



# 2004

Annual Report



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**Company Profile** Myers Industries, Inc. is an international manufacturer of polymer products for industrial, agricultural, automotive, commercial, and consumer markets. We are an international leader in reusable plastic containers and North America's leading manufacturer of plastic horticultural pots, trays, and flower planters. Other principal product lines include plastic storage and organization containers, plastic storage tanks, molded rubber OEM parts, rubber tire repair products, and custom rubber and plastic products.

The Company is also the largest wholesale distributor of tools, equipment, and supplies for the tire, wheel, and

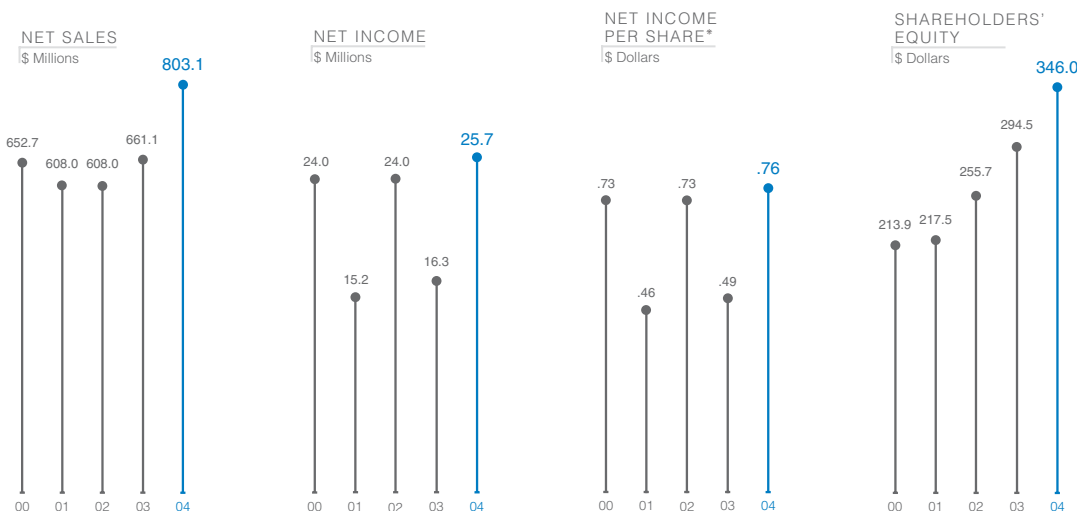
undervehicle service industry in the United States. Our distribution products range from tire balancers and alignment systems to valve caps and other consumable service supplies.

Headquartered in Akron, Ohio, Myers encompasses: 31 manufacturing facilities in North America and Europe, 39 domestic and five international distribution branches, more than 20,000 products, and more than 5,300 employees. Myers Industries' stock is traded on the New York Stock Exchange under the symbol MYE.

### 2004 Financial Highlights

Dollars In Thousands (Except Per Share Data)

Operations for the Year	2004	2003	% Change
Net Sales	<b>\$803,070</b>	\$661,092	21.5
Income Before Taxes	<b>38,729</b>	24,647	57.1
Net Income	<b>25,710</b>	16,326	57.5
Net Income Per Common Share*	<b>.76</b>	.49	55.1
<b>Financial Position At Year-End</b>			
Working Capital	<b>\$147,820</b>	\$113,758	29.9
Shareholders' Equity	<b>346,004</b>	294,524	17.5
Book Value Per Common Share*	<b>9.99</b>	8.87	12.6
<b>Other Data</b>			
Dividends Paid Per Common Share*	<b>.19</b>	.18	5.5
Average Common Shares Outstanding*	<b>33,846,511</b>	33,138,086	2.1



\*Adjusted for a ten percent stock dividend paid in August, 2004

Forward-Looking Statements Disclosure: Statements in this Annual Report may include "forward-looking" statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements involve a number of risks and uncertainties that could cause actual results to materially differ from those expressed or implied. Any statement that is not of historical fact may be deemed to be a forward-looking statement. Myers Industries does not undertake to update any forward-looking statements contained herein.

**Product Brands Overview** With an extensive range of products and capabilities, Myers brands enjoy strong positions in many niche markets that afford us multiple growth platforms and the ability to quickly seize new opportunities. Whether designing a custom container for transporting electronic components, creating

national branding programs for plant growers, or outfitting tire service centers, the people of Myers Industries are focused on one goal: to build exceptional value through products, performance, and service that leads to satisfied, loyal customers.

**Manufacturing**

*We design, manufacture, and market more than 12,000 polymer products*

**Capabilities:**

- Product Design & Engineering
- Prototyping
- Product Testing
- Materials Formulation
- Plastic & Rubber Injection Molding
- Rotational Molding
- Vacuum Forming
- Winding Extrusion
- Co-Extrusion Blow Molding
- Compression Molding
- Rubber Compounding, Calendaring & Extrusion
- Rubber-to-Metal Bonding
- Metal Forming
- Metal Powder Coating
- Finishing & Subassembly

 Efficiency is the benefit users gain with our **Akro-Mils™** plastic and metal storage, organization, and transport products. We are a leader in storage bins and systems that simplify tasks such as sorting industrial parts and organizing medical supplies. Our material handling carts move items in industrial and commercial settings. Home, craft, and office products sold



by leading retailers offer organization solutions for consumers.

Whether delivering auto parts to assembly lines or baked goods to



groceries, customers in Europe and North America rely on our **Allibert-Buckhorn™**

and **Buckhorn®** plastic reusable containers and pallets to reduce material handling costs.



We are an international leader in reusable products that replace cardboard boxes and wood pallets to eliminate waste and improve productivity in manufacturing, distribution, and food markets. Our offering includes hand-held totes, pallets, a comprehensive range of bulk transport containers, and custom packaging capabilities. We also make intermediate bulk containers and extruded storage tanks for transport and long-term storage of chemicals and other liquid materials.



With our **Ameri-Kart™** brand, we



produce custom rotationally-molded and vacuum-formed plastic parts for the

recreational vehicle and marine markets. Products range from storage tanks for water

to interior parts and storage packs. Other



Ameri-Kart products include plastic waste

hauling carts used in residential and commercial waste collection. We also custom-mold and fabricate products for industrial, heavy truck, and healthcare niche markets.

Our **Buckhorn Rubber™** OEM and replacement parts deliver peak



performance under harsh conditions. We are a top producer of engineered, molded products such as air

hoses, hood latches, and vibration isolators used on heavy truck and off-road vehicles. We bond

rubber to metal to create seals for water valves and torque-absorbing bushings for suspensions. Customers



rely on the value of our design, testing, and molding expertise for

their unique part requirements.



For retail/wholesale growers and garden centers, Myers' **Dillen**®, **Listo**™, and **Pro Cal**™ brands present North America's most extensive range of plastic horticultural pots and planters. Growers depend on our selection of pots, trays, and hanging baskets to improve their operations. Exclusive to

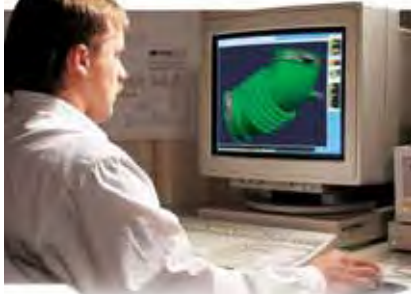


Myers, custom graphic picturePots™ for growers provide vivid photo detail of plants and rich colors for visual impact to drive higher sales at retail. Decorative resin



planters with unique finishes capture retailers' attention and consumers' imagination.

Through our **Michigan Rubber**™ brand, we engineer and manufacture a diverse portfolio of products



for automotive OEMs and suppliers. From air induction hoses and assemblies to noise dampers, tubing components, and gaskets, we serve more than 70 vehicle platforms. Our design, molding, and assembly expertise affords sole-supplier status across many product niches.



## Product Brands Overview

From tire repair plugs to industrial rubber, our **Patch Rubber**™ brand products deliver superior performance. We make the most comprehensive line of tire repair and retreading products for passenger, truck, and off-road tires. Our reflective, rubber-based tapes provide the durability and brightness to replace paint for marking highway construction areas. We also develop custom rubber, which customers use to create products for industrial, aerospace, and sports markets.



In Europe, our **raaco**® brand plastic bins make quick work of arranging small parts and products in settings from industrial to home. Commercial service professionals easily transport repair items in our durable tool case and cabinet systems.



With our **WEK**™ brand, Myers produces engineered plastic components for automotive and off-road vehicle applications. Products include HVAC ducts, air induction tubing, fluid tanks, and storage cases. Our capabilities and quality provide us "guest engineering" status with leading automakers.



## Distribution

*We buy and sell thousands of tire, wheel, and undervehicle service products. . .*

### Capabilities:

- Broad Sales Coverage
- Local Sales & Inventory
- International Distribution
- On-Site, Personalized Service
- National Accounts Coverage
- Customer Product Training
- New Products "Speed to Market"



**Myers Tire Supply**® delivers the value of one-stop-shopping for tire, wheel,

and undervehicle service tools, equipment, and supplies. We buy from leading manufacturers and sell everything that professionals need to service passenger, truck, and off-road tires— from valves to impact wrenches to alignment systems. With nationwide branches, international affiliates, and an online e-branch, customers have quick access to products and on-site service to help grow their business.



## Letter to Shareholders

*Dear Fellow Shareholders,*

I am pleased to report that Myers Industries achieved record sales of \$803.1 million in 2004, ending the year with strong fourth quarter sales of \$221.4 million, which set a quarterly record for the Company. Our sales growth from continuing operations was eight percent. Acquisitions accounted for ten percent, and favorable foreign currency exchange rates contributed three percent. Although margins were suppressed by rising costs for plastic raw materials, which reached historical highs, we realized profits of \$25.7 million, or \$0.76 per share for the year compared to \$16.3 million, or \$0.49 per share, in 2003.

Resin prices in the fourth quarter of 2004 were approximately 45 percent higher, on average, compared to the fourth quarter of 2003. For the full year, prices were up approximately 22 percent compared to 2003. Through some modest increases in our selling prices and strenuous efforts to manage costs and resources, we were able to lessen some of the effects of the unrelenting price increases for resins to which we were subject all year. In addition, the added expenses incurred from our efforts to implement and comply with the Sarbanes-Oxley legislation have not been trivial.

Our cost management endeavors are making progress and must expand. As we have said here before, however, cutting costs is not enough. Prices charged for our products must increase. In 2005 the need to gain meaningful price increases for the value of the goods and services which we provide to our customers remains mandatory, not discretionary, to improve our profitability.

### Acquisitions

In March 2004, we acquired Michigan Rubber Products (MRP) and WEK Industries (WEK) through the purchase of ATP Automotive, Inc. MRP and WEK are manufacturers of molded rubber and plastic OE components and assemblies for the automotive industry.

In July, we acquired Productivity California, Inc. (Pro Cal™), a manufacturer of injection-molded and pressure-formed nursery containers complementary to our existing horticultural container products. We thereby gained manufacturing capacity on the West Coast, as well as proprietary technology developed by Pro Cal to print highly defined, full color, photographic images of superior quality on custom flowerpots. Professional growers in the horticultural industry use the pots as “packaging” for plants.

### Internal Growth

Internal activities in 2004 were directed towards strengthening connections with our customers, advancing new products, and improving cost structures. Our product and customer bases are diversified such that consolidated performance is dependent upon no single item, action, or customer relationship, but upon the combined efforts across the complete range of our activities. Some highlights from 2004 include:

- Through advancements in our reusable container and pallet products, we solidified business with new and existing customers in automotive, industrial, food, and agriculture markets in North America and Europe.
- Innovation in our decorative resin planters led to growth in this niche with mass retailers and garden centers.
- We extended our business of custom-molded plastic storage tanks and other original equipment for recreational vehicles into similar items for the recreational marine / watercraft market.
- Our distribution business continued to expand into niches provided by automobile dealers and large national accounts.

### 2004 Debt & Capital Expenditures

The acquisitions made in 2004 added \$78.8 million to our debt, of which the Company paid down \$16.9 million, to bring the increase in total debt for the year to \$61.9

million. The Company ended the year at December 31, 2004, with total debt of \$277.4 million compared to \$215.5 million at December 31, 2003. Long-term debt as a percentage of total capitalization was 44 percent at December 31, 2004, compared to 42 percent at the end of 2003.

Capital expenditures for 2004 were \$24.9 million versus \$20 million in 2003. Key investments were made in order to produce higher unit volumes.

#### **Stock Performance & Return to Shareholders**

Myers stock appreciated 13 percent during 2004, opening the year at \$11.29 and closing at \$12.80. The Company's Board of Directors declared a ten percent stock dividend as of August 31, 2004, while holding the cash payout per share constant. Shareholders' equity grew to \$346.0 million, up 17 percent, and book value per share rose to \$9.99, an increase of 13 percent, from 2003.

#### **Sarbanes-Oxley & Corporate Governance**

I have little to add to my comment of last year on this subject, other than to confirm that implementation and compliance with Section 404 of the Sarbanes-Oxley legislation placed a very significant burden upon us. I suspect that we are part of a large universe of smaller public companies and the audit firms that serve them that have had their activities made more interesting this past year.

#### **Departures**

In November 2004, Jean-Paul Lesage left the Company, having led our European operations as a vice president of Myers Industries. He joined Myers Industries in February 1999 with our acquisition of Allibert Equipement, a company in which his career spanned 28 years in management leading to his appointment as CEO in 1992.

In April 2005, Milton I. Wiskind will leave Myers Industries at the expiration of his term as a director of

the Company, a position in which he has served since 1972. He joined the Company nearly 50 years ago, advancing to serve as President of our Myers Tire Supply business and Vice Chairman and Secretary of Myers Industries.

We gratefully acknowledge the many years of dedicated service represented by their careers.

#### **Summary**

In 2004, the people of Myers Industries maintained their focus and discipline to achieve strong results for our customers and our Company. These talented employees are performance driven and equal to the task of growing our business further in 2005. We will continue to develop new products and services that serve the needs of our customers. We will strive to develop and implement new ideas and processes to improve productivity, and we will pursue opportunities that fit our skills and promise sound growth.

I thank the more than 5,300 employees of Myers Industries worldwide for their efforts, and our customers and shareholders for their continued confidence.

Respectfully Submitted,



Stephen E. Myers  
*Chairman and Chief Executive Officer*  
March 11, 2005



## Investor Relations Information

### Annual Meeting

The Annual Meeting of Shareholders will be held on Wednesday, April 20, 2005, at 9:00 a.m. in the Company's L.S. Myers Training Center, 1554 South Main Street, Akron, Ohio. For more information, please call (330) 253-5592.

### Company Headquarters

Myers Industries, Inc. • 1293 South Main Street • Akron, Ohio 44301  
Tel: (330) 253-5592 • Fax: (330) 761-6156

### Web Site: [www.myersind.com](http://www.myersind.com)

Myers Industries' site provides detailed information, including:

- Stock prices and charting from the NYSE;
- Downloadable Annual Report PDF files;
- SEC filings and corporate governance information;
- Press releases;
- Myers' products, services, and markets;
- Historical information about Myers; and
- Information order form to obtain current financial and investor-related information.

### Common Stock

Traded on the New York Stock Exchange



### Dividend Reinvestment Plan

Shareholders have a convenient opportunity to automatically reinvest cash dividends and make voluntary cash investments in the Company's stock through the Dividend Reinvestment and Stock Purchase Plan. Participating shareholders pay no brokerage commissions or other charges on purchases of shares under the Plan; all such commissions and charges are paid by the Company. For full details, please contact: Garee Daniska, Assistant Treasurer, Myers Industries, Inc., 1293 South Main Street, Akron, Ohio 44301.

### Transfer Agent & Registrar

National City Bank is the Company's transfer agent and registrar. Please contact National City directly to:

- Transfer stock
- Change name or address
- Replace lost stock certificates
- Obtain statements of holdings
- Eliminate multiple mailings
- Consolidate accounts

### Shareholder Services Contact:

National City Bank  
Corporate Trust Operations  
Locator 5352  
P. O. Box 92301  
Cleveland, OH 44193-0900  
Tel: (800) 622-6757  
Fax: (216) 257-8508

### Mail Courier Contact:

National City Bank  
Corporate Trust Operations  
Locator 5352  
3rd Floor - North Annex  
4100 West 150th Street  
Cleveland, OH 44135-1385

### Dividend Reinvestment & Employee Stock Purchase Plan Services:

National City Bank  
Corporate Trust Operations  
Locator 5352  
P. O. Box 94946  
Cleveland, OH 44101-4946  
Tel: (800) 622-6757  
Fax: (216) 257-8367

### Form 10-K Requests

A copy of the Company's 2004 Annual Report on Form 10-K is available at our website or upon written request to:

Gregory J. Stodnick, Vice President-Finance & CFO  
Myers Industries, Inc. • 1293 South Main Street • Akron, OH 44301

### Independent Registered Public Accounting Firm

Ernst & Young LLP • Akron, Ohio

### Investor Relations Contacts

Gregory J. Stodnick  
Vice President-Finance & CFO  
Myers Industries, Inc. • 1293 South Main Street • Akron, Ohio 44301  
Tel: (330) 253-5592 • Fax: (330) 761-6156

Max R. Barton II  
Investor Relations Manager  
Myers Industries, Inc. • 1293 South Main Street • Akron, Ohio 44301  
Tel: (330) 253-5592 • Fax: (330) 761-6156

### Board of Directors

#### Keith A. Brown

President and Chief Executive Officer, Chimera Corp.

#### Karl S. Hay

Retired from Brouse McDowell, A Legal Professional Association

#### Richard P. Johnston

Private Equity Investor

#### Michael W. Kane

President and Chief Executive Officer, M. Kane & Company, Inc.

#### Edward W. Kissel

President and Chief Executive Officer, Kissel Group Ltd.

#### Stephen E. Myers

Chairman and Chief Executive Officer

#### Richard L. Osborne

Professor for the Practice of Management, Case Western Reserve University

#### Jon H. Outcalt

Chairman, Federal Process Corporation

#### Milton I. Wiskind

Vice Chairman and Secretary

### Corporate Officers:

#### Stephen E. Myers

Chairman and Chief Executive Officer

#### John C. Orr

President and Chief Operating Officer

#### Gregory J. Stodnick

Vice President-Finance and Chief Financial Officer

#### Kevin C. O'Neil

Vice President, General Counsel and Assistant Secretary

### NYSE Disclosures

In 2004, the Company submitted to the New York Stock Exchange an unqualified Section 12(a) certification by its chief executive officer indicating that he was not aware of any violation by the Company of the NYSE corporate governance listing standards.

In addition, the Form 10-K for the period ended December 31, 2004 filed with the Securities and Exchange Commission contained the Section 302 certification by the Company's chief executive officer and chief financial officer.

**A Focused Business Approach for Growth . . .**

- Concentrate on markets where our products and expertise create profit opportunities for our customers and ourselves.
- Achieve leadership in key product areas through breadth of offering, consistent quality, and superior customer service.
- Drive internal growth with new products, line extensions, and new technology.
- Leverage brand equity and capabilities to increase business with existing customers and cultivate new ones.
- Acquire complementary businesses with potential for long-term growth.
- Respond to opportunities that present themselves and work to protect that which has been gained.

**. . .Supported by Strong Fundamentals to Increase Benefits for Our Customers and Our Shareholders:**

- Long-Term Approach to Business
- Consistent Quality
- Multiple Growth Platforms
- Diverse Product Offering
- Complementary Acquisitions
- International Reach
- Brand Strength & Market Leadership
- Broad Manufacturing & Distribution Capabilities
- Superior Customer Service
- Product Innovation



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