for as a hedge is closed or matures before the date of the anticipated transaction, the accumulated change in value of the contract is carried forward and included in the measurement of the related transaction. Option contracts are accounted for in the same manner that futures contracts are accounted for. At December 31, 1997, the company has open positions in futures contracts totalling $37 (1996 – $20). Gains on futures contracts, net of taxes, were $1 in 1997 and 1996 and $3 in 1995.

Financial Instruments

Fair values are estimated based on quoted market prices, where available, or on current rates offered to the company for debt with similar terms and maturities. At December 31, 1997, the estimated fair value of debt was $282 (1996 - $421). The fair value of the company's other financial instruments approximates carrying value.

Stock-Based Compensation

The company accounts for stock-based compensation under SFAS No. 123, "Accounting for Stock-Based Compensation." As allowed under SFAS No. 123, the company has chosen to continue to account for stock-based compensation cost in accordance with Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees." Under this option, compensation cost is recorded when the fair market value of the company's stock at the date of grant for fixed options exceeds the exercise price of the stock option. The company's policy is to grant stock options at a value equal to its common stock's fair market value on the date of the grant. Compensation cost for restricted stock awards is accrued over the life of the award based on the quoted market price of the company's stock at the date of the award.

Earnings Per Share

In 1997, the company adopted SFAS No. 128, "Earnings per Share," which specifies the methods for computing earnings per share. The calculation of earnings per share according to the provisions of this statement did not have an impact on the previously reported earnings per share amounts.

Basic earnings per share are computed by dividing net income less the ESOP preferred stock dividend requirement (to the date of its redemption in 1996), and the redemption adjustment (excess of fair value over book value of ESOP shares redeemed), and in 1995 the Series A stock dividend requirement by the weighted average number of common shares outstanding. In December 1996, the company redeemed the ESOP preferred stock with shares of common stock of equivalent value. On March 1, 1995, the Series A stock was converted on a one-for-one basis into common stock.

Diluted earnings per share reflect the dilutive effect of stock options and assume the conversion of outstanding ESOP preferred stock, until its redemption in December 1996, into an equivalent number of common shares at the date of issuance. In addition, diluted earnings per share reflect an equivalent number of common shares for the Series A Stock until its conversion on March 1, 1995. Net income was reduced by an additional ESOP contribution (differential between the common and the ESOP preferred dividend rates under an assumed conversion) necessary to satisfy the debt service requirement.

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Long-Term Debt

	1997	1996
Notes payable:		
7.11%, due 2005	$ 50	$ 50
7.75%, due 2005	11	11
7.97%, due 1998-2002	38	44
8%, due 2002	100	100
Industrial development and environmental improvement obligations:		
Payable at interest rates of 2% to 6% which vary with short-term tax exempt rates, due 2004-2017	35	35
Payable at interest rates of 6% to 7%, due 1998-2008	36	38
Guarantee of ESOP debt varying with LIBOR, due 1997	—	5
Notes floating with LIBOR, due 1999-2009	5	5
Mortgage, capitalized leases and other indebtedness	2	2
Total senior debt	277	290
Subordinated notes 9.5%, due 1997	—	125
	277	415
Amounts due within one year	9	139
Total long-term debt	$268	$276

Among the provisions of certain agreements are restrictions relating to payment of dividends and acquisition of the company's capital stock. At December 31, 1997, retained earnings of approximately $220 were not so restricted under the provisions.

The ESOP's purchase of preferred stock in 1989 was financed by $60 of notes (guaranteed by the company) and $40 of borrowings from the company. The loan from the company to the ESOP was financed through a long-term credit facility which was repaid in July 1996.

In June 1995, the company sold $50 of 7.11% notes with a maturity date of June 2005. The proceeds from this issue were used to reduce short-term debt incurred for working capital purposes. There remains $248 unissued under the medium-term note program registered in May 1994.

During 1992, the company swapped interest payments on $50 principal amount of its 8% notes due 2002 to a floating rate (6.0625% at December 31, 1997). In June 1995, the company offset this transaction by swapping interest payments to a fixed rate of 6.485%. Counterparties to interest rate swap contracts are major financial institutions. The risk of loss to the company in the event of nonperformance by a counterparty is not significant. The company records the net difference between the interest spreads in Interest Expense.

Annual maturities of long-term debt for the next five years are $9 in 1998, $8 in 1999, 2000 and 2001 and $114 in 2002.

Interest expense incurred on short-term borrowings and long-term debt totaled $26 in 1997, $31 in 1996 and $36 in 1995; of which $1 was capitalized in 1997, $2 in 1996 and $1 in 1995.

Pension Plans and Retirement Benefits

Essentially all of the company's domestic pension plans are non-contributory final-average-pay or flat-benefit plans and all domestic employees are covered. The company's funding policy is consistent with the requirements of federal laws and regulations.

Components of Net Pension Expense

	1997	1996	1995
Service cost (benefits earned during the period)	$ 27	$ 28	$ 23
Interest cost on the projected benefit obligation	83	78	73
Actual return on assets	(189)	(127)	(260)
Actual return deferred for later recognition	91	35	174
Net amortization of unrecognized transition asset, prior service cost and deferred gains and losses	(3)	1	(2)
Net pension expense	$ 9	$ 15	$ 8

Principal Assumptions

	1997	1996	1995
Weighted average discount rate	7.25%	8.0%	7.5%
Weighted average rate of compensation increase	4.5%	4.5%	4.5%
Long-term rate of return on assets	9.5%	9.5%	9.5%

Funded Status of the Plans

	1997	1996
Accumulated benefit obligation including vested benefits of $1,113 and $1,015	$ 1,165	$ 1,017
Plan assets at fair value, primarily equity and fixed-income securities	$ 1,297	$ 1,174
Projected benefit obligation for service rendered to date	(1,236)	(1,078)
Assets over projected benefit obligation	61	96
Unrecognized net transition asset	(21)	(28)
Unrecognized gain	(108)	(138)
Unrecognized prior service cost	36	36
Net pension liability	$ (32)	$ (34)

The company's common stock represents approximately 2% and 3% of the plan assets at December 31, 1997 and 1996, respectively.

The company's foreign subsidiaries maintain pension and other benefit plans which are consistent with statutory practices and are not significant.

The Pension Plan of Olin Corporation provides that if, within three years following a change of control of the company, any corporate action is taken or filing made in contemplation of, among other things, a plan termination or merger or other transfer of assets or liabilities of the plan, and such termination, merger or transfer thereafter takes place, plan benefits would automatically be increased for affected participants (and retired participants) to absorb any plan surplus.

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Contributing Employee Ownership Plan

The Contributing Employee Ownership Plan (CEOP) is a defined contribution plan available to essentially all domestic employees which provides a match of employee contributions. The plan purchased from the company approximately 1.3 million shares ($100) of a newly authorized 1.75 million share series of the company's ESOP preferred stock, financed by $60 of notes guaranteed by the company and a $40 loan from the company. This loan has been repaid in total to the company as of December 31, 1992. In December 1996, the board of directors approved the redemption of all outstanding shares of ESOP preferred stock with common stock of equivalent value. Upon redemption of the ESOP preferred stock, the company is matching employee contributions with common stock. The annual fixed preferred dividend rate was $5.97 per share and during 1996, dividends were paid in the first three quarters. Expenses related to the plan are based on ESOP preferred and common stock allocated to participants. These costs amounted to $12 in 1997, $11 in 1996 and $12 in 1995. Interest incurred by the plan totaled $1 in 1996 and 1995, which was funded by ESOP preferred dividends.

Stock Options

Under the stock option plans, options may be granted to purchase shares of the company's common stock at not less than fair market value at the date of grant, and are exercisable for a period not exceeding ten years from that date. All options granted since December 31, 1995 vest over three years. Stock option transactions are as follows:

	Shares	Option Price Per Share	Weighted Average Option Price Per Share
Outstanding at January 1, 1995	1,911,208	$15.41-$32.50	$24.87
Granted	272,508	27.82 - 32.41	27.99
Exercised	(612,936)	15.41 - 31.80	21.82
Canceled	(16,512)	15.41 - 27.82	25.05
Outstanding at December 31, 1995	1,554,268	21.18 - 32.50	25.59
Granted	1,441,641	39.17 - 40.46	39.18
Exercised	(347,232)	21.63 - 27.82	25.07
Canceled	(250,958)	23.87 - 39.17	37.61
Outstanding at December 31, 1996	2,397,719	21.18 - 40.46	32.06
Granted	599,200	38.63 - 47.13	38.77
Exercised	(413,258)	21.18 - 39.17	28.70
Canceled	(137,198)	38.63 - 39.17	39.00
Outstanding at December 31, 1997	2,446,463	$21.18-$47.13	$33.91

Of the outstanding options at December 31, 1997, options covering 1,250,358 shares are currently exercisable at a weighted average exercise price of $29.12.

At December 31, 1997, common shares reserved for issuance under these plans were 4,899,575 and under additional remuneration agreements were estimated to be 119,000.

The company accounts for stock-based compensation under SFAS No. 123, "Accounting for Stock-Based Compensation." As allowed by SFAS No. 123, the company has not recognized compensation cost for stock-based compensation arrangements. Pro forma net income and earnings per share were calculated based on the following assumptions as if the company had recorded compensation expense for the stock options granted since 1995. The fair value of each option granted during 1997, 1996 and 1995 was estimated on the date of grant, using the Black-Scholes option pricing model with the following weighted-average assumptions used: dividend yield of 2.8% in 1997, 4.0% in 1996 and 4.2% in 1995, risk-free interest rate of 5.5% in 1997 and 6.5% in 1996 and 1995, expected volatility of 21% in 1997, 22% in 1996 and 20% in 1995 and an expected life of 7 years. The following table shows the difference between reported and pro forma net income and earnings per share as if the company had recorded compensation expense for the stock options granted.

		1997	1996	1995
Net Income	As reported	$153	$280	$140
	Pro forma	149	277	139
Per Share Data:				
Basic	As reported	3.02	5.34	2.75
	Pro forma	2.96	5.29	2.74
Diluted	As reported	3.00	5.27	2.67
	Pro forma	2.95	5.23	2.66

Common Stock

In connection with the spin-off of Primex in 1996, its employees were allowed to transfer their account balances from the company's CEOP into Primex's savings and retirement plan. The company issued .3 million shares of common stock at a value of $40.50 in exchange for .2 million shares of ESOP preferred stock at a per share value of $85.63 at the time of the transfer.

In December 1996, the company's board of directors approved the redemption of all outstanding shares of ESOP preferred stock with common stock of equivalent value. Approximately 1.87 million shares of common stock at a value of $40.19 were issued in exchange for approximately .9 million shares of ESOP preferred stock at a per share value of $85.75.

Shareholder Rights Plan

Effective February 1996, the board of directors adopted a new Shareholder Rights Plan to replace the prior plan which had been adopted in 1986. Like the former plan, the new plan is designed to prevent an acquiror from gaining control of the company without offering a fair price to all shareholders. Each right entitles a shareholder (other than the acquiror) to buy one-five hundredth share of Series A Participating Cumulative Preferred Stock at an exercise price of one hundred twenty dollars. The rights are exercisable only if a person acquires more than 15% of the company's common stock or if the board of directors so determines following the commencement of

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Discontinued Operations

On December 31, 1996, the company completed the spin-off of its Ordnance and Aerospace businesses as Primex Technologies, Inc. Under the terms of the spin-off, the company distributed to its holders of common stock as of the close of business on December 19, 1996 one Primex common share for every ten shares of Olin common stock. The spin-off distribution reduced shareholders' equity by $145 which represents the book value of the net assets of Primex as of December 31, 1996.

The historical operating results of these businesses are shown net of tax as discontinued operations in the consolidated statements of income.

The historical results for the discontinued operations include an allocation of the company's interest expense based on an assumed debt level providing a debt to capital ratio similar to that of the company as well as a level of debt that Primex could maintain on an independent basis in the future. The allocated debt of $125 represents the amount borrowed by the company under a credit facility established by the company and assumed by Primex prior to the distribution on December 31, 1996. The cash received by the company under this credit facility was used to liquidate its existing debt.

The company and Primex have entered into a tax sharing agreement effectively providing that the company will be responsible for the tax liability of Primex for the years that Primex was included in the company's consolidated income tax returns. Income taxes have been allocated to Primex based on its pretax income and calculated on a separate company basis pursuant to the requirements of SFAS No. 109, "Accounting for Income Taxes." Income taxes allocated to Primex were $2 and $7 in 1996 and 1995, respectively.

In addition, the company and Primex have entered into several other agreements which cover such matters as technology transfers, transition services, covenants not to compete and powder and component supplies.

Condensed historical combined balance sheet and income statement data of the discontinued operations are summarized below:

	1996
Combined Balance Sheets	
Total assets	$374
Total liabilities	229
Equity	145

	1996	1995
Combined Statements of Income		
Sales	$471	$508
Operating income	2	21
Net income (loss)	(8)	6

Environmental

The company is party to various governmental and private environmental actions associated with waste disposal sites and manufacturing facilities. Environmental provisions charged to income amounted to $19 in 1997, $70 in 1996 and $24 in 1995. In 1996, in connection with the sale of the isocyanates business a $53 provision was recorded to provide for contractual liabilities related to future environmental spending at the Lake Charles, LA site. Charges to income for investigatory and remedial efforts were material to operating results in 1997, 1996 and 1995. The consolidated balance sheets include reserves for future environmental expenditures to investigate and remediate known sites amounting to $136 at December 31, 1997 and $148 at December 31, 1996, of which $106 and $113 are classified as other noncurrent liabilities, respectively.

Environmental exposures are difficult to assess for numerous reasons, including the identification of new sites, developments at sites resulting from investigatory studies, advances in technology, changes in environmental laws and regulations and their application, the scarcity of reliable data pertaining to identified sites, the difficulty in assessing the involvement and financial capability of other potentially responsible parties and the company's ability to obtain contributions from other parties and the length of time over which site remediation occurs. It is possible that some of these matters (the outcomes of which are subject to various uncertainties) may be resolved unfavorably against the company. At December 31, 1997, the company had estimated additional contingent environmental liabilities of $41.

Commitments and Contingencies

The company leases certain properties, such as manufacturing, warehousing and office space, data processing and office equipment and railroad cars. Leases covering these properties generally contain escalation clauses based on increased costs of the lessor, primarily property taxes, maintenance and insurance and have renewal or purchase options. Total rent expense charged to operations amounted to $51 in 1997, $55 in 1996 and $51 in 1995, (sublease income is not significant). Future minimum rent payments under operating leases having initial or remaining noncancelable lease terms in excess of one year at December 31, 1997 are as follows: $27 in 1998; $22 in 1999; $18 in 2000; $12 in 2001; $10 in 2002; and $32 thereafter.

There are a variety of non-environmental legal proceedings pending or threatened against the company. Those matters that are probable have been accrued for in the accompanying financial statements. Any contingent amounts in excess of amounts accrued are not expected to have a material adverse effect on results of operations, financial position or liquidity of the company.

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Independent Auditors' Report

To the Board of Directors and Shareholders of Olin Corporation:

We have audited the accompanying consolidated balance sheets of Olin Corporation and subsidiaries as of December 31, 1997 and 1996 and the related consolidated statements of income, shareholders' equity and cash flows for each of the years in the three-year period ended December 31, 1997. These consolidated financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements, referred to above, present fairly, in all material respects, the financial position of Olin Corporation and subsidiaries as of December 31, 1997 and 1996, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 1997 in conformity with generally accepted accounting principles.

KPMG Peat Marwick LLP

Stamford, Connecticut
January 29, 1998

Management Report on Financial Statements

Management is responsible for the preparation and integrity of the accompanying consolidated financial statements. These financial statements have been prepared in conformity with generally accepted accounting principles and, where necessary, involve amounts based on management's best judgments and estimates. Management also prepared the other information in this annual report and is responsible for its accuracy and consistency with the financial statements.

The company's system of internal controls is designed to provide reasonable assurance as to the integrity and reliability of the financial statements, the protection of assets from unauthorized use or disposition, and the prevention and detection of fraudulent financial reporting. This system, which is reviewed regularly, consists of written policies and procedures, an organizational structure providing delegation of authority and segregation of responsibility and is monitored by an internal audit department. The company's independent auditors also review and test the internal control system along with tests of accounting procedures and records to the extent that they consider necessary in order to issue their opinion on the financial statements. Management believes that the system of internal accounting controls meets the objectives noted above.

Management also recognizes its responsibility for fostering a strong ethical climate so that the company's affairs are conducted according to the highest standards of personal and corporate conduct. This responsibility is communicated to all employees in a variety of ways, including personal training sessions.

The Ethics Program is based upon a document called "The Standards of Ethical Business Practices." The standards address, among other things, the necessity of ensuring open communication within the company; potential conflicts of interest; compliance with all domestic and foreign laws, including those relating to financial disclosure; and the confidentiality of proprietary information. The company maintains a systematic program to assess compliance with these standards and has established confidential ways, including a telephone help-line, for employees to ask questions and share concerns.

The Audit Committee of the Board of Directors, composed solely of outside directors, meets periodically with the independent auditors, management and the company's internal auditors to review the work of each and to evaluate accounting, auditing, internal controls and financial reporting matters. The Audit Committee annually recommends to the Board of Directors the appointment of independent auditors, subject to shareholder approval. The independent auditors and the company's internal audit department have independent and free access to the Audit Committee.

Donald W. Griffin
Chairman,
President and
Chief Executive Officer

Anthony W. Ruggiero
Senior Vice President and
Chief Financial Officer

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Pictured at the New York Stock Exchange on October 30, 1997, marking the 80th anniversary of Olin's listing, the board of directors includes, front row, seated, left to right: Mr. Johnstone and Dr. Schaefer; middle row, left to right: Mr. Cavanagh, Mr. Griffin, Ms. Jaffe; back row, left to right: Mr. Ratcliffe, Mr. Lichtenberger, Mr. Higgins, Mr. Kuehler and Mr. Holland. Not present at the picture taking session were new Olin board members Randall Larrimore and Richard Rompala, who became Olin board members in January 1998.

Board of Directors

Richard E. Cavanagh [1,3]
President and Chief Executive Officer
The Conference Board, Inc.

Donald W. Griffin [4]
Chairman, President and Chief Executive Officer
Olin Corporation

William W. Higgins [1,4]
Retired, former Senior Vice President
The Chase Manhattan Bank, N.A.

Robert Holland, Jr. [2,3]
Chief Executive Officer
Workplace Integrators

Suzanne Denbo Jaffe [1,4]
Managing Director
Hamilton & Company

John W. Johnstone, Jr. [4]
Retired, former Chairman
Olin Corporation

Jack D. Kuehler [2,4]
Retired, former Vice Chairman
International Business Machines Corporation

Randall W. Larrimore [2,3]
President and Chief Executive Officer
United Stationers Inc.

H. William Lichtenberger [1,2]
Chairman and Chief Executive Officer
Praxair, Inc.

G. Jackson Ratcliffe, Jr. [2,4]
Chairman, President and Chief Executive Officer
Hubbell, Inc.

Richard M. Rompala [1,4]
Chairman, President and Chief Executive Officer
The Valspar Corporation

John P. Schaefer [1,3]
President
Research Corporation

Committees of the Board

[1] **Audit Committee**
William W. Higgins, Chairman

[2] **Compensation Committee**
G. Jackson Ratcliffe, Jr., Chairman

[3] **Directors and Corporate Governance Committee**
John P. Schaefer, Chairman

[4] **Finance Committee**
John W. Johnstone, Jr., Chairman

Corporate Management

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Chairman, President and Chief Executive Officer

Michael E. Campbell
Executive Vice President

Peter C. Kosche
Senior Vice President, Corporate Affairs

Anthony W. Ruggiero
Senior Vice President and Chief Financial Officer

George B. Ercusen
Vice President and General Tax Counsel

Johnnie M. Jackson, Jr.
Vice President, General Counsel and Secretary

Sarah Y. Kienzle
Vice President, Planning and Development

Louis S. Massimo
Vice President and Controller

Janet M. Pierpont
Vice President and Treasurer

Operations Management

Leon B. Anziano
President, Chlor Alkali Products, and Corporate Vice President

Thomas M. Gura
President, Winchester, and Corporate Vice President

Joseph D. Rupp
President, Brass, and Corporate Vice President

Steven T. Warshaw
President, Olin Microelectronic Materials, and Corporate Vice President

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Robert K. Gebing
Vice President, Business Ethics and Integrity

Richard E. Koch
Vice President, Investor Relations

William B. McDaniel
Vice President, Public Affairs

Alfred C. Schmidt, Jr.
Vice President, Information Technology

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Olin *Corporate Policy Statement*

Policy Number: CPS 1.5
Contact: Lorraine M. Miller, Corporate Records Management
Effective: January 1, 1999
Supercedes: September 1, 1994

Records Management

Statement of Policy

It is Olin policy to retain files and records only for as long as they are critical to the conduct of its business and necessary to protect its legal rights, support its tax reports, provide documentation for audit requirements and ensure compliance with statutory, federal procurement, environmental and other regulatory requirements.

Records Management Program

A coordinated Records Management Program must be maintained at all Program operating unit locations to ensure efficient storage, protection and retrieval of necessary files and records and prompt, planned destruction of all unneeded files and records.

Vital Records Protection Program

A Vital Records Protection Program must be maintained at all operating unit locations to ensure identification, protection and availability of those vital records deemed essential to the continuation of operations in the event of a disaster.

Responsibility

Division Presidents are responsible for ensuring that a coordinated Records Management Program and Vital Records Protection Program are carried out at each of their locations in the United States. This responsibility at foreign subsidiary locations is assigned to the Managing Director of the subsidiary.

The Corporate Manager of Records Management is responsible for the development and maintenance of Olin's Records Management Program, including Olin's Universal Records Retention Schedule, and for providing guidance to division and operating unit personnel as needed.

The designated Records Officer at each Olin location is responsible for working with location department managers to ensure effective training, monitoring and compliance with Olin's Records Management Program.

Additional Information

For additional information, refer to Olin's Corporate Records Management Manual.

A complete list of Corporate Policies, Corporate Standard Procedures and Corporate Procedure Manuals is maintained on the *InsideOlin* Corporate Policies and Procedures website. Please refer to this site for the latest versions of all Corporate Policies and Procedures.

Olin Records Management Handbook

Contact: Lorraine M. Miller, Records Management
Effective: January 1, 1999
Supercedes: September 1, 1994
Pages: 9

Synopsis

The Corporate Records Management Manual establishes policies and procedures as authorized by Corporate Policy 1.5 - Records Management. It provides guidelines for implementing and conducting records management programs at all Olin locations. All Olin employees are responsible for maintaining files according to the Olin Records Retention Schedule.

Questions or Revisions? *Contact Lorraine Miller, Corporate Manager, Records Management, in Charleston, TN (423) 336-4381 or lmmiller@corp.olin.com. Proposed revisions to this manual or to the Universal Records Retention Schedule will be reviewed and approved by Olin's Corporate Secretary. In addition, the Corporate Manager, Records Management, will contact the Law Department and/or Tax Department to determine if any tax or legal holds are in effect and notify appropriate Location Records Officers.*

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Introduction

Virtually all functional areas within Olin generate records. The importance of these records varies to a substantial degree. The proper identification, retention, protection, retrieval and disposition of the large amount of recorded business and technical data continually being generated are of primary importance. Improper handling of any phase of records management could ultimately prove very costly to Olin.

Everyone who works for Olin plays a part in records management. Everyone who deals with information in any form is responsible for maintaining files according to the Olin Universal Records Retention Schedule.

Olin's records management program is designed to ensure efficient storage, protection and retrieval of necessary files and records and prompt, planned destruction of records.

Through established records management procedures, valuable records are identified and maintained, useless records are destroyed and the volume of records and space needed is reduced.

For our purposes, a record is defined as "any medium that is a source of information or business activity." This includes paper, all magnetic media and slides, to name only a few.

The purpose of this handbook is to provide guidelines to the Divisions for implementing and conducting their Records Management Programs. Included are responsibilities and retention periods for controlling Company records in accordance with the requirements of Olin Policy 1.5, Records Management.

Objectives

- To ensure efficient storage, protection and retrieval of records essential to conducting Olin's business.
- To comply with federal, state and local laws and regulations by retaining records Olin is required to keep.
- To require identification, protection and availability of records deemed essential to the continuation of Olin's operations in the event of a disaster.
- To provide for the prompt destruction of all records when the retention requirements have elapsed.

Olin Policy

It is Olin Policy (see Policy 1.5) to retain files and records only as long as they are essential to conduct business, protect legal rights, support tax reports, provide documentation for audit requirements and comply with legal requirements.

The executive officer of each foreign subsidiary is responsible for developing, coordinating and monitoring records management and vital records protection programs at their location, using the Universal Records Retention Schedule as a guide, and ensuring that the program complies with local laws and regulations.

General Information

Questions concerning the content or interpretation of this handbook should be forwarded to the Manager, Records Management Program who is available for guidance and support of divisional programs. Proposed revisions to the Universal Records Retention Schedule should be brought to the attention of the Manager, Records Retention who will provide this information to the Corporate Secretary for review and agreement. Also, the Manager will contact the Law Department and/or Tax Department to determine if any tax or legal holds are in effect and notify appropriate Location Records Officers. At the end of this Handbook are instructions and forms Locations Records Officers may use in maintaining their Records Management Program.

Definitions

Universal Records Retention Schedule - A document which describes and governs the records produced by Olin or produced by outside agencies specifically for Olin. It contains the legally required length of time that records are to be retained, the average length of time that they are kept on site, the maximum retention of a document, the length of time a copy may be kept and whether a document is subject to Tax review before destruction. It is to be used as a guide at all Olin locations within the United States. Updates will be published and distributed if a legal retention requirement changes.

Record - Any documentary material, regardless of physical form, that is generated or received by the Company in connection with transacting its business, is related to the Company's legal obligations and is retained for any period of time. Documentary material containing personal information, such as an appointment calendar is considered a record.

Active Records - Records which continue to satisfy an immediate use requirement.

Correspondence Control - The function of processing internal or external written communication, including origination, transmittal, receipt, recognition, review, response and maintenance. Correspondence may include that which is transmitted or received through the mail, special delivery, telex facsimile, telegram, or electronic mail.

Inactive Records - Records for which use or reference diminishes sufficiently to permit removal from the immediate area of the responsible custodian without impairing normal business.

Official Record - The record which furnishes the most conclusive information. If not stipulated otherwise, this is the record to which retention schedules apply. It may be other than the original, or first copy, or the one used as the master.

Records Center - A designated area that is utilized for organized storage, control and protection of inactive records, usually for a specified period of time. This area can be on or away from the premises where the records are originated.

Vital Records - Official records that are considered essential to the continuity of the Company. Without them the business would be significantly impaired or could not survive a catastrophe, as they are necessary for the recreation of the business. More specifically, vital records are those which:

1. Are essential to the continuation of operations;
2. Are essential to Olin's legal and financial status;
3. Are necessary for fulfillment of obligations to stockholders, employees, customers and/or outside interests;
4. Contain secret processes, formulas or innovations which are not registered elsewhere; and
5. Denote Company ownership of assets which would otherwise be difficult or impossible to establish.

Non-record - Material that is available to the general public. (Excluding material published by Olin such as Annual Reports, 10K Reports, Press Releases, etc.)

Records Management - The planned and systematic control of business records from their creation through final disposition.

Records Management Handbook - Provides guidance in the application of Olin Policy 1.5.

Hold - An order from the Law or Tax department requiring that certain records be retained and protected ***(A legal or tax hold order takes precedence over the uniform records retention schedule.)***

Management of Records

The *Manager, Records Management* is available to provide guidance concerning the records management program throughout Olin and for making training and guidance available to Location

Records Officers. This responsibility also includes maintaining the Universal Records Retention Schedule and developing and maintaining the Records Management Handbook. The original copy of all Vital Records Retention Schedules and copies of all Records Transfer sheets (the listing of all records transferred to storage) are maintained in the Records Management Office.

The *Location Records Officer* is responsible for providing assistance and training, as required, to their location department managers, selecting on-site and off-site storage facilities and monitoring departmental compliance with Olin's records management program. He/she determines, along with the Department Manager, the method of protection for any vital records. He/she is also responsible for developing and maintaining a location procedure (where records are stored and how they are transferred to storage, etc.). The Manager, Records Management is available to help establish off-site commercial locations.

The *Department Manager* has the prime responsibility for proper maintenance of records within their area of operation in accordance with Olin's Records Management Program. He/she is responsible for identifying records that are to be safeguarded as vital records and, in cooperation with the Location Records Officer, determining the method of protection.

Vital Records Protection

Vital records as defined above are any records that are essential to reconstruct and resume company operations in the event of a disaster.

The Department Manager is responsible for identifying vital records in his/her department. A separate Vital Records Retention Schedule is to be developed with the assistance of the Location Records Officer.

There are various forms of protection for vital records, i.e., dispersal, on-site storage in vaults or safes, or off-site storage. Input from the records officer and user department will determine the best method of protection and when the vital files should be purged.

The Manager, Records Management will maintain a master file of the vital records retention schedules.

Closed Facility Records

Whenever an Olin facility (office, plant, etc.) is closed, the Group records officer will:

- Ensure that all records whose retention period has not elapsed, especially those records needed to support Olin's tax and/or legal position, are documented on a records transfer form and properly packaged for storage.
- Coordinate all transfers to storage with the Manager, Records Management.
- Ensure that all records not needed are destroyed, after obtaining appropriate clearance from both Counsel and the Corporate tax department.

The Manager, Records Management will ensure that all retained closed facility records are properly stored and destroyed when the need for their retention has expired.

Instructions and Responsibilities

Records Screening

Records should be screened periodically to determine if they are active or inactive (see Definitions). Active records are to be stored in the immediate area of the responsible custodian.

Records determined to be inactive should be reviewed for possible storage in the designated Record Center (see Definitions). An assessment is to be made of the:

1. Need for retention;
2. Frequency of reference;

3. Nature of reference;
4. Established retention periods;
5. Filing requirements; and,
6. Volume of files.

Duplicate and multiple materials should be eliminated. Whenever possible, the official record (see Definitions) is the one to be retained.

Departmental copies of correspondence which are officially maintained by the Correspondence Control functions (see Definitions) are not to be sent to Records Centers except in instances where the correspondence is an integral part of the file being sent to storage.

Records Storage

Records Center Storage

Divisions should establish and maintain procedures to store, control, and protect inactive records. Records Centers are to be in safe/secure locations and protected from environmental and other potential harm, including:

- Ordinary hazards, such as fire, water mildew, rodents and insects;
- Man-made hazards, such as theft, accidental loss, sabotage and commercial espionage;
- Disasters, such as fire, flood, earthquakes, wind and explosions; and,
- Unauthorized use, disclosure and destruction.

Records storage containers should be labeled in sufficient detail to facilitate prompt and accurate content identification by Records Center personnel.

Records should be filed in specified records storage containers by year or specified periods to facilitate their reference, review and destruction.

Vital Records Storage

Divisions should identify those records which are essential to the continuity of the Company and designate them as vital records (see Definitions).

Vital records should be duplicated and the duplicate records stored in Records Centers or specified areas at off-site locations for reconstructive use in the event of a disaster.

Divisions should maintain current lists of vital records and forward copies of the lists to the Manager, Records Management who maintains a master list of vital records for the Company.

Electronic Storage

Recorded information regardless of media or characteristics is to be managed the same as a paper record. The records management procedures and records retention periods set forth in the Olin Universal Records Retention Schedule are applicable to all electronic records. Personal computer records and records generated and maintained in Company information systems or equipment (including mainframe, mini, and micro computing/storage systems) are to be periodically reviewed by applicable information owners and/or custodians to ensure that the records management requirements set forth in this handbook and Division Standard Procedures are being met for electronic information systems. Additionally, Information System backup and purge procedures should contribute to meeting retention requirements and to protecting many vital records.

Employees who use and are responsible for personal computers are responsible for managing all electronic records throughout the document life cycle, from creation, through active life management to final disposition.

Film Storage

The records management processes and record retention periods set forth in the handbook and Division Standard Procedures are applicable to information contained or stored on film media, including microfilm, microfiche, or similar media.

The use of film for record storage and retention purposes should be selective to ensure cost effectiveness. Procedures should be followed when reducing information to film to ensure that authenticity is not impaired.

The use of film media for long-term records retention purposes normally requires special packaging, handling, and environmentally controlled facilities. The records management functions should maintain guidelines for such purposes and advise personnel in their use.

Records stored in film media should be grouped on single media (roll of film, single fiche, etc.) in a manner to facilitate review and destruction at appropriate intervals.

Access To and Retrieval of Stored Records

Only Records Management personnel and other specifically authorized personnel are to have access to stored records. Also, only the department responsible for the stored records is to authorize the Records Management function to retrieve such records.

Files Purging

Each Division location should conduct annually a formal files purging process. The process is to be planned and carried out within applicable functional departments. During, or as a result of this process:

1. Records which require retention should be identified, grouped, labeled, and transferred to the location Records Center for appropriate storage;

2. Records which have exceeded their required retention period should be destroyed; and,

3. Unnecessary duplicate and multiple copies of records should be identified/destroyed.

Destruction of Records

Records for which retention periods have expired must be purged as soon as possible in the year following the final year that the records were to be retained. The Locations Officers will require a letter from each department confirming that their records have been purged according to their departmental list. The purge must be completed no later than July 31.

Records retained in local storage or Records Center facilities for the retention periods outlined in the Olin Universal Records Retention Schedule will be reviewed by the Records Management function and destroyed unless an extended period is requested in writing, with satisfactory justification, by cognizant management authority.

If there is a tax hold, it must be confirmed that the tax audit for that date has closed. This information can be obtained from the Locations Records Officer.

Method of destruction will be left to the discretion of the department manger.

Holds

Hold is an order from the Law or Tax departments requiring that certain records be retained and protected.

A LEGAL OR TAX HOLD ORDER TAKES PRECEDENCE OVER THE UNIVERSAL RECORDS RETENTION SCHEDULE.

If you are the record copy holder and there is a "Yes" under the Tax Review column, you must retain those records the total years in addition to the time it takes for the Government to audit the records. As soon as the Tax Department informs us the Tax Hold has been lifted, you will be notified in writing.

Miscellaneous

- A properly designed document management system must include the provisions for the management of electronic records throughout the document life cycle, from creation through active live management to final disposition.

- Electronic records-keeping can provide an organization with tremendous benefits. However, because organizations are expected to know exactly what information they have, they must organize it for quick access and retrieval. Properly implemented, an indexing and classification system is one of the key elements in helping an organization to accomplish this objective.

- MIS backup and purge procedures contribute to meeting retention requirements and to protecting many vital records.

- Legal counsel must make the final decision as to how long a record/document must be retained (whether it be electronic or paper).

- E-Mail presents a particular challenge in determining what is the original and what is the copy, and which should be admitted as evidence. The electronic E-mail is the more complete record, containing transmission date, recipients list, links between messages sent, received, and other information that does not show on a printed copy; but the printed copy is what is readable in court and will be admitted as evidence (unless the electronic message can be presented).

Appendix

Glossary

1. If you are an Official Record Holder you must use the retention listed under "Total" on the Schedule.

2. If you are retaining a copy of a record or if someone else is the Official Record Holder, you must use the retention under "Unofficial Retention."

3. When a record has an "Ind" (Indefinite) retention, that record must be reviewed every ten (10) years.

4. ACT+ (e.g., ACT+6) means you must keep records while they are Active, then after they are inactive, you keep them # of years longer.

5. MAX (e.g., MAX3) means you can keep records 1, 2, or 3 years, but no longer than # of years.

6. "Historical" (HIS0000) is limited to true company history. These cannot be records you want to keep a long time.

7. REF0000 files should be limited to true reference files. This can include company (customer) address lists. If you have records you refer to often; you can render them generic by marking out all reference to Olin and/or customers.

Forms

The Departmental Records Listing form is an example of what you can use. This form can be used exactly as printed or each Location Officer can design their own form to fit their specific area. Whatever form is used, the records must be coded from the Universal Records Retention Schedule and thus use the retentions listed.

DEPARTMENTAL RECORDS LISTING

ID # _____

Location: _____ Division: _____ Department: _____ Section: _____

Record ID#	Item	Office of Record	Retention Group/Description*	Office	Retention Center	Total*	Tax Review	Vital

* Refer to Universal Schedule

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STATE OF TENNESSEE
DEPARTMENT OF ENVIRONMENT AND CONSERVATION
Division of Superfund
401 Church Street
4th Floor, L & C Annex Building
Nashville, Tennessee 37243-1538

November 22, 2004

Olin Corporation (Brass Group, Winchester Group)
Bill Steinbrueck
427 N. Shamrock Street
East Alton, IL 62024-1174

RE: Superfund Site ID 24-501
Ross Metals, Fayette County

Dear Sirs:

The purpose of this letter is to solicit any information you may have concerning the above referenced site. As provided in Tennessee Code Annotated (T.C.A.) 68-212-202(4) and 68-212-207, a review of our files and the U.S. Environmental Protection Agency's files, shows that you or your company are a potentially liable party for costs incurred by Tennessee in conducting investigation and/or remediation activities at this site.

Please furnish to the Division of Superfund (DSF) the following information:

1. The relationship of you or your company to the site, Ross Metals, Inc. and/or RMI, Inc., or Malcolm Ross.
2. A description of your or your company's activities at the site, including storage, use, treatment or disposal of hazardous substances, including recycling activities.
3. A detailed description of the nature of any materials sent to the site (or company) by you or your company, including chemical content and physical state, even if for purposes of recycling.
4. A description of your or your company's insurance dealing with environmental damage and responsibility.
5. Any information that you have concerning use or disposal of hazardous substances, or recycling activities at this site by persons other than you or your company.

The Division of Superfund (DSF) will be mailing letters to potentially liable parties containing a statement for state expenditures at the site and requesting payment. This mailing will be based on information currently available to the Division of Superfund and is subject to change based on your response. Provision of the above information will be used by the Division of Superfund to review your, or your company's, status relative to this site. **Response to this request must be made within thirty (30) days of your receipt of this letter.** If complete information will not be available at that time, respond with all currently available information and an estimate of how long it will take to fully reply.

This request for information is made pursuant to T.C.A. Sections 68-212-206, 68-212-105(4), and 68-212-107(b); and Section 3007 of the Resource Conservation and Recovery Act (RCRA), 42 U.S.C. Section 6927. Under the provisions of T.C.A. 68-212-213, failure to comply with this request or the provision of false information is a Class B misdemeanor. In addition, a civil penalty of up to $10,000 per day may be assessed. Questions may be directed to Robert L. Powell, Manager of the Enforcement and Cost Recovery Section, at the above address or by calling (615)532-0916.

Sincerely,

James W. Haynes

James W. Haynes, P.E.
Director

printed 06/01/2011 10:59AM by Luttie.Boarman p. 361/413

Husch & Eppenberger, LLC
Attorneys and Counselors at Law

190 Carondelet Plaza, Suite 600
St. Louis, Missouri 63105-3441
314.480.1500
Fax 314.480.1505
www.husch.com

314.480.1812 direct dial
monica.fries@husch.com

Via Certified US Mail and Facsimile

December 22, 2004

Robert L. Powell
Manager, Enforcement and Cost Recovery Section
Department of Environment and Conservation
Division of Superfund
401 Church Street
4th Floor, L & C Annex Building
Nashville, TN 37243-1538

Re: Ross Metals, Fayette County - Superfund Site ID 24-501

Dear Mr. Powell:

This letter serves as Olin Corporation's partial response to the November 22, 2004 information request regarding the above-referenced site (Information Request). Please note that the Information Request did not provide a time frame or other frames of reference that would facilitate our investigation, nor have we been provided copies of alleged nexus materials referenced in the Information Request that could assist us in answering your request.

Nevertheless, we are currently investigating the topics covered in Information Request numbers 1-3 and 5, and a response to these inquiries will be forthcoming under separate cover. We reiterate our request of December 16, 2004 for copies of the nexus materials referenced in the Information Request to aid us with our on-going investigation.

With respect to Information Request number 4: "A description of you or your company's insurance dealing with environmental damage and responsibility," Olin states that it had and does have various insurance policies which were in effect during various time periods. If Olin is ever adjudged to be responsible for liabilities arising from the above-referenced site, Olin and its insurance carriers will determine whether or not specific insurance policies provide coverage for specific occurrences. Olin's insurance coverages for environmental claims are presently in litigation. *See* Olin Corp. v. Insurance Company of North America, et al., United States District Court for the Southern District of New York, Cause no. 84 Civ. 1968 (TPG).

Very truly yours,

Monica L. Fries

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STATE OF TENNESSEE
DEPARTMENT OF ENVIRONMENT AND CONSERVATION

Division of Superfund
401 Church Street
4th Floor, L & C Annex Building
Nashville, Tennessee 37243-1538

January 5, 2005

Olin Corporation
c/o Ms. Monica L. Fries
Husch & Eppenbuerger, LLC
190 Carondelet Plaza, Suite 600
St. Louis, MO 63105-3441

RE: Ross Metals, Fayette County
Site ID 24-501

Dear Ms. Fries:

We have received your correspondence regarding the above referenced site. We appreciate your prompt response to our inquiry and the information you provided.

If you have further questions, or need more information, please contact me at the above address or by phone at (615)532-0916.

Sincerely,

Robert L. Powell
Manager
Enforcement and Cost Recovery

cc: Memphis Field Office
Site File
Enforcement File

EXHIBIT 5

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MATHIS · MARIFIAN
RICHTER & GRANDY, LTD.
ATTORNEYS AT LAW

720 West Main Street, Suite 100
Belleville, IL 62220
tel: 618 · 234 · 9800 · fax: 618 · 234 · 9786
tel: 314 · 421 · 2325 · St. Louis
www.mmrg.com

Patrick B. Mathis
George E. Marifian
Kevin J. Richter
Laura K. Grandy
Kevin J. Stine
Mark J. Stegman
T. Bradford Waltrip
Mark S. Schuver
Kurt S. Schroeder
William J. Niehoff
Lorraine K. Cavataio

Kelli E. Madigan
Mary E. Lopinot
Deanna L. Litzenburg
Amy L. Pauls

October 18, 2002

Olin Corporation Brass Division
427 N. Shamrock St.
East Alton, IL 62024

RECEIVED
OCT 2 1 2002
S. G. TRIPTOW

RE: Chemetco, Inc./ BK 01-34066

Dear Sir or Madam:

On November 13, 2001 (the "Petition Date"), Chemetco, Inc. (the "Debtor") filed a petition for relief under Chapter 7 of the United States Bankruptcy Code in the Bankruptcy Court for the Southern District of Illinois. Laura K. Grandy (the "Trustee") is the Trustee appointed by the U.S. Department of Justice, Office of the United States Trustee, to administer the liquidation of Chemetco's bankruptcy estate. Our firm represents the Trustee in the administration of this bankruptcy estate.

The Bankruptcy Code empowers the Trustee to avoid and recover certain transfers and payments made by the Debtor during the 90 days immediately preceding the Petition Date (the "Preference Period") as a preferential payment made by Debtor. After reviewing the Debtor's records, we have determined that during the Preference Period, your company received transfers from the Debtor in the amount of $41,718.64. A schedule of these payments is enclosed in this letter. It is the Trustee's position that these transfers are avoidable preferences under Section 547(b) of the Bankruptcy Code.

You may be entitled to various affirmative defenses under Section 547(c) of the Bankruptcy Code. Such potential defenses are: (i) the payments were part of a contemporaneous exchange transaction; (ii) the payments were made in a manner consistent with the ordinary course of dealing between your company and the debtor and that your course of dealing was ordinary in relation to an objective industry standard; and (iii) your company provided subsequent credit or "new value" to the debtor. You are required to prove those defenses, however, and until you do so, the Trustee is required by the Bankruptcy Code to seek recovery of the full amount of the avoidable transfers from you. If you believe you have an affirmative defense, please provide written evidence of same.

We expect a written response or payment in full within twenty (20) days of the date of this letter. If we do not hear from you during that time, we will be required to file suit against you in the Bankruptcy Court in East St. Louis, Illinois. If we do have to file suit against you, we will seek to recover the full amount of the avoidable transfers, as well as interest and attorney's fees. In addition,

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until the avoidable transfers have been recovered, the Bankruptcy Code prohibits your company from sharing in any distributions to creditors, even for proofs of claim already filed.

Once these avoidable transfers are paid in full, you will be entitled to file a proof of claim for these amounts recovered by the Trustee or amend an existing proof of claim for such amounts and participate in distributions to creditors, if any, once the claim is allowed.

Thank you for your attention to this matter. You may contact me if you have any questions or wish to discuss this matter.

Very truly yours,

MATHIS, MARIFIAN, RICHTER & GRANDY LTD.

Laura K Grandy Mary E Lopinot

By: Laura K. Grandy
Mary E. Lopinot

MEL/ddj

CHEMETCO INC. / BK 01-34066

CC1546 Indy

PAYEE	CHECK #	DATE			AMOUNT	
Olin Brass Corporation	26250	8/22/01	22	$	17,830.28	P. 8
Olin Brass Corporation	26266	8/24/01	23	$	9,003.72	"
Olin Brass Corporation	26316	9/6/01	24	$	13,810.38	"
Olin Brass Corporation	26456	10/2/01	25	$	1,074.26	"
Grand Total				$	41,718.64	

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MATHIS · MARIFIAN
RICHTER & GRANDY, LTD.
ATTORNEYS AT LAW

720 West Main Street, Suite 100
Belleville, IL 62220
tel: 618 · 234 · 9800 · fax: 618 · 234 · 9786
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file Chemetco

Patrick B. Mathis
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Laura K. Grandy
Kevin J. Stine
Mark J. Stegman
T. Bradford Waltrip
Mark S. Schuver
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Kelli E. Madigan
Mary E. Lopinot
Deanna L. Litzenburg
Amy L. Pauls

October 18, 2002

Olin Corporation Brass Division
427 N. Shamrock St.
East Alton, IL 62024

RE: Chemetco, Inc./ BK 01-34066

Dear Sir or Madam:

On November 13, 2001 (the "Petition Date"), Chemetco, Inc. (the "Debtor") filed a petition for relief under Chapter 7 of the United States Bankruptcy Code in the Bankruptcy Court for the Southern District of Illinois. Laura K. Grandy (the "Trustee") is the Trustee appointed by the U.S. Department of Justice, Office of the United States Trustee, to administer the liquidation of Chemetco's bankruptcy estate. Our firm represents the Trustee in the administration of this bankruptcy estate.

The Bankruptcy Code empowers the Trustee to avoid and recover certain transfers and payments made by the Debtor during the 90 days immediately preceding the Petition Date (the "Preference Period") as a preferential payment made by Debtor. After reviewing the Debtor's records, we have determined that during the Preference Period, your company received transfers from the Debtor in the amount of $373,777.70. A schedule of these payments is enclosed in this letter. It is the Trustee's position that these transfers are avoidable preferences under Section 547(b) of the Bankruptcy Code.

You may be entitled to various affirmative defenses under Section 547(c) of the Bankruptcy Code. Such potential defenses are: (i) the payments were part of a contemporaneous exchange transaction; (ii) the payments were made in a manner consistent with the ordinary course of dealing between your company and the debtor and that your course of dealing was ordinary in relation to an objective industry standard; and (iii) your company provided subsequent credit or "new value" to the debtor. You are required to prove those defenses, however, and until you do so, the Trustee is required by the Bankruptcy Code to seek recovery of the full amount of the avoidable transfers from you. If you believe you have an affirmative defense, please provide written evidence of same.

We expect a written response or payment in full within twenty (20) days of the date of this letter. If we do not hear from you during that time, we will be required to file suit against you in the Bankruptcy Court in East St. Louis, Illinois. If we do have to file suit against you, we will seek to recover the full amount of the avoidable transfers, as well as interest and attorney's fees. In addition,

printed 06/01/2011 10:59AM by Luttie.Boarman p. 368/413

until the avoidable transfers have been recovered, the Bankruptcy Code prohibits your company from sharing in any distributions to creditors, even for proofs of claim already filed.

Once these avoidable transfers are paid in full, you will be entitled to file a proof of claim for these amounts recovered by the Trustee or amend an existing proof of claim for such amounts and participate in distributions to creditors, if any, once the claim is allowed.

Thank you for your attention to this matter. You may contact me if you have any questions or wish to discuss this matter.

Very truly yours,

MATHIS, MARIFIAN, RICHTER & GRANDY LTD.

By: Laura K. Grandy
Mary E. Lopinot

MEL/ddj

CC 1548

CHEMETCO INC. / BK 01-34066

PAYEE	CHECK #	DATE	AMOUNT		
Olin Corporation	70	8/7/01	$ (1) 33,997.60	8/9	P. 16
Olin Corporation	4126	8/8/01	$ (2) 5,562.40		"
Olin Corporation	91	8/9/01	$ (3) 33,476.80		"
Olin Corporation	106	8/10/01	$ (4) 27,949.60		"
Olin Corporation	125	8/14/01	$ (5) 18,433.60		"
Olin Corporation	133	8/15/01	$ (6) 11,481.60		"
Olin Corporation	141	8/16/01	$ (7) 12,716.80		"
Olin Corporation	149	8/17/01	$ (8) 11,475.20		"
Olin Corporation	175	8/22/01	$ (9) 10,210.40		"
Olin Corporation	193	8/23/01	$ (10) 11,238.40		"
Olin Corporation	216	8/28/01	$ (11) 27,231.20		"
Olin Corporation	236	8/30/01	$ (12) 22,400.80		"
Olin Corporation	251	9/5/01	$ (13) 21,043.20		"
Olin Corporation	297	9/11/01	$ (14) 7,969.50		"
Olin Corporation	382	9/25/01	$ (15) 20,185.20		"
Olin Corporation	4206	9/27/01	$ (16) 1,868.40		P. 17
Olin Corporation	411	9/28/01	$ (17) 22,255.80		P. 16
Olin Corporation	438	10/3/01	$ (18) 19,845.00		"
Olin Corporation	455	10/4/01	$ (19) 15,101.80		"
Olin Corporation	506	10/10/01	$ (20) 17,819.20		"
Olin Corporation	542	10/19/01	$ (21) 21,515.20		"
Grand Total			$ 373,777.70		

If you desire a returned file stamped copy you must submit an Original and 2 copies with a pre-addressed, postage paid envelope.

FORM B10 (Official Form 10)(4/01)

UNITED STATES BANKRUPTCY COURT SOUTHERN DISTRICT OF ILLINOIS (EAST ST. LOUIS)	PROOF OF CLAIM	Proceedings in Chapter 11
Name of Debtor CHEMETCO INC.	Case Number 01-34066	
NOTE: This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A "request" for payment of an administrative expense may be filed pursuant to 11 U.S.C. §503.		
Name of Creditor (The person or other entity to whom the debtor owes money or property): Olin Corp. Brass Division RecipAddr1 replacement Name and Address where notices should be sent: RecipAddr1 replacement RecipAddr2 replacement RecipAddr3 replacement RecipAddr4 replacement RecipAddr5 replacement Telephone Number:	☐ Check box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars. ☐ Check box if you have never received any notices from the bankruptcy court in this case. ☐ Check box if the address differs from the address on the envelope sent to you by the court.	01-34066 123466 FILED 01 26 2002 CLERK - U.S. BANKRUPTCY COURT SOUTHERN DISTRICT - ILLINOIS THIS SPACE IS FOR COURT USE ONLY
Account or other number by which creditor identifies debtor:	Check here if this claim ☐ replaces ☐ amends a previously filed claim, dated _____	

1. Basis for Claim
- ☒ Goods sold
- ☐ Services performed
- ☐ Money loaned
- ☐ Personal injury/wrongful death
- ☐ Taxes
- ☐ Other _____

- ☐ Retiree benefits as defined in 11 U.S.C. §1114(a)
- ☐ Wages, salaries, and compensation (fill out below)
  Your SS #: _____
  Unpaid compensation for services performed from _____ (date) to _____ (date)

2. Date debt was incurred: 8/16/01 To 10/25/01

3. If court judgment, date obtained:

4. Total Amount of Claim at Time Case Filed: $ 659,998.90

If all or part of your claim is secured or entitled to priority, also complete Item 5 or 6 below.

☐ Check this box if claim includes interest or other charges in addition to the principal amount of the claim. Attach itemized statement of all interest or additional charges.

5. Secured Claim.

☐ Check this box if your claim is secured by collateral (including a right of setoff).

Brief Description of Collateral:
☐ Real Estate ☐ Motor Vehicle
☐ Other _____

Value of Collateral: $ _____

Amount of arrearage and other charges at time case filed included in secured claim, if any: $ _____

6. Unsecured Priority Claim.

☐ Check this box if you have an unsecured priority claim
Amount entitled to priority $ _____
Specify the priority of the claim:
- ☐ Wages, salaries, or commissions (up to $4,650),* earned within 90 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier - 11 U.S.C. § 507(a)(3).
- ☐ Contributions to an employee benefit plan - 11 U.S.C. §507(a)(4).
- ☐ Up to $ 2,100* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use - 11 U.S.C. § 507(a)(6).
- ☐ Alimony, maintenance, or support owed to a spouse, former spouse, or child - 11 U.S.C. § 507(a)(7).
- ☐ Taxes or penalties owed to governmental units - 11 U.S.C. § 507(a)(8).
- ☐ Other - Specify applicable paragraph of 11 U.S.C. § 507(a)(__).

**Amounts are subject to adjustment on 4/1/04 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.*

7. Credits: The amount of all payments on this claim has been credited and deducted for the purpose of making this proof of claim.

8. Supporting Documents: *Attach copies of supporting documents,* such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, court judgments, mortgages, security agreements, and evidence of perfection of lien. DO NOT SEND ORIGINAL DOCUMENTS. If the documents are not available, explain. If the documents are voluminous, attach a summary.

9. Date-Stamped Copy: To receive an acknowledgment of the filing of your claim, enclose a stamped, self-addressed envelope and copy of this proof of claim.

THIS SPACE IS FOR COURT USE ONLY

Submit Original and 1 Copy with attachments to:

U.S. BANKRUPTCY COURT
P.O. BOX 309
EAST ST. LOUIS, IL 62202-0309

Date	Sign and print the name and title, if any, of the creditor or other person authorized to file this claim (attach copy of power of attorney, if any):
3/11/02	J. A. MORITZ VP, FINANCE & PLANNING

Penalty for presenting fraudulent claim: Fine of up to $500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.

013909 12906013937018

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OLIN BRASS - INDIANAPOLIS

INDIANAPOLIS, INDIANA

INVOICE # 010909
CUSTOMER # S1546
BOL# 3392
CONTRACT# VERBAL

INVOICE DATE 9/15/01
SHIPPED DATE 9/14/01
PACKING LIST

SOLD TO: Chemetco
16400 South Lanthrop
Harvey, IL 60426

01 I 0515

ALLOY	DESCRIPTION	NET LBS	PRICE	AMOUNT
MISC	FLOOR SWEEPS	4,422	$0.21000	$928.62
6558	TINNED ALLOY 655	12,952	$0.53000	$6,864.56
		17,374	TOTAL DUE:	$7,793.18

TERMS NET 30

COMMENTS:

/X

PLEASE REMIT TO:
OLIN CORPORATION - BRASS DIVISION
3832 COLLECTIONS CENTER DRIVE
CHICAGO, IL 60693

APPROVED BY:

printed 06/01/2011 10:59AM by Luttie.Boarman p. 372/413

INVOICE

Send Remittance To:

Olin Corporation - Brass Division

3832 Collections Center Drive
Chicago, IL 60693

Olin

EAST ALTON, ILLINOIS 62024-1174

01H 0010

SOLD TO	Chemetco Accounts Payable - Metal P. O. Box 8 Hartford, IL 62048	DATE 8/16/01 INVOICE NUMBER 8-20 CUSTOMER ORDER NO. SHIPPED VIA J 1548
SHIPPED TO		CAR NUMBER F.O.B. ☐ COLLECT OR PREPAID ☐ TERMS Net cash

18,860 lbs. 510 Tinned Scrap at $.57 per pound	$10,750.20
5,140 lbs. 663 Tinned Scrap at $.22 per pound	1,130.80
26,440 lbs. B41 Tinned Scrap at $.51 per pound	13,484.40
14,600 lbs. 7025 Tinned Scrap at $.49 per pound	7,154.00
31,280 lbs. 580 Scrap at $.57 per pound	17,829.60
7,740 lbs. 195/7025 Scrap at $.49 per pound	3,792.60
Total	$54,141.60
CHEMETCO PAID ON CK#60506	1,218.00
" " " CK# 60542	21,515.20
DUE	31,408.40

/C

Ref: Olin Shipment T-1574
CR: 6120-3000
CC: Jodi Singleton
CJB

OLIN CORPORATION

INVOICE

Send Remittance To:

Olin Corporation - Brass Division

3832 Collections Center Drive
Chicago, IL 60693

Olin

EAST ALTON, ILLINOIS 62024-1174

SOLD TO	Chemetco Accounts Payable - Metal P. O. Box 8 Hartford, IL 62048	DATE 8/17/01 INVOICE NUMBER 8-28 CUSTOMER ORDER NO. SHIPPED VIA
SHIPPED TO		CAR NUMBER F.O.B. ☐ COLLECT OR PREPAID ☐ TERMS Net cash

20,300 lbs. Tin Skimmings at $.75 per pound	$15,225.00
9,260 lbs. Alloy 544 Scrap at $.57 per pound	5,278.20
4,020 lbs. Alloy 194/1902 Scrap at $.53 per pound	2,130.60
8,720 lbs. Alloy 580 Scrap at $.57 per pound	4,970.40
5,880 lbs. Alloy 524/638 Scrap at $.57 per pound	3,351.60
6,760 lbs. Alloy 230 with Stainless Steel at $.40 per pound	2,704.00
41,560 lbs. 001 Reclaim at $.28 per pound	$11,636.80
Total	$45,296.60

Ref: Olin Shipment T-1574
CR: 6120-3000
CC: Jodi Singleton
CJB

OLIN CORPORATION

printed 06/01/2011 10:59AM by Luttie.Boarman p. 374/413

INVOICE

Send Remittance To:

Olin Corporation - Brass Division

3832 Collections Center Drive
Chicago, IL 60693

Olin

EAST ALTON, ILLINOIS 62024-1174

SOLD TO: Chemetco Accounts Payable - Metal P. O. Box 8 Hartford, IL 62048	DATE: 8/20/01 INVOICE NUMBER: 8-30 CUSTOMER ORDER NO.: SHIPPED VIA:
SHIPPED TO:	CAR NUMBER: F.O.B.: ☐ COLLECT OR PREPAID ☐ TERMS: Net cash

2,780 lbs. 725 Tinned Scrap at $.40 per pound	$1,112.00
2,280 lbs. 664 Scrap at $.40 per pound	912.00
4,280 lbs. 195/688 Scrap at $.4150 per pound	1,776.20
41,680 lbs. 001 Reclaim at $.28 per pound	11,670.40
4,540 lbs. 655/425 Scrap at $.47 per pound	2,133.80
22,020 lbs. 688 Reclaim at $.22 per pound	4,844.40
Total	$22,448.80

Ref: Olin Shipment T-1574
CR: 6120-3000
CC: Jodi Singleton
CJB

OLIN CORPORATION

INVOICE

Send Remittance To:

Olin Corporation - Brass Division
3832 Collections Center Drive
Chicago, IL 60693

Olin

EAST ALTON, ILLINOIS 62024-1174

SOLD TO: Chemetco Accounts Payable - Metal P. O. Box 8 Hartford, IL 62048	DATE: 8/21/01 INVOICE NUMBER: 8-32 CUSTOMER ORDER NO.: SHIPPED VIA:
SHIPPED TO:	CAR NUMBER: F.O.B.: ☐ COLLECT OR PREPAID ☐ TERMS: Net cash

10,780 lbs. Insulated Copper Wire at $.18 per pound $1,940.40

CHEMETCO PAID ON CK#4206 1868.40
DUE 72.00

Ref: Olin Shipment T-1574
CR: 6120-3000
CC: Jodi Singleton
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OLIN CORPORATION

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Chicago, IL 60693

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EAST ALTON, ILLINOIS 62024-1174

SOLD TO Chemetco Accounts Payable - Metal P. O. Box 8 Hartford, IL 62048	DATE 8/22/01 INVOICE NUMBER 8-35 CUSTOMER ORDER NO. SHIPPED VIA
SHIPPED TO	CAR NUMBER F.O.B. ☐ COLLECT OR PREPAID ☐ TERMS Net cash

52,340 lbs. 001 Slugs at $.35 per pound $18,319.00

Ref: Olin Shipment T-1574
CR: 6120-3000
CC: Jodi Singleton
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EAST ALTON, ILLINOIS 62024-1174

SOLD TO	Chemetco Accounts Payable - Metal P. O. Box 8 Hartford, IL 62048	DATE	9/14/01
		INVOICE NUMBER	9-18
		CUSTOMER ORDER NO.	
		SHIPPED VIA	
SHIPPED TO		CAR NUMBER	
		F.O.B.	
		☐ COLLECT OR PREPAID ☐	
		TERMS	Net cash

62,120 lbs. 638 Tinned Scrap at $.50 per pound		$31,060.00
6,460 lbs. 638/713 Scrap at $.47 per pound		3,036.20
12,240 lbs. 664 O/A Scrap at $.4230 per pound		5,177.52
32,380 lbs. 655 Tinned Scrap at $.54 per pound		17,485.20
14,620 lbs. 7025 Tinned Scrap at $.49 per pound		7,163.80
	Total	$63,922.72

Ref: Olin Shipment T-1581
CR: 6120-3000
CC: Jodi Singleton
CJB

OLIN CORPORATION

TOTAL P.01

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EAST ALTON, ILLINOIS 62024-1174

SOLD TO Chemetco Accounts Payable - Metal P. O. Box 8 Hartford, IL 62048	DATE 9/17/01 INVOICE NUMBER 9-21 CUSTOMER ORDER NO. SHIPPED VIA
SHIPPED TO	CAR NUMBER F.O.B. ☐ COLLECT OR PREPAID ☐ TERMS Net cash

447,660 lbs. 001 Reclaim at $.3050 per pound $136,536.30

Ref: Olin Shipment T-1581
CR: 6120-3000
CC: Jodi Singleton
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OLIN CORPORATION

INVOICE

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Chicago, IL 60693

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EAST ALTON, ILLINOIS 62024-1174

SOLD TO: Chemetco Accounts Payable - Metal P. O. Box 8 Hartford, IL 62048	DATE: 9/18/01 INVOICE NUMBER: 9-23 CUSTOMER ORDER NO.: SHIPPED VIA:
SHIPPED TO:	CAR NUMBER: F.O.B.: ☐ COLLECT OR PREPAID ☐ TERMS: Net cash

3,620 lbs. 110/SS Scrap at $.49 per pound	$1,773.80
17,400 lbs. 688 Reclaim at $.2350 per pound	4,089.00
19,580 lbs. 001 Sweeps at $.30 per pound	5,874.00
40,260 lbs. 001 Scrap at $.38 per pound	15,298.80
46,800 lbs. 194 Reclaim at $.2350 per pound	10,998.00
93,460 lbs. 6155 Reclaim at $.2350 per pound	21,963.10
Total	$59,996.70

Ref: Olin Shipment T-1581
CR: 6120-3000
CC: Jodi Singleton
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OLIN CORPORATION

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EAST ALTON, ILLINOIS 62024-1174

0077

SOLD TO	Chemetco Accounts Payable - Metal P. O. Box 8 Hartford, IL 62048	DATE 9/19/01 INVOICE NUMBER 9-26 CUSTOMER ORDER NO. SHIPPED VIA J 1548
SHIPPED TO		CAR NUMBER F.O.B. ☐ COLLECT OR PREPAID ☐ TERMS Net cash

18,040 lbs. 19025 Tinned Scrap at $.54 per pound		$9,741.60
1,080 lbs. 260 Chrone Plating $.30 per pound		324.00
340 lbs. Staineless Steel at $.02 per pound		6,380.00
5,360 lbs. Insulated copper Wire at $.18 per pound		964.80
3,260 lbs. 001 slugs at $.36 per pound		1,173.60
7,980 lbs. 001 Sweeps at $.30 per pond		2,394.00
3,600 lbs. 655 Tinned Scrap at $.54		$1,944.00
	Total	$16,548.80

lo

Ref: Olin Shipment T-1581
CR: 6120-3000
CC: Jodi Singleton
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EAST ALTON, ILLINOIS 62024-1174

SOLD TO	Chemetco Accounts Payable - Metal P. O. Box 8 Hartford, IL 62048	DATE	10/12/12
		INVOICE NUMBER	10-5
		CUSTOMER ORDER NO.	
		SHIPPED VIA	
SHIPPED TO		CAR NUMBER	
		F.O.B.	☐ COLLECT OR PREPAID ☐
		TERMS	Net cash

73,600 lbs. Alloy 638 Tinned Scrap at $.46 per pound		$33,856.00
40,260 lbs. Alloy 655 Tinned Scrap at $.50 per pound		20,130.00
38,460 lbs. B41 Scrap at $.54 per pound		20,768.40
	Total	$74,754.40

Ref: Olin Shipment T-1588
CR: 6120-3000
CC: Jodi Singleton
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OLIN CORPORATION

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EAST ALTON, ILLINOIS 62024-1174

SOLD TO	Chemetco Accounts Payable - Metal P. O. Box 8 Hartford, IL 62048	DATE	10/15/01
		INVOICE NUMBER	10-14
		CUSTOMER ORDER NO.	
		SHIPPED VIA	
SHIPPED TO		CAR NUMBER	
		F.O.B.	
		☐ COLLECT OR PREPAID ☐	
		TERMS	Net cash

28,480 lbs. 001 Scrap at $.38 per pound		$10,822.40
235,260 lbs. 001 Sweeps at $.30 per pound		70,578.00
	Total	81,400.40

Ref: Olin Shipment T-1588
CR: 6120-3000
CC: Jodi Singleton
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EAST ALTON, ILLINOIS 62024-1174

SOLD TO	Chemetco Accounts Payable - Metal P. O. Box 8 Hartford, IL 62048	DATE 10/16/01 INVOICE NUMBER 10-18 CUSTOMER ORDER NO. SHIPPED VIA
SHIPPED TO		CAR NUMBER F.O.B. ☐ COLLECT OR PREPAID ☐ TERMS Net cash

4,300 lbs. 655 Tinned Scrap at $.50 per pound		$2,150.00
34,620 lbs. 194 Reclaim at $.2350 per pound		8,135.70
4,200 lbs. Insulated Copper Wire at $.18 per pound		756.00
23,100 lbs. 6155 Reclaim at $.2350 per pound		5,428.50
116,580 lbs. 001 Scrap at $.38 per pound		$44,300.40
	Total	$60,770.60

Ref: Olin Shipment T-1588
CR: 6120-3000
CC: Jodi Singleton
CJB

OLIN CORPORATION

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Chicago, IL 60693

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EAST ALTON, ILLINOIS 62024-1174

SOLD TO	Chemetco Accounts Payable - Metal P. O. Box 8 Hartford, IL 62048	DATE 10/17/01 INVOICE NUMBER 10-19 CUSTOMER ORDER NO. SHIPPED VIA
SHIPPED TO		CAR NUMBER F.O.B. ☐ COLLECT OR PREPAID ☐ TERMS Net cash

13,100 lbs. B41 Tinned Scrap at $.54 per pound		$7,074.00
26,140 lbs. 001 Spills at $.35 per pound		9,149.00
8,140 lbs. 7025 Tinned Scrap at $.45 per pound		3,663.00
3,120 lbs. 655 Tinned Scrap at $.50 per pound		1,560.00
	Total	21,446.00

Ref: Olin Shipment T-1588
CR: 6120-3000
CC: Jodi Singleton
CJB

OLIN CORPORATION

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EAST ALTON, ILLINOIS 62024-1174

01 0085

SOLD TO	Chemetco Accounts Payable - Metal P. O. Box 8 Hartford, IL 62048	DATE 10/25/01 INVOICE NUMBER 10-34 CUSTOMER ORDER NO. SHIPPED VIA 1548
SHIPPED TO		CAR NUMBER F.O.B. ☐ COLLECT OR PREPAID ☐ TERMS Net cash

55,100 lbs. 01 Slugs at $.35 per pound $19,285.00

10

Ref: Olin Shipment T-1588
CR: 8120-3000
CC: Jodi Singleton
CJB

OLIN CORPORATION

EXHIBIT 6

RELEASABLE
MAY 18 2011
REVIEWER MD

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THIS IS EXAMPLES OF WHAT I'M LOOKING FOR

1991 SELL LIST

ITEM	ANALYSIS	SHIPPED LBS.	SOLD TO
001 - Reclaim	50% Cu/2.0% CuO/ 8% Zn/10% ZnO/ 3% FeO/7.5% AlO/ 11% SiO/8.5% C	2,756,850	Concorde
194 - Reclaim	46% Cu/11% FeO/ 9% Sn/8% AlO/ 15% SiO/11% C	115,000	Concorde
688 - Reclaim	41% Cu/12% Zn/ 2.5% ZnO/2% Al/ 20% AlO/13.5% SiO/1% CaO/ 1% NaO/KO/2% Cl/ 5% C	190,990	Concorde
194 Tinned	.5% Sn/.1% Zn/ 2.4% Fe/97% Cu	5,036	Concorde
195 Tinned	1.0% Sn/1.5% Fe/ 1.0% Co/96.5% Cu	852,520	Concorde
197 Tinned	.5% Sn/.5% Fe/ 99% Cu	403,210	Concorde
260 Solder	.3% Sn/.2% Pb/ 69.5% Cu/30% Zn	7,440	Concorde
638 Tinned	.5% Sn/.8% Zn/ 2.7% Al/1.7% Sn/ .4% Co/95.9% Cu	17,940	Concorde
654 Solder	.3% Sn/.1% Pb/ 2.9% Si/1.4% Sn/ 95.2% Cu	5,070	Concorde
654 QA	3.0% Si/1.5% Sn/ 95.5% Cu	57,866	Concorde
888 Solder	.3% Sn/.2% Pb/ 3.3% Si/.4% Co/ 22.5% Zn/73.3% Cu	2,520	Concorde
688 Tinned	.5% Sn/.4% Co/ 3.3% Al/22.5% Zn/ 73.3% Cu	148,443	Concorde
7025 Tinned	.5% Sn/.7% Si/ 3.0% Ni/95.8% Cu	3,400	Concorde
353/6155 Mixed	92% Cu/6% Al/ 2% Ni	7,080	Concorde
654Y/260 Mixed	2.0% Sn/3.0% Si/ 95% Cu	3,780	Concorde

TOTAL P.04

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708/SS Mixed	88.5% Cu/11.5% Ni	826	Concorde
743/SS Mixed	65% Cu/28% Zn/ 8% Ni	2,670	Concorde
782 OA	64.5% Cu/25.4% Zn/8.0% Ni/ 1.88% Pb/.22% Fe	13,020	Concorde
001 Scrap	70% Cu/30% Zn	7,090	Concorde
P-845 Scrap	14.6% Cu/.4% Sn/	98,020	Concorde
Ins. Cu. Wire	70% Cu/30% Ins.	59,130	Concorde
6155	92% Cu/6% Al/ 2% Ni	126,720	Concorde
Misc.Br.Scrap	70% Cu/30% Zn	38,210	Concorde

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Olin

EAST ALTON, ILLINOIS 62024-1174

PHONE: 618 258-2700
FAX NO: 618 258-2727

TELECOPIER COVER LETTER

DATE: 6-30-92 TO: Chuck Smith
ATTN:
FROM: D. F. Lang

TOTAL NUMBER OF PAGES 1 INCLUDING THIS SHEET.

MESSAGE:

Chuck —

Revised 001 Reclaim Numbers:

Cu	55%
Zn	4%
Ni	4%
Sn	.3%
Al	.7%
Si	.3%
Fe	.7%
C + SiO_2	5%
Metallic oxides	30%

To Dave Lang

Please verify these percentages for the 1992 reporting year.

Thank you.
Laura Donley
5-24-92

May want to verify these numbers w. Dave Woods or Dave Lang!

1992 SELL LIST

ITEM	SHIPPED LBS.	SOLD TO
001 Reclaim ✓	2,634,140	Concorde Trading
194 Reclaim ✓	462,180	Concorde Trading
688 Reclaim ✓	329,260	Concorde Trading
* 170/Silver ✓	360	Concorde Trading Ag Coated c/170
195 Tinned ✓	443,340	Concorde Trading
688 Tinned ✓	155,080	Concorde Trading
* 110 Solder need analysis	10,664	Concorde Trading
172 Scrap ✓	280	Concorde Trading
845 Scrap ✓	184,950	Concorde Trading
425 Scrap ✓	3,170	Concorde Trading
724 Scrap ✓	11,690	Concorde Trading
654 OA Scrap ✓	100,680	Concorde Trading
7025 Tinned Scrap ✓	63,150	Concorde Trading
638 Tinned ✓	197,514	Concorde Trading
260 Solder ✓	290	Concorde Trading
197 Tinned ✓	302,330	Concorde Trading
521 Scrap	63,220	Concorde Trading
865 Scrap	4,130	Concorde Trading
866 Scrap	5,560	Concorde Trading
836 Scrap	2,980	Concorde Trading
1030 Scrap	6,470	Concorde Trading

from Dave Lang's office

These leave from Z17

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To: Pat Tallarico
From: Dave Woods

1993 SELL LIST

ITEM	SHIPPED POUNDS	SOLD TO
95/5 Solder Scrap	481	Chemetco/Concorde Trading
60/40 Solder Scrap	397	Chemetco/Concorde Trading
10/90 Solder Scrap	268	Chemetco/Concorde Trading
Insulated Copper Wire	30,390	Chemetco/Concorde Trading
828 Reclaim	14,904 ~~10,080~~	Chemetco/Concorde Trading
P845 Scrap	95,870	Chemetco/Concorde Trading
7025 Tinned Scrap	11,040	Chemetco/Concorde Trading
1030 Carbon Steel	10,380	Chemetco/Concorde Trading
638 Tinned Scrap	25,000	Chemetco/Concorde Trading
353 Reclaim	122,230	Chemetco/Concorde Trading
654 Tinned Scrap	273,790	Chemetco/Concorde Trading
888 Tinned Scrap	99,130	Chemetco/Concorde Trading
001 Reclaim	2,554,850 ~~2,507,780~~	Chemetco/Concorde Trading
688 Reclaim	355,840	Chemetco/Concorde Trading
194 Reclaim	298,520 ~~253,510~~	Chemetco/Concorde Trading
195 Tinned Scrap	56,340	Chemetco/Concorde Trading
197 Tinned Scrap	83,290	Chemetco/Concorde Trading
521 Scrap	272,420	Chemetco/Concorde Trading
001 Scrap	848,070	Chemetco/Concorde Trading
654 O/A Scrap	76,710	Chemetco/Concorde Trading

There is a difference between the above list and the sell list received from Tom O'Keefe on the previous page. I used the larger number where the two numbers differ.

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SHEET2.XLS

1994 SELL LIST

To: Chris Gray
From Dave Woods
6/6/95

ITEM & COMPANY SOLD TO	POUNDS
195T - CHEMETCO	690,520
172 - CHEMETCO	7,470
197T - CHEMETCO	598,856
001 SCRAP - CHEMETCO	152,100
001 RECLAIM - CHEMETCO	2,921,032
194 RECLAIM - CHEMETCO	942,910
353 RECLAIM - CHEMETCO	120,120
600 RECLAIM - CHEMETCO	410,360
638T - CHEMETCO	125,620
195T - CHEMETCO	279,000
668T - CHEMETCO	260,630
7025T - CHEMETCO	75,710
P845 - CHEMETCO	128,800
INSULATED WIRE - CHEMETCO	67,850
353 - CHEMETCO	405,750
762 - CHEMETCO	23,260
638 - CHEMETCO	4,670
PIT SLUDGE - CHEMETCO	1,127,590
654T - CHEMETCO	119,450
197 - CHEMETCO	5,240
353 - CHEMETCO	6,030
664 - CHEMETCO	148,902
654 - CHEMETCO	22,942
638 - CHEMETCO	275,375
MISC. - CHEMETCO	3,080
729T - CHEMETCO	21,820
6155 - CHEMETCO	408,030

WHERE THERE WERE CONFLICT BETWEEN THE TWO LISTS I USED THE BIGGER NUMBER

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3/2/96

1995 SELL LIST

ITEM & COMPANY SOLD TO	POUNDS
001 RECLAIM - CHEMETCO	3,429,940
001 SCRAP - CHEMETCO	38,830
-181 - CHEMETCO	-7,890
194 RECLAIM - CHEMETCO	705,070
-194/725 - CHEMETCO	4,520
-194T - CHEMETCO	723,170
-195 O/A - CHEMETCO	69,638
195T - CHEMETCO	790,510
-197/638 - CHEMETCO	23,010
197T - CHEMETCO	620,860
-260 RECLAIM - CHEMETCO	2,734,180
-260T/197T - CHEMETCO	1,640
353 - CHEMETCO	70,220
353 RECLAIM - CHEMETCO	250,180
-510 - CHEMETCO	95,800
-510/521 - CHEMETCO	1,910
-521 O/A - CHEMETCO	110,600
-544 - CHEMETCO	129,930
-636 O/A - CHEMETCO	62,242
-638/713 - CHEMETCO	7,700
-638/800 - CHEMETCO	1,290
638T - CHEMETCO	57,950
654 O/A - CHEMETCO	193,535
654T - CHEMETCO	191,000
-664 O/A - CHEMETCO	154,678
688 RECLAIM - CHEMETCO	458,980
-688/713 - CHEMETCO	6,170
688T - CHEMETCO	10,580
- 7025 O/A - CHEMETCO	44,748
7025T - CHEMETCO	188,190
-706/688 - CHEMETCO	2,620

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1996 SELL LIST

ITEM & COMPANY SOLD TO	POUNDS
001 SCRAP - CHEMETCO	80,630
194 - CHEMETCO	64,920
194/7025 - CHEMETCO	6,374
194/725 - CHEMETCO	4,058
194T - CHEMETCO	236,890
195 - CHEMETCO	44,770
195/7025 - CHEMETCO	3,680
195T - CHEMETCO	344,480
197 - CHEMETCO	6,320
197/715 - CHEMETCO	2,800
197T - CHEMETCO	389,420
210 - CHEMETCO	8,140
220 - CHEMETCO	13,040
220/9.9. - CHEMETCO	4,950
280/194 - CHEMETCO	2,590
35# O/A - CHEMETCO	45,580
425/713 - CHEMETCO	3,660
510/194 - CHEMETCO	3,010
511/7025 - CHEMETCO	4,030
521/638 - CHEMETCO	1,642
521/710 - CHEMETCO	6,050
521/725 - CHEMETCO	3,610
521T/7025T - CHEMETCO	17,210
580 - CHEMETCO	19,070
638 O/A - CHEMETCO	72,012
638/195/197 - CHEMETCO	2,480
638T - CHEMETCO	31,290

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1996 SELL LIST

ITEM & COMPANY SOLD TO	POUNDS
654 O/A - CHEMETCO	27.406
684 - CHEMETCO	268.140
689 - CHEMETCO	2.920
699 - CHEMETCO	15.670
699T - CHEMETCO	3.100
7025 - CHEMETCO	47.980
7025 O/A - CHEMETCO	6.690
7025/425 - CHEMETCO	3.490
7025/713 - CHEMETCO	3.460
7025/725 - CHEMETCO	3.410
7025/762 - CHEMETCO	4.382
7025T - CHEMETCO	39.640
708/425 - CHEMETCO	1.486
710 O/A - CHEMETCO	6.940
762 O/A - CHEMETCO	3.718
782 SCRAP - CHEMETCO	34.190
865(P) - CHEMETCO	6.210
929 - CHEMETCO	18.390
INSULATED WIRE - CHEMETCO	27.860
PIT SLUDGE - CHEMETCO	534.710
RECLAIM 001 - CHEMETCO	3.293.400
RECLAIM 194 - CHEMETCO	386.880
RECLAIM 353 - CHEMETCO	146.620
RECLAIM 688 - CHEMETCO	312.550

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1997 SELL LIST

ITEM & COMPANY SOLD TO	POUNDS
110W/BeCu - CHEMETCO	1,340

ALLOYS CONTAIN BERYLLIUM

OTHER POSSIBLE OUTLETS

935 SCRAP - CHEMETCO	285,276
001 SCRAP - CHEMETCO	318,500
001 SLUGS - CHEMETCO	166,810
110W/Te - CHEMETCO	2,680
110T/SS - CHEMETCO	280
194/SS - CHEMETCO	920
194T - CHEMETCO	24,880
195/7025 - CHEMETCO	4,940
196T - CHEMETCO	84,640
197T - CHEMETCO	86,600
304 STAINLESS STEEL - CHEMETCO	740
425 O/A - CHEMETCO	45,180
521 O/A - CHEMETCO	8,980
544 O/A - CHEMETCO	19,020

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1997 SELL LIST

ITEM & COMPANY SOLD TO	POUNDS
638 O/A - CHEMETCO	154,938
638T - CHEMETCO	9,840
655 O/A - CHEMETCO	118,386
655T - CHEMETCO	40,560
7025 - CHEMETCO	182,460
7025T - CHEMETCO	143,020
7025T-NI - CHEMETCO	840

TYPICAL OF THE METAL REGULARLY TRADED IN THE COPPER & COPPER ALLOY SCRAP MARKET

OTHER POSSIBLE OUTLETS TO NUMEROUS TO LIST

ANY COMPANY DOING BUSINESS IN THE COPPER & COPPER ALLOY SCRAP INDUSTRY

INSULATED WIRE - CHEMETCO	16,560

DUE TO LOW VOLUME, LOW VALUE, & LACK OF SORTING BY GAUGE IT IS NOT LIKELY THAT THERE IS ANOTHER PRACTICAL OUTLET FOR THIS MATERIAL

PIT SLUDGE - CHEMETCO	388,100

DUE TO LOW COPPER CONTENT RESULTING IN LOW VALUE & FREIGHT COSTS IT IS NOT LIKELY THAT THERE IS ANOTHER PRACTICAL OUTLET FOR THIS MATERIAL

IT COULD BE SHIPPED TO ANOTHER COPPER REFINERY OR SX - EW FACILITY

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1997 SELL LIST

ITEM & COMPANY SOLD TO	POUNDS
RECLAIM 184 - CHEMETCO	428,720
RECLAIM 253 - CHEMETCO	89,980
RECLAIM 888 - CHEMETCO	123,000

FURNACE SKIMMINGS, SPILLS, ETC.

A NUMBER OF COMPANIES HAVE EXPRESSED INTEREST IN THIS MATERIAL AMONG THEM, IN ADDITION TO THE ABOVE, ARE:

OTHER POSSIBLE OUTLETS

ANY COPPER REFINERY
OR SX - EW FACILITY

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1998 SELL LIST

ITEM & COMPANY SOLD TO	POUNDS
ALLOYS CONTAIN BERYLLIUM	
OTHER POSSIBLE OUTLETS	
B42 SCRAP - CHEMETCO	16,980
B47 SCRAP - CHEMETCO	7,340
STAINLESS STEEL SCRAP - CHEMETCO	500
Y72 SCRAP - CHEMETCO	35,780
001 SCRAP - CHEMETCO	248,800
001 SLUGS - CHEMETCO	73,380
001 SWEEPS - CHEMETCO	169,600
110/SS - CHEMETCO	200
194T - CHEMETCO	9,520
195/Y69 - CHEMETCO	1,500
195T - CHEMETCO	51,840
197T - CHEMETCO	35,200
197 O/A - CHEMETCO	34,000
210/654 - CHEMETCO	2,360
210T - CHEMETCO	2,020

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1998 SELL LIST

ITEM & COMPANY SOLD TO	POUNDS
353 O/A - CHEMTCO	25,180
510 O/A - CHEMETCO	5,160
511/7025 - CHEMETCO	7,860
544 - CHEMETCO	103,280
544/3100/654 - CHEMETCO	1,240
638 - CHEMETCO	324,160
638 O/A - CHEMETCO	172,772
638T - CHEMETCO	15,580
654/655 - CHEMETCO	2,680
655 - CHEMETCO	212,900
655 O/A - CHEMETCO	40,820
655T - CHEMETCO	49,620
655/260 - CHEMETCO	4,320
663/638 - CHEMETCO	8,660
688T - CHEMETCO	5,560
7025 - CHEMETCO	19,760
7025/194 - CHEMETCO	8,520
7025/425 - CHEMETCO	4,640
7025 O/A - CHEMETCO	6,040
7025T - CHEMETCO	105,860
710T - CHEMETCO	1,440
865 - CHEMETCO	7,780

TYPICAL OF THE METAL REGULARLY TRADED IN THE COPPER & COPPER ALLOY SCRAP MARKET

OTHER POSSIBLE OUTLETS

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1998 SELL LIST

ITEM & COMPANY SOLD TO	POUNDS
TO NUMEROUS TO LIST	
ANY COMPANY DOING BUSINESS IN THE COPPER & COPPER ALLOY SCRAP INDUSTRY	
INSULATED WIRE - CHEMETCO	47,920
DUE TO LOW VOLUME, LOW VALUE, & LACK OF SORTING BY GAUGE IT IS NOT LIKELY THAT THERE IS ANOTHER PRACTICAL OUTLET FOR THIS MATERIAL	
PIT SLUDGE - CHEMETCO	600,000
DUE TO LOW COPPER CONTENT RESULTING IN LOW VALUE & FREIGHT COSTS IT IS NOT LIKELY THAT THERE IS ANOTHER PRACTICAL OUTLET FOR THIS MATERIAL	
IT COULD BE SHIPPED TO ANOTHER COPPER REFINERY OR SX - EW FACILITY	
RECLAIM 001 - CHEMETCO	4,207,380
RECLAIM 194 - CHEMETCO	272,520
RECLAIM 353 - CHEMETCO	73,280
RECLAIM 688 - CHEMETCO	98,620
FURNACE SKIMMINGS, SPILLS, ETC.	
A NUMBER OF COMPANIES HAVE EXPRESSED INTEREST IN THIS MATERIAL AMONG THEM, IN ADDITION TO THE ABOVE, ARE:	

OLIN-CHEMETCO_0718

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1998 SELL LIST

ITEM & COMPANY SOLD TO	POUNDS

OTHER POSSIBLE OUTLETS

ANY COPPER REFINERY
OR SX - EW FACILITY

OLIN-CHEMETCO_0719

1999 SELL LIST

ITEM & COMPANY SOLD TO	POUNDS

ALLOYS CONTAIN BERYLLIUM

OTHER POSSIBLE OUTLETS

STAINLESS STEEL SCRAP - CHEMETCO	1.160
B41 - CHEMETCO	27,740
B41T - CHEMETCO	2,140
B42T - CHEMETCO	1,560
B51 - CHEMETCO	17,760
B52 - CHEMETCO	820
B53 - CHEMETCO	5,760
Y66 - CHEMETCO	2,820
Y70 - CHEMETCO	1,540
Y72 - CHEMETCO	16,520
Y75 - CHEMETCO	53,860
Y79 - CHEMETCO	14,980
Y89 - CHEMETCO	15,700
001 SCRAP - CHEMETCO	122,720

1999 SELL LIST

ITEM & COMPANY SOLD TO	POUNDS
001 SLUGS - CHEMETCO	35,865
001 SWEEPS - CHEMETCO	310,240
110T - CHEMETCO	2,120
194T - CHEMETCO	76,040
197T - CHEMETCO	44,880
210T - CHEMETCO	5,480
260/REFRACTORY/Fe - CHEMETCO	50,140
510T - CHEMETCO	1,580
510T/Ni Pit - CHEMETCO	4,280
510T/197T - CHEMETCO	4,960
544 - CHEMETCO	4,420
6155 O/A - CHEMETCO	108,120
6155/655 - CHEMETCO	5,100
6155/688 - CHEMETCO	48,900
624T - CHEMETCO	2,940
634 - CHEMETCO	5,120
638 - CHEMETCO	3,720

1999 SELL LIST

ITEM & COMPANY SOLD TO	POUNDS
638T - CHEMETCO	17,660
638/683 - CHEMETCO	10,740
638 O/A - CHEMETCO	29,260
638T - CHEMETCO	8,860
654 - CHEMETCO	6,600
654 O/A - CHEMETCO	102,900
655 O/A - CHEMETCO	42,920
655T - CHEMETCO	76,840
655/425 - CHEMETCO	5,700
683 O/A - CHEMETCO	56,320
684 - CHEMETCO	44,400
684 O/A - CHEMETCO	189,480
688 - CHEMETCO	52,740
688 O/A - CHEMETCO	56,980
688T - CHEMETCO	240
688/713 - CHEMETCO	1,520
7025 - CHEMETCO	60,965
7025T - CHEMETCO	90,800
7025 O/A - CHEMETCO	52,340
7025/194 - CHEMETCO	16,512
7025/425 - CHEMETCO	3,800
7025/505 - CHEMETCO	800
7025NI Plt/638T - CHEMETCO	6,620
7025/654 - CHEMETCO	980
7025/7025T - CHEMETCO	6,600
710T - CHEMETCO	2,660

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1999 SELL LIST

ITEM & COMPANY SOLD TO	POUNDS
803 - CHEMETCO	44,620
865 - CHEMETCO	5,920
866 - CHEMETCO	3,020
895 - CHEMETCO	1,340
896 - CHEMETCO	26,620
8804 - CHEMETCO	2,720
8807 - CHEMETCO	4,660
8838 - CHEMETCO	740
8841 - CHEMETCO	940

TYPICAL OF THE METAL REGULARLY TRADED IN THE
COPPER & COPPER ALLOY SCRAP MARKET

OTHER POSSIBLE OUTLETS
TO NUMEROUS TO LIST

ANY COMPANY DOING BUSINESS IN THE
COPPER & COPPER ALLOY SCRAP INDUSTRY

INSULATED WIRE - CHEMETCO	36,560

DUE TO LOW VOLUME, LOW VALUE, & LACK OF SORTING
BY GAUGE IT IS NOT LIKELY THAT THERE IS ANOTHER
PRACTICAL OUTLET FOR THIS MATERIAL

PIT SLUDGE - CHEMETCO	743,280

DUE TO LOW COPPER CONTENT RESULTING IN LOW VALUE &
FREIGHT COSTS IT IS NOT LIKELY THAT THERE IS ANOTHER
PRACTICAL OUTLET FOR THIS MATERIAL

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1999 SELL LIST

ITEM & COMPANY SOLD TO	POUNDS
IT COULD BE SHIPPED TO ANOTHER COPPER REFINERY OR SX - EW FACILITY	
RECLAIM 001 - CHEMETCO	2,906,780
RECLAIM 194 - CHEMETCO	507,040
RECLAIM 353 - CHEMETCO	38,880
RECLAIM 6155 - CHEMETCO	94,180
RECLAIM 688 - CHEMETCO	126,200

FURNACE SKIMMINGS, SPILLS, ETC.

A NUMBER OF COMPANIES HAVE EXPRESSED INTEREST IN THIS MATERIAL AMONG THEM, IN ADDITION TO THE ABOVE, ARE:

OTHER POSSIBLE OUTLETS

ANY COPPER REFINERY
OR SX - EW FACILITY

2000 SELL LIST

ITEM & COMPANY SOLD TO	POUNDS

ALLOYS CONTAIN BERYLLIUM

OTHER POSSIBLE OUTLETS

B35 - CHEMETCO	18,340
B41 - CHEMETCO	72,020
B47 - CHEMETCO	23,960
B49 - CHEMETCO	19,260
B51 - CHEMETCO	49,740
B52 - CHEMETCO	37,300
B53 - CHEMETCO	18,980
Y59 - CHEMETCO	19,120
Y60 - CHEMETCO	4,120
Y66 - CHEMETCO	1,840
Y75 - CHEMETCO	12,160
Y80 - CHEMETCO	6,760
Y81 - CHEMETCO	840

2000 SELL LIST

ITEM & COMPANY SOLD TO	POUNDS
Y82 - CHEMETCO	37,800
Y86 - CHEMETCO	29,800
Y90 - CHEMETCO	175,240
Y90 O/A - CHEMETCO	26,800
001 SCRAP - CHEMETCO	519,500
001 SLUGS - CHEMETCO	222,642
001 SWEEPS - CHEMETCO	640,050
110 - CHEMETCO	6,280
1807 - CHEMETCO	37,720
181 - CHEMETCO	16,800
182 - CHEMETCO	340
1860 - CHEMETCO	160
1861 - CHEMETCO	20,220
190 - CHEMETCO	93,220
1902 - CHEMETCO	16,480
1921 - CHEMETCO	3,660
194 - CHEMETCO	33,760
197 - CHEMETCO	7,860
197/Y90 - CHEMETCO	20,680
197/7025 - CHEMETCO	32,220
210T - CHEMETCO	5,620

2000 SELL LIST

ITEM & COMPANY SOLD TO	POUNDS
544 - CHEMETCO	159,920
544 SLUG - CHEMETCO	36,500
6155 - CHEMETCO	142,780
6155 O/A - CHEMETCO	17,880
634 - CHEMETCO	1,080
638 - CHEMETCO	218,580
638T - CHEMETCO	648,796
638/S.S. - CHEMETCO	48,780
638/353 - CHEMETCO	15,160
638/706 - CHEMETCO	1,500
638 O/A - CHEMETCO	91,020
647 - CHEMETCO	4,000
649 - CHEMETCO	4,340
653 - CHEMETCO	2,920
654 O/A - CHEMETCO	6,880
655T - CHEMETCO	125,080
663 - CHEMETCO	548,220
663 O/A - CHEMETCO	76,920
663T - CHEMETCO	27,860
664 - CHEMETCO	539,716
669 O/A - CHEMETCO	31,420
688 - CHEMETCO	16,780
688/353 - CHEMETCO	1,880
7025T - CHEMETCO	77,340
7025/B51 - CHEMETCO	2,660
7025/194 - CHEMETCO	5,120
7025/725 - CHEMETCO	3,820

2000 SELL LIST

ITEM & COMPANY SOLD TO	POUNDS
846 - CHEMETCO	1,720
883 - CHEMETCO	300
8840 - CHEMETCO	500

TYPICAL OF THE METAL REGULARLY TRADED IN THE
COPPER & COPPER ALLOY SCRAP MARKET

OTHER POSSIBLE OUTLETS
TO NUMEROUS TO LIST

ANY COMPANY DOING BUSINESS IN THE
COPPER & COPPER ALLOY SCRAP INDUSTRY

INSULATED WIRE - CHEMETCO	48,160

2001 SELL LIST
EAST ALTON

ALLOY	SOLD-TO	POUNDS
194	CHEMETCO	120,530
195	CHEMETCO	310,090
197	CHEMETCO	206,680
425	CHEMETCO	2,270
510	CHEMETCO	18,860
524	CHEMETCO	2,940
544	CHEMETCO	9,260
580	CHEMETCO	40,000
654	CHEMETCO	72,600
663	CHEMETCO	357,400
664	CHEMETCO	104,840
687	CHEMETCO	3,580
688	CHEMETCO	2,140
705	CHEMETCO	3,870
713	CHEMETCO	3,230
725	CHEMETCO	2,780
929	CHEMETCO	20,300
1808	CHEMETCO	2,400
1860	CHEMETCO	520
1902	CHEMETCO	2,010

8838	CHEMETCO	340
8842	CHEMETCO	15,820
001 SCRAP	CHEMETCO	546,440
001 SLUGS	CHEMETCO	251,640
001 SWEEPS	CHEMETCO	689,100
638 / 638T	CHEMETCO	647,650
655 / 655T	CHEMETCO	680,030
7025 / 7025T	CHEMETCO	99,230
B41	CHEMETCO	324,750
B51	CHEMETCO	1,740
INSULATED CU WIRE	CHEMETCO	42,500