MYERS INDUSTRIES INC
Form 10-K
March 16, 2009

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
Form 10-K

þ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For The Fiscal Year Ended December 31, 2008

Commission File Number 001-08524

MYERS INDUSTRIES, INC.
(Exact name of registrant as specified in its charter)

OHIO	**34-0778636**
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification Number)

1293 S. Main Street, Akron, Ohio	**44301**	**(330) 253-5592**
(Address of Principal Executive Offices)	(Zip Code)	(Telephone Number)

Securities Registered Pursuant to Section 12(b) of the Act:	Name of Each Exchange On which registered:
Common Stock, Without Par Value	**New York Stock Exchange**
(Title of Class)	

Securities Registered Pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes o No þ

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes o No þ

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 the filing requirements for at least the past 90 days. Yes þ No o

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. o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer o Accelerated filer þ Non-accelerated filer o Smaller reporting company o
(Do not check if a smaller reporting company)

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Securities Exchange Act of 1934). Yes o No þ

State the aggregate market value of the voting and non-voting common equity stock held by non-affiliates computed by reference to the closing sale price on the New York Stock Exchange as of June 30, 2008: $286,960,815.

Indicate the number of shares outstanding of registrant s common stock as of February 27, 2009: 35,250,278 Shares of Common Stock, without par value.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant s Definitive Proxy Statement for its 2009 Annual Meeting of Stockholders are incorporated by reference in Part III of this Form 10-K.

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PART I

ITEM 1. Business

(a) General Development of Business

Myers Industries, Inc. (the Company or Myers Industries) was founded in Akron, Ohio, in 1933. The Company grew from the vision of two brothers, Louis and Meyer Myers, and a partnership based on a $620 loan, tire repair merchandise and a used truck. The new venture was named Myers Tire Supply and serviced tire dealers and retreaders through distribution of tools and supplies needed to grow their businesses. The Company expanded into manufacturing operations in the post-war 1940s and in 1963 was renamed Myers Industries, Inc. to reflect its diversity. In 1971, the Company went public, and the stock is traded today on the New York Stock Exchange under the ticker symbol MYE.

Still headquartered in Akron, Ohio, Myers Industries has grown from a small storefront into a premier, international manufacturing and distribution business. Today, the Company manufactures a diverse range of polymer products for industrial, agricultural, automotive, commercial and consumer markets. Myers Industries is a leader in the manufacturing of plastic reusable material handling containers and pallets and North America s leading producer of plastic horticultural pots, trays and flower planters. Other principal product lines include plastic storage and organization containers, plastic and rubber OEM parts, rubber tire repair products and custom plastic and rubber 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. The distribution products range from tire balancers and alignment systems to valve caps, tire repair tools and other consumable service supplies.

As of March 10, 2009, the Company included: 25 manufacturing facilities and 41 distribution branches located throughout North, Central and South America; approximately 12,000 manufactured products and 10,000 distributed products; and more than 3,600 employees.

Serving customers around the world, products and related services from Myers Industries brands provide a wide range of performance benefits to customers in diverse niche markets. Some of these benefits include increasing productivity, lowering material handling costs, improving product quality, reducing labor costs, shortening assembly times, eliminating solid waste and increasing profitability. The Company s business strategy the Strategic Business Evolution is focused on sustainable, profitable growth guided by five key operating principles: 1) Business Growth, 2) Customer Satisfaction, 3) Cost Control, 4) Organizational Development and 5) Positioning the Business for the Future. Applying these within our Strategic Business Evolution, the Company emphasizes:

- Industry-leading innovation of niche, high margin products;
- Being the low-cost provider of certain commodity products where our brands excel;
- Achieving leadership in key product areas through breadth of offering, consistent quality and superior customer service;
- Concentrating our efforts on niche markets where our capabilities create profit opportunities for our customers and ourselves;

Leveraging brand equity and capabilities to grow business with existing customers and cultivate new ones, particularly in emerging growth markets where we can deliver the greatest value and achieve the best returns;

Investing in new technologies and processes to reinforce customer satisfaction and market strength across our key business segments;

Succession plans through our management teams at all levels in the Company, ensuring the right people are in the right positions to grow;

Selective acquisitions as opportunities arise to enhance our leadership in key markets;

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Potential divestiture of businesses with non-strategic products or markets, aligning our resources with the best avenues for long-term, profitable growth potential; and

Consolidation and rationalization initiatives to reduce costs and improve productivity within the Company s manufacturing and distribution footprint.

The Company s segments and brands are under continuous review for strategic fit and growth potential. The review process is dedicated to strengthening innovation, enhancing brand leadership in our markets, building strong customer relationships and positioning the Company to grow on a sustainable basis.

(b) Financial Information About Segments

The response to this section of Item 1 is contained in the Industry Segments footnote of the Notes to the Consolidated Financial Statements under Item 8 of this report.

(c) Description of Business

The Company conducts its business activities in four distinct business segments, including three in manufacturing and one in distribution. The manufacturing segments consist of: Material Handling, Lawn and Garden, and Automotive and Custom. During the year ended December 31, 2006, the Company also included one other manufacturing segment, European Material Handling, which was moved to discontinued operations status in the third quarter of 2006 after we publicly disclosed our intent to divest their businesses. The businesses in that segment were subsequently sold in February 2007.

In our manufacturing segments, we design, manufacture, and market a variety of plastic and rubber products. These range from plastic reusable material handling containers and small parts storage bins to plastic horticultural pots and hanging baskets, decorative resin planters, plastic and rubber OEM parts, tire repair materials and custom plastic and rubber products.

The Distribution Segment is engaged in the distribution of tools, equipment and supplies used for tire, wheel and undervehicle service on passenger, heavy truck and off-road vehicles.

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The following table summarizes the key attributes of our business segments in continuing operations for the year ended December 31, 2008:

2008 Continuing Operations	**Lawn and Garden Segment**	**Material Handling Segment**	**Distribution Segment**	**Automotive and Custom Segment**
Net Sales	$272.8mm	$261.2mm	$187.1mm	$174.0mm
% of Total Net Sales	31%	30%	21%	18%
Key Product Areas	Plastic Horticultural Pots, Trays, Flats & Hanging Baskets Decorative Resin Planters Custom Products	Plastic Reusable Containers & Pallets Plastic Storage & Organization Products Plastic Carts Metal Carts Wooden Dollies Custom Products	Tire Valves & Accessories Tire Changing & Balancing Equipment Lifts & Alignment Equipment Service Equipment Hand Tools Tire Repair & Retread Equipment & Supplies Brake, Transmission & Allied Service Equipment & Supplies	Rubber & Plastic Original Equipment Replacement Parts Tire Repair & Retreading Products Highway Markings Industrial Rubber Custom Rubber & Plastic Products
Product Brands	Dillen® ITML® Listo™ Pro Cal®	Akro-Mils® Buckhorn®	Myers Tire Supply®	Ameri-Kart™ Buckhorn Rubber™ Michigan Rubber™ Patch Rubber™ WEK®
Key Capabilities & Services	Product Design Prototyping Testing Material Formulation Injection Molding Thermoforming Co-Extrusion Thermoforming Custom Printing & Labeling Material Regrind & Recycling	Product Design Prototyping Product Testing Material Formulation Injection Molding Structural Foam Molding Metal Forming Wood Fabrication Powder Coating Material Regrind & Recycling	Broad Sales Coverage Local Sales & Inventory International Distribution Personalized Service National Accounts Product Training Repair/Service Training	Rubber Mixing Rubber Compounding Rubber Calendering Rubber Extrusion Rubber Injection Molding Rubber Compression & Transfer Molding Rubber & Plastic Blow Molding Co-Extrusion Blow Molding Rubber-to-Metal Bonding

			New Products Speed to Market	Rubber-to-Plastic Bonding Plastic Rotational Molding
Representative Markets	Horticulture: - Growers - Nurseries - Greenhouses - Retail Garden Centers Consumer - Retail Garden Centers - Retail Home Centers	Agriculture Automotive Commercial Food Processing Food Distribution Healthcare Industrial Manufacturing Retail Distribution	Retail Tire Dealers Truck Tire Dealers Auto Dealers Commercial Auto & Truck Fleets General Repair & Services Facilities Tire Retreaders Governmental Agencies	Agricultural Vehicle Automotive OEM Construction Vehicle Heavy Truck Industrial Mining Recreational Marine Recreational Vehicle Road Construction Sporting Goods Telecommunications Water Control

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Manufacturing Segments Overview

Lawn and Garden Segment

The Company s Lawn and Garden Segment, the largest segment in net sales dollars, includes the **Dillen**®, **ITML**®, **Pro Cal**® and **Listo**tm brands, which serve the horticultural container needs of the North American floriculture / horticulture market. Our product selection, manufacturing capabilities, quality and customer service rank at the top of our category in the market, which spans growers with 80-plus acre greenhouse facilities to small regional nurseries to retail garden centers and retail home centers.

In December 2008, the Company announced a realignment of its Lawn and Garden Segment. This resulted in the decision to close three facilities and reallocate production to the segment s other five remaining facilities. These initiatives will enable the Company to consolidate manufacturing and capacity, optimize distribution and supply chain channels, and drive increased productivity and customer service excellence through improved forecasting, workflow, and inventory management programs.

For growers, our products are available both direct and through a network of leading horticultural distributors. Our product range is one of the most extensive in North America. Products include injection-molded and thermoformed pots, hanging baskets, flats and carry trays, plug trays, nursery containers, propagation sheets, and specialty pots. Product innovation is centered on the changing needs of the professional grower, including increased automation in growing operations, improving efficiency and reducing costs, while focusing on environmental friendliness. For example, a recent focus has been in lightweight co-extruded (CoEx) thermoformed pots. CoEx pots have a thinner wall construction compared to injection pots and combine a color exterior with a dark interior layer made from recycled material which helps to protect plant roots against potential sunlight damage in both grower and retail operations and helps protect the environment.

In addition to working with growers on product innovation, we support their increasing needs for branding and retail merchandising programs with services such as in-mold labeling, multi-color offset printing and adhesive labeling. Once filled with plant material by the grower and shipped to retail, these customized pots serve as packaging for plants and create vibrant point-of-sale materials.

For retailers, our **Listo** brand encompasses decorative resin planters that feature intricate molding details and unique finishes in ceramic, metallic, weathered stone and textured styles. The upscale look of these decorative planters captures the retailer s attention and the consumer s imagination. Products include a diverse offering of planters, window boxes, urns and hanging baskets for indoor and outdoor container gardening. Consistent new product development is key to success in the retail garden center and mass merchandiser channels. Proprietary molding and finishing processes, along with creative designs, deliver the unique look in the decorative resin planter category that sets our planters apart from the competition in leading retail stores across North America.

In addition to Listo, two other brands in the retail channel of the Lawn and Garden Segment include **Planters Pride**® and **Akro-Mils Lawn & Garden Products**®. Planters Pride has a diverse product offering dedicated to the beginning gardener. Featured products include a wide range of Fiber Grow® seed starting kits with 100 percent peat free renewable coir pellets and other garden accessories, backed by customizable retail displays. Akro-Mils Lawn & Garden provides a wide range of plastic patio pots, planters and hanging baskets as well as watering cans and other related items for the home gardener.

Myers Industries seeks to expand its market leadership in the Lawn and Garden Segment through its current realignment of the segment, unrivaled product innovation and selection, diverse manufacturing processes, superior customer satisfaction and an array of internal and external strategic growth initiatives. One of these initiatives includes expanding the use of reprocessed and recycled materials in the manufacturing process, which helps to reduce the Company s exposure to higher costs for virgin raw material. The Company has the capability to produce a wide range of plastic materials for use across its many product lines and is committed to being a green manufacturer to protect the environment.

Weather conditions, grower consolidation and grower supply chain adjustments to meet retail merchandising programs are some of the key external factors that influence this industry. As one of the industry leaders, however, the Company is well positioned to further align our capabilities to effectively meet the external challenges and changing needs of customers and the markets.

Material Handling Segment

The Material Handling Segment is comprised of plastic reusable material handling containers, pallets and bins, as well as metal shelving, cabinet and racking systems. The two brands in this segment, **Buckhorn®** and **Akro-Mils**$^{\mathbf{tm}}$, have strong leadership positions across markets such as automotive, appliance, general industrial / manufacturing, distribution, agriculture, retail and food processing. This leadership is built through constant innovation, diverse manufacturing processes, consistent quality and superior customer service resulting in significant productivity and cost-saving benefits for our customers.

Buckhorn s reusable containers and pallets are used in closed-loop supply chains to help customers reduce material handling costs by replacing single-use cardboard boxes, easily damaged wooden pallets and high-cost steel containers. Cost-reduction benefits include: improving product protection, increasing handling efficiencies, reducing freight costs and eliminating solid waste and disposal costs. Small parts bins, storage systems and transport products from Akro-Mils provide similar benefits by creating storage and organization efficiency throughout customers operations.

The Buckhorn brand in the Material Handling Segment offers a product selection rich in both breadth and depth, as well as a direct sales force with the packaging and material handling expertise that makes Buckhorn a key solutions partner for our customers. Buckhorn s product line spans injection-molded hand-held containers and totes; injection and structural foam-molded bulk transport containers in both collapsible and fixed-wall styles; and injection and structural foam pallets. Buckhorn also produces custom material handling packaging. Customers rely on Buckhorn s single-source efficiency and the productivity and profitability benefits delivered through value-added innovation, broad product selection, quality and packaging conversion services.

Buckhorn hand-held containers include attached lid, detached lid, bi-color and specialty styles that stack and/or nest for efficient space usage, thus lowering freight and storage costs. In automotive plants across North America, our container and pallet systems are reused hundreds of times to ship products as small as fasteners or as large as sidewall components from suppliers directly to assembly areas protecting parts throughout the supply chain and reducing scrap rates. Our attached lid containers and pallets are used in retail distribution centers to organize inventory, sort orders and then transport products directly to stores. In the food processing and distribution industry, our specialty containers provide superior protection to food products while in transit and are more sanitary than cardboard boxes. For example, case-ready, packaged meats are delivered from processors to retailers in containers designed to accommodate specific cuts and package sizes, while maintaining optimal airflow for chilling.

Buckhorn s selection of collapsible and fixed-wall bulk transport containers leads the North American material handling industry. Bulk containers perform both light and heavy-duty tasks, whether distributing seed products, carrying large automotive components or shipping liquids across long distances. These containers range in size from footprints of 32 x 30 to 70 x 48 ; heights up to 65 ; and weight capacities up to 3,000 lbs. Bulk containers are compatible with forklifts for easy handling. Many of the containers collapse to a third of their size for space-saving stacking, storage and return transport, thus helping to reduce freight and storage costs.

Examples of bulk container applications include our SeedBoxes^{tm}, which are used by leading seed distributors to efficiently transport and dispense up to 2,500 lbs. of their products. The unique SeedBox can be emptied in approximately 30 seconds, then broken down for return shipping and refilling, thus eliminating waste created by traditional seed bags. Automotive manufacturers and their suppliers employ our DunnageReady^{tm} Bulk Container to ship sensitive parts direct to assembly areas. The DunnageReady Container accommodates custom-made, protective inserts to separate parts and prevent scratches or other costly damage to Class A painted surfaces. Manufacturers of tomato paste employ our Citadel® bulk containers to move processed tomato products across the country in railcars. The smooth-sided, impact-resistant containers replace wooden crates and steel containers that can cause product damage and contamination. Citadel containers can carry up to 3,000 lbs. / 300 gallons of liquefied product, safely stack when fully loaded and are designed for long-term indoor or outdoor storage of loads. This product line is applicable to other food processing and ingredient niches such as concentrates, oils, syrups and similar products.

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Further strengthening our bulk container product line, in March 2007 Myers Industries purchased strategic assets of Schoeller Arca Systems, Inc. North America (SASNA), a manufacturer of reusable bulk containers. The purchase included select equipment, molds and inventory related to the well-known Xytec® and Combo™ product lines. The product lines were renamed the XT Series (formerly Xytec) and Caliber™ Intermediate Bulk Containers (formerly Combo) and integrated into the Buckhorn brand. This was an opportunistic purchase to enhance our brand leadership and to expand our bulk container product line for greater penetration in the liquid materials handling and transport market, particularly in niche markets of food processing.

Buckhorn s plastic pallets interwork with the hand-held containers and totes to create a completely reusable system and provide efficient space utilization in plants, warehouses and truck trailers helping customers to reduce storage and freight costs. Buckhorn also produces a wide range of specialty pallets for niche-type shipping applications, such as drum pallets for chemical and liquid transport.

Our **Akro-Mils** brand provides customers with everything needed to store, organize and transport for greater productivity and profitability. This mix of plastic, metal and wooden material handling products serves industrial and commercial end-users through leading industrial supply catalogers and material handling distributors. Products range from AkroBins® the industry s leading small parts bins to Super-Size AkroBins, metal panel and bin hanging systems, metal storage cabinet and bin systems, wire shelving systems, plastic and metal transport carts and a wide variety of custom storage and transport products. Capabilities used throughout the Akro-Mils product line include: injection molding, metal forming, powder-coat painting / metal finishing and wood fabrication, as well as the additional capabilities through potential synergies with Buckhorn.

Akro-Mils products deliver their storage and organization solutions in a wide variety of applications, from creating assembly line workstations to organizing medical supplies and retail displays. Emphasis is placed on product bundling and customizing systems to create specific storage and organization configurations for customers operations. For example, industrial manufacturers with specialized tool and parts storage areas known as tool cribs use a combination of Akro-Mils bins, racking, locking cabinets, work tables and transport carts to speed assembly times, maintain accurate inventories and reduce loss. Metal carts and dollies are paired with custom-made containers to create unique transport systems capable of handling parts and components both small and large. Our powder coating / painting capability allows for high-quality, scratch-resistant finishing of metal products in a multitude of colors and finish styles.

Cross-marketing and cross-selling are key synergies between the Material Handling Segment brands. Equally important are cross-manufacturing capabilities that allow each brand to offer customers a wider range of value-added design and molding benefits. In addition to standard material handling products, we utilize the extensive design and manufacturing capabilities between Buckhorn and Akro-Mils for turnkey production of custom material handling products.

Sustainable, profitable growth in this segment is fueled by: a strong focus on innovation with value-added new products; concentrating sales efforts on niche markets and applications; increasing awareness of plastic reusable material handling products to drive conversions from cardboard and wood products; and managing the balance of product pricing and raw material costs. The potential for strategic, bolt-on acquisitions also provides opportunities to expand the scope of our brand leadership and the value-added products and services we bring to customers.

Automotive and Custom Segment

Myers Industries serves diverse niche markets and customers with rubber and plastic products from the Automotive and Custom Segment. Through our **Ameri-Kart™**, **Buckhorn Rubber™**, **Michigan Rubber™**, **Patch Rubber™** and **WEK™** brands, we provide an array of engineered plastic and rubber original equipment and replacement parts, tire repair materials and custom components and materials. We offer a unique combination of product design, molding and finishing expertise to support our customers needs for efficient, single sourcing of parts and turnkey custom product development. In addition to our plastics molding capabilities, we utilize a full range of rubber molding processes that include: injection molding; compression and transfer molding; compounding, calendering and extrusion; 3-D co-extrusion blow molding; rubber-to-metal bonding; and rubber-to-plastic bonding. Additional capabilities include custom rubber formulation, mixing and testing.

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The **Michigan Rubber** and **WEK** brands support passenger car and truck manufacturers to create rubber and plastic components and assemblies for a wide variety of vehicle platforms. Our proven track record and expertise affords us guest engineering status with many of the world s leading automakers and suppliers. Our molding and assembly capabilities produce a diversified product mix, which includes: air induction hoses, HVAC components, noise vibration dampers, grommets, bushings, tubing assemblies, seals and gaskets. The Company s focus in the automotive arena is on highly engineered, niche products for select automotive platforms and strategic, long-term customers both transplants and domestics who reward their value-added manufacturing partners.

Manufacturers of recreational vehicles (RV) and watercraft rely on our design expertise and production capabilities to provide them an assortment of products. Through our **Ameri-Kart** brand, we create rotationally-molded plastic tanks for water, fuel and waste handling that are assembled to fit the precise space constraints within RV and marine craft designs. We utilize thermoforming and rotational molding to manufacture plastic trim and interior parts for RV s and helm consoles and seat frames for a wide variety of watercraft.

Our **Buckhorn Rubber** brand excels in providing engineering, quality and service to manufacturers of heavy trucks, trailers, construction and agriculture equipment. These customers rely on our custom-molded rubber air intake hoses, hood latches, boots, bellows, bushings and other products to perform under the harshest conditions, whether under-the-hood or on the vehicle s body. As one example of our market strength, we provide air intake hoses in more than 200 standard fittings for the majority of Class 6 and 8 trucks. Our expertise in co-extrusion blow molding with three-dimensional capabilities utilizing both rubber and plastic allows us to create single-piece, complex parts. These parts possess both rigid and flexible features and extreme angles to meet the needs of changing vehicle design. As heavy trucks and off-road vehicles are redesigned, engineering and production synergies between our Buckhorn Rubber and Michigan Rubber brands will keep Myers Industries in a strong position to mold new components for our customers precise needs.

Specialized manufacturing expertise, including rubber-to-metal and rubber-to-plastic bonding, enables us to create a range of specific performance custom rubber products used in marine vehicles and lawn maintenance equipment. We also employ our unique rubber-to-metal bonding process to manufacture parts for the water control industry. These products include main valves for fire hydrants and mechanical joint gaskets for water supply lines used in residential and commercial construction.

Our manufacturing of rubber products began more than 60 years ago with our **Patch Rubber** brand, initially making tire patches. Today, we manufacture one of the most comprehensive lines of tire repair and retreading products in the United States. Service professionals rely on our extensive product selection and quality for safe, cost-effective repairs to passenger, truck and off-road tires. Products range from the plug that fills a puncture, the cement that seats the plug, the tire innerliner patch and the final sealing compound. Patch brand repair products maintain a strong position in the tire service markets with exclusive sales through our Distribution Segment s branch network.

Also within the capabilities of Patch Rubber, we apply our rubber calendering and compounding expertise to create a diverse portfolio of products outside of the tire repair market, such as reflective highway marking tapes. Our rubber-based tape and symbols provide the durability and brightness that construction professionals demand to replace paint for marking road repair, intersections and hazardous areas. Compared with traditional highway paint, the tape stock is easier to apply, more reflective and longer lasting. It is available in both temporary and permanent grades to meet the customers specific requirements.

Other custom products represent a wide range of markets and applications. These include: plastic elevated toilet seats and tub rails for the healthcare market, specialty tapes used for cable splicing in the telecommunications industry, custom rubber linings for material handling conveyors and rubber sheet stock used as the base material to produce the world s top-selling line of golf grips.

Distribution Segment Overview

The Company s Distribution Segment includes the **Myers Tire Supply**® and **Myers Tire Supply International**® brands. With these brands, the Company is the largest U.S. distributor and single source for tire, wheel and undervehicle service tools, equipment and supplies. We buy and sell nearly 10,000 different items everything that professionals need to service passenger, truck and off-road tires, wheels and related components.

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Independent tire dealers, mass merchandisers, commercial auto and truck fleets, tire retreaders and general repair facilities rely on our broad product selection, rapid availability and personal service to be more productive and profitably grow their business.

Within the continental United States, we provide widespread distribution and sales coverage from 36 branches positioned in major metropolitan areas. Each branch operates as a profit center and is staffed by a branch manager, sales and warehouse personnel. Internationally, we have three branches in Canada and three in Central America. Sales personnel from our Akron, Ohio headquarters cover niche markets in the Far East, Middle East, South Pacific and South America.

We purchase products from trusted, industry-leading manufacturers to ensure quality is delivered to our customers. Each of the brand-name products we sell is associated with superior performance in its respective area. Some of these well-known brands include: *Chicago Pneumatic* air tools; *Hennessy* tire changing, balancing and alignment equipment; *Corghi* tire changers and balancers; *Ingersoll-Rand* air service equipment; *John Bean Co.* tire balancing and changing equipment; *Rotary* lifts and related equipment; and our own Patch Rubber brand tire patches, cements and repair supplies.

An essential element of our success in the Distribution Segment is the network field sales representatives, who deliver personalized service on a local level. Customers rely on Myers sales representatives to introduce the latest tools and technologies and to provide training in new product features and applications. Representatives also teach the proper use of diagnostic equipment and present on-site workshops demonstrating industry-approved techniques for tire repair and undervehicle service.

While the needs and composition of our distribution markets constantly change, we adapt and deliver the new products and services that are crucial to our customers success. The new product pipeline is driven by innovations from auto and tire manufacturers, which in turn prompts Myers and its suppliers to develop new equipment, supplies and service techniques to keep cars and trucks moving down the road with confidence.

The Company s Distribution Segment is well positioned to continue its steady growth. The Myers Tire Supply (U.S.) brand is positioned to expand its leadership through superior product selection, rapid delivery and the personal service that is the hallmark of the Company s success in the tire, wheel, and undervehicle service marketplace. The Myers Tire Supply International brand is positioned to expand distribution of both tire supply and our plastic products in select regions of the world, presenting new growth opportunities for our diverse manufacturing businesses. All of this can be achieved through: 1) ongoing productivity improvements in our distribution network, 2) growing within key domestic market sectors and emerging international markets, 3) delivering a continuous flow of new products with first-to-market speed and 4) improving efficiency and customer satisfaction through implementation of innovative supply chain management technologies. Strategic, adjacent acquisitions are also a potential growth avenue in this segment.

Raw Materials & Suppliers Manufacturing and Distribution Segments

For the manufacturing segments, the Company purchases substantially all of its raw materials from a wide range of third-party suppliers. These materials are primarily polyethylene, polypropylene, and polystyrene plastic resins, as well as synthetic and natural rubber. Most raw materials are commodity products and available from several domestic suppliers. We believe that the loss of any one supplier or group of suppliers would not have a material adverse effect on our business.

The Distribution Segment purchases substantially all of its components from third-party suppliers and has multiple sources for its products.

Competition

Competition in the manufacturing segments is substantial and varied in form and size from manufacturers of similar products and of other products which can be substituted for those produced by the Company. In general, most direct competitors with the Company s brands are private entities. Myers Industries maintains strong brand presence and market positions in the niche sectors of the markets it serves. The Company does not command substantial, overall market presence in the broad market sectors.

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Competition in the Distribution Segment is generally from private, smaller local and regional businesses. Within the overall tire, wheel and undervehicle service market, Myers is the largest North American distributor of tools, equipment and supplies.

Customer Dependence

During the past three years, no single customer accounted for more than five percent of the Company s total net sales. Myers Industries serves thousands of customers who demand value through product selection, innovation, quality, delivery and responsive, personal service. Our brands foster satisfied, loyal customers who have recognized our performance through numerous supplier quality awards.

Employees

As of December 31, 2008, Myers Industries had a total of 3,652 full-time and part-time employees. Of these, 3,049 were employed in the Company s manufacturing segments, including: 709 in the Material Handling Segment, 1,064 in the Automotive and Custom Segment, and 1,276 in the Lawn and Garden Segment. The Distribution Segment employed 530 personnel. The Company s corporate offices had 73 employees.

As of December 31, 2008, the Company had 46 employees in the U.S. who were members of unions. The Company believes it has a good relationship with its union employees.

(d) Financial Information About Geographic Areas

The response to this section of Item 1 is contained in the Industry Segments footnote of the Notes to Consolidated Financial Statements under Item 8 of this report.

(e) Available Information

Filings with the SEC. As a public company, we regularly file reports and proxy statements with the Securities and Exchange Commission (SEC), such as:

* annual reports on Form 10-K;

* quarterly reports on Form 10-Q;

* current reports on Form 8-K; and

* proxy statements on Schedule 14A.

Anyone may read and copy any of the materials we file with the SEC at it s Public Reference Room at 100 F Street, N.E., Room 1580, Washington, DC 20549. Information regarding operations of the Public Reference Room may also be obtained by calling the SEC at 1-800-SEC-0330. The SEC also maintains an internet website that contains our reports, proxy and information statements, and our other SEC filings; the address of that site is http://www.sec.gov.

Also, we make our SEC filings available free of charge on our own internet site as soon as reasonably practicable after we have filed with the SEC. Our internet address is http://www.myersind.com. The content on the Company s website is available for information purposes only, and is not incorporated by reference into this Form 10-K.

Corporate Governance. We have a Code of Business Conduct for our employees and members of our Board of Directors. A copy of the Code is posted on our website. We will satisfy any disclosure requirement under Item 5.05 of Form 8-K regarding an amendment to, or waiver from, any provision of the Code with respect to our executive officers or directors by disclosing the nature of that amendment or waiver.

Our website also contains additional information about our corporate governance policies, including the charters of our standing board committees. Any of these items are available in print to any shareholder who requests them. Requests should be sent to Corporate Secretary, Myers Industries, Inc., 1293 S. Main Street, Akron, Ohio 44301.

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ITEM 1A. Risk Factors

This Form 10-K and the information we are incorporating by reference contain forward-looking statements within the meaning of federal securities laws, including information regarding the Company s 2009 financial outlook, future plans, objectives, business prospects and anticipated financial performance. You can identify these statements by the fact that they include words such as will, believe, anticipate, expect, estimate, intend, plan, or variations of words, or similar expressions. These forward-looking statements are not statements of historical facts and represent only our current expectations regarding such matters. These statements inherently involve a wide range of known and unknown uncertainties. The Company s actual actions and results could differ materially from what is expressed or implied by these statements. Specific factors that could cause such a difference include those set forth below and other important factors disclosed previously and from time to time in our other filings with the Securities and Exchange Commission. Given these factors, as well as other variables that may affect our operating results, you should not rely on forward-looking statements, assume that past financial performance will be a reliable indicator of future performance, nor use historical trends to anticipate results or trends in future periods. We expressly disclaim any obligation or intention to provide updates to the forward-looking statements and the estimates and assumptions associated with them.

Risks and uncertainties that could cause actual results to differ materially from those expressed or implied in the applicable statements include:

Any significant increase in the cost of raw materials or disruption in the availability of raw materials could adversely affect our performance.

Our ability to manage our cost structure can be adversely affected by movements in commodity and other raw material prices. Our primary raw materials include plastic resins, colorants and natural and synthetic rubbers. Plastic resins in particular are subject to substantial price fluctuations, including those arising from supply shortages and changes in the price of natural gas, crude oil and other petrochemical intermediates from which resins are produced, as well as other factors. Over the past several years, we have at times experienced rapidly increasing resin prices. For instance, the price of resin increased significantly during 2005 and remained at historically elevated levels during 2006 as a result of the impact of Hurricanes Katrina and Rita which caused a significant increase in energy costs. In the latter half of 2007 and through the third quarter of 2008, resin prices reached a new historical high based on the substantial rise of underlying energy costs. In the fourth quarter of 2008, the Company began to see some softening in resin prices as global demand caused energy prices to decline. The Company s revenue and profitability may be materially and adversely affected by these price fluctuations.

We attempt to reduce our exposure to increases by working with existing suppliers, evaluating new suppliers, improving material efficiencies and adjusting prices. Market conditions, however, may limit our ability to raise selling prices to offset increases in our raw material input costs. If we are unsuccessful in developing ways to mitigate raw material cost increases, we may not be able to improve productivity or realize our ongoing cost reduction programs sufficiently to help offset the impact of these increased raw material costs. As a result, higher raw material costs could result in declining margins and operating results.

Changes in raw material availability may also occur due to events beyond our control, including natural disasters such as floods, tornados and hurricanes. Our specific molding technologies and/or product specifications can limit our ability to locate alternative supplies to produce certain products.

We incur inherent risks associated with our strategic growth initiatives.

Our growth initiatives include: internal growth driven by strong brands and new product innovation; development of new, high-growth markets and expansion in existing niche markets; strengthened customer relationships through value-added initiatives and key product partnerships; investments in new technology and processes to reinforce market strength and capabilities in key business groups; consolidation and rationalization activities to further reduce costs and improve productivity within our manufacturing and distribution footprint; an opportunistic and disciplined approach to strategic, bolt-on acquisitions to accelerate growth in our market positions; and potential divestitures of businesses with non-strategic products or markets.

While this is a continuous process, all of these activities and initiatives have inherent risks and there remain significant challenges and uncertainties, including economic and general business conditions that could limit our ability to achieve anticipated benefits associated with announced strategic initiatives and affect our financial results. We may not achieve any or all of these goals and are unable to predict whether these initiatives will produce significant revenues or profits.

We may not realize the improved operating results that we anticipate from past acquisitions or from acquisitions we may make in the future and we may experience difficulties in integrating the acquired businesses or may inherit significant liabilities related to such businesses.

We explore opportunities to acquire businesses that we believe are related to our core competencies from time to time, some of which may be material to us. We expect such acquisitions will produce operating results consistent with our other operations; however, we may be unable to achieve the benefits expected to be realized from our acquisitions. In addition, we may incur additional costs and our management s attention may be diverted because of unforeseen expenses, difficulties, complications, delays and other risks inherent in acquiring businesses, including the following:

- we may have difficulty integrating the acquired businesses as planned, which may include integration of systems of internal controls over financial reporting and other financial and administrative functions;
- acquisitions may divert management s attention from our existing operations;
- we may have difficulty in competing successfully for available acquisition candidates, completing future acquisitions or accurately estimating the financial effect of any businesses we acquire;
- we may have delays in realizing the benefits of our strategies for an acquired business;
- we may not be able to retain key employees necessary to continue the operations of an acquired business;
- acquisition costs may be met with cash or debt, increasing the risk that we will be unable to satisfy current financial obligations;
- we may acquire businesses that are less profitable or have lower profit margins than our historical profit margins; and
- acquired companies may have unknown liabilities that could require us to spend significant amounts of additional capital.

Our results of operations and financial condition could be adversely affected by a downturn in the general markets or the general economic environment.

We operate in a wide range of geographies, primarily North America, Central America and South America. Worldwide and regional economic, business and political conditions, including changes in the economic conditions of the broader markets and in our individual niche markets, could have an adverse affect on one or more of our operating segments.

We operate in a very competitive business environment.

Each of our segments participates in markets that are highly competitive. Many of our competitors sell their products at prices lower than ours and we compete primarily on the basis of product quality, product performance, value, supply chain competency and customer relationships. Our competitive success also depends on our ability to maintain strong brands and the belief that customers will need our products and services to meet their growth requirements. The development and maintenance of such brands requires continuous investment in brand building, marketing initiatives and advertising. The competition that we face in all of our markets which varies depending on the particular business segment, product lines and customers may prevent us from achieving sales, product pricing and income goals, which could affect our financial condition and results of operations.

The results of operations for our Lawn and Garden Segment are influenced by weather conditions.

Demand for our Lawn and Garden Segment products is influenced by weather, particularly weekend weather during the peak gardening season. Additionally, product demand in this segment is strongest in the first and fourth quarters and weakest in the third quarter, as our customers (in particular greenhouses and nurseries) order our products in advance of the growing season. As a result, our business, financial results, cash flow and our ability to service our debt could be adversely affected by certain weather patterns such as unseasonably cool or warm temperatures, hurricanes, water shortages or floods.

Our operations depend on our ability to maintain continuous, uninterrupted production at our manufacturing facilities, which are subject to physical and other risks that could disrupt production.

We are subject to inherent risks in our diverse manufacturing and distribution activities, including, but not limited to: product quality, safety, licensing requirements and other regulatory issues, environmental events, loss or impairment of key manufacturing or distribution sites, disruptions in logistics and transportation services, labor disputes and industrial accidents. While we maintain insurance covering our manufacturing and production facilities, including business interruption insurance, a catastrophic loss of the use of all or a portion of our facilities due to accident, fire, explosion, or natural disaster, whether short or long-term, could have a material adverse effect on our business, financial condition and results of operations.

Unexpected failures of our equipment and machinery may also result in production delays, revenue loss and significant repair costs, as well as injuries to our employees. Any interruption in production capability may require us to make large capital expenditures to remedy the situation, which could have a negative impact on our profitability and cash flows. Our business interruption insurance may not be sufficient to offset the lost revenues or increased costs that we may experience during a disruption of our operations. A temporary or long-term business disruption could result in a permanent loss of customers. If this were to occur, our future sales levels and therefore our profitability, could be materially adversely affected.

We derive a portion of our revenues from direct and indirect sales outside the United States and are subject to the risks of doing business in foreign countries.

We currently operate manufacturing, sales and service facilities outside of the United States, particularly in Canada and Brazil. For the twelve months ended December 31, 2008, international net sales accounted for approximately 17% of our total net sales from continuing operations. Accordingly, we are subject to risks associated with operations in foreign countries, including:

- fluctuations in currency exchange rates;
- limitations on the remittance of dividends and other payments by foreign subsidiaries;
- limitations on foreign investment;
- additional costs of compliance with local regulations; and
- in certain countries, higher rates of inflation than in the United States.

In addition, our operations outside the United States are subject to the risk of new and different legal and regulatory requirements in local jurisdictions, potential difficulties in staffing and managing local operations and potentially adverse tax consequences. The costs related to our international operations could adversely affect our operations and financial results in the future.

We are a supplier to North American automotive original equipment manufacturers, a highly cyclical industry dependent on the overall strength of consumer demand for cars and light trucks.

Approximately 6% of our total net sales from continuing operations for the year ended December 31, 2008, were made to North American automotive original equipment manufacturers (OEMs), both domestics and transplants. The OEM supplier industry is highly cyclical and, in large part, dependent upon the overall strength of consumer demand for light trucks and passenger cars. There can be no assurance that the automotive industry for which the Company supplies parts will not experience downturns in the future. A decrease in overall consumer demand for light trucks or passenger cars could have a material adverse effect on our financial condition and results of operations.

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Our future performance depends in part on our ability to develop and market new products if there are changes in technology, regulatory requirements or competitive processes.

Changes in technology, regulatory requirements and competitive processes may render certain products obsolete or less attractive. Our performance in the future will depend in part on our ability to develop and market new products that will gain customer acceptance and loyalty, as well as our ability to adapt our product offerings and control our costs to meet changing market conditions. Our operating performance would be adversely affected if we were to incur delays in developing new products or if such products did not gain market acceptance. There can be no assurance that existing or future products will be sufficiently successful to enable us to effectively compete in our markets or, should new product offerings meet with significant customer acceptance, that one or more current or future competitors will not introduce products that render our products noncompetitive.

We may not be successful in protecting our intellectual property rights, including our unpatented proprietary know-how and trade secrets, or in avoiding claims that we infringed on the intellectual property rights of others.

In addition to relying on patent and trademark rights, we rely on unpatented proprietary know-how and trade secrets and employ various methods, including confidentiality agreements with employees and consultants, to protect our know-how and trade secrets. However, these methods and our patents and trademarks may not afford complete protection and there can be no assurance that others will not independently develop the know-how and trade secrets or develop better production methods than us. Further, we may not be able to deter current and former employees, contractors and other parties from breaching confidentiality agreements and misappropriating proprietary information and it is possible that third parties may copy or otherwise obtain and use our information and proprietary technology without authorization or otherwise infringe on our intellectual property rights. Additionally, in the future we may license patents, trademarks, trade secrets and similar proprietary rights to third parties. While we attempt to ensure that our intellectual property and similar proprietary rights are protected when entering into business relationships, third parties may take actions that could materially and adversely affect our rights or the value of our intellectual property, similar proprietary rights or reputation. In the future, we may also rely on litigation to enforce our intellectual property rights and contractual rights and, if not successful, we may not be able to protect the value of our intellectual property. Furthermore, no assurance can be given that we will not be subject to claims asserting the infringement of the intellectual property rights of third parties seeking damages, the payment of royalties or licensing fees and/or injunctions against the sale of our products. Any litigation could be protracted and costly and could have a material adverse effect on our business and results of operations regardless of its outcome.

If we are unable to maintain access to credit financing, our business may be adversely affected.

The Company s ability to make payments and to refinance our indebtedness, fund planned capital expenditures and acquisitions and pay dividends will depend on our ability to generate cash in the future and retain access to credit financing. This, to some extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control.

We cannot provide assurance that our business will generate sufficient cash flow from operating activities or that future borrowings will be available to us under our credit facilities in amounts sufficient to enable us to service debt, make necessary capital expenditures or fund other liquidity needs. We may need to refinance all or a portion of our indebtedness, on or before maturity. We cannot be sure that we would be able to refinance any of our indebtedness on commercially reasonable terms or at all.

The credit facilities contain restrictive covenants and cross default provisions that require us to maintain specified financial ratios. The Company s ability to satisfy those financial ratios can be affected by events beyond our control, and we cannot be assured we will satisfy those ratios. A breach of any of these financial ratio covenants or other covenants could result in a default. Upon the occurrence of an event of default, the lenders could elect to declare the applicable outstanding indebtedness due immediately and payable and terminate all commitments to extend further credit. We cannot be sure that our lenders would waive a default or that we could pay the indebtedness in full if it were accelerated.

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Future claims, litigation and regulatory actions could adversely affect our financial condition and our ability to conduct our business.

While we strive to ensure that our products comply with applicable government regulatory standards and internal requirements and that our products perform effectively and safely, customers from time to time could claim that our products do not meet contractual requirements, and users could be harmed by use or misuse of our products. This could give rise to breach of contract, warranty or recall claims, or claims for negligence, product liability, strict liability, personal injury or property damage. Product liability insurance coverage may not be available or adequate in all circumstances. In addition, claims may arise related to patent infringement, environmental liabilities, distributor terminations, commercial contracts, antitrust or competition law, employment law and employee benefits issues and other regulatory matters. While we have in place processes and policies to mitigate these risks and to investigate and address such claims as they arise, we cannot predict the underlying costs to defend or resolve such claims.

Current and future environmental and other governmental laws and requirements could adversely affect our financial condition and our ability to conduct our business.

Our operations are subject to federal, state, local and foreign environmental laws and regulations that impose limitations on the discharge of pollutants into the air and water and establish standards for the handling, use, treatment, storage and disposal of, or exposure to, hazardous wastes and other materials and require clean up of contaminated sites. Some of these laws and regulations require us to obtain permits, which contain terms and conditions that impose limitations on our ability to emit and discharge hazardous materials into the environment and periodically may be subject to modification, renewal and revocation by issuing authorities. Fines, penalties and other civil or criminal sanctions may be imposed for non-compliance with applicable environmental laws and regulations and the failure to have or to comply with the terms and conditions of required permits. Certain environmental laws in the United States, such as the federal Superfund law and similar state laws, impose liability for the cost of investigation or remediation of contaminated sites upon the current or, in some cases, the former site owners or operators (or their predecessor entities) and upon parties who arranged for the disposal of wastes or transported or sent those wastes to an off-site facility for treatment or disposal, regardless of when the release of hazardous substances occurred or the lawfulness of the activities giving rise to the release. Such liability can be imposed without regard to fault and, under certain circumstances, can be joint and several, resulting in one party being held responsible for the entire obligation.

While we have not been required historically to make significant capital expenditures in order to comply with applicable environmental laws and regulations, we cannot predict with any certainty our future capital expenditure requirements because of continually changing compliance standards and environmental technology. Furthermore, violations or contaminated sites that we do not know about, including contamination caused by prior owners and operators of such sites, or at sites formerly owned or operated by us or our predecessors in connection with discontinued operations, could result in additional compliance or remediation costs or other liabilities, which could be material.

We have limited insurance coverage for potential environmental liabilities associated with historic and current operations and we do not anticipate increasing such coverage in the future. We may also assume significant environmental liabilities in acquisitions. Such costs or liabilities could adversely affect our financial situation and our ability to conduct our business.

Environmental regulations specific to plastic products and containers could adversely affect our ability to conduct our business.

Federal, state, local and foreign governments could enact laws or regulations concerning environmental matters that increase the cost of producing, or otherwise adversely affect the demand for, plastic products. Legislation that would prohibit, tax or restrict the sale or use of certain types of plastic and other containers, and would require diversion of solid wastes such as packaging materials from disposal in landfills, has been or may be introduced in the U.S. Congress, in state legislatures and other legislative bodies. While container legislation has been adopted in a few jurisdictions, similar legislation has been defeated in public referenda in several states, local elections and many state and local legislative sessions. There can be no assurance that future legislation or regulation would not have a material adverse effect on us. Furthermore, a decline in consumer preference for plastic products due to environmental considerations could have a negative effect on our business.

Our insurance coverage may be inadequate to protect against potential hazardous incidents to our business.

We maintain property, business interruption, product liability and casualty insurance coverage, but such insurance may not provide adequate coverage against potential claims, including losses resulting from war risks, terrorist acts or product liability claims relating to products we manufacture. Consistent with market conditions in the insurance industry, premiums and deductibles for some of our insurance policies have been increasing and may continue to increase in the future. In some instances, some types of insurance may become available only for reduced amounts of coverage, if at all. In addition, there can be no assurance that our insurers would not challenge coverage for certain claims. If we were to incur a significant liability for which we were not fully insured or that our insurers disputed, it could have a material adverse effect on our financial position, results of operations or cash flows.

Our business operations could be significantly disrupted if members of our senior management team were to leave.

Our success depends to a significant degree upon the continued contributions of our senior management team. Our senior management team has extensive manufacturing, finance and engineering experience, and we believe that the depth of our management team is instrumental to our continued success. The loss of any of our key executive officers in the future could significantly impede our ability to successfully implement our business strategy, financial plans, expansion of services, marketing and other objectives.

Unforeseen future events may negatively impact our economic condition.

Future events may occur that would adversely affect the reported value of our assets. Such events may include, but are not limited to, strategic decisions made in response to changes in economic and competitive conditions, the impact of the economic environment on our customer base, or a material adverse change in our relationship with significant customers.

Equity Ownership Concentration

Descendents of the Company s co-founder Louis S. Myers beneficially owned approximately 17.83% of the Company s outstanding common shares as of March 10, 2009. Stephen E. Myers, former Chief Executive Officer of the Company beneficially owned approximately 8.07% of the Company s outstanding common shares as of such date, and Kathryn A. Myers and Ellen J. Myers, as co-trustees of the trust established by their late mother Mary S. Myers, beneficially owned approximately 9.76% of the Company s outstanding common shares as of such date. Combined, these individuals have sufficient voting power to influence actions requiring the approval of our shareholders.

Legal & Regulatory Actions

Changes in laws and regulations and approvals and decisions of courts, regulators, and governmental bodies on any legal claims known or unknown, could have an adverse affect on the Company s financial results.

ITEM 1B. Unresolved Staff Comments

None.

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ITEM 2. Properties

The following table sets forth by segment certain information with respect to properties owned by the Company:

Distribution

Location	Approximate Floor Space (Square Feet)	Approximate Land Area (Acres)	Use
Akron, Ohio	129,000	8	Executive offices and warehousing
Akron, Ohio	60,000	5	Warehousing
Akron, Ohio	31,000	2	Warehousing
Pomona, California	17,700	1	Sales and distribution
Englewood, Colorado	9,500	1	Sales and distribution
Phoenix, Arizona	8,200	1	Sales and distribution
Indianapolis, Indiana	7,800	2	Sales and distribution
Cincinnati, Ohio	7,500	1	Sales and distribution
York, Pennsylvania	7,400	3	Sales and distribution
Minneapolis, Minnesota	5,500	1	Sales and distribution
Charlotte, North Carolina	5,100	1	Sales and distribution
Syracuse, New York	4,800	1	Sales and distribution
Franklin Park, Illinois	4,400	1	Sales and distribution
Manufacturing			
Sandusky, Ohio	305,000	8	Manufacturing and distribution
Springfield, Missouri	227,000	19	Manufacturing and distribution
Dawson Springs, Kentucky	209,000	36	Held for sale
Wadsworth, Ohio	197,000	23	Manufacturing and distribution
Hannibal, Missouri	196,000	10	Manufacturing and distribution
Sparks, Nevada	185,000	11	Manufacturing and distribution
Bluffton, Indiana	175,000	17	Manufacturing and distribution
Roanoke Rapids, N. Carolina	172,000	20	Manufacturing and distribution
Cadillac, Michigan	162,000	14	Manufacturing and distribution
Shelbyville, Kentucky	160,000	8	Manufacturing and distribution
Bristol, Indiana	166,000	12	Manufacturing and distribution
Jefferson, Ohio	115,000	11	Manufacturing and distribution
Lugoff, S. Carolina	115,000	12	Held for sale
Fostoria, Ohio	75,000	3	Manufacturing and distribution
Waco, Texas	60,000	5	Manufacturing and distribution
Reidsville, North Carolina	53,000	17	Manufacturing and distribution
Surrey, B.C., Canada	42,000	3	Manufacturing and distribution
Mebane, North Carolina	30,000	5	Held for sale

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The following table sets forth by segment certain information with respect to facilities leased by the Company:

Manufacturing

Location	Approximate Floor Space (Square Feet)	Expiration Date of Lease	Use
Middlefield, Ohio	632,000	September 30, 2025	Manufacturing and distribution
Brantford, Ontario, Canada	216,000	January 9, 2012	Manufacturing and distribution
Cassopolis, Michigan	210,000	October 31, 2010	Manufacturing and distribution
Reidsville, N. Carolina	171,000	September 30, 2009	Manufacturing and distribution
South Gate, California	122,000	October 31, 2009	Manufacturing and distribution
Jaguariuna, Brazil	54,000	March 3, 2009	Manufacturing and distribution
Burlington, Ontario Canada	46,000	January 9, 2012	Manufacturing and distribution
Milford, Ohio	22,000	August 31, 2010	Administration and sales

The Company also leases distribution facilities in 31 locations throughout the United States and Canada which, in the aggregate, amount to approximately 188,000 square feet of warehouse and office space. All of these locations are used by the Distribution Segment.

The Company believes that all of its properties, machinery and equipment generally are well maintained and adequate for the purposes for which they are used.

ITEM 3. Legal Proceedings

The Company is, in the ordinary course of business, a defendant in various lawsuits and a party to various other legal proceedings, some of which are covered in whole or in part by insurance. We believe that the outcome of these lawsuits and other proceedings will not individually or in the aggregate have a future material adverse effect on our consolidated financial position, results of operations or cash flows.

A number of parties, including the Company and its subsidiary, Buckhorn, Inc., were identified in a planning document adopted in October 2008 by the California Regional Water Quality Control Board, San Francisco Bay Region (RWQCB). The planning document relates to the presence of mercury, including amounts contained in mining wastes, in and around the Guadalupe River Watershed (Watershed) region in Santa Clara County, California. Buckhorn has been alleged to be a successor in interest to an entity that performed mining operations in a portion of the Watershed area. The Company has not been contacted by the RWQCB with respect to Watershed clean-up efforts that may result from the adoption of this planning document. The extent of the mining wastes that may be the subject of future cleanup has yet to be determined, and the actions of the RWQCB have not yet advanced to the stage where a reasonable estimate of remediation cost, if any is available. Although assertion of a claim by the RWQCB is reasonably possible, it is not possible at this time to estimate the amount of any obligation the Company may incur for these cleanup efforts within the Watershed region, or whether such cost would be material to the Company s financial statements.

ITEM 4. Submission of Matters to a Vote of Security Holders

During the fourth quarter of the fiscal year ended December 31, 2008, there were no matters submitted to a vote of security holders.

Executive Officers of the Registrant

Set forth below is certain information concerning the executive officers of the Registrant as of December 31, 2008. Executive officers are appointed annually by the Board of Directors.

Name	Age	Years as Executive Officer	Title
John C. Orr	58	6	President and Chief Executive Officer
Donald A. Merril	44	3	Vice President, Chief Financial Officer and Corporate Secretary

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Each executive officer has not been principally employed in the capacities shown or similar ones with the Registrant for over the past five years. Mr. Orr, President and Chief Executive Officer, was appointed to his current position on May 1, 2005. Mr. Orr had been President and Chief Operating Officer since 2003. Prior to that Mr. Orr was General Manager of Buckhorn Inc., one of the Company s material handling subsidiaries. Before coming to Myers Industries, Mr. Orr had been employed by The Goodyear Tire and Rubber Company for 28 years. His last position at Goodyear was Vice President North America.

Mr. Merril, Vice President, Chief Financial Officer and Corporate Secretary, was appointed to his current position on April 26, 2006. Mr. Merril joined the Company on January 25, 2006, prior to that he was with Newell Rubbermaid Inc. Rubbermaid Home Products Division, where he served as Vice President and Chief Financial Officer since 2003. Mr. Merril joined Newell Rubbermaid in 2001 where he served as Chief Financial Officer of Newell Rubbermaid Little Tikes prior to his position as Vice President and Chief Financial Officer.

Section 16(a) of the Securities Exchange Act of 1934 requires the Registrant s Directors, certain of its executive officers and persons who own more than ten percent of its Common Stock (Insiders) to file reports of ownership and changes in ownership with the Securities and Exchange Commission and the New York Stock Exchange, Inc., and to furnish the Company with copies of all such forms they file. The Company understands from the information provided to it by the Insiders that they adhered to all filing requirements applicable to the Section 16 Filers, with the exception of one Form 4 for one transaction that was filed late by Mr. Orr.

PART II

ITEM 5. Market for Registrant s Common Stock and Related Stockholder Matters and Issuer Purchases of Equity Securities

The Company s Common Stock is traded on the New York Stock Exchange (ticker symbol MYE). The approximate number of shareholders of record at December 31, 2008 was 1,752. High and low stock prices and dividends for the last two years were:

2008 Quarter Ended	Sales Price High	Sales Price Low	Dividends
March 31	$ 15.09	$ 9.73	.06
June 30	13.70	8.13	.06
September 30	14.20	7.43	.06
December 31	12.94	4.80	.06

2007 Quarter Ended	Sales Price High	Sales Price Low	Dividends
March 31	$ 19.07	$ 14.93	.05
June 30	22.73	18.59	.05
September 30	22.43	18.44	.05
December 31(1)	21.76	13.32	.34

(1) Includes a special dividend for $.28 accrued at December 31, 2007 but not paid until 2008.

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See Item 12 of this Form 10-K for the Equity Compensation Plan Information Table which is incorporated herein by reference.

Comparison of 5 Year Cumulative Total Return
Assumes Initial Investment of $100
December 2008

		2003	2004	2005	2006	2007	2008
Myers Industries	Return%		17.55	15.15	8.75	-4.94	-43.24
Inc.	Cum $	$ 100	117.55	135.36	147.20	139.92	79.42
S&P 500 Index	Return%		10.87	4.89	15.79	5.50	-36.99
Total Return	Cum $	$ 100	110.87	116.30	134.66	142.07	89.51
S&P 600 Index	Return%		22.65	7.68	15.11	0.30	-31.07
Total Return	Cum $	$ 100	122.65	132.07	152.03	151.58	104.49

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ITEM 6. Selected Financial Data

	2008	2007	2006	2005	2004
Operations for the Year					
Net sales	$ 867,830,285	$ 918,792,960	$ 779,984,388	$ 736,880,105	$ 635,912,379
Cost of sales	664,714,763	683,107,307	572,438,757	555,687,606	464,565,836
Selling	93,178,712	99,893,012	79,340,520	71,796,860	66,631,978
General and administrative	75,273,005	89,991,241	67,282,547	61,660,260	58,546,966
Impairment charges(1)	70,148,239	0	0	0	0
Other income(2)	0	(26,750,000)	0	0	0
Interest net	11,508,126	15,500,269	15,848,420	15,463,279	13,055,440
	914,822,845	861,741,829	734,910,244	704,608,005	602,800,220
Income (loss) from continuing operations before income taxes	(46,992,560)	57,051,131	45,074,144	32,272,100	33,112,159
Income taxes	(767,807)	20,103,000	16,363,613	12,907,205	12,925,464
Income (loss) from continuing operations	(46,224,753)	36,948,131	28,710,531	19,364,895	20,186,695
Income (loss) from continuing operations per basic and diluted share(3)	$ (1.31)	$ 1.05	$ .82	$ .56	$ .60
Financial Position At Year End					
Total assets	$ 568,899,926	$ 697,552,369	$ 661,983,220	$ 765,259,921	$ 785,602,562
Current assets	232,648,087	277,809,374	307,523,254	289,580,618	284,072,177
Current liabilities	96,969,686	158,474,639	134,727,219	128,575,091	136,251,927
Working capital	135,678,401	119,334,735	172,796,035	161,005,527	147,820,250
Other assets	137,347,218	205,772,669	203,159,525	279,957,521	291,041,595
Property, plant and equipment net	198,904,621	213,970,326	151,300,441	195,721,782	210,488,790
Less:					
Long-term debt, less current portion	169,545,667	167,253,706	198,274,578	249,523,633	275,252,278
Other long term liabilities	6,396,651	4,013,808	12,922,285	12,667,000	-0-
Deferred income taxes	43,149,153	50,540,270	35,400,520	35,092,826	28,094,321
Shareholders Equity	252,838,769	317,269,946	280,658,618	$ 339,401,371	$ 346,004,036

Common Shares Outstanding(3)		35,235,636		35,180,192		35,067,230		34,806,393		34,645,948
Book Value Per Common Share(3)	$	7.18	$	9.02	$	8.00	$	9.75	$	9.99
Other Data										
Dividends(4)	$	8,451,497	$	17,495,413	$	7,173,706	$	6,946,838	$	6,478,502
Dividends per Common Share(3)		0.24		0.50		0.20		0.20		0.19
Average Basic Common Shares Outstanding during the year(3)		35,211,811		35,140,581		34,978,269		34,724,488		33,846,511

(1) The fourth quarter of 2008, includes a goodwill impairment charge of $60.1 million related to the Company s Automotive and Custom segment and impairment charges of $10.0 million for long-lived assets in the Lawn and Garden Segment.

(2) A non-operating income gain of $26.8 million ($35.0 million, net of related expenses) was recognized during the fourth quarter of 2007. This income resulted from a termination fee paid in connection with the Company s proposed merger.

(3) Adjusted for the 10% stock dividend issued in August 2004.

(4) Dividends in 2007 include a special dividend for $9,850,454 accrued but not paid until 2008.

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ITEM 7. Management s Discussion and Analysis of Results of Operations and Financial Condition

Executive Overview

The Company conducts its business activities in four distinct business segments, including three in manufacturing and one in distribution. The manufacturing segments consist of: Material Handling, Lawn and Garden, and Automotive and Custom.

In our manufacturing segments, the Company designs, manufactures, and markets a variety of plastic and rubber products. These products range from plastic reusable material handling containers and small parts storage bins to plastic horticultural pots and hanging baskets, decorative resin planters, plastic and rubber OEM parts, tire repair materials, and custom plastic and rubber products. The Distribution Segment is engaged in the distribution of tools, equipment and supplies used for tire, wheel and undervehicle service on passenger, heavy truck and off-road vehicles.

Results of Operations: 2008 versus 2007

Net Sales from Continuing Operations:

Segment	2008	2007	Change	% Change
Lawn & Garden	$ 272.8	$ 300.9	$ (28.1)	(9)%
Material Handling	$ 261.2	$ 267.2	$ (6.0)	(2)%
Distribution	$ 187.1	$ 203.2	$ (16.1)	(8)%
Auto & Custom	174.0	$ 170.9	$ 3.1	2%
Inter-segment elimination	$ (27.3)	$ (23.4)	$ (3.9)	(16)%
TOTAL	$ 867.8	$ 918.8	$ (51.0)	(6)%

Net sales for 2008 were $867.8 million, a decrease of 6% from the $918.8 million reported in 2007. Sales in 2008 were adversely affected by the weakness in the general economy, which impacted virtually all segments of the Company s business and all markets in which the Company sells. The sales decline is due to lower sales volumes which more than offset the benefit of approximately $38 million from increased selling prices.

Net sales in the Lawn and Garden segment in 2008 were down $28.1 million or 9% compared to 2007. The decline in sales in 2008 is due to lower unit volumes because of reduced consumer purchasing due to the weak economy and a reduction in new housing construction. In the Lawn and Garden Segment, the impact of reduced volume more than offset the increase of approximately $20.1 million due to higher selling prices. In the Material Handling segment, sales decreased $6.0 million or 2% in 2008 compared to the prior year. The decrease reflects the impact of volume declines in automotive, industrial and other sectors which offset the benefit of approximately $15.3 million from price increases.

Net sales in the Distribution segment decreased $16.1 million or 8% in 2008 compared to the prior year. Sales were down due to lower unit volumes of $15.6 million from softer sales of replacement tires and the impact of higher fuel prices and a weak economy which reduced miles driven. These factors reduced demand for the Company s tire service and retread consumable supplies. In addition, sales of equipment in the Distribution segment were weak as tire dealers, auto dealers, fleet and other customers deferred capital purchases. In the Auto and Custom segment, net sales in 2008 increased $3.1 million, or 2% compared to the prior year, as higher selling prices of $3.6 million and gains in niche custom molding markets offset significant volume declines in automotive and heavy truck markets.

Cost of Sales & Gross Profit from Continuing Operations:

Cost of Sales and Gross Profit	**2008**	**2007**
Cost of sales	$ 664.7	$ 683.1
Gross profit	$ 203.1	$ 235.7
Gross profit as a percentage of sales	23.4%	25.7%

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Gross profit margin declined to 23.4% in 2008 compared with 25.7% in the prior year. The decline in gross profit and margin was primarily due to significantly higher raw material costs, particularly for plastic resins. Prices for high-density polyethylene and polypropylene resins were, on average, more than 20% higher in 2008 compared to 2007. In addition, lower volumes resulting from weakness in the U.S. economy reduced capacity utilization in the Company s manufacturing businesses and increased unabsorbed manufacturing overhead costs. The negative impact of higher raw material costs and reduced volumes in 2008 more than offset the reduction in cost from 2007 which included $7.0 million of restructuring charges and purchase accounting adjustments.

Selling, General and Administrative (SG&A) Expenses from Continuing Operations:

SG&A Expenses	**2008**	**2007**	**Change**
SG&A expenses	$ 168.5	$ 189.9	$ (21.4)
SG&A expenses as a percentage of sales	19.4%	20.7%	(1.3)%

Selling and administrative expenses decreased $21.4 million or 11% compared with 2007. The reduction in SG&A expense in 2008 reflects the impact of lower sales volumes on selling expenses, including shipping and handling costs of $4.7 million. SG&A expenses in 2008 contain unusual items of approximately $7.4 million, including approximately $5.7 million for consulting fees and other expenses incurred in connection with the restructuring of its Lawn & Garden business, while expenses in 2007 included approximately $12.7 million of unusual charges, including: restructuring expenses, costs related to the Company s proposed merger transaction and foreign currency transaction losses. Excluding the impact of the unusual items, operating expenses in 2008 were approximately 18.6% of sales compared with 19.3% in 2007. The improvement in operating expense leverage in 2008 reflects the benefit of restructuring programs undertaken in 2007 and ongoing cost control programs and productivity initiatives.

Impairment Charges from Continuing Operations:

The Company recorded impairment charges of $70.1 million in the fourth quarter of 2008. This includes a charge of $60.1 million for goodwill in the Auto and Custom Segment. The impairment was attributable to the significant decline in demand over the latter part of 2008 and future projections for sales in the automotive, heavy truck, recreational vehicle, marine and other industrial markets served by the Auto and Custom reporting unit. Also, in connection with the Company s restructuring of the Lawn and Garden Segment, a charge of $10.0 million was recorded to reflect the impairment of certain property, plant, and equipment and intangible assets.

Interest Expense from Continuing Operations:

Net Interest Expense	**2008**	**2007**	**Change**	**% Change**
Interest expense	$ 11.5	$ 15.5	$ (4.0)	(26)%
Outstanding borrowings	$ 171.6	$ 170.9	$ 0.7	1%
Average borrowing rate	5.81%	5.95%	(.14)	(2)%

Net interest expense in 2008 decreased $4.0 million because of lower interest rates and lower average borrowing levels.

Income Before Taxes from Continuing Operations:

Segment	2008	2007	Change	%
Lawn & Garden	$ (1.8)	$ 0.9	$ (2.7)	(300)%
Material Handling	$ 26.6	$ 40.4	$ (13.8)	(34)%
Distribution	$ 17.5	$ 20.5	$ (3.0)	(14.8)%
Auto & Custom	$ (55.0)	$ 9.0	$ (64.0)	(713)%
Corporate and interest	$ (34.3)	$ (13.7)	$ (20.6)	(150)%
Income (Loss)	$ (47.0)	$ 57.1	$ (104.1)	(182)%

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Key factors resulting in the 2008 loss include impairment charges of $70.1 million on certain goodwill and long lived assets, lower sales volumes due to softness in the economy and significantly higher raw material costs. In 2007, the impact of restructuring expenses, foreign currency transaction losses, costs incurred in connection with the proposed merger agreement and other unusual items reduced income before taxes by an aggregate $19.7 million.

Income Taxes from Continuing Operations:

Consolidated Income Taxes	2008	2007
Income (loss) before taxes	$ (47.0)	$ 57.1
Income tax (benefit) expense	$ (0.8)	$ 20.1
Effective tax rate	1.6%	35.2%

The effective tax rate of 1.6% in 2008 was lower than the statutory rate of 35%, primarily because of the negative impact of the $41.9 million portion of the goodwill impairment charge that was not deductible for tax purposes. As discussed above, the Company recorded a total impairment charge of $60.1 million for goodwill in the Auto and Custom Segment.

Results of Operations: 2007 versus 2006

Net Sales from Continuing Operations:

Segment	2007	2006	Change	% Change
Lawn & Garden	$ 300.9	$ 160.2	$ 140.7	88%
Material Handling	$ 267.2	$ 240.1	$ 27.1	11%
Distribution	$ 203.2	$ 197.3	$ 5.9	3%
Auto & Custom	$ 170.9	$ 204.7	$ (33.8)	(17)%
Inter-segment elimination	$ (23.4)	$ (22.2)	$ (1.2)	5%
TOTAL	$ 918.8	$ 780.0	$ 138.8	18%

Net sales for 2007 were $918.8 million, an increase of 18% from the $780.0 million reported in 2006. Current year sales includes approximately $151.0 million from the acquisition of ITML Horticultural Products (ITML), which was completed in January 2007, and $28 million from the acquisition of material handling products from Schoeller Arca Systems, Inc. North America (SASNA) which was completed in March 2007.

The net sales increase in the Lawn & Garden segment was primarily driven by the contributions from ITML. Sales performance in this segment was adversely affected by unfavorable weather conditions, weakness in the housing market as well as ongoing shifts in the timing of purchases for the grower markets in reaction to adjustments to retail merchandising programs. In the Material Handling segment sales increased $27.1 million, an increase of 11% as compared to 2006. The increase reflects additional sales of bulk container systems from the SASNA asset purchase as well as strong demand in many of the segment s niche markets, including agriculture and reusable container systems.

Net sales in the Distribution segment increased $5.9 million or 3% compared to 2006. Sales performance improved despite softness in tire service and retread markets, due to escalating fuel prices; and the downturn in housing construction, which impacts repair demand for heavy equipment tires. In the Auto & Custom segment, net sales in 2007 were down $33.8 million, a decrease of 17% as compared to 2006. Sales performance was impacted by weakness in virtually all of the segment s markets.

Cost of Sales & Gross Profit from Continuing Operations:

Cost of Sales and Gross Profit	**2007**	**2006**
Cost of sales	$ 683.1	$ 572.4
Gross profit	$ 235.7	$ 207.5
Gross profit as a percentage of sales	25.7%	26.6%

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Cost of sales increased to $683.1 million in 2007 from $572.4 million in 2006, while gross profit increased to $235.7 million in 2007 compared to $207.5 million in 2006. These increases resulted from increased sales and reflect the impact of acquisitions made in 2007. Gross profit as a percentage of sales declined to 25.7% in 2007 from 26.6% in 2006. The decline in gross profit margin was primarily the result of restructuring expenses from closing several manufacturing facilities combined with the impact of purchase accounting adjustments related to acquisitions aggregating approximately $8 million.

Selling, General and Administrative (SG&A) Expenses from Continuing Operations:

SG&A Expenses	**2007**	**2006**	**Change**
SG&A expenses	$ 189.9	$ 146.6	$ 43.3
SG&A expenses as a percentage of sales	20.7%	18.8%	1.9%

Selling and administrative expenses for 2007 increased $43.3 million or 30% compared with 2006. The largest portion of this increase was due to the acquisition of ITML, which represented $31.8 million of the increase, including foreign currency transaction losses of $4.7 million resulting from increased strength of Canadian currency as compared to the U.S. dollar. In addition, the Company incurred expenses of approximately $4.7 million in connection with its proposed merger transaction with GS Capital Partners (GSCP).

Interest Expense from Continuing Operations:

Net Interest Expense	**2007**	**2006**	**Change**	**% Change**
Interest expense	$ 15.5	$ 15.8	$ (0.3)	(2)%
Outstanding borrowings	$ 170.9	$ 201.5	$ (30.6)	(15)%
Average borrowing rate	5.95%	6.01%	(.06)	1%

Net interest expense was $15.5 million for 2007, a slight decrease compared to $15.8 million in 2006. The decrease reflects a combination of lower interest rates and lower average borrowing levels.

Income Before Taxes from Continuing Operations:

Segment	**2007**	**2006**	**Change**	**% Change**
Lawn & Garden	$ 0.9	$ 8.1	$ (7.3)	(89)%
Material Handling	$ 40.4	$ 34.9	$ 5.5	15%
Distribution	$ 20.5	$ 22.2	$ (1.7)	(8)%
Auto & Custom	$ 9.0	$ 14.0	$ (5.0)	(36)%
Corporate and interest	$ (13.7)	$ (34.1)	$ 20.4	60%
TOTAL	$ 57.1	$ 45.1	$ 12.0	27%

Income before taxes was $57.1 million in 2007, an increase of 27% compared with the $45.1 million reported in 2006. Items impacting current year income included non-operational income of $26.8 million ($35 million termination fee net of related expenses) from GSCP related to the Company s proposed merger transaction. In addition, current year income includes merger related expenses of $4.7 million as well as restructuring and severance costs and purchase accounting adjustments aggregating approximately $9.5 million.

Income before taxes in the Lawn and Garden segment declined from $8.1 million in 2006 to $0.9 million in 2007. The key factors affecting profitability in this segment included restructuring and purchase accounting adjustments totaling $4.8 million and foreign currency transaction losses of $4.7 million. Income before taxes in the Material Handling segment increased 15% from $34.9 million in 2006 to $40.4 million in 2007. Increased sales, favorable product mix and productivity gains more than offset the impact of restructuring and severance expenses of $4.0 million, related to plant consolidation.

Income before taxes in the Distribution segment was $20.5 million for 2007, a decrease of 8% as compared to $22.2 million in 2006. The key factors influencing profitability in the Distribution segment in 2007 were unfavorable product mix in the second half of the year and increased operating expenses of $2.9 million associated

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with productivity initiatives including strategic investments in personnel and technology of $1.7 million. Income before taxes in the Auto & Custom segment was $9.0 million in 2007, a decrease of 36% as compared to $14.0 million in 2006. Profitability in 2007 was adversely impacted by strategic initiatives to discontinue unprofitable businesses, which reduced sales volumes and lowered capacity utilization as well as restructuring expenses of $0.7 million, primarily for headcount reductions.

Income Taxes from Continuing Operations:

Consolidated Income Taxes	**2007**	**2006**
Income before taxes	$ 57.1	$ 45.1
Income taxes	$ 20.1	$ 16.4
Effective tax rate	35.2%	36.3%

Our income tax rate as a percentage of pretax income from continuing operations for 2007 decreased from 36.3% to 35.2% as a result of the benefit from foreign tax rate differences and a higher domestic production deduction.

Financial Condition & Liquidity and Capital Resources

Cash provided by operating activities from continuing operations was $60.2 million for the year ended December 31, 2008 compared to $99.1 million in 2007. The decrease of $38.9 million was primarily attributable to a reduction of $51.3 million of cash from working capital. In addition, although income from continuing operations decreased $56.4 million (excluding discontinued operations and non-operating income) in the current year, non-cash charges, including impairments, increased by $68.8 million, from $37.5 million in 2007 to $106.3 million in 2008.

During 2008, cash used for working capital was significantly impacted by changes in accounts payable and accrued expenses and payments related to the $35.0 million fee received in 2007 in connection with the termination of the Company s proposed merger agreement. In 2008, the Company paid expenses of $5.8 million and income taxes of $12.6 million related to the termination fee. In addition, accrued employee compensation declined approximately $8.0 million because of the reduction in bonus and profit sharing due to lower earnings in 2008. Accounts payable was also reduced by approximately $19.0 million as the Company reduced purchasing during the fourth quarter in response to lower sales and production due to the severe economic contraction.

Capital expenditures were approximately $40.7 million in 2008. These capital expenditures were larger than historical levels due to opportunistic investment in new manufacturing, molding and automated handling technology. In addition, the Company used cash to pay dividends of $18.3 million in 2008, including a special dividend of $9.9 million related to the terminated merger agreement, compared to $7.6 million in 2007.

Total debt at December 31, 2008 was approximately $171.6 million compared with $170.9 million at December 31, 2007. The Company s Credit Agreement provides available borrowing up to $250 million and, as of December 31, 2008, the Company had approximately $186 million available under this agreement. The Credit Agreement expires in October 2011 and, as of December 31, 2008, the Company was in compliance with all its debt covenants. The significant financial covenants include an interest coverage ratio and a leverage ratio, defined as earnings before interest, taxes, depreciation, and amortization, as adjusted, compared to total debt. The ratios as of and for the period ended December 31, 2008 are shown in the following table:

	Required Level

		Actual Level
Interest Coverage Ratio	2.5 to 1 (minimum)	3.7
Leverage Ratio	3.5 to 1 (maximum)	2.2

The Company believes that cash flows from operations and available borrowing under its Credit Agreement will be sufficient to meet expected business requirements including capital expenditures, dividends, working capital, and debt service into the foreseeable future.

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The following summarizes the Company s estimated future cash outflows from financial contracts and commitments:

	Less than 1 Year	2-3 Years	4-5 Years	Thereafter	Total
	(Dollars in Thousands)				
Principal payments on debt	$ 2,021	$ 133,316	$ 35,610	$ 620	$ 171,567
Interest	9,241	13,777	4,819	0	27,837
Lease payments	9,600				