

OLIN CORP
Form 424B2
February 04, 2004
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PROSPECTUS SUPPLEMENT

Filed pursuant to Rule 424(b)(2)
File No. 333-101027

(To Prospectus dated December 20, 2002)

10,000,000 Shares

COMMON STOCK

Olin Corporation is selling 10,000,000 shares of its common stock.

Our common stock is listed on the New York Stock Exchange, Chicago Stock Exchange and Pacific Exchange under the symbol OLN. On February 3, 2004, the last reported sale price of our common stock on the New York Stock Exchange was \$19.06 per share.

Investing in our common stock involves risks. See Risk Factors beginning on page S-6 of this prospectus supplement.

PRICE \$18 A SHARE

*Price to
Public*

*Underwriting
Discounts and
Commissions*

*Proceeds to
Olin*

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<i>Per Share</i>	<i>\$18.000</i>	<i>\$.195</i>	<i>\$17.805</i>
<i>Total</i>	<i>\$180,000,000</i>	<i>\$1,950,000</i>	<i>\$178,050,000</i>

The Securities and Exchange Commission and state securities regulators have not approved or disapproved of these securities, or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Morgan Stanley & Co. Incorporated expects to deliver the shares of common stock to purchasers on February 6, 2004.

MORGAN STANLEY

February 3, 2004

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IMPORTANT NOTICE ABOUT INFORMATION IN THIS**PROSPECTUS SUPPLEMENT AND THE ACCOMPANYING PROSPECTUS**

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering of common stock. The second part, the base prospectus, gives more general information, some of which may not apply to this offering. Generally, when we refer only to the prospectus, we are referring to both parts combined, and when we refer to the accompanying prospectus, we are referring to the base prospectus.

If the description of this offering varies between this prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement.

You should rely only on the information contained in or incorporated by reference in this prospectus. We have not authorized anyone to provide you with different information from that contained in this prospectus. If anyone provides you with different or inconsistent information, you

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should not rely on it. We are not making an offer of shares of our common stock in any state where the offer is not permitted. You should not assume that the information contained in or incorporated by reference in this prospectus is accurate as of any date later than February 3, 2004.

The names of our principal products used in this prospectus, including Winchester[®], are our registered trademarks. Names of companies and associations used in this prospectus are trademarks or trade names of those respective organizations.

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CAUTIONARY STATEMENT ABOUT FORWARD-LOOKING STATEMENTS

This prospectus, including the information incorporated herein by reference, 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 prospectus, including the information incorporated herein by reference, 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 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. These forward-looking statements speak only as of the date of this prospectus supplement. 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 involved in our forward-looking statements, many of which are discussed in more detail in our filings with the SEC, including our Annual Report on Form 10-K for the year ended December 31, 2002, which is incorporated by reference in this prospectus, include, but are not limited to, the following:

sensitivity to economic, business and market conditions in the United States and overseas, including economic instability or a downturn in the sectors served by us, such as automotive, electronics, coinage, telecommunications, ammunition, housing, vinyls and pulp and paper;

extraordinary events, such as additional terrorist attacks or war with one or more countries;

continued or additional economic and industry downturns that result in diminished product demand and excess manufacturing capacity in any of our segments and that, in many cases, result in lower selling prices and profits;

the cyclical nature of our operating results, particularly declines in average selling prices in the chlor alkali industry and the supply/demand balance for our products, including the impact of excess industry capacity or an imbalance in demand for our chlor alkali products;

an increase in our indebtedness or higher-than-expected interest rates, affecting our ability to generate sufficient cash flow for debt service;

unforeseen effects of competition, including the migration by United States customers to low-cost foreign locations;

costs and other expenditures in excess of those projected for environmental investigation and remediation or other legal proceedings;

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unexpected litigation outcomes or the impact of changes in laws and regulations;

higher-than-expected raw material and utility or transportation and/or logistics costs;

the occurrence of unexpected manufacturing interruptions and outages, including those occurring as a result of production hazards;

unexpected additional taxes and related interest as the result of pending income tax audits; and

the effects of any declines in global equity markets on asset values and any declines in interest rates used to value the liabilities in our pension plan.

All of our forward-looking statements should be considered in light of these factors. In addition, other risks and uncertainties not presently known to us or that we consider immaterial could affect the accuracy of our forward-looking statements.

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PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights information contained elsewhere in, or incorporated by reference in, this prospectus. Because it is a summary, it may not contain all of the information that may be important to you. To understand this offering fully, you should read this entire prospectus supplement and the accompanying prospectus, including our financial statements and the other documents incorporated by reference in this prospectus. Unless the context otherwise indicates, references in this prospectus to we, us and our refer to Olin Corporation and its direct and indirect subsidiaries.

OLIN CORPORATION

We are a Virginia corporation, incorporated in 1892, currently having our principal executive offices in Norwalk, Connecticut. We are a manufacturer concentrated in three business segments: Metals, Chlor Alkali Products and Winchester®.

Metals products include copper and copper alloy sheet, strip, foil, rod, welded tube, fabricated parts, metal packages and stainless steel and aluminum strip. Chlor Alkali Products manufactures chlorine and caustic soda, sodium hydrosulfite, hydrochloric acid and bleach products. Winchester products include sporting ammunition, canister powder, reloading components, small caliber military ammunition and industrial cartridges.

Our principal executive offices are located at 501 Merritt 7, Norwalk, Connecticut 06856-4500. Our telephone number, at that location, is (203) 750-3000.

Recent Developments

In January 2004, we announced that the Board of Directors approved plans to move the corporate headquarters to our largest manufacturing facility in East Alton, Illinois. The decision to relocate was driven by the organizational, strategic and economic advantages to locating Olin's corporate headquarters in East Alton. We expect the East Alton relocation to be completed by the end of the year. Currently, 82 people are employed on the corporate staff, including 66 in Norwalk. When completed, the efficiencies of being co-located with the Brass and Winchester businesses will result in corporate personnel being reduced by more than forty percent, with total projected savings of approximately \$6 million per year. As a result of the relocation, we expect to incur one-time costs of approximately \$12 million. We will separately identify these costs when they are recorded.

In connection with the relocation, six officers chose not to move and will be leaving the company under a separation program when an orderly transition is effected. Anthony W. Ruggiero, Executive Vice President and Chief Financial Officer, will remain with the company through the first quarter of 2005 to ensure an orderly transition. He has elected to retire at that time. He remains on the Board of Directors. John E. Fischer, formerly Chief Financial Officer of Primex Technologies, has rejoined Olin as Vice President, Finance. Mr. Fischer will assist Mr. Ruggiero in the transition to East Alton.

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Thomas M. Gura, Executive Vice President, Metals Group will assume international responsibility for all Olin businesses and complete the integration of the Chase acquisition and Peter C. Kosche, Senior Vice President, Corporate Affairs will manage key legacy issues during the transition including environmental remediation and pension structure matters, will transition his Human Resources responsibilities and will manage the phase out of our Norwalk facilities. Both Messrs. Gura and Kosche have elected to retire at the end of 2004.

Janet M. Pierpont, Vice President and Treasurer and George B. Erensen, Vice President and General Tax Counsel will manage the transition of their functions and have elected to retire by the end of 2004. Mary E. Gallagher, Vice President and Controller will transition the Corporate Accounting function to East Alton and then has elected to leave Olin and seek other opportunities.

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Risk Factors

Investing in our common stock involves risks. You should carefully consider the information under **Risk Factors** beginning on page S-6 of this prospectus supplement as well as all other information included in this prospectus, including the documents incorporated by reference in this prospectus.

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THE OFFERING

Common stock offered by us	10,000,000 shares
Common stock to be outstanding after this offering	69,101,421 shares
Use of proceeds	The net proceeds from this offering will be used to make a voluntary contribution of approximately \$125 million to our pension plan with the balance available for general corporate purposes.
New York Stock Exchange, Chicago Stock Exchange and Pacific Exchange symbol	OLN

The number of shares of our common stock to be outstanding after this offering is based on 59,101,421 shares outstanding as of January 31, 2004, and excludes:

7,029,270 shares of common stock issuable upon the exercise of outstanding stock options at a weighted average exercise price of \$19.72 per share; and

9,612,819 shares of common stock reserved for issuance under stock option and long-term incentive plans.

The transfer agent and registrar for our common stock is Mellon Investor Services LLC.

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RISK FACTORS

You should carefully consider the risks described below and the other information included or incorporated by reference in this prospectus before investing in our common stock. The risks described below are not the only ones facing our company. Additional risks not currently known to us or that we currently deem immaterial also may impair our business.

Sensitivity to Global Economic Conditions and Cyclicalities *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 housing 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' businesses 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 through the first half of 2002, our vinyls, urethanes and pulp and paper customers had lower demand for our chlor alkali products. Our coinage, electronic, and telecommunications customers had lower demand for our Metals products beginning in the fourth quarter of 2000 and continuing through 2003. Lower demand in our Metals segment adversely affected our business and results of operations in 2001, 2002 and 2003, compared to 2000, and lower demand in our Chlor Alkali Products segment adversely affected our business and results of operations in 2001 and 2002, compared to 2000. The rod industry has been negatively affected by continued reductions in capital spending in the industrial machinery segment and reduced demand for building and household products as a result of declines in commercial construction.

Although we do not 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, customer 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 coinage, electronic or telecommunications industries.

The terrorist attacks of September 11th created many economic and political uncertainties and have had a negative impact on the global economy. The long-term effects of these attacks on our future operating results and financial condition are unknown. The national and international responses to terrorist attacks and the potential for additional terrorist attacks or similar events could have further material adverse effects on the economy in general, on our industry and on our operations. For example, war with one or more countries could have numerous consequences for us and our customers, one of which may be sustained high energy prices.

Cyclical Pricing Pressure *Our profitability could be reduced by declines in average selling prices of our products, particularly declines in the electrochemical unit, which we refer to as an ECU, netback (gross price less freight and discounts).*

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 Chlor Alkali Products, which results in changes in selling prices. Periods of high demand, tight supply and increasing operating margins tend to result in increased capacity and

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production until supply exceeds demand, generally followed by periods of oversupply and declining prices. The industry build

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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 deteriorated in 2001 and through the first half of 2002, the chlor alkali industry again experienced a period of oversupply because of lower industry demand for both chlorine and caustic. Another factor impacting demand for chlorine and caustic soda is the price of natural gas. Higher natural gas prices, which recently have exceeded \$5 per million British thermal units, increase our customers manufacturing costs, make them less competitive in world markets and, therefore, may result in reduced demand for our products.

Price in the chlor alkali industry is a major supplier selection criterion. We have little or no ability to influence 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 \$12 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 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 conversion 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 customer 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 obligations under our indebtedness.

As of December 31, 2003, we had approximately \$328 million of indebtedness outstanding, excluding our guarantee of \$85 million of indebtedness of our Sunbelt joint venture. This does not include our \$140 million senior credit facility on which we had \$107 million available on that date. As of December 31, 2003, our indebtedness represented 65% of our total capitalization.

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 our existing indentures permit us to borrow additional money. If we borrow more money, 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 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 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 in our annual report on Form 10-K for the year ended December 31, 2002, incorporated by reference in this prospectus supplement.

After taking into consideration our interest-rate swaps which convert our fixed rate debt to a variable rate, at December 31, 2003, approximately 43% of our indebtedness bears interest at variable rates that are linked to short-term interest rates. If interest rates rise, our costs relative to those obligations would also rise.

Imbalance in Demand for Our Chlor Alkali Products A loss of a substantial customer for our chlorine or caustic soda could cause an imbalance in demand for these products, which could have an adverse affect 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 substantial 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, metals and ammunition companies, including the unforeseen migration by United States customers to low-cost foreign locations, 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, copper alloys and brass rod, 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, securing and maintaining customers, performance, technology, product innovation, and product recognition and quality, depending on the product involved. Our customers could decide to move some or all of their production to lower cost, offshore locations and this could reduce demand in the United States for our products. 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 have a material adverse effect on our results of operations and 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 environmental laws and regulations.

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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, 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 lawsuits claiming, for example, personal injury and/or property damage, as a result of past or future violations of, or liabilities under, environmental or other 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. Accordingly, it is possible that some of the matters in which we are involved or may become involved may be resolved unfavorably to us, which could have a material adverse effect on our operating results and financial condition. See Management's Discussion and Analysis of Financial Condition and Results of Operations Environmental Matters in our annual report on Form 10-K for the year ended December 31, 2002 and in our quarterly report on Form 10-Q for the quarter ended September 30, 2003, both of which are incorporated by reference in this prospectus supplement.

Cost Control *Our profitability could be reduced if we experience higher-than-expected raw material, utility, transportation or logistics costs, or if we fail to achieve our targeted cost reductions.*

Our operating results and profitability are dependent upon our continued ability to control, and in some cases further reduce, our costs. If we are unable to do so, or if costs outside of our control, particularly our costs of raw materials, utilities, transportation and similar costs, increase beyond anticipated levels, our profitability will decline.

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, unexpected utility disruptions or outages, 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.

Labor Matters *We cannot assure you that we can conclude future labor contracts or any other labor agreements without work stoppages.*

Various labor unions represent a majority of our hourly-paid employees for collective bargaining purposes. Although some labor contracts extend for as long as six years, others are for shorter periods. A labor contract for approximately 210 employees at the Chlor Alkali Products facility in McIntosh, Alabama expires in April 2004 and a labor contract for approximately 235 employees at the Metals facility in Montpelier, Ohio expires in June 2004. While we believe our relations with our employees and their various representatives are generally satisfactory, we cannot assure you that we can conclude future labor contracts or any other labor agreements without work stoppages.

Tax Audits *We are currently subject to ongoing tax audits, which may result in additional tax payments.*

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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 2000; however, we have closed all tax years through 1991. Depending on

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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.

Pension Plans Declines in global equity markets on asset values and any declines in interest rates used to value the liabilities in our pension plan may result in higher pension costs and the need to fund the pension plan in future years.

Under Statement of Financial Accounting Standards (SFAS) No. 87, we recorded a \$220 million after-tax charge (\$360 million pretax) to Shareholders' Equity as of December 31, 2002, reflecting an accumulated benefit obligation in excess of the year-end market value of assets of our pension plan. In 2003, the decline in interest rates more than offset a significant rebound in the value of the plan's assets, which necessitated the recording of a small, additional after-tax charge of \$19.5 million (\$32 million pretax). This is a non-cash charge and does not affect our ability to borrow under our revolving credit agreement. Based on our assumptions and estimates, we continue to believe that we may be required to make contributions to the pension fund, but only minimal contributions will be required until 2006. For the full year 2004, we estimate that our non-cash pension expense will increase in the \$20 million pretax range (\$5 million per quarter) over 2003, and may continue to increase by about \$10 million per year over the next few years. These estimates are based on historical plan experience and assumptions regarding the future. These estimates do not take into account the \$125 million voluntary contribution to the pension plan which we expect will have a beneficial impact on both pension expense and funding.

Security and Chemicals Transportation New regulations on the transportation of hazardous chemicals and/or the security of chemical manufacturing facilities in response to the increased terrorist threat post September 11th could result in significantly higher operating costs.

The chemical industry, including the chlor alkali industry, has proactively responded to the issues surrounding the events of September 11, 2001 by starting new initiatives relating to the security of chemicals industry facilities and the transportation of hazardous chemicals in the United States. Simultaneously, government at the local, state and federal levels has begun the regulatory process which could lead to new regulations that would impact the security of chemical plant locations and the transportation of hazardous chemicals. Our Chlor Alkali business could be adversely impacted because of either an incident or the cost of complying with new regulations. The extent of the impact would depend on the consequences of an incident and the nature and direction of future regulations, which are unknown at this time.

Litigation and Claims We are subject to litigation and other claims, which could cause us to incur significant expenses.

We are a defendant in a number of pending legal proceedings relating to our present and former operations. These include proceedings alleging injurious exposure of plaintiffs to various chemicals and other substances (including proceedings based on alleged exposures to asbestos, perchlorate and vinyl chloride). Frequently, such proceedings involve claims made by numerous plaintiffs against many defendants. We believe we have valid defenses to these proceedings and are defending them vigorously. However, litigation is subject to uncertainties and we are unable to predict the outcome of these proceedings and therefore the financial impact, if any, on our results of operations.

Changes in Laws and Regulations We are subject to a variety of existing laws and regulations that affect our business.

We are unable to determine what effect, if any, the impact of changes in existing or new laws and regulations and the associated compliance costs may have on our operating results.

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Substantial sales of our common stock could cause our stock price to decline.

If our existing shareholders sell a large number of shares of our common stock or the public market perceives that existing shareholders might sell shares of common stock, the market price of our common stock could decline significantly. All of the shares offered by this prospectus will be freely tradable without restriction or further registration under the Federal securities laws unless purchased by an affiliate as that term is defined in Rule 144 under the Securities Act of 1933, as amended, which we refer to as the Securities Act. Although our directors and executive officers have signed lock-up agreements with the underwriter, the lock-up agreements are subject to certain exceptions. In addition, the outstanding shares subject to lock-up agreements between our directors and executive officers and the underwriter may be sold 90 days after the date of this offering.

Our stock price has been, and may continue to be, volatile, which could result in losses for investors purchasing shares in this offering. Investors may not be able to resell their shares at or above the public offering price.

The trading price of our common stock has been, and may continue to be, volatile. The stock market in general and the market for companies with significant sales to clients in cyclical industries, such as chemicals, have experienced volatility. Many factors contribute to this volatility, including, but not limited to:

variations in our results of operations;

perceptions about market conditions in the industries we serve; and

general market conditions.

This volatility may have a significant impact on the market price of our common stock. Moreover, the possibility exists that the stock market could experience extreme price and volume fluctuations unrelated to operating performance. Such volatility makes it difficult to ascribe a stable valuation to a shareholder's holdings of our common stock.

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USE OF PROCEEDS

We estimate that the net proceeds of this offering will be approximately \$177.8 million, after deducting the underwriting discount and estimated offering expenses payable by us. The net proceeds from this offering will be used to make a voluntary contribution of approximately \$125 million to our pension plan with the balance available for general corporate purposes.

DIVIDEND POLICY

Since the second quarter of 1999, we have paid quarterly dividends of \$0.20 per share. 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.

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MATERIAL U.S. FEDERAL TAX CONSIDERATIONS

General

The following is a general discussion of material U.S. federal tax considerations relating to the purchase, ownership and disposition of our common stock to holders who hold shares of our common stock as capital assets. This discussion is based on currently existing provisions of the Internal Revenue Code of 1986, as amended (the Code), existing and proposed Treasury regulations promulgated thereunder, and administrative and judicial interpretations thereof, all as in effect or proposed on the date hereof and all of which are subject to change, possibly with retroactive effect or different interpretations. This discussion is for general information only and does not address all of the tax considerations that may be relevant to specific holders in light of their particular circumstances or to holders subject to special treatment under U.S. federal tax laws (such as certain financial institutions, insurance companies, tax-exempt entities, retirement plans, dealers in securities, brokers, expatriates, or persons who have acquired our common stock as part of a straddle, hedge, conversion transaction or other integrated investment). This discussion does not address the U.S. state and local or non-U.S. tax considerations relating to the purchase, ownership and disposition of our common stock.

As used in this discussion, the term U.S. holder means a beneficial owner of our common stock that is a U.S. person. A U.S. person means a person that is for U.S. federal income tax purposes:

1. an individual who is a citizen or resident of the United States;
2. a corporation, entity taxable as a corporation, or partnership created or organized in or under the laws of the United States or of any state or political subdivision thereof or therein, including the District of Columbia (other than a partnership that is not treated as a U.S. person under applicable Treasury regulations);
3. an estate the income of which is subject to U.S. federal income tax regardless of the source thereof; or
4. a trust with respect to which a court within the United States is able to exercise primary supervision over its administration and one or more U.S. persons have the authority to control all of its substantial decisions, or certain electing trusts that were in existence on August 19, 1996 and were treated as domestic trusts on that date.

The term non-U.S. holder means a beneficial owner of our common stock that is not a U.S. person.

An individual may, subject to certain exceptions, be deemed to be a resident of the United States for a calendar year by reason of being present in the United States for at least 31 days in such calendar year and for an aggregate of at least 183 days during a three-year period ending with such current calendar year (counting for such purposes all of the days present in such current calendar year, one-third of the days present in the immediately preceding calendar year, and one-sixth of the days present in the second preceding calendar year).

PROSPECTIVE PURCHASERS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE PARTICULAR TAX CONSIDERATIONS APPLICABLE TO THEM RELATING TO THE PURCHASE, OWNERSHIP AND DISPOSITION OF OUR COMMON STOCK, INCLUDING THE APPLICABILITY OF U.S. FEDERAL, STATE OR LOCAL TAX LAWS OR NON-U.S. TAX

LAWS, ANY CHANGES IN APPLICABLE TAX LAWS AND ANY PENDING OR PROPOSED LEGISLATION OR REGULATIONS.

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U.S. Holders

Dividends

Any dividend on our common stock paid by us out of our current or accumulated earnings and profits (as determined for U.S. federal income tax purposes) will be included in income by a U.S. holder of common stock when received. Any such dividend will be eligible for the dividends-received deduction, if received by a qualifying corporate U.S. holder that meets the holding period and other requirements for the dividends-received deduction.

Recently enacted legislation reduces to 15% the maximum U.S. federal income tax rate for certain dividends received by individuals through December 31, 2008, so long as certain holding period requirements are met. Unless continuing legislation is enacted, dividends received by individuals after December 31, 2008 will not benefit from this reduction in U.S. federal income tax rates and will thereafter be taxed as ordinary income subject to the U.S. holder's applicable federal income tax rate.

Sale, Exchange or Other Disposition

Upon a sale, exchange or other disposition of our common stock, a U.S. holder will recognize capital gain or loss in an amount equal to the difference between the amount realized and such U.S. holder's adjusted tax basis in the common stock. Recently enacted legislation also generally reduces to 15% the maximum U.S. federal income tax rate on capital gains recognized by individuals on the sale, exchange or other disposition of our common stock held for more than one year, through taxable years beginning on or before December 31, 2008. The deductibility of capital losses is subject to limitations. Unless continuing legislation is enacted, sales, exchanges or other dispositions of our common stock by individuals after December 31, 2008 will not benefit from this reduction in U.S. Federal income tax rates.

Information Reporting and Backup Withholding Tax

In general, payments made to a U.S. holder on or with respect to our common stock will be subject to information reporting. Certain U.S. holders may be subject to backup withholding tax (at a rate equal to 28% from 2003 through 2010 and 31% after 2010) on payments made on or with respect to our common stock if such U.S. holder fails to supply a correct taxpayer identification number or otherwise fails to comply with applicable U.S. information reporting or certification requirements. Certain persons are exempt from backup withholding including, in certain circumstances, corporations and financial institutions. Any amounts withheld under the backup withholding rules from a payment to a U.S. holder will be allowed as a refund or a credit against such U.S. holder's U.S. federal income tax liability, provided that the required procedures are followed.

Non-U.S. Holders

Dividends

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We or a withholding agent will have to withhold U.S. federal withholding tax from the gross amount of any dividends paid to a non-U.S. holder at a rate of 30%, unless (i) an applicable income tax treaty reduces or eliminates such tax, and a non-U.S. holder claiming the benefit of such treaty provides to us or such agent proper Internal Revenue Service (IRS) documentation, or (ii) the dividends are effectively connected with a non-U.S. holder's conduct of a trade or business in the United States and the non-U.S. holder provides to us or such agent proper IRS documentation. In the latter case, such non-U.S. holder generally will be subject to U.S. federal income tax with respect to such dividends in the same manner as a U.S. citizen or corporation, as applicable, unless otherwise provided in an applicable income tax treaty. Additionally, a non-U.S. holder that is a corporation could be subject to a branch profits tax on effectively connected dividend income at a rate of 30% (or at a reduced rate under an applicable income tax treaty). In addition, where dividends are paid to a non-U.S. holder that is a partnership or other pass-through entity, persons holding an interest in the entity may need to provide certification claiming an exemption or reduction in withholding under an applicable income tax treaty. If

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a non-U.S. holder is eligible for a reduced rate of U.S. federal withholding tax pursuant to an income tax treaty, such non-U.S. holder may obtain a refund of any excess amount withheld by filing an appropriate claim for refund with the IRS.

Sale, Exchange or Other Disposition

Generally, a non-U.S. holder will not be subject to U.S. federal income tax on gain realized upon the sale, exchange or other disposition of our common stock unless (i) such non-U.S. holder is an individual present in the United States for 183 days or more in the taxable year of the sale, exchange or other disposition and certain other conditions are met, (ii) the gain is effectively connected with such non-U.S. holder's conduct of a trade or business in the United States or (iii) we are or have been a United States real property holding corporation for U.S. federal income tax purposes at any time during the shorter of the five-year period preceding such sale, exchange or disposition or the period that such non-U.S. holder held our common stock (which we do not believe that we have been, are currently or are likely to be) and certain other conditions are met. If the first exception applies, the non-U.S. holder generally will be subject to U.S. federal income tax at a rate of 30% (or at a reduced rate under an applicable income tax treaty) on the amount by which capital gains allocable to U.S. sources (including gains from the sale, exchange or other disposition of our common stock) exceed capital losses allocable to U.S. sources. If the second or third exception applies, the non-U.S. holder generally will be subject to U.S. federal income tax with respect to such gain in the same manner as a U.S. citizen or corporation, as applicable, unless otherwise provided in an applicable income tax treaty, and a non-U.S. holder that is a corporation could also be subject to a branch profits tax on such gain at a rate of 30% (or at a reduced rate under an applicable income tax treaty).

Federal Estate Tax

Common stock owned or treated as owned by an individual who is a non-U.S. holder at the time of his or her death generally will be included in the individual's gross estate for U.S. federal estate tax purposes and may be subject to U.S. federal estate tax unless an applicable estate tax treaty provides otherwise.

Current U.S. federal tax law provides for reductions in U.S. federal estate tax through 2009 and the elimination of such estate tax entirely in 2010. Under this law, such estate tax would be fully reinstated, as in effect prior to the reductions, in 2011, unless further legislation is enacted.

Information Reporting and Backup Withholding Tax

Information reporting may apply to payments made to a non-U.S. holder on or with respect to our common stock. Backup withholding tax (at a rate equal to 28% from 2003 through 2010 and 31% after 2010) may also apply to payments made to a non-U.S. holder on or with respect to our common stock, unless the non-U.S. holder certifies as to its status as a non-U.S. holder under penalties of perjury or otherwise establishes an exemption, and certain other conditions are satisfied. Any amounts withheld under the backup withholding rules from a payment to a non-U.S. holder will be allowed as a refund or a credit against such non-U.S. holder's U.S. federal income tax liability, provided that the required procedures are followed.

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UNDERWRITING

Subject to the terms and conditions stated in the underwriting agreement dated as of the date of this prospectus supplement, Morgan Stanley & Co. Incorporated, as the underwriter, has agreed to purchase, and we have agreed to sell to the underwriter, 10,000,000 shares of our common stock.

The underwriter is offering our common stock subject to its acceptance of shares from us and subject to prior sale. The underwriting agreement provides that the obligation of the underwriter to purchase the shares included in this offering is subject to approval of specific legal matters by its counsel and to other conditions. The underwriter is obligated to purchase all of the shares of our common stock offered by this prospectus supplement if any such shares are purchased.

The underwriter initially proposes to offer the shares directly to the public at the public offering price set forth on the cover page of this prospectus supplement. After the initial offering of the shares, the offering price and other selling terms may from time to time be varied by the underwriter.

We and our directors and executive officers have agreed that, without the prior written consent of the underwriter, and subject to the exceptions described below, we and they will not, during the period ending 90 days after the date of this prospectus supplement:

offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly (other than to us), any shares of our common stock or any securities convertible into or exercisable or exchangeable for our common stock; or

enter into any swap or other arrangement that transfers to another (other than to us), in whole or in part, any of the economic consequences of ownership of our common stock,

whether any transaction described above is to be settled by delivery of shares of our common stock or other securities, in cash or otherwise. The restrictions described in this paragraph do not apply to:

in our case:

the sale of the shares of our common stock to the underwriter pursuant to the underwriting agreement;

the issuance by us of shares of our common stock:

upon the exercise of an option or warrant or the conversion of a security outstanding on the date of this prospectus supplement and disclosed in an SEC filing by us; or

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pursuant to any employee or director benefit plan existing on the date of this prospectus supplement;

the granting by us of stock options, restricted stock or restricted stock units pursuant to any employee or director benefit plan existing on the date of this prospectus supplement; and

discussions that we may enter into in connection with the issuance of our common stock as consideration for the purchase of a business or assets, provided that we will not enter into, or announce our intention to enter into, any agreement to issue such common stock as consideration for any such purchase of a business or assets during the period ending 60 days after the date of this prospectus supplement, and will not consummate any such issuance during the period ending 90 days after the date of this prospectus supplement;

in the case of each director and executive officer:

the exercise (including the cashless exercise) of stock options granted by us that will expire during the period ending 90 days after the date of this prospectus supplement;

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transactions relating to shares of our common stock or other securities acquired in open market transactions after the completion of this offering;

dispositions of common stock by gift to members of the immediate family or to trusts established for the benefit of members of the immediate family of the director or executive officer, provided that any such person or trust agrees as a condition to receiving such gifts to be bound by the restrictions set forth in the preceding paragraph with respect to sales of such common stock during the 90-day period referred to above; and

in the case of the six participants in the voluntary separation program, transfers of our common stock held in our Contributing Employee Ownership Plan (the "CEOP") to other investments options in the CEOP.

In addition, common stock held by our employee or director benefit plans is not subject to the restrictions contained in this paragraph.

Our common stock is listed on the New York Stock Exchange, Chicago Stock Exchange and Pacific Exchange under the symbol OLN.

In order to facilitate the offering of our common stock, the underwriter may engage in transactions that stabilize, maintain or otherwise affect the price of our common stock. Specifically, the underwriter may sell more shares than it is obligated to purchase under the underwriting agreement, creating a naked short position. The underwriter must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriter is concerned that there may be downward pressure on the price of our common stock in the open market after pricing that could adversely affect investors who purchase in this offering. As an additional means of facilitating this offering, the underwriter may bid for, and purchase, shares of our common stock in the open market to stabilize the price of our common stock. The underwriter may also reclaim selling concessions allowed to a dealer for distributing our common stock in this offering, if the underwriter repurchases previously distributed common stock to cover its short positions or to stabilize the price of our common stock. These activities may raise or maintain the market price of our common stock above independent market levels or prevent or retard a decline in the market price of our common stock. The underwriter is not required to engage in these activities and may end any of these activities at any time.

We and the underwriter have agreed to indemnify each other against a variety of liabilities, including liabilities under the Securities Act.

From time to time, the underwriter and its affiliates have provided, and may in the future provide, banking services to us.

We will pay the total expenses (other than underwriting discounts and commissions) of this offering, which are estimated to be approximately \$200,000.

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LEGAL MATTERS

The validity of the shares of our common stock we are offering will be passed upon for us by Hunton & Williams LLP, Richmond, Virginia. Certain legal matters in connection with this offering will be passed upon for us by Cravath, Swaine & Moore LLP, New York, New York, and George H. Pain, Esq., in his capacity as our General Counsel. As of January 31, 2004, Mr. Pain owned 977 shares of our common stock and vested options for 6,667 shares of our common stock. Certain legal matters will be passed upon for the underwriter by Davis Polk & Wardwell, New York, New York.

EXPERTS

Our consolidated financial statements as of December 31, 2002 and 2001 and for each of the years in the three year period ended December 31, 2002, incorporated by reference in this prospectus, have been incorporated by reference in this prospectus in reliance on the report of KPMG LLP, independent certified public accountants, incorporated by reference in this prospectus, and upon the authority of said firm as experts in accounting and auditing.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The SEC allows us to incorporate by reference the information we file with them, which means that we can disclose important information to you by referring you to those documents. We incorporate by reference in this prospectus the information contained in the following documents:

our annual report on Form 10-K for the fiscal year ended December 31, 2002, filed with the SEC on March 6, 2003;

our quarterly reports on Form 10-Q for the quarters ended March 31, 2003, June 30, 2003, and September 30, 2003 filed with the SEC on May 13, 2003, August 14, 2003 and November 12, 2003, respectively;

our definitive proxy statement on Schedule 14A, filed with the SEC on March 21, 2003;

our current report on Form 8-K, filed with the SEC on January 30, 2004;

the description of our Series A Participating Cumulative Preferred Stock contained in our registration statement on Form 8-A, filed with the SEC on February 21, 1996, and any amendments or reports filed for the purpose of updating that description; and

all documents that we file with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act until all the securities that we may offer under this prospectus are sold.

We will provide, without charge, to each person, including any beneficial owner, to whom a copy of this prospectus is delivered, on the written or oral request of such person, a copy of any or all of the documents that have been incorporated by reference in this prospectus, other than

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certain exhibits to such documents. Requests for such copies should be directed to Secretary, Olin Corporation, 501 Merritt 7, P.O. Box 4500, Norwalk, Connecticut 06856, telephone (203) 750-3000.

Information that we file later with the SEC and that is incorporated by reference in this prospectus will automatically update and supersede information contained in this prospectus. You will be deemed to have notice of all information incorporated by reference in this prospectus as if that information was included in this prospectus.

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Prospectus

Olin Corporation

\$400,000,000

Debt Securities

Preferred Stock

Common Stock

Warrants

Olin Corporation intends to issue from time to time unsecured senior or subordinated debt securities, warrants to purchase debt securities, preferred stock, warrants to purchase preferred stock, common stock and warrants to purchase common stock, having an aggregate initial public offering price not to exceed \$400,000,000 or the equivalent thereof in one or more foreign currencies or composite currencies and on terms to be determined at the time of sale. We will provide specific terms of these securities in supplements to this prospectus. You should read this prospectus and any prospectus supplement carefully before you invest in our securi