FORM 424B2

Prospectus filed pursuant to Rule 424(b)(2)

Filing Date: **1994-05-13**
SEC Accession No. 0000950123-94-000910

(HTML Version on secdatabase.com)

FILER

OLIN CORP

CIK:**74303**| IRS No.: **131872319** | State of Incorp.:**VA** | Fiscal Year End: **1231**
Type: **424B2** | Act: **33** | File No.: **033-52771** | Film No.: **94527859**
SIC: **2800** Chemicals & allied products

Business Address
120 LONG RIDGE RD
STAMFORD CT 06904-1355
2033562000

Filed Pursuant to Rule 424(b)(2)
Registration Statement Nos. 33-52771 and 33-4479

PROSPECTUS SUPPLEMENT
(TO PROSPECTUS DATED MAY 4, 1994)

1,925,000 SHARES

OLIN CORPORATION

COMMON STOCK

All of the shares of Common Stock offered hereby will be sold by Olin Corporation (the "Company" or "Olin"). The Common Stock is traded on the New York, Pacific and Chicago Stock Exchanges under the symbol "OLN". On May 12, 1994, the last sale price of the Common Stock as reported on the New York Stock Exchange was $46 1/4 per share. See "Price Range of Common Stock and Dividend Information".

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS SUPPLEMENT OR THE PROSPECTUS TO WHICH IT RELATES. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

<TABLE>
<S> <C> <C> <C>

	PRICE TO PUBLIC	UNDERWRITING DISCOUNT(1)	PROCEEDS TO COMPANY(2)
Per Share........................	$46.00	$1.61	$44.39
Total (3)........................	$88,550,000	$3,099,250	$85,450,750

</TABLE>

(1) The Company has agreed to indemnify the several Underwriters against certain liabilities, including liabilities under the Securities Act of 1933. See "Underwriting".

(2) Before deducting expenses payable by the Company estimated at $263,500.

(3) The Company has granted the Underwriters an option, exercisable within 30 days of the date hereof, to purchase up to an aggregate of 288,750 additional shares of Common Stock solely to cover over-allotments, if any. If such option is exercised in full, the total Price to Public, Underwriting Discount and Proceeds to Company will be $101,832,500, $3,564,137 and $98,268,363, respectively. See "Underwriting".

The shares of Common Stock are offered by the several Underwriters, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of certain legal matters by counsel for the Underwriters and certain other conditions. The Underwriters reserve the right to withdraw, cancel or modify such offer and to reject orders in whole or in part. It is expected that delivery of the shares of Common Stock will be made in New York, New York on or about May 19, 1994.

MERRILL LYNCH & CO. LEHMAN BROTHERS

The date of this Prospectus Supplement is May 12, 1994.

OLIN AT A GLANCE

<TABLE>
<CAPTION>

BUSINESS SEGMENT	MAJOR BUSINESS UNIT	PRIMARY CUSTOMERS
CHEMICALS	Chemicals	Manufacturers of flexible polyurethane foam for furniture, carpet underlay and automotive seat cushioning; residential and commercial pool and spa owners; drinking water treatment facilities; manufacturers of anti-dandruff shampoos, metalworking fluids and agricultural chemicals; industrial boiler operators, spacecraft manufacturers and space agencies, U.S. Air Force; users of rigid foam for thermal insulation; formulators of coatings, elastomers, adhesives and sealants; manufacturers of household, industrial and institutional cleaning products.
	Chlor-alkali products	Manufacturers of vinyl, bleach, textiles, pulp and paper; water purification and chemical manufacturing firms.
	Electronic materials	Worldwide semiconductor and systems manufacturers for computer, telecommunications, defense/aerospace, medical, instrumentation and automotive products.
DEFENSE AND AMMUNITION	Winchester	Hunters and recreational shooters worldwide; law enforcement agencies; U.S. military and allied governments.
	Ordnance	U.S. Department of Defense, NASA, Department of Energy and other government R&D agencies/laboratories; and allied governments.
	Aerospace	Satellite, aircraft and missile contractors; other defense/aerospace subsystems and systems contractors; NASA and other government R&D agencies/laboratories.
METALS	Olin Brass	Major manufacturers and suppliers in automotive, electronics, electrical and communications industries; U.S. Mint and foreign mints; U.S. Department of Defense and sporting ammunition manufacturers; decorative and builders' hardware producers.

<CAPTION>

BUSINESS SEGMENT	MAJOR BUSINESS UNIT	PRODUCTS AND SERVICES
CHEMICALS	Chemicals	TDI (toluene diisocyanate), Luxate aliphatic diisocyanates, specialty and custom polyols, flexible polyols, rigid polyols; HTH calcium hypochlorite and Pace chlorinated isocyanurates, Pulsar II automatic pool chemical feeder; Omadine biocides, custom chemicals, hydrazine solutions, hydrazine-based propellants, surfactants, organic intermediates, acids (sulfuric, nitric).
	Chlor-alkali products	Chlorine and caustic soda, Reductone and Hydrolin sodium hydrosulfite, muriatic acid (HCl), HyPure hypochlorous acid, and sodium hypochlorite.
	Electronic materials	Photoresists, polyimides, high-purity acids and solvents, dopants, vapor deposition chemicals, specialty cleaners, fluxes and strippers; metal packages for integrated and hybrid circuits, integrated circuit packaging materials.
	Winchester	Winchester sporting ammunition, canister powder, reloading components; small caliber military ammunition; management of government arsenals; industrial cartridges.
	Ordinance	Medium and large caliber ammunition for aircraft,

DEFENSE AND AMMUNITION		artillery, mortars, tanks, warships; liquid propellant for large caliber gun systems; Ball Powder propellant for small, medium and large caliber ammunition; management of government arsenals and other facilities; demilitarization/recycling of munitions.
	Aerospace	Rocket engines, attitude control thrusters, electric propulsion, propulsion systems, inflation systems, gas generators, advanced warheads, pulsed power systems; simulated nuclear weapons effects, power supplies, airborne and space electronics, and ground support equipment.
METALS	Olin Brass	Alloy sheet and strip, copper, brass, leaded brass, tin brass, phosphor bronze, cupronickel, nickel silver, high-performance copper alloy strip, coinage metal, seamless and welded copper alloy tube, copper alloy rod and wire, stamped forms, printed circuit copper, beryllium copper, stainless steel strip; network of metals service centers in U.S. and Puerto Rico.

</TABLE>

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE COMMON STOCK OFFERED HEREBY AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH TRANSACTIONS MAY BE EFFECTED ON THE NEW YORK, PACIFIC OR CHICAGO STOCK EXCHANGES OR OTHERWISE. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

Italicized words identifying products in this Prospectus Supplement are trademarks or servicemarks of Olin Corporation or its subsidiaries or affiliates.

SUMMARY

The following summary is qualified in its entirety by the detailed information and financial statements, including the notes thereto, appearing elsewhere in this Prospectus Supplement and accompanying Prospectus.

THE COMPANY

Olin Corporation, a Virginia corporation incorporated in 1892 (the "Company" or "Olin"), is a manufacturer of chemicals, metals and ammunition and defense-related products which it markets to commercial and governmental customers. According to the April 18, 1994 issue of Fortune, the Company ranks in the 200 largest United States industrial corporations, based on total sales which were $2.4 billion in 1993.

Chemicals. In Chemicals, its largest segment, its principal product lines are: chlor-alkali, urethanes and pool chemicals. The Company is a leading producer of chlorine and caustic soda in the southeastern United States and has one of the largest production capacities in the United States for toluene diisocyanate ("TDI"), a key component in the production of urethane foam used in the manufacture of automotive seating, carpet underlay, mattresses and furniture. In pool chemicals, the Company believes it has the largest production capacity for calcium hypochlorite in the United States. Much of its calcium hypochlorite is sold under the HTH brand name.

Metals. The Company is a leading brass and copper alloy manufacturer in the United States. The Company, through sales of its Posit-Bond clad metal, produced by a unique cladding process, is a supplier of metal to the U.S. Mint.

Defense and Ammunition. The Company believes its Winchester Division is a leading United States producer of ammunition for recreational shooters, hunters, law enforcement agencies and the United States armed forces. The Company's Ordnance Division is a supplier of medium and large caliber ammunition to the United States and certain foreign governments. In addition, the Company's Aerospace Division provides advanced technology products to the defense and aerospace industry.

THE OFFERING

The offering of 1,925,000 shares of Common Stock is referred to herein as the "Offering". Unless otherwise indicated, all information included in this Prospectus Supplement assumes the Underwriters' over-allotment option is not exercised.

Common Stock offered by the Company..........	1,925,000 Shares
Common Stock to be outstanding after the Offering(a)..............................	21,045,481 Shares
Use of Proceeds............................	The net proceeds from the Offering will be used by the Company to reduce outstanding short-term, floating rate indebtedness ($28 million of which was incurred for the Aerojet Acquisition (as defined below) with the remainder incurred for working capital purposes).
New York Stock Exchange Symbol..............	OLN

- ------------

(a) Excludes shares issuable under outstanding stock options and in connection with other employee or director benefit plans of the Company.

RECENT DEVELOPMENTS

First Quarter Results. The Company reported first quarter net income of $15.3 million, compared with first quarter 1993 net income of $11.7 million. Primary earnings were $0.62 per share in the first quarter of 1994, compared with $0.45 in the first quarter of 1993. Sales for the 1994 first quarter were $605 million, compared with $592 million in the prior-year period. Contributing to the 38% comparative increase in earnings per share were a 48% increase in the metals segment's ("Metals") net income reflecting strong demand for Olin's metals in automotive and housing industries and a strong commercial ammunition market, an 8% increase in the chemicals segment's ("Chemicals") net income reflecting improved performance in flexible urethanes and strong sales from Olin's electronics materials businesses, and the effects of the cost reduction and restructuring actions announced in December 1993. (See "Management's Discussion and Analysis of Financial Condition and Results of Operations--First Quarter 1994 Compared to First Quarter 1993" and "--1993 Compared to 1992".)

Acquisition. On April 30, 1994, the Company completed the previously announced acquisition of the Aerojet Ordnance Division (the "Aerojet Acquisition") from GenCorp. Inc., which will significantly expand the Company's medium caliber military ammunition line. The Aerojet Acquisition complements Olin's existing medium caliber business, adding sales of 25 and 30 millimeter ammunition to Olin's line. This acquisition will increase capacity utilization of existing Olin facilities as well as enable the Company to bid on a greater number of government ammunition contracts, both domestically and abroad.

Restructuring Charge, Other Charges and Personnel Reductions. In December 1993, Olin announced that it was taking charges for personnel reductions, business restructurings involving consolidations and realignments within divisions, costs at sites of discontinued businesses, future environmental liabilities and other charges. These charges totaled $132 million after tax. The Company intends to reduce its salaried staff by approximately 600 employees, or 10 percent. While all segments of the Company have experienced employee reductions, the Metals and Defense and Ammunition segments have experienced the greatest portion of these reductions. Through March 31, 1994, approximately 350 employees or 58 percent of the 600 positions had been eliminated. Incremental staff reductions were made in April. The Company anticipates that the cash savings resulting from workforce reductions and business restructurings will approximate, on a pretax basis, $25 million in 1994 and $40 million annually thereafter.

USE OF PROCEEDS

The net proceeds from the sale of the Common Stock offered hereby, estimated to be approximately $85.2 million, will be used by the Company to reduce outstanding short-term, floating rate indebtedness ($28 million of which was incurred for the Aerojet Acquisition with the remainder incurred for working capital purposes).

CAPITALIZATION

The following table sets forth the capitalization of the Company at March 31, 1994 and as adjusted to give effect to the Aerojet Acquisition, the issuance of the Common Stock offered hereby and the use of proceeds from the sale of the Common Stock to retire short-term indebtedness of the Company.

	ACTUAL	AS ADJUSTED
	(IN MILLIONS)	
Short-Term Debt (including current installments of Long-Term Debt)	$ 150	$ 93
Long-Term Debt:		
Senior Debt	$ 325	$ 325
Subordinated Debt	125	125
Total Long-Term Debt	$ 450	$ 450
Shareholders' Equity:		
Preferred Stock, par value $1 per share; authorized 10 million shares		
Series A Conversion Preferred Stock (outstanding 2.76 million shares)	$ 3	$ 3
ESOP Preferred Stock (outstanding 1.2 million shares)	91	91
Guaranteed ESOP Obligation	(44)	(44)
Common Stock, par value $1 per share; authorized 60 million shares; outstanding 19.1 million shares (21.0 million as adjusted)	19	21
Additional Paid-in Capital	297	380
Cumulative Translation Adjustment	(7)	(7)
Retained Earnings	239	239
Total Shareholders' Equity	$ 598	$ 683
Total Capitalization	$1,198	$1,226

PRICE RANGE OF COMMON STOCK AND DIVIDEND INFORMATION

The following table sets forth for the periods indicated the low and high sales prices of the Common Stock on the New York Stock Exchange Composite Tape.

	MARKET PRICE	
	LOW	HIGH
1992		

First Quarter	$39 3/8	$54 1/2
Second Quarter	43 3/4	54 3/4
Third Quarter	39 1/2	47 3/4
Fourth Quarter	37 1/4	46
1993		
First Quarter	40 3/8	46 1/4
Second Quarter	42 3/8	46 1/4
Third Quarter	39 7/8	45 1/4
Fourth Quarter	41 3/4	50 1/2
1994		
First Quarter	47 1/2	51 5/8
Second Quarter (through May 12)	46	53 1/4

</TABLE>

A quarterly cash dividend of $0.55 per share has been paid on the Common Stock since June 1990 and the Company has paid cash dividends on its Common Stock in each fiscal quarter since 1926. Future dividends will be determined by the Company's Board of Directors after consideration of the earnings and financial condition of the Company, the Company's needs for funds and other factors which the Company's Board of Directors deems relevant. The Company's note agreements contain restrictions relating to the payment of dividends and acquisition of the Company's capital stock. At March 31, 1994, retained earnings of approximately $97 million were not so restricted under such agreements.

SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA

The following consolidated financial data have been derived from, and should be read in conjunction with, the detailed information and consolidated financial statements contained in the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 1994 and the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1993 and incorporated by reference herein. The data for interim periods are based on unaudited financial statements which include all adjustments that, in the opinion of management of the Company, are necessary for a fair presentation of such data. The interim data are not necessarily indicative of results for the full year.

<TABLE>
<CAPTION>

	THREE MONTHS ENDED MARCH 31,		YEAR ENDED DECEMBER 31,				
	1994	1993	1993(A)	1992(B)	1991(C)	1990	1989
	(IN MILLIONS, EXCEPT PER SHARE DATA)						
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
INCOME STATEMENT DATA:							
Sales:							
Chemicals	$ 285	$ 280	$1,117	$ 996	$ 960	$1,269	$1,302
Metals	180	177	660	676	562	566	542
Defense & Ammunition	140	135	646	704	753	757	665
Consolidated	605	592	2,423	2,376	2,275	2,592	2,509
Net Income (Loss):							
Chemicals	8	7	(94)	21	(38)	42	106
Metals	9	6	14	29	17	35	19
Defense & Ammunition	4	4	10	29	35	36	31
Corporate & Other	(6)	(5)	(22)	(70)	(27)	(29)	(32)
Consolidated	15	12	(92)	9	(13)	84	124
Net Income (Loss) Available for Common Shareholders	14	10	(99)	1	(18)	76	120
PER SHARE OF COMMON STOCK DATA:							
Net Income (Loss)							
Primary	.62	.45	(4.52)	.06	(.92)	4.03	6.02
Fully Diluted	.62	.45	(d)	(d)	(d)	3.88	5.85
Cash Dividends	.55	.55	2.20	2.20	2.20	2.15	1.95
Average Shares Outstanding (000s)	19,113	19,072	19,080	19,050	19,001	19,053	20,004
Fully Diluted Weighted Average Shares (000s)	23,502	23,549	23,487	23,235	20,618	20,554	20,799

BALANCE SHEET DATA (AT END OF PERIOD):							
Working Capital	$ 153	$ 212	$ 136	$ 179	$ 85	$ 212	$ 205
Total Assets	1,950	2,046	1,930	2,030	2,012	1,866	1,904
Total Debt	600	540	570	578	698	570	656
Shareholders' Equity	598	736	596	741	666	715	665

</TABLE>

- ---------------

(a) The 1993 results include a $132 million after-tax charge recorded in the fourth quarter for personnel reductions, business restructurings involving consolidations and re-alignments within divisions, costs at sites of discontinued businesses, future environmental liabilities, and other charges. Segment allocation of this charge was $106 million to Chemicals, $12 million to Metals and $14 million to Defense and Ammunition.

(b) The 1992 results include a $46 million after-tax charge (allocated to Corporate & Other) for the adoption of Financial Accounting Standards Board Statements No. 106 and No. 109, retroactive to the first quarter of 1992.

(c) The 1991 results include a $80 million after-tax charge recorded in the first quarter to cover losses on disposition and write-down of certain businesses and costs of personnel reductions. Segment allocation of this charge was $73 million to Chemicals and $7 million to Metals.

(d) Fully diluted loss per share is not presented as the amount is anti-dilutive.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

First Quarter 1994 Compared to First Quarter 1993

First quarter sales and net income data by industry segment are presented below:

<TABLE>
<CAPTION>

	THREE MONTHS ENDED MARCH 31, 1994	1993
	(IN MILLIONS)	
<S>	<C>	<C>
Sales:		
Chemicals	$285.2	$280.1
Metals	179.5	176.4
Defense and Ammunition	140.2	135.4
Total	$604.9	$591.9
Net Income:		
Chemicals	$ 7.8	$ 7.2
Metals	8.9	6.0
Defense and Ammunition	4.2	4.3
Corporate and Other	(5.6)	(5.8)
Total	$ 15.3	$ 11.7

</TABLE>

CHEMICALS

Although Chemicals segment sales were slightly ahead of 1993's quarter, 1994 net income increased 8% to $7.8 million as some of the Company's chemicals businesses benefited from an improving economy. Operating results of flexible urethanes improved significantly over 1993's level as a result of lower manufacturing costs and the absence of a TDI plant maintenance turnaround which occurred in 1993's first quarter. Chlor-alkali's financial performance was adversely affected by declining caustic soda prices. Higher manufacturing costs and brand promotional expenses in 1994 were the main factors contributing to pool chemicals profit decline. Electronic materials' profits were significantly ahead of last year due to increased demand for its products and services and lower manufacturing costs.

METALS

Metals segment sales increased slightly over 1993's level, while net income was 48% ahead of the same period last year. Higher volumes from increased demand, particularly in the automotive and housing industries, as well as a strong commercial ammunition market, contributed to the strong profit improvement over 1993's first quarter. The 1994 sales increase resulting from these higher volumes was offset in part by lower metal values. In addition, losses from the German joint venture, which was sold in October 1993, adversely impacted this segment's 1993 net income.

DEFENSE AND AMMUNITION

Defense and Ammunition segment sales in 1994 increased slightly from the prior year period, while net income was marginally less than 1993's first quarter. Winchester's net income was slightly behind last year's level as lower fees for managing the Lake City Army Ammunition plant more than offset the profits from higher commercial ammunition sales. Aerospace's sales and net income were ahead of last year's levels due to higher sales from certain Aerospace programs, lower manufacturing costs and additional royalty income. Lower sales of medium caliber ammunition and Ball Powder propellant were the main contributors to the 1994 decrease in Ordnance's financial performance.

Continuing reductions in the levels of defense procurement are currently adversely affecting the Defense and Ammunition segment's performance and may continue to do so in future periods. Consequently, these reductions may also adversely affect, to a lesser extent, the Company's financial performance in future years, including its income, liquidity, capital resources and financial condition. In addition, changes in the strategic direction of defense spending and the timing of defense procurement may also adversely affect this segment and the Company. The precise impact of defense spending cutbacks will depend on the level of cutbacks, the extent to which these cutbacks are in the conventional ammunition area and the Company's ability to mitigate the impact of the cutbacks with new business or by business consolidations. The Company currently provides services to the U.S. Government in facilities management and is pursuing other business areas such as ordnance demilitarization. In view of continuing spending cutbacks of the Department of Defense, the historical financial information of the Defense and Ammunition segment, and to a lesser extent, of the Company, may not be indicative of future performance.

Additional brand promotional expenses relating to pool chemicals, increased market development expenses to support the expansion of the biocides product line and a higher provision for doubtful accounts contributed to the 1994 increase in selling and administration expenses. The 1994 decrease in interest and other income was due primarily to income earned in 1993 for the removal of salt from a leased brine cavity. The 1994 first quarter effective tax rate of 36%, compared to 34.6% for the comparable 1993 period, reflected an increased Federal income tax rate, which was legislated into law in 1993.

LIQUIDITY AND INVESTMENT ACTIVITY

In 1994 cash flow from operations and the use of credit facilities were used to finance the Company's seasonal working capital requirements, capital expenditures and dividends. At March 31, 1994, the Company maintained committed credit facilities with banks of $367 million of which $191 million was available. The Company believes that these credit facilities are adequate to satisfy its liquidity needs for the near future. In 1994 cash flow from operations improved significantly from 1993's level. In the first three months of 1993 cash flow was used to significantly reduce December 31, 1992 accounts payable balances. The unusually high level of capital spending in the 1992 fourth quarter and the timing of payment of invoices relating to various purchase commitments resulted in the increased level of accounts payable at year-end 1992 as compared to year-end 1993.

Concerning the Company's investing activities in the first quarter, capital spending of $20.4 million in 1994 was 33% lower than 1993 due to higher levels of spending in 1993 for additional brass strip capacity and the sulfuric acid regeneration plant. Total year capital spending, including environmental capital spending of $10 million, is estimated to increase 10% from 1993 mainly to support the consolidations of some electronic materials businesses and provide additional capacity for selected product lines. Historically, the Company has funded its environmental capital spending through cash flow from operations and expects to do so in the future. Investment spending in the first quarter of 1993 was attributed primarily to the new ethylene oxide facility in Latin America.

During the 1993 first quarter the Company sold the facility and assets of its contract integrated circuit assembly operation and its brake fluid and certain formulated functional fluid product lines. These divestitures generated proceeds of $10.4 million.

At March 31, 1994, the percent of total debt to total capitalization (excluding the reduction in equity for the Contributing Employee Ownership Plan) was 48.3%, up from 47.1% at year-end 1993 and 45.5% at March 31, 1993. The increase from year-end 1993 is attributable to higher short-term borrowings to finance seasonal working capital requirements.

In the 1994 first quarter, the Company spent approximately $6 million for investigatory and clean-up activities associated with former waste sites and past operations. Spending for environmental investigatory and remedial efforts for the full year 1994 is estimated to be $40 million, compared to $44 million in 1993. The amounts spent were not charged to income but instead were charged to reserves established for such costs identified and expensed to income in prior years. Associated costs of investigatory and remedial activities are provided for in accordance with generally accepted accounting principles governing probability and the ability

to reasonably estimate future costs. Charges to income for investigatory and remedial efforts were material to operating results in 1991, 1992 and 1993 and are expected to be material to net income in 1994 and future years.

Annual environmental-related cash outlays for capital projects, site investigation and remediation, and normal plant operations are expected to range from $90-$105 million over the next several years. While the Company does not anticipate a material increase in the projected annual level of its environmental-related costs, there is always the possibility that such increases may occur in the future in view of the uncertainties associated with environmental exposures. Environmental exposures are difficult to assess for numerous reasons, including the identifications of new sites, developments at sites resulting from investigatory studies, advances in technology, changes in environmental laws and regulations and their application, the scarcity of reliable data pertaining to identified sites, the difficulty in assessing the involvement and the financial capability of other potentially responsible parties and the Company's ability to obtain contributions from other parties and the time periods (sometimes lengthy) over which site remediation occurs. It is possible that some of these matters (the outcome of which is subject to various uncertainties) may be decided unfavorably against the Company.

The Company's consolidated balance sheets include reserves for future environmental expenditures to investigate and remediate known sites amounting to $129 million at March 31, 1994 and $131 million at December 31, 1993, of which $89 million and $91 million were classified as other noncurrent liabilities, respectively. Included in the reserve at March 31, 1994 and December 31, 1993, were liabilities anticipated to be shared with a third party, with whom the Company is currently in litigation. Those reserves did not take into account any discounting of future expenditures or any consideration of insurance recoveries or advances in technology. Environmental liabilities are reassessed periodically to determine if environmental circumstances have changed and/or remediation efforts and their costs can be better estimated. As a result of these reassessments, future charges to income may be made for additional liabilities.

There are a variety of legal proceedings pending or threatened against the Company. It is possible that some of these matters (the outcome of which is subject to various uncertainties) may be decided unfavorably against the Company. Certain of these matters are discussed in Item 3, Legal Proceedings of the 1993 Form 10-K Annual Report and in other filings of the Company with the Securities and Exchange Commission, which are incorporated herein by reference.

1993 Compared to 1992

Although the economy had shown some recent signs of improvement as of the end of 1993, the recession continued to influence some of the Company's major product lines. The lingering effects of the recession, the inability to raise prices for certain chemical products, the declining levels of defense procurement and intense price competition in the metals industry have adversely impacted the Company's financial performance. Also in 1993, a series of strategic actions were announced that resulted in a pretax charge to operations of $213 million ($132 million after tax) to cover costs for personnel reductions, business restructurings involving the consolidations and re-alignments within divisions, costs at sites of discontinued businesses, future environmental liabilities, and other charges. As a result, the Company reported a 1993 net loss of $92 million, equal to $4.52 per share. Net income in 1992 was $9 million or 6 cents per share and included an after-tax charge of $46 million for the adoption of two financial accounting standards involving retiree benefits and income taxes. Sales for 1993 were $2.4 billion, up slightly from 1992's level.

CHEMICALS

Chemicals 1993 sales were $1,117 million, up 12% from the prior year. This increase was attributable in part to higher performance urethanes sales, particularly for the new specialty urethanes coatings, and sales of a previously non-consolidated affiliate in Europe. Segment net loss for 1993 was $94 million which included $106 million of the 1993 charge, compared to 1992's net income of $21 million. The decline in net income was due primarily to the poor performance from the chlor-alkali and flexible urethanes businesses.

Despite a 3% increase in the 1993 chlorine industry operating rate to 97% of capacity, chlor-alkali financial performance was significantly behind 1992's level. Chlorine prices increased throughout 1993, driven by strong demand from plastic manufacturers. Conversely, demand for caustic was sluggish and adversely affected by over-supply conditions in the marketplace. The decline in caustic prices was greater than the increase in chlorine prices. These factors along with higher electricity costs (caused by severe weather conditions in the Southeast and a certain nuclear power plant shutdown) and operating problems at the Niachlor facility were the main contributors to the 1993 decline in chlor-alkali's financial performance.

Sales of flexible urethanes increased over 1992's level. Higher domestic TDI volumes and prices more than offset lower international prices and contributed to the sales increase. Flexible polyols volumes and prices were slightly ahead of 1992's levels. Despite the sales gains, the flexible urethanes business lost money once again in 1993. Production problems early in the year, lower international prices and the unfavorable performance by the Company's two Venezuelan joint ventures contributed to the additional losses.

Sales of acids, sodium hydrosulfite and other industrial chemicals in 1993 were comparable to 1992 sales, while net profits were slightly higher due primarily to the strong demand for sodium hydrosulfite by the textile and paper industries.

In the pool products business, 1993's financial performance was comparable to 1992. Improved weather conditions combined with sales of a previously non-consolidated European affiliate accounted for the revenue increase. Higher product exports and market share of bulk chemicals also contributed to mitigating the profit impact of lower pricing due to on-going competitive pressures. The additional volumes and the improved operating results from a Brazilian joint venture offset the profit impact of lower prices, a less favorable product mix and higher administrative expenses.

Speciality and organic chemicals sales in 1993 were equal to 1992 levels, while profits in 1993 increased significantly from 1992. The Company expanded its biocides products and markets in 1993, with shipments to the Far East and other international customers more than doubling. The combination of increased shipments and lower raw materials costs for propylene and ethylene oxide accounted for the improvement in sales and profitability of the specialty surfactants business.

Sales of performance urethanes in 1993 were well ahead of 1992 while associated operating losses declined significantly. Higher sales volumes and a lower raw material cost were the main contributors to the improved performance of the polyols business. In its first full year of operations in 1993, the new specialty urethanes coatings business built market share through competitive pricing.

The 1994 outlook for the Chemicals segment is positive. Chlor-alkali's results are expected to be slightly improved in 1994. Continuing strong demand for chlorine is anticipated while at the same time adding to the over-supply position for caustic. The pricing outlook could become more complex as a competitor is expected to bring on additional capacity early in the year. Flexible urethane's financial performance is anticipated to be enhanced by increased pricing and volume. The absence of a TDI plant maintenance turn-around and more efficient plant operations are expected to improve flexible urethanes manufacturing performance and product availability. Continuing strong demand from the textile and paper industries, price stability and declining raw material costs are anticipated to have a favorable impact on sodium hydrosulfite's 1994 performance. In addition, the sulfuric acid business is expected to benefit from the new acid regeneration plant. In the pool products business higher sales volumes and reduced selling and administration expenses are expected to improve 1994's performance. New product introductions in biocides, surfactants, custom chemicals and an expanded hydrazine solutions business are expected to increase sales and profits of the specialty and organic chemicals business. In performance urethanes, differentiated products with unique characteristics could permit the Company to maintain its market share in this business area and improve financial performance. Sales of urethanes coatings products are estimated to double as three new products are expected to be commercialized. In the electronic materials business, increased demand for MQUAD, a proprietary metal package for the semiconductor industry, is expected to be a significant contributor to a 1994 sales increase. The profit impact from the additional packaging business along with volume and mix improvements in the Company's high-purity electronic chemicals businesses and joint venture operations are expected to contribute to a year-to-year increase in profits.

METALS

Metals sales of $660 million declined 2% on lower metal values and reduced levels of utility and defense-related business. The Company's Indianapolis operations, Mill Products and the Fabricating business, and A. J. Oster Co. ("Oster") each recorded higher volumes and improved product mix. Record commercial shipments of brass strip were achieved in 1993. In addition, the expansion of the East Alton mill was completed in mid-1993, contributing to improved quality and productivity.

Metals net income was $14 million in 1993, compared to $29 million in 1992. The 1993 income is net of a $12 million charge for costs associated with the 1993 strategic action plan. The profit decline resulted from lower sales to the defense and utility industries and pricing pressures as a competitor brought additional capacity on line. In addition, losses in 1993 from the Langenberg joint venture were significantly greater than the corresponding loss in 1992. In the 1993 fourth quarter, the Company sold its interest in this venture to its partner for approximately book value, avoiding a continuation of expected losses in 1994. Offsetting these negative income factors to some degree were the strong profit performance from the Oster and Indianapolis operations due to higher shipments of brass strip.

With an expected stable-to-improving economy that will support an increased demand for brass strip and strip-related products, the 1994 outlook for the Metals segment is favorable. Sales are projected to increase due to higher metal values (primarily for copper), higher volumes and an improved product mix in most operations. Sales of defense-related products are expected to decline due to reduced government procurements. Excess domestic capacity may lower industry operating rates and may create a very competitive pricing environment. Profits from the additional volumes, cost reductions (including an early retirement incentive program) and profit improvement programs along with the absence of losses from the German joint venture are expected to contribute to a slight increase in segment net income.

DEFENSE AND AMMUNITION

Defense and Ammunition segment sales of $646 million were 8% behind 1992's level due primarily to lower shipments of certain tank and medium caliber ammunition and delays of awards/start-up of new Aerospace government programs. These reduced sales volumes along with higher costs incurred on certain government contracts in 1993 contributed to an 18% decline in segment net income, excluding $14 million of the 1993 charge applicable to this segment.

The Ordnance division experienced lower shipments of certain large and medium caliber ammunition due to shrinking defense procurements. Net income was further impacted by higher severance costs as the division continued to resize, reflecting declining U.S. defense budgets.

Winchester's 1993 sales decreased 2% from 1992 resulting from the completion in 1992 of several foreign ammunition contracts and lower shipments of small caliber military and export ammunition partially offset by higher domestic sales. An improved product mix, higher domestic selling prices and favorable manufacturing cost performance more than offset the reduced export profit margins, resulting in a slight improvement in net income.

The Aerospace division financial results were mixed for 1993; sales declined 11% while net income increased 21%. Lower sales of certain solid propellant products and canceled/delayed Department of Defense ("DoD") contract awards contributed to the sales decline. The related profit impact from lower sales was more than offset by the absence of cost overruns on certain fixed-price contracts and the costs of closing the Wadsworth facility, both in 1992, along with lower operating expenses in 1993.

In 1994, sales for the Defense and Ammunition segment are projected to decline as lower shipments of medium caliber and large caliber ammunition are expected to offset higher export ammunition sales and new DoD awards in the Aerospace division. Commercial ammunition sales are anticipated to be comparable to 1993's level. Segment net income is projected to be slightly lower than in 1993. The lower profit impact from the aforementioned sales and reduced revenues from managing the Lake City Army Ammunition plant are expected to negate any profit improvement from lower raw material costs and operating expenses.

U.S. Government sales amounted to $354 million in 1993, $409 million in 1992 and $453 million in 1991. Approximately 89% of 1993 sales were to the DoD or agencies thereof. Continuing reductions in the levels of defense procurement are currently adversely affecting the Defense and Ammunition segment's performance and may continue to do so in future periods. Consequently, these reductions may also adversely affect, to a lesser extent, the Company's financial performance in future years, including its income, liquidity, capital resources and financial condition. In addition, changes in the strategic direction of defense spending and the timing of defense procurement may also adversely affect this segment and the Company. The precise impact of defense spending cutbacks will depend on the level of cutbacks, the extent to which these cutbacks are in the conventional ammunition area and the Company's ability to mitigate the impact of the cutbacks with new business or by business consolidations. The Company currently provides services to the U.S. Government in facilities management and is pursuing other business areas such as ordnance demilitarization. In view of continuing spending cutbacks of the DoD, the historical financial information of the Defense and Ammunition segment, and to a lesser extent, of the Company, may not be indicative of future performance.

OTHER FINANCIAL DATA

In December 1993, the Company announced a series of strategic actions consisting of personnel reductions, business restructurings including consolidations and re-alignments within divisions, provisions for costs at sites of discontinued businesses, future environmental liabilities, and other charges. As a result of these actions, the Company recorded a pretax charge to operations of $213 million ($132 million after tax) in the fourth quarter of 1993. Major components of this charge were the following:

A. Personnel Reductions: The Company expects to reduce its salaried workforce by over 10%, or 600 people, over the two years beginning in January 1994 along with minor reductions in the hourly workforce. An early retirement incentive program has been put in effect for the Brass and Winchester divisions, which did not participate in a similar program offered in 1991. The pretax charge for these actions was $42 million.

B. Business Restructurings: The charge provided for streamlining existing businesses by relocating and consolidating several facilities, primarily electronic materials businesses. Additionally, a portion of the charge related to lower estimated proceeds from asset disposals and higher costs associated with components of the 1991 streamlining program discussed below. The Company recorded a pretax charge of $41 million for these business restructurings.

C. Discontinued Businesses and Site Maintenance Costs: The pretax charge for discontinued businesses and site maintenance was $41 million to provide for property maintenance, security, and product liability expenses associated with several operations which are no longer on-going businesses. Also, a previously decommissioned plant and warehouse will be disassembled, while associated buildings will be modified to make them suitable for future leasing.

D. Future Environmental Liabilities: The pretax charge of $55 million recognized future environmental liabilities resulting from additional investigatory activities and more extensive remediation at sites. An additional pretax charge of $24 million related to remediation costs which the Company funded and anticipated sharing with a third party, with whom the Company is now in litigation.

E. Other Charges: There were various other minor charges, including assets write-downs and long-term disability costs, which amounted to $10 million pretax.

The anticipated savings resulting from the workforce reductions and business restructurings are expected to approximate $25 million in 1994 and $40 million on an annualized basis, thereafter.

Selling and administration expenses as a percent of sales increased to 12.4% in 1993 from 11.7% in 1992. Increased administrative, selling and promotional efforts for new product introductions in the Chemicals and the Defense and Ammunition segments, higher operating expenses of the electronic materials businesses and the European affiliate mentioned above were the main contributors to the increase. Research and

development expenditures, up slightly from 1992's level, continue to be concentrated on the Company's core businesses and the exploration of new products and technologies associated with these businesses.

Interest expense in 1993 decreased slightly from 1992 due to lower short-term interest rates in effect during 1993. The average borrowing rate on domestic short-term debt decreased by 87 basis points from 1992.

The effective tax rate was 38.7% in 1993 and 37.5% in 1992, approximating the combined federal and state statutory rates in each year, respectively. At December 31, 1993, the Company had net deferred tax assets of $63 million, principally comprised of alternative minimum tax credits of $40 million and temporary differences between financial statement and tax bases of assets and liabilities. No valuation allowance has been provided because management believes that it is more likely than not that sufficient taxable income will be generated in the next two to four years to allow for the realization of these tax benefits. Such future taxable income approximates $350 million.

1992 Compared to 1991

Sales in 1992 were $2.4 billion, an increase of 4% over 1991's sales. Volumes rose 5% as most major product lines in the Metals and Chemicals segments experienced higher shipments while overall selling prices were 1% below 1991. Net income for 1992 was $9 million, or 6 cents per share, which included an after-tax charge of $46 million or $2.11 per share for the adoption of the Statements of Financial Accounting Standards ("SFAS") No. 106 and No. 109, retroactive to the first quarter of 1992. The 1991 net loss of $13 million or 92 cents per share included an after-tax charge of $80 million for a program to streamline operations and lower costs through the sale of certain businesses and personnel reductions. The operating results in 1992 were impacted by the weak economy, start-up and market entry expenses for the new aliphatic diisocyanate business, delays in the introduction of certain new chemical products and lower profitability of the Ordnance and Aerospace businesses.

CHEMICALS

The 1992 sales of $996 million increased 4% over 1991 sales while segment net income was $21 million compared to 1991's net loss of $38 million that included an after-tax charge of $73 million for the 1991 streamlining program. Weak economic conditions affected many of the chemicals businesses. Lower pricing and higher costs in flexible urethanes, lower demand for specialty and organic chemicals, the start-up and related market penetration costs of the new aliphatics business and unfavorable results from joint ventures contributed to the 1992 decline in net income from 1991, after excluding the charge for the 1991 streamlining program.

Chlor-alkali's financial performance was comparable to 1991. Chlor-alkali sales were generally strong throughout 1992, although the impact of higher volumes was offset by lower prices for chlorine and caustic soda. Related profits were equivalent to 1991 as the impact of the lower selling prices was offset by higher volumes and lower costs.

Flexible urethanes results were lower in 1992. Sales were 3% above 1991 as flexible polyols sales increased and worldwide TDI volumes remained at 1991 levels. Higher raw material costs for flexible polyols more than offset the profit contribution from additional sales. TDI profitability was impacted by lower worldwide pricing and higher raw material costs and manufacturing expenses.

Sales and profits of industrial chemicals in 1992 were ahead of 1991 due primarily to higher volumes. Domestic operations more than offset the unfavorable results of the Brazilian sodium hydrosulfite facility which completed its first full year of operations.

Pool products sales increased 8% in 1992 over 1991 while profitability increased significantly. Price increases along with higher volumes and improved mix for certain products were the prime contributors to the stronger financial results. Improved raw material usage and tighter control over manufacturing costs also led to higher gross margins.

In the specialty and organic chemicals business, sales and profits in 1992 were behind 1991 levels. Volume improvements in hydrazine solutions and specialty surfactants were not sufficient to offset the sales decrease in biocides as demand for traditional products declined due primarily to a customer adjusting inventory levels, and the introduction of new products was delayed awaiting toxicology and evaluation results. Costs of expanded manufacturing capacity and operating activities for the new products in biocides and surfactants more than offset the profit increases from hydrazine solutions and the propellant business.

Despite a 7% increase in performance urethanes sales, operating results were significantly worse in 1992 than 1991. Start-up and market-entry costs for the new aliphatics business negated increased volumes from existing products and were the primary factors in this product line's overall negative profit performance on a year-to-year basis. On the positive side, quality products for the new specialty urethanes coatings business were achieved within the first month of operations and customer response was favorable with interest in both current products and those under development.

METALS

Segment sales were $676 million in 1992, an increase of $114 million or 20% above 1991, due primarily to Oster, which was acquired in August 1991, and higher shipments of brass strip, Fineweld Tube and Somers thin-strip products.

Segment net income was $29 million, an increase of $12 million over 1991, which included special provisions affecting a discontinued product line and costs, primarily severance. The added profit from Oster and improved performance from cupping, Fineweld Tube and the Indianapolis strip facility contributed to the segment's 1992 profit increase. Segment net income was negatively impacted in 1992 by poor results from the German joint venture operations due to the depressed European economy.

DEFENSE AND AMMUNITION

Defense and ammunition sales were $704 million in 1992, down 7% from 1991 due to contract delays/cancellations and the absence of sales from the European sporting ammunition business which was sold in December 1991. Net income was $29 million in 1992, down 17% from 1991 due to lower profits from the Aerospace and Ordnance divisions.

The Aerospace division sales decreased 14% due to the absence in 1992 of production equipment sales, delays/cancellations of DoD contracts and a weak commercial aircraft market. Net income decreased significantly from 1991. The recognition of losses on certain government contracts, the impact of the contract delays and the closure of a production facility contributed to the profitability decline.

In Ordnance, tank ammunition sales were below 1991 levels which included additional sales created by the Persian Gulf War. This decline more than offset an increase in medium caliber sales in 1992, as Ordnance division's sales in total lagged 1991's amounts. Net income for 1992 declined due to the reduced tank ammunition volumes, the recognition of losses on certain contracts and expenses incurred in connection with the proposed Alliant Techsystems transaction. In addition, an increase in royalty and fee income was offset by expenses associated with the clean-up of a medium caliber test range.

Winchester's sales in 1992 increased $32 million over 1991 (after excluding the European sporting ammunition sales) due to higher domestic and foreign shipments. Domestic sporting ammunition sales increased over 1991 despite a very competitive pricing environment. Military and commercial export volumes increased significantly over last year due to new business, a weak U.S. dollar in Europe and additional market share gains in South America and Australia. Winchester's 1992 net income exceeded 1991's level. Strong domestic commercial shipments did not totally offset lower commercial prices, but favorable manufacturing performance, higher fees for managing the Lake City Army Ammunition Plant and the profit contribution from the military and commercial export sales increased the domestic operation's 1992 net income over 1991.

OTHER FINANCIAL DATA

In the first quarter of 1991, the Company announced a program to streamline operations and lower costs and recorded a pretax charge of $129 million ($80 million after tax). Throughout 1991, efforts were undertaken to divest or liquidate certain product lines and reduce personnel costs, accordingly. These efforts continued in 1992 including the divestment of several small product lines.

Selling and administration expenses increased $17 million in 1992 to 11.7% of sales, up slightly from 11.5% in 1991. The inclusion of Oster's operating expenses for a full year, higher pension costs and increased selling expenses for certain chemical products were the principal reasons for the increase on a year-to-year basis. Research and development expenditures in 1992 decreased slightly from 1991 levels. Customer-sponsored (contract) research increased significantly from 1991 due to increased activities relating to new government programs.

Interest expense in 1992 was $39 million, a decrease of $7 million or 15% from 1991, due primarily to lower average interest rates. The average interest rate on domestic short-term debt declined to 4.2% in 1992 from 6.3% in 1991. Interest and other income decreased by $5 million in 1992 due primarily to the unfavorable performance of non-consolidated affiliates, particularly in South America and Europe.

LIQUIDITY AND INVESTMENT ACTIVITY

Cash flow from operations supplemented by credit facilities and divestment proceeds from the sale of businesses were used to finance the Company's major funding needs in 1991 through 1993, namely capital projects and dividends to shareholders. Cash flow from operating activities amounted to $137 million in 1993, $189 million in 1992 and $167 million in 1991. The decrease in 1993 was primarily attributable to lower operating income. The effect of lower income was partially offset by higher depreciation expense which resulted from increased capital expenditure levels in prior years. The completion and close-out of certain government contracts also provided for a further liquidation of trade receivables. Additional cash was invested in inventory in support of both realized and anticipated expansion of the Oster business as well as introductions of new chemical products, most notably specialty urethanes coatings. The settlement of current liabilities other than borrowings relates to lower amounts due vendors, increased spending for environmental remediation, and costs incurred in executing the 1991 streamlining program. The 1992 increase in net cash generated from operations, as compared to 1991, was attributed primarily to the collection of receivables associated with the close-out of certain government contracts.

Net cash used for investing activities decreased from $259 million in 1991 to $139 million in 1992 and then to $84 million in 1993. Capital spending in 1993 decreased $41 million or 24% from 1992 due to lower environmental capital spending and the completion in 1992 of additional brass strip capacity, the new specialty urethanes plant and the sulfuric acid regeneration plant. Capital spending in 1992 was comparable to 1991 which included investments in the aliphatics diisocyanate plant, the sodium hydrosulfite plant in Brazil and the biocides expansion in Ireland. Approximately 41% of capital expenditures in 1993 and 45% in 1992 and 1991 were dedicated to new products and expansion programs. It is expected that 1994 capital expenditures will increase approximately 10% from 1993 mainly to support the consolidation of some electronic materials businesses and provide additional capacity for selected product lines. Investment spending in 1993 and 1992 was primarily for a new ethylene oxide joint venture in Latin America, which was completed in 1993. The Company's investment in this venture and another related Latin American venture totaled $23 million at December 31, 1993. These ventures were unprofitable in 1993 and experienced liquidity difficulties. The Company, along with its joint venture partners, is currently attempting to resolve these difficulties in order to protect its recorded investment. Spending in 1991 was dedicated primarily to an expansion of the German joint venture in metals. It is expected that 1994's investment spending will be lower than 1993's level as the expansion programs at the Company's affiliates have been completed.

During 1993 the Company sold the facility and the assets of its contract integrated circuit assembly operation (completing the divestiture phase of its 1991 streamlining program) and its interest in the German joint venture to its partner. These divestments generated proceeds of $37 million. Throughout 1992, several small product lines, such as urethane systems, Uralloy low profile additives, sodium chlorite, the European and

Singapore-based electronic chemicals and the ethylene oxide unit were sold as part of the streamlining program. Proceeds from the sales amounted to $42 million including $6 million received from a prior year sale. In 1991, the Company acquired Oster, a network of metals service centers, for $80 million and sold its European sporting ammunition business (including its shotshell manufacturing facility in Italy) to Browning, S.A.

At December 31, 1993, the Company maintained committed credit facilities with banks of $367 million of which $208 million was available. The Company believes that these credit facilities are adequate to satisfy its liquidity needs for the near future. In September 1993, the Company entered into a new unsecured revolving credit agreement with a group of banks, which replaced a prior $200 million credit agreement. The new agreement provides a maximum borrowing of $250 million and unless extended, expires on October 15, 1997. The Company may select various floating rate borrowing options.

In 1992, the Company sold 2.76 million shares of its $1 par value Series A Conversion Preferred Stock ("Series A Stock") generating net proceeds of $111 million, which were used to reduce outstanding bank loans. In addition, the Company in 1992 sold $100 million of 8% Notes due 2002 and used the proceeds to reduce short-term debt (most of which was incurred for working capital purposes). The Company has swapped interest payments on $50 million principal amount of these notes to a floating rate.

In 1990, the Company sold an undivided ownership interest in a designated pool of receivables, with limited recourse, in an amount not to exceed $70 million. An interest in new receivables is sold as collections reduce previously sold interests. The Company established certain qualifications involving the type and term of receivables for inclusion in the pool. These qualifications had the effect of including better-quality customer accounts in the pool, thereby reducing the investor's risk and minimizing the likelihood of recourse. The Company's credit risk associated with the designated pool of receivables is assessed in conjunction with the overall evaluation of trade receivables. Reserves ascribed to these accounts are included in the "Allowance for Doubtful Items" on the consolidated balance sheets and are not a material portion thereof. Amounts sold were $65 million and $60 million at December 31, 1993 and December 31, 1992, respectively.

The establishment and implementation of federal, state and local standards to regulate air, water and land quality has affected and will continue to affect substantially all of the Company's plants. Facilities and equipment to protect the environment do not inherently produce any significant increase in product capacity, efficiency or revenue, and their operation generally entails additional expense and energy consumption. Federal legislation providing for regulation of the manufacture, transportation, use and disposal of hazardous and toxic substances has imposed additional regulatory requirements on industry, particularly the chemicals industry. In addition, implementation of environmental laws, such as the Resource Conservation and Recovery Act and the Clean Air Act, has required and will continue to require new capital expenditures and will increase operating costs. The Company employs waste minimization and pollution prevention programs at its manufacturing sites. In order to help finance the cleanup of waste disposal sites, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986 ("Superfund"), imposes a tax on the sale of various chemicals, including chlorine, caustic and certain other chemicals produced by the Company, and on the disposal of certain hazardous wastes.

The Company is party to various governmental and private environmental actions associated with waste disposal sites and manufacturing facilities. Associated costs of investigatory and remedial activities are provided for in accordance with generally accepted accounting principles governing probability and the ability to reasonably estimate future costs. Environmental provisions charged to income amounted to $85 million in 1993, $17 million in 1992, and $18 million in 1991. The significant increase in 1993 resulted from expanded volumes of contaminants uncovered while remediating a particular site, combined with the availability of more definitive data from progressing investigatory activities concerning both the nature and extent of contamination and remediation alternatives at other sites. Charges to income for investigatory and remedial efforts were material to operating results in 1993, 1992, and 1991 and may be material to net income in future years.

Cash outlays for environmental-related activities totaled $93 million in 1993 as compared with $103 million in 1992 and $90 million in 1991. During 1993, $49 million of these cash outlays were directed towards

normal plant operations for the disposal of waste and the installation, operation and maintenance of pollution control equipment and facilities to ensure compliance with mandated and voluntarily imposed environmental quality standards. Comparable spending for 1992 and 1991 was $62 million and $65 million, respectively. Included in the costs for normal plant operations were environmental capital expenditures for pollution control equipment and pollution abatement facilities. Spending for environmental capital expenditures was $11 million in 1993 and $25 million in both 1991 and 1992. The 1991 and 1992 environmental capital expenditures include construction costs for a waste water treatment facility at the Company's Lake Charles plant. Historically, the Company has funded its environmental capital expenditures through cash flow from operations and expects to do so in the future.

Cash outlays for remedial and investigatory activities associated with former waste sites and past operations were $44 million in 1993, $41 million in 1992 and $25 million in 1991. These amounts were not charged to income but instead were charged to reserves established for such costs identified and expensed to income in prior years.

The Company's estimated environmental liability at the end of 1993 was attributable to 70 sites, 34 of which were on the National Priority List ("NPL"). Ten sites accounted for approximately 75% of such liability and, of the remaining sites, no one site accounted for more than three percent of such liability. Four of these ten sites were in the investigatory stage of the remediation process. In this stage remedial investigation and feasibility studies are conducted by either the Company, the United States Environmental Protection Agency ("EPA") or other potentially responsible parties ("PRPs"). At another four of the ten sites, a Record of Decision ("ROD") or its equivalent has been issued by either the EPA or responsible state agency and the Company either alone, or as a member of a PRP group, was engaged in performing the remedial measures required by that ROD. At the remaining two of the ten sites, part of the site is subject to a ROD and another part is still in the investigative stage of remediation. All ten sites were either former manufacturing facilities or waste sites containing contamination generated by those facilities.

Total environmental-related cash outlays for 1994 are estimated to be $90 million, of which $50 million is expected to be spent on normal plant operations, including $10 million on capital projects, and $40 million on investigatory and remedial efforts.

The Company's consolidated balance sheets included reserves for future environmental expenditures to investigate and remediate known sites amounting to $131 million at December 31, 1993 and $66 million at December 31, 1992, of which $91 million and $39 million were classified as other noncurrent liabilities, respectively. Included in the reserve at December 31, 1993, were liabilities anticipated to be shared with a third party, with whom the Company is currently in litigation. Those reserves did not take into account any discounting of future expenditures or any consideration of insurance recoveries or advances in technology. Those liabilities are reassessed periodically to determine if environmental circumstances have changed and/or remediation efforts and their costs can be better estimated. As a result of these reassessments, future charges to income may be made for additional liabilities.

Annual environmental-related cash outlays for capital projects, site investigation and remediation, and normal plant operations are expected to range between $90-$105 million over the next several years. While the Company does not anticipate a material increase in the projected annual level of its environmental-related costs, there is always the possibility that such increases may occur in the future in view of the uncertainties associated with environmental exposures. Environmental exposures are difficult to assess for numerous reasons, including the identification of new sites, developments at sites resulting from investigatory studies, advances in technology, changes in environmental laws and regulations and their application, the scarcity of reliable data pertaining to identified sites, the difficulty in assessing the involvement and financial capability of other potentially responsible parties and the Company's ability to obtain contributions from other parties and the time periods (sometimes lengthy) over which site remediation occurs. It is possible that some of these matters (the outcome of which is subject to various uncertainties) may be decided unfavorably against the Company. At December 31, 1993, the Company had estimated additional contingent environmental liabilities of $19 million which were determined in accordance with generally accepted accounting principles.

The percent of total debt to total capitalization (excluding the reduction in equity for the Contributing Employee Ownership Plan ("ESOP")) increased to 47.1% at December 31, 1993, from 42.0% at year-end 1992 and was 48.5% at year-end 1991. The increase in 1993 was due to the reduction of shareholders' equity stemming from the charge taken in 1993. The 1992 decrease was due to the repayment of bank loans using proceeds from the Series A Stock offering and proceeds from the sales of businesses.

In 1989 the Company established an ESOP. The ESOP trust borrowed $100 million ($40 million from the Company) to purchase 1.3 million shares of the Company's convertible preferred stock. The proceeds received by the Company from the issuance of its preferred stock were used to acquire shares of its Common Stock. In 1992 and 1991, the Company received $15 million and $14 million, respectively from the ESOP trust, which has repaid in full its original loan from the Company. This loan to the ESOP was financed by the Company through a long-term credit facility, which is classified on the December 31, 1993 balance sheet as long-term debt.

Dividends per common share were $2.20 in 1993, 1992 and 1991. Total dividends paid on Common Stock amounted to $42 million in 1993 and $41 million in 1992 and 1991, while total ESOP preferred dividends, paid at an annual dividend rate of $5.97 per share, amounted to $7 million in 1993 and $8 million in 1992 and 1991. Dividends paid on Series A Stock were $10 million in 1993, equal to $3.64 per share, and $9 million in 1992.

There are a variety of legal proceedings pending or threatened against the Company. It is possible that some of these matters (the outcome of which is subject to various uncertainties) may be decided unfavorably against the Company. Certain of these matters are discussed in Item 3, Legal Proceedings of the Form 10-K Annual Report and in other filings of the Company with the Securities and Exchange Commission, which are incorporated herein by reference.

The Company periodically evaluates risk retention and insurance levels for product liability, property damage and other potential areas of risk. Based on the cost and availability of insurance and the likelihood of a loss occurring, management decides the amount of insurance coverage to purchase from unaffiliated companies and the appropriate amount of risk to retain. The current levels of risk retention are believed to be appropriate and are consistent with those of other companies in the various industries in which the Company operates.

In late 1992, the Financial Accounting Standards Board issued SFAS No. 112, "Employers' Accounting for Postemployment Benefits", effective commencing 1994. This standard will not have a material impact on the Company's financial position and future operating results.

THE COMPANY

Olin Corporation, a Virginia corporation incorporated in 1892, is a manufacturer of chemicals, metals, and ammunition and defense-related products which it markets to commercial and governmental customers. Results for the Company are reported in three operating segments: Chemicals, Metals, and Defense and Ammunition. The Company has recognized brand names in each of these segments, including Olin pool chemicals sold under the brand names HTH and Pace, metal products sold under the brand name Olin Brass and sporting ammunition sold under the brand names Winchester and Super-X.

References to the Company or Olin in this section include the Company and its subsidiaries and affiliates. Olin's principal executive offices are located at 120 Long Ridge Road, Stamford, Connecticut 06904, telephone (203) 356-2000.

OLIN STRATEGY

Olin's fundamental strategy is to build and maintain market leadership positions in its existing businesses. In implementing this strategy, Olin seeks to achieve its objectives by satisfying its customers and by focusing its resources, human and capital, in areas where the Company has an acceptable competitive position. Olin will concentrate on cost reductions and continuous operational improvement to achieve excellence in its businesses and improve earnings performance. The Company intends to review selective strategic transactions in its markets as opportunities arise.

While Olin will seek to achieve substantial sales growth over a ten-year period, the Company's primary emphasis will be on market leadership and profitability, based on Olin's commitments to total quality, continual operational improvement, ensuring customer satisfaction and achieving commensurate financial rewards.

The Company seeks to improve the competitive position of its core businesses in order to achieve enhanced earnings and returns. It concentrates on improving cost effectiveness and capitalizing on growth opportunities while maintaining prudent debt levels.

Market Leadership. The Company believes that maintaining its market position in such businesses as pool chemicals, chlor-alkali, TDI, brass, Winchester and military ammunition is an important element of its strategy. The Company intends to provide capital to these businesses to maintain its market position and competitiveness.

Cost Effectiveness. In order to achieve or maintain low cost producer status, Olin invests in new equipment to improve the productivity of its plants and the quality of its products. The Company also invests in new technologies to improve its plant processes and products. In addition, through its six-year-old Total Quality Management process, Olin has made both incremental and significant changes to manufacturing and business processes to reduce costs and working capital while trying to better serve the external customer.

New Opportunities. The Company continually evaluates opportunities for growth in its core businesses by acquiring or developing complementary products, services and businesses. Over the last several years, the Company has expanded its operations in several markets including brass, urethanes, biocides and electronic materials. The Company believes these expansion opportunities and strategic transactions, such as the Oster acquisition in 1991 and the recent Aerojet Acquisition, can provide potential for future growth and increased profitability.

Prudent Debt Levels. Olin's long-term objective is to achieve a ratio of total debt to total capitalization of approximately 35% to 40% in order to be in a position to capitalize on opportunities as they arise and to respond to changes in the Company's markets.

General Economic Conditions and Product Demand. The Company believes it has significant operating leverage (i.e., a disproportionately greater impact on earnings resulting from a change in revenues), particularly in Chemicals, because of the fixed nature of certain production costs and other aspects of the Company's operations. Accordingly, a continuing improvement in economic conditions and an increase in

demand for the Company's products may have a significant positive effect on the Company's earnings. Conversely, a deterioration in such economic activity or demand may have a significant negative effect on its earnings.

CHEMICALS

In its largest segment, the Company manufactures and markets three major product lines: chlor-alkali, urethanes and pool chemicals. In addition, it produces a number of other chemical products described below.

Chlor-Alkali. The Company is a leading producer of chlorine and caustic soda in the southeastern United States, with facilities at McIntosh, Alabama, Charleston, Tennessee, and Augusta, Georgia. In addition, Niachlor, a partnership formed between the Company and E.I. duPont de Nemours & Company, produces chlorine and caustic soda at a Niagara Falls, New York facility.

Chlorine and caustic soda are co-products of the electrolysis of salt. Chlorine is used as a bleaching agent in pulp and paper manufacturing and as a raw material in the production of polyvinyl chloride. It is also used in the manufacture of bleach and in water purification and in general inorganic and organic chemical manufacturing. Caustic soda is used in petroleum refining and in the manufacturing of pulp and paper, aluminum, detergents, soap and in a variety of other organic and inorganic chemical products.

While the Company has historically marketed chlorine to pulp and paper manufacturers in the southeastern United States, environmental concerns have resulted in the decreased usage of chlorine in pulp bleaching. As a result, the Company has shifted its chlorine business mix to other markets, including manufacturers of ethylene dichloride and vinyl chloride monomer, as well as other industrial customers. Approximately 30% of the Company's chlorine is used captively for the manufacture of pool chemicals, TDI and other uses.

The Clinton Administration has recommended amendments to the Clean Water Act which, among other things, would seek funding of a proposed 2 1/2-year study of the impacts and benefits of chlorine and chlorinated compounds. In addition, a bill was introduced in the United States Congress in 1993 which would propose to eliminate discharges of chlorine compounds into navigable waters and require zero discharge limits for certain toxic substances, including certain chlorinated compounds. It is impossible to predict what legislation or other initiatives, if any, may be adopted regarding chlorine and what effect, if any, such action may have on the Company.

Urethanes. The Company has one of the largest production capacities in the United States for TDI, a key component in the production of urethane foam which is used in products such as automotive seating, furniture, mattresses and padding. The Company sells TDI and an array of polyether polyols to intermediate and final manufacturers of urethane foam products. The Company's polyols are used to produce urethane products that are known as flexible urethanes, rigid urethanes, and non-foam urethanes.

In addition, the Company is a supplier of specialty polyols used in adhesives, coatings, elastomers and sealants. These products are sold to intermediate and end use manufacturers.

Pool Chemicals. The Company manufactures or markets a wide array of swimming pool chemicals and accessory products. It has two widely recognized brand names in the U.S. pool chemicals industry: HTH and Pace. The Company sells its pool chemical products to mass merchandisers, pool professionals, distributors and pool chemical repackers. In addition, the Company participates in the worldwide pool chemicals market through joint ventures in Brazil and South Africa. Pool chemicals are manufactured using chlorine and caustic soda, which can be directly sourced from the Company's own production. The Company believes it has the largest production capacity for calcium hypochlorite in the United States. Much of its calcium hypochlorite is sold under the HTH brand name. The pool business assets acquired from FMC Corporation in 1985, which include one of the Company's two isocyanurate manufacturing facilities, its packaging facility and the Sun trademark, are subject to a final Federal Trade Commission order requiring divestiture no later than February 22, 1995.

Other Chemical Products. The Company manufactures a large number of additional chemical products which are sold to intermediate and end use manufacturers, such as zinc Omadine additive used in anti-dandruff shampoos; sulfuric acid used in petroleum refining and in manufacturing agricultural chemicals; hydrazine solutions used as an intermediate in plastics manufacturing and agricultural chemicals; hydrazine-based rocket propellants; Reductone brand sodium hydrosulfite used in paper, textile and clay bleaching; and surfactants and fluids used in industrial and institutional detergents and hydraulic fluids. In 1993, the Company added 130,000 tons of annual sulfuric acid regeneration capacity to help it serve the growing market for more environmentally sound gasoline.

Olin recently constructed an aliphatic di-isocyanate ("ADI") plant at Lake Charles, Louisiana. The products manufactured at the ADI plant are used by manufacturers of products such as automotive topcoats, premium paints and marine and metal appliance finishes.

The Company, through Olin Hunt Specialty Products, Inc., a wholly-owned subsidiary, and OCG Microelectronic Materials ("OCG"), affiliated joint venture companies owned by the Company and CIBA-GEIGY Limited, develops, manufactures and markets image-forming and other specialty electronic chemicals. In particular, OCG produces and markets worldwide photoresist and polyimide products, both of which are basic materials for manufacturing semiconductors.

METALS

The Company is a leading brass and copper alloy manufacturer in the United States and rerolls and forms other metals. It is an active participant in the worldwide market for these products, selling directly to large volume customers and through distributors. The Company, through sales of its Posit-Bond clad metal, produced by a unique cladding process, is a supplier of metal to the U.S. Mint. The Company also sells various alloys to foreign governments for coinage purposes.

While the end use markets for the Company's metal products vary from year to year, principal markets include automotive (for connectors and radiators); electronics (for lead frames, connectors and wiring); ammunition; coinage metals; and other applications such as builder's hardware and plumbing supplies and seamless and welded tube (for utility condensers and industrial heat exchangers). The Company uses a portion of its ammunition cartridge cup production captively in its Winchester sporting ammunition and also sells this brass product to other ammunition makers.

In 1988, the Company acquired the former Bridgeport Brass Corporation of Indianapolis, with primary manufacturing operations in Indianapolis, Indiana and Bryan, Ohio, which significantly increased the Company's brass manufacturing capacity.

In 1991, the Company acquired A. J. Oster Company ("Oster"), a distributor of copper and copper-based alloy products, steel products, aluminum strip and aluminum foil. Oster has a network of metal service centers located in several states and Puerto Rico.

In 1993, the Company installed at its East Alton, Illinois facility an advanced rolling mill contributing to improved quality and productivity.

The Company has a joint venture with Yamaha of Japan, which sells high performance alloys into the Far East market. The joint venture's local manufacturing presence has enabled Olin Brass to participate in the Japanese market for such products.

DEFENSE AND AMMUNITION

The Company produces small, medium and large caliber ammunition for sale to commercial and military customers. The Company believes its Winchester Division is a leading U.S. producer of ammunition for recreational shooters, hunters, law enforcement agencies and the U.S. Armed Forces. The Company's Ordnance Division provides medium and large caliber ammunition to governmental customers. In addition, the Company's Aerospace Division provides advanced technology products to the defense and aerospace industries.

Winchester. The Winchester brand name is widely recognized. The Company's product line includes all major sizes of shotgun shells and rimfire and centerfire ammunition for pistols and rifles. These products are sold to mass merchandisers, distributors and the U.S. Government. This ammunition is manufactured in East Alton, Illinois.

In 1993, the Company completed its eighth year of managing the Lake City Army Ammunition Plant at Independence, Missouri. This government-owned, contractor-operated ("GOCO") facility is the largest small caliber ammunition facility in the United States.

Ordnance. The Company's Ordnance Division provides medium (20, 25 and 30 millimeter) and large (105 and 120 millimeter) caliber ammunition to the United States and certain foreign governments. Olin Ordnance is a major supplier of ammunition for the Abrams M1A1 tank which was utilized in the Persian Gulf War. Ball Powder propellant and other propellants for Winchester ammunition and U.S. Government ammunition production are sourced from the Company's Ball Powder propellant plant in St. Marks, Florida.

This division utilizes its project and program management capabilities as both a prime and subcontractor on contracts in which other defense suppliers participate. The Company seeks to exploit these capabilities to acquire additional GOCO work and to bid on other project management work. The Company believes there are also opportunities in the area of weapons demilitarization.

Aerospace. The Company's Aerospace Division is comprised of two subsidiaries: Olin Aerospace Company ("OAC") and Physics International Company. Customers for these subsidiaries include satellite, aircraft and missile contractors, other defense/aerospace subsystems and systems contractors, the National Aeronautics and Space Administration and other government research and development agencies and laboratories.

OAC is recognized as a major manufacturer of small rocket motors and control thrusters used in satellites and other spacecraft such as Voyager II and Magellan. It has been a leader in this technology for more than 20 years and more recently has become a leader in advanced electric propulsion technology and systems for satellites and spacecraft. OAC also manufactures inflators used in various flotation devices, military munitions dispensing systems and aircraft escape systems, as well as low voltage power conditioning and controlling devices, digital test equipment and airborne electronic products.

Physics International Company's pulsed power systems are used in nuclear radiation simulators and other electromagnetic applications. In addition, it designs, tests and manufactures advanced, high performance anti-armor warhead systems.

DESCRIPTION OF COMMON STOCK

GENERAL

The authorized capital stock of the Company consists of 60,000,000 shares of common stock, par value $1 per share (the "Common Stock"), and 10,000,000 shares of preferred stock, par value $1 per share (the "Preferred Stock"), issuable in series. On March 31, 1994, there were approximately 19,120,481 shares of Common Stock, 1,171,790 shares of ESOP Preferred Stock and 2,760,000 shares of Series A Conversion Preferred Stock outstanding.

The following statements with respect to the capital stock of the Company are subject to the detailed provisions of the Company's Restated Articles of Incorporation, as amended (the "Restated Articles"), and by-laws (the "By-Laws") as currently in effect. These statements do not purport to be complete, or to give full effect to the provisions of statutory or common law, and are subject to, and are qualified in their entirety by reference to, the terms of the Restated Articles, By-Laws and the Rights Agreement, dated as of February 27, 1986 between the Company and Manufacturers Hanover Trust Company (now known as Chemical Bank), which are filed as Exhibits to the Registration Statement of which this Prospectus Supplement is a part.

COMMON STOCK

Holders of Common Stock are entitled to dividends as declared by the Board of Directors from time to time after payment of, or provision for, full cumulative dividends on and any required redemptions of shares of Preferred Stock then outstanding. Holders of Common Stock are entitled to one vote per share and may not

cumulate votes for the election of directors. Holders of Common Stock have no preemptive or subscription rights and have no liability for further calls or assessments. In the event of the liquidation, dissolution or winding up of the Company, holders of Common Stock are entitled to receive pro rata all the remaining assets of the Company available for distribution, after satisfaction of the prior preferential rights of the Preferred Stock and the satisfaction of all debts and liabilities of the Company.

The Transfer Agent and Registrar for the Common Stock is Chemical Bank.

See the accompanying Prospectus for additional information regarding the Common Stock under the heading "Description of Capital Stock".

UNDERWRITING

Subject to the terms and conditions set forth in an underwriting agreement (the "Underwriting Agreement") among the Company and each of the Underwriters named below (the "Underwriters"), the Company has agreed to sell to each of the Underwriters, and each of the Underwriters, for whom Merrill Lynch, Pierce, Fenner & Smith Incorporated and Lehman Brothers Inc. are acting as representatives (the "Representatives"), has severally agreed to purchase from the Company, the number of shares of Common Stock set forth opposite its name below.

<TABLE>
<CAPTION>

UNDERWRITER	NUMBER OF SHARES
<S>	<C>
Merrill Lynch, Pierce, Fenner & Smith Incorporated	712,500
Lehman Brothers Inc.	712,500
CS First Boston Corporation	100,000
Dillon, Read & Co. Inc.	100,000
C.J. Lawrence/Deutsche Bank Securities Corporation	100,000
J.P. Morgan Securities Inc.	100,000
Morgan Stanley & Co. Incorporated	100,000
Total	1,925,000

</TABLE>

In the Underwriting Agreement, the several Underwriters have agreed, subject to the terms and conditions set forth in the Underwriting Agreement, to purchase all of the shares of Common Stock being sold pursuant to the Underwriting Agreement if any of such shares of Common Stock being sold pursuant to such Underwriting Agreement are purchased. Under certain circumstances, the commitments of the non-defaulting Underwriters may be increased.

The Representatives have advised the Company that the Underwriters propose initially to offer the shares of Common Stock to the public at the public offering price set forth on the cover page of this Prospectus Supplement, and to certain dealers at such price less a concession of not in excess of $.94 per share of Common Stock. The Underwriters may allow, and such dealers may reallow, a discount not in excess of $.10 per share of Common Stock on sales to certain other dealers. After the public offering, the public offering price, concession and discount may be changed.

The Company has granted the Underwriters an option, exercisable during the 30-day period after the date of this Prospectus Supplement, to purchase up to an aggregate of 288,750 additional shares of Common Stock at the public offering price set forth on the cover page of this Prospectus Supplement, less the underwriting discount. The Underwriters may exercise this option only to cover over-allotments, if any, made on the sale of the Common Stock offered hereby. To the extent the Underwriters exercise this option, each Underwriter will be obligated, subject to certain conditions, to purchase the number of additional shares of Common Stock proportionate to such Underwriter's initial amount reflected in the foregoing table.

The Company has agreed that, for a period of 90 days after the date of this Prospectus Supplement, it will not offer, sell or contract to sell or otherwise dispose of directly or indirectly, or announce the offering of, any

shares of Common Stock or any securities convertible into, or exchangeable for, Common Stock without the prior written consent of the Representatives (except for the shares of Common Stock offered in connection with this Offering, any securities issued in connection with or pursuant to any employee or non-employee director benefit or incentive plan or arrangement, stock ownership plan or dividend reinvestment plan or Common Stock purchase rights plan in effect on the date of this Prospectus Supplement and any shares of Common Stock issuable upon the conversion of securities outstanding on the date of this Prospectus Supplement).

The Company has agreed to indemnify the several Underwriters against certain liabilities, including liabilities under the Securities Act of 1933.

LEGAL MATTERS

The validity of the issuance of the Common Stock offered hereby will be passed upon for the Company by Johnnie M. Jackson, Jr., Esq., General Counsel-Corporate Resources and Secretary of the Company, and by Cravath, Swaine & Moore, New York, New York, and for the Underwriters by Fried, Frank, Harris, Shriver & Jacobson (a partnership which includes professional corporations), New York, New York, each of whom will rely as to matters of Virginia law upon the opinion of Hunton & Williams, Richmond, Virginia. Each of Hunton & Williams and Cravath, Swaine & Moore has in the past represented and continues to represent the Company in other matters on a regular basis.

PROSPECTUS

OLIN CORPORATION

DEBT SECURITIES
PREFERRED STOCK
COMMON STOCK
WARRANTS

Olin Corporation ("Olin" or the "Company") intends to issue from time to time its (i) unsecured debt securities, which may either be senior (the "Senior Securities") or subordinated (the "Subordinated Securities"; the Senior Securities and the Subordinated Securities being referred to collectively as the "Debt Securities"), (ii) warrants to purchase the Debt Securities (the "Debt Warrants"), (iii) shares of preferred stock, par value $1 per share (the "Preferred Stock"), (iv) warrants to purchase shares of Preferred Stock ("Preferred Stock Warrants"), (v) shares of common stock, par value $1 per share (the "Common Stock") and (vi) warrants to purchase shares of Common Stock

("Common Stock Warrants"; the Debt Warrants, Preferred Stock Warrants and Common Stock Warrants being referred to herein collectively as the "Securities Warrants"), having an aggregate initial public offering price not to exceed $400,000,000 or the equivalent thereof in one or more foreign currencies or composite currencies, including European Currency Units, on terms to be determined at the time of sale. The Debt Securities, Preferred Stock, Common Stock and Securities Warrants offered hereby (collectively, the "Offered Securities") may be offered, separately or as units with other Offered Securities, in separate series in amounts, at prices and on terms to be determined at the time of sale and to be set forth in a supplement to this Prospectus (a "Prospectus Supplement").

The specific terms of the Offered Securities in respect of which this Prospectus is being delivered, such as, where applicable, (i) in the case of Debt Securities, the specific designation, aggregate principal amount, currency, denomination, maturity, priority, interest rate (which may be variable or fixed), time of payment or interest, terms of redemption at the option of the Company or repayment at the option of the holder or for sinking fund payments, the designation of the Trustee acting under the applicable Indenture and the initial public offering price; (ii) in the case of Preferred Stock, the specific title and stated value, number of shares or fractional interests therein, and the dividend, liquidation, redemption, conversion, voting and other rights and the initial public offering price; (iii) in the case of Common Stock, the initial offering price; (iv) in the case of Securities Warrants, the duration, offering price, exercise price and detachability thereof; and (v) in the case of all Offered Securities, whether such Offered Security will be offered separately or as a unit with other Offered Securities, will be set forth in the accompanying Prospectus Supplement.

The Prospectus Supplement will also contain information, where applicable, about certain United States Federal income tax considerations relating to, and any listing on a securities exchange of, the Offered Securities covered by the Prospectus Supplement.

The Offered Securities may be sold directly by the Company, or through agents designated from time to time, or through underwriters or dealers. If any agent of the Company, or any underwriters are involved in the sale of Offered Securities, the names of such agents or underwriters and any applicable fees, commissions or discounts and the net proceeds to the Company from such sale will be set forth in the applicable Prospectus Supplement. The Company may also issue the Offered Securities to one or more persons in exchange for outstanding securities of the Company acquired by such persons from third parties in open market transactions or in privately negotiated transactions. The newly issued Offered Securities in such cases may be offered pursuant to this Prospectus and the applicable Prospectus Supplement by such persons acting as principal for their own accounts, at market prices prevailing at the time of sale, at prices otherwise negotiated or at fixed prices. Unless otherwise indicated in the applicable Prospectus Supplement, the Company will only receive outstanding securities and will not receive cash proceeds in connection with such exchanges or sales. See "Plan of Distribution".

THIS PROSPECTUS MAY NOT BE USED TO CONSUMMATE SALES OF OFFERED SECURITIES UNLESS ACCOMPANIED BY A PROSPECTUS SUPPLEMENT.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE DATE OF THIS PROSPECTUS IS MAY 4, 1994

IN CONNECTION WITH AN OFFERING, THE UNDERWRITERS, IF ANY, FOR SUCH OFFERING MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE OFFERED SECURITIES AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH TRANSACTIONS MAY BE EFFECTED IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

TABLE OF CONTENTS

AVAILABLE INFORMATION

Olin is subject to the information requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and, in accordance therewith, files reports, proxy statements and other information with the Securities and Exchange Commission (the "Commission"). Such reports, proxy statements and other information filed by Olin with the Commission can be inspected and copied at the public reference facilities maintained by the Commission at Room 1024, 450 Fifth Street, N.W., Washington, D.C. 20549, and at the Regional Offices of the Commission at Suite 1400, Northwestern Atrium Center, 500 West Madison Street, Chicago, Illinois 60661 and Seven World Trade Center, Suite 1300, New York, New York 10048. In addition, copies of such material can be obtained from the Public Reference Section of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549, at prescribed rates. Such reports, proxy statements and other information concerning Olin can also be inspected at the offices of The New York Stock Exchange, 20 Broad Street, New York, New York 10005, The Pacific Stock Exchange, 301 Pine Street, San Francisco, California 94104, and The Chicago Stock Exchange, 440 South LaSalle Street, Chicago, Illinois 60605.

Olin has filed with the Commission a Registration Statement on Form S-3 under the Securities Act of 1933 (the "Securities Act") with respect to the securities offered hereby. For further information with respect to Olin and the Offered Securities, reference is made to such Registration Statement and to the exhibits thereto. Statements contained herein concerning the provisions of certain documents are not necessarily complete and, in each instance, reference is made to the copy of such document filed as an exhibit to the Registration Statement or otherwise filed with the Commission. Each such statement is qualified in its entirety by such reference.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

Olin's Annual Report on Form 10-K for the fiscal year ended December 31, 1993, Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 1994 and Current Report on Form 8-K, dated January 10, 1994, filed pursuant to Section 13 or 15(d) of the Exchange Act (File No. 1-1070) is hereby incorporated by reference into this Prospectus. All documents filed by Olin with the Commission pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this Prospectus and prior to the termination of the offering made hereby shall be deemed to be incorporated by reference into this Prospectus and to be a part hereof from the date of filing of such documents. Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein or in any Prospectus Supplement modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

Olin will provide without charge to each person to whom a copy of this Prospectus is delivered, on the written or oral request of such person, a copy of any or all of the documents referred to above which have been or may be incorporated by reference into this Prospectus, other than certain exhibits to such documents. Copies of the Indentures summarized below are also available upon request. Requests for such copies should be directed to Secretary, Olin Corporation, 120 Long Ridge Road, Stamford, Connecticut 06904 (Telephone: (203) 356-3126).

THE COMPANY

Olin Corporation, a Virginia corporation incorporated in 1892, is a manufacturer of chemicals, metals, and ammunition and defense-related products which it markets to commercial and governmental customers. Results for the Company are reported in three operating segments: chemicals, metals, and defense and ammunition. The Company has recognized brand names in each of these segments, including Olin pool chemicals sold under the brand names HTH(R) and Pace(R), metal products sold under the brand name Olin(R) Brass and sporting ammunition sold under the brand names Winchester(R) and Super-X(R).

References to the Company or Olin in this section include the Company and its subsidiaries and affiliates. Olin's principal executive offices are located at 120 Long Ridge Road, Stamford, Connecticut 06904, telephone (203) 356-2000.

CHEMICALS

In its largest segment, the Company manufactures and markets three major product lines: chlor-alkali, urethanes and pool chemicals. In addition, it produces a number of other chemical products described below.

Chlor-Alkali. The Company is a leading producer of chlorine and caustic soda in the southeastern United States, with facilities at McIntosh, Alabama, Charleston, Tennessee, and Augusta, Georgia. In addition, Niachlor, a partnership formed between the Company and E.I. duPont de Nemours & Company, produces chlorine and caustic soda at a Niagara Falls, New York facility.

Chlorine and caustic soda are co-products of the electrolysis of salt. Chlorine is used as a bleaching agent in pulp and paper manufacturing and as a raw material in the production of polyvinyl chloride. It is also used in the manufacture of bleach and in water purification and in general inorganic and organic chemical manufacturing. Caustic soda is used in petroleum refining and in the manufacturing of pulp and paper, aluminum, detergents, soap and in a variety of other organic and inorganic chemical products.

While the Company has historically marketed chlorine to pulp and paper manufacturers in the southeastern United States, environmental concerns have resulted in the decreased usage of chlorine in pulp bleaching. As a result, the Company has shifted its chlorine business mix to other markets, including manufacturers of ethylene dichloride and vinyl chloride monomer, as well as other industrial customers. Approximately 30% of the Company's chlorine is used captively for the manufacture of pool chemicals, toluene di-isocyanate ("TDI") and other uses.

Urethanes. The Company has one of the largest production capacities in the United States for TDI, a key component in the production of urethane foam which is used in products such as automotive seating, furniture, mattresses and padding. The Company sells TDI and an array of polyether polyols to intermediate and final manufacturers of urethane foam products. The Company's polyols are used to produce urethane products that are known as flexible urethanes, rigid urethanes, and non-foam urethanes.

In addition, the Company is a supplier of specialty polyols used in adhesives, coatings, elastomers and sealants. These products are sold to intermediate and end use manufacturers.

Pool Chemicals. The Company manufactures or markets a wide array of swimming pool chemicals and accessory products. It has two widely recognized brand names in the U.S. pool chemicals industry: HTH(R) and Pace(R). The Company sells its pool chemical products to mass merchandisers, pool professionals, distributors and pool chemical repackers. In addition, the Company participates in the worldwide pool chemicals market through joint ventures in Brazil and

South Africa. Pool chemicals are manufactured using chlorine and caustic soda, which can be directly sourced from the Company's own production. The Company believes it has the largest production capacity for calcium hypochlorite in the United States. Much of its calcium hypochlorite is sold under the HTH(R) brand name. The pool business assets acquired from FMC Corporation in 1985, which include one of the Company's two isocyanurate manufacturing facilities, its packaging facility and the Sun(R) trademark, are subject to a final Federal Trade Commission divestiture order requiring divestiture no later than February 22, 1995.

Other Chemical Products. The Company manufactures a large number of additional chemical products which are sold to intermediate and end use manufacturers, such as zinc Omadine(R) additive used in anti-dandruff shampoos; sulfuric acid used in petroleum refining and in manufacturing agricultural chemicals; hydrazine solutions used as an intermediate in plastics manufacturing and agricultural chemicals; hydrazine-based rocket propellants; Reductone(R) brand sodium hydrosulfite used in paper, textile and clay bleaching; and surfactants and fluids used in industrial and institutional detergents and hydraulic fluids. In 1993, the Company added 130,000 tons of annual sulfuric acid regeneration capacity to help it serve the growing market for environmentally sounder gasoline.

Olin recently constructed an aliphatic di-isocyanate ("ADI") plant at Lake Charles, Louisiana. The products manufactured at the ADI plant are used by manufacturers of products such as automotive topcoats, premium paints and marine and metal appliance finishes.

The Company, through Olin Hunt Specialty Products, Inc., a wholly-owned subsidiary, and OCG Microelectronic Materials ("OCG"), affiliated joint venture companies owned by the Company and CIBA-GEIGY Limited, develops, manufactures and markets image-forming and other specialty electronic chemicals. In particular, OCG produces and markets worldwide photoresist and polyimide products, both of which are basic materials for manufacturing semiconductors.

METALS

The Company is a leading brass and copper alloy manufacturer in the United States and rerolls and forms other metals. It is an active participant in the worldwide market for these products, selling directly to large volume customers and through distributors. The Company, through sales of its Posit-Bond(R) clad metal, produced by a unique cladding process, is a supplier of metal to the U.S. Mint. The Company also sells various alloys to foreign governments for coinage purposes.

While the end use markets for the Company's metal products vary from year to year, principal markets include automotive (for connectors and radiators); electronics (for lead frames, connectors and wiring); ammunition; coinage metals; and other applications such as builder's hardware and plumbing supplies and seamless and welded tube (for utility condensers and industrial heat exchangers). The Company uses a portion of its ammunition cartridge cup production captively in its Winchester(R) sporting ammunition and also sells this brass product to other ammunition makers.

In 1988, the Company acquired the former Bridgeport Brass Corporation of Indianapolis, with primary manufacturing operations in Indianapolis, Indiana and Bryan, Ohio, which significantly increased the Company's brass manufacturing capacity.

In 1991, the Company acquired A. J. Oster Company ("Oster"), a distributor of copper and copper-based alloy products, steel products, aluminum strip and aluminum foil. Oster has a network of metal service centers located in several states and Puerto Rico.

The Company has a joint venture with Yamaha of Japan, which sells high performance alloys into the Far East market. The joint venture's local manufacturing presence has enabled Olin Brass to participate in the Japanese market for such products.

DEFENSE AND AMMUNITION

The Company produces small, medium and large caliber ammunition for sale to commercial and military customers. The Company believes its Winchester Division is a leading U.S. producer of ammunition for recreational shooters, hunters, law enforcement agencies and the U.S. Armed Forces. The Company's Ordnance Division provides medium and large caliber ammunition to governmental customers. In addition, the Company's Aerospace Division provides advanced technology products to the defense and aerospace industries.

Winchester. The Winchester(R) brand name is widely recognized. The Company's product line includes all major sizes of shotgun shells and rimfire and centerfire ammunition for pistols and rifles. These products

are sold to mass merchandisers, distributors and the U.S. Government. This ammunition is manufactured in East Alton, Illinois.

In 1993, the Company completed its eighth year of managing the Lake City Army Ammunition Plant at Independence, Missouri. This government-owned, contractor-operated ("GOCO") facility is the largest small caliber ammunition facility in the United States.

In 1993, the Company installed at its East Alton, Illinois facility an advanced rolling mill contributing to improved quality and productivity.

Ordnance. The Company's Ordnance Division provides medium (20, 25 and 30 millimeter) and large (105 and 120 millimeter) caliber ammunition to the United States and certain foreign governments. Olin Ordnance is a major supplier of ammunition for the Abrams M1A1 tank which was utilized in the Persian Gulf War. Ball Powder(R) propellant and other propellants for Winchester(R) ammunition and U.S. Government ammunition production are sourced from the Company's Ball Powder(R) propellant plant in St. Marks, Florida.

This division utilizes its project and program management capabilities as both a prime and subcontractor on contracts in which other defense suppliers participate. The Company seeks to exploit these capabilities to acquire additional GOCO work and to bid on other project management work. The Company believes there are additional opportunities in the area of weapons demilitarization.

Aerospace. The Company's Aerospace Division is comprised of two subsidiaries: Olin Aerospace Company ("OAC") and Physics International Company. Customers for these subsidiaries include satellite, aircraft and missile contractors, other defense/aerospace subsystems and systems contractors, the National Aeronautics and Space Administration and other government research and development agencies and laboratories.

OAC is recognized as a major manufacturer of small rocket motors and control thrusters used in satellites and other spacecraft such as Voyager II and Magellan. It has been a leader in this technology for more than 20 years and more recently has become a leader in advanced electric propulsion technology and systems for satellites and spacecraft. OAC also manufactures inflators used in various flotation devices, military munitions dispensing systems and aircraft escape systems, as well as low voltage power conditioning and controlling devices, digital test equipment and airborne electronic products.

Physics International Company's pulsed power systems are used in nuclear radiation simulators and other electromagnetic applications. In addition, it designs, tests and manufactures advanced, high performance anti-armor warhead systems.

USE OF PROCEEDS

Unless otherwise set forth in the applicable Prospectus Supplement, the net proceeds from the sale of the Offered Securities will be used for general corporate purposes, which may include additions to working capital, capital expenditures, stock repurchases, repayment of indebtedness and acquisitions.

CONSOLIDATED RATIOS

The following table sets forth the consolidated ratio of earnings to fixed charges for the Company:

YEAR ENDED DECEMBER 31,				
1993	1992	1991	1990	1989
--*	2.6	0.6 *	2.5	3.6

- ---------------

*In 1993 and 1991, earnings were inadequate to cover fixed charges by $144 million and $23 million, respectively.

The following table sets forth the consolidated ratio of earnings to combined fixed charges and preferred stock dividends for the Company:

YEAR ENDED DECEMBER 31,				
1993	1992	1991	1990	1989
--*	1.8	0.5*	2.1	3.3

- ---------------

*In 1993 and 1991, earnings were inadequate to cover combined fixed charges and preferred stock dividends by $172 million and $38 million, respectively.

In 1993, the Company recorded an after-tax charge of $132 million for personnel reductions, business restructurings involving consolidations and re-alignments within divisions, costs at sites of discontinued businesses, future environmental liabilities and other charges. In 1991, the Company recorded an after-tax charge of $80 million to cover losses on the disposition and write-down of certain businesses and costs of personnel reductions.

For purposes of computing these consolidated ratios, earnings represent income before income taxes with certain adjustments, primarily for capitalized interest, plus fixed charges. Fixed charges consist of interest expense (including capitalized interest), amortization of debt discount and expense, and the estimated interest factor reflected in rental expense. For the consolidated ratio of earnings to combined fixed charges and preferred stock dividends, fixed charges are then aggregated with preferred stock dividend requirements on the outstanding preferred stock.

DESCRIPTION OF DEBT SECURITIES

The following description of the terms of the Debt Securities sets forth certain general terms and provisions of the Debt Securities to which any Prospectus Supplement may relate. The particular terms of the Debt Securities offered by any Prospectus Supplement and the extent, if any, to which such general provisions may apply to the Debt Securities so offered will be described in the Prospectus Supplement relating to such Debt Securities. Accordingly, for a description of the terms of a particular issue of Debt Securities, reference must be made to both the Prospectus Supplement relating thereto and to the following description.

Senior Securities were and may be issued under an Indenture dated as of June 15, 1992, as supplemented ("Senior Indenture"), between Olin and Chemical

Bank. Subordinated Securities may be issued under an Indenture ("Subordinated Indenture") between Olin and a commercial bank to be selected (collectively, the Senior Indenture and the Subordinated Indenture are referred to as the "Indentures"). Copies of the Indentures have been filed as exhibits to the Registration Statement filed with the Commission. Chemical Bank will serve as Trustee for series of Senior Securities and a commercial bank to be selected will serve as Trustee for any series of Subordinated Securities which may be issued. The following summaries of certain provisions of the Indentures do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all provisions of the Indentures including the definition therein of certain terms.

GENERAL

The Indentures do not limit the aggregate principal amount of Debt Securities which may be issued thereunder. The Debt Securities may be issued in one or more series as may be authorized from time to time by Olin. Reference is made to the applicable Prospectus Supplement for the following terms of the Debt Securities: (i) the designation, aggregate principal amount and authorized denominations of the Debt Securities; (ii) the percentage of their principal amount at which such Debt Securities will be issued; (iii) the date on which the Debt Securities will mature; (iv) the rate or rates (which may be fixed or variable) per annum, if any, or the method of determining such rate or rates, at which the Debt Securities will bear interest; (v) the times at which any such interest will be payable; (vi) the currency or currencies or units of two or more currencies in which the Debt Securities are denominated and principal and interest may be payable, and for which the Debt Securities may be purchased, which may be in United States dollars, a foreign currency or currencies or units of two or more foreign currencies; (vii) whether such Debt Securities are to be Senior

Securities or Subordinated Securities; (viii) any redemption or sinking fund terms or certain other specific terms; (ix) any Event of Default or covenant with respect to the Debt Securities of a particular series, if not set forth herein, and (x) any other terms of such series (which terms shall not be inconsistent with the provisions of the Subordinated Indenture or the Senior Indenture, as the case may be). Unless otherwise indicated in the applicable Prospectus Supplement, principal, premium, if any, and interest, if any, will be payable and the Debt Securities will be transferable at the corporate trust office of the respective Trustee, provided that payment of interest may be made at the option of Olin by check mailed to the address of the person entitled thereto as it appears in the respective Debt Securities register.

The Debt Securities will be unsecured. Senior Securities will rank on a parity with all other unsecured and unsubordinated indebtedness of Olin. Subordinated Securities will be subordinated to certain present and future superior indebtedness of Olin. See "Subordination of Subordinated Securities" below.

Unless otherwise indicated in the applicable Prospectus Supplement, the Debt Securities will be issued only in fully registered form without coupons and in denominations of $1,000 or any integral multiple thereof. No service charge will be made for any transfer or exchange of such Debt Securities, but Olin may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Special federal income tax and other considerations relating to Debt Securities denominated in foreign currencies or units of two or more foreign currencies will be described in the applicable Prospectus Supplement.

Debt Securities may be issued as discounted Debt Securities (bearing no interest or interest at a rate which at the time of issuance is below market rates) to be sold at a substantial discount below their stated principal amount. Federal income tax consequences and other special considerations applicable to any such discounted Debt Securities will be described in the Prospectus Supplement relating thereto.

Unless otherwise indicated in the applicable Prospectus Supplement, the covenants contained in the Indentures and the Debt Securities will not afford holders of Debt Securities protection in the event of a highly leveraged transaction involving the Company.

GLOBAL SECURITIES

The Debt Securities of a series issued under the Indentures may be issued in whole or in part in the form of one or more global securities (the "Global Securities") that will be deposited with, or on behalf of, a depositary (the "Depositary") identified in the Prospectus Supplement relating to such series. Global Securities may be issued only in fully registered form and in either temporary or permanent form. Unless and until it is exchanged in whole or in part for the individual Debt Securities represented thereby, a Global Security may not be transferred except as a whole by the Depositary for such Global Security to a nominee of such Depositary or by a nominee of such Depositary to such Depositary or another nominee of such Depositary or by the Depositary or any nominee to a successor Depositary or any nominee of such successor.

The specific terms of the depositary arrangement with respect to a series of Debt Securities will be described in the Prospectus Supplement relating to such series. Olin anticipates that the following provisions will generally apply to depositary arrangements.

Upon the issuance of a Global Security, the Depositary for such Global Security or its nominee will credit, on its book-entry registration and transfer system, the respective principal amounts of the individual Debt Securities represented by such Global Security to the accounts of persons that have accounts with such Depositary. Such accounts shall be designated by the dealers, underwriters or agents with respect to such Debt Securities or by Olin if such Debt Securities are offered and sold directly by Olin. Ownership of beneficial interests in a Global Security will be limited to persons that have accounts with the applicable Depositary ("participants") or persons that may hold interests through participants. Ownership of beneficial interests in such Global Security will be shown on, and the transfer of that ownership will be effected only through, records maintained by the applicable Depositary or its nominee (with respect to interests of participants) and the records of participants (with respect to interests of persons other than participants). The laws of some states require that certain purchasers of securities take physical delivery of such securities in definitive form. Such limits and such laws may impair the ability to transfer beneficial interests in a Global Security.

So long as the Depositary for a Global Security, or its nominee, is the registered owner of such Global Security, such Depositary or such nominee, as the case may be, will be considered the sole owner or holder of the Debt Securities represented by such Global Security for all purposes under the Indenture governing such Debt Securities. Except as provided below, owners of beneficial interests in a Global Security will not be entitled to have any of the individual Debt Securities of the series represented by such Global Security registered in their names, will not receive or be entitled to receive physical delivery of any such Debt Securities of such series in definitive form and will not be considered the owners or holders thereof under the Indenture governing such Debt Securities.

Payments of principal of, premium, if any, and interest, if any, on individual Debt Securities represented by a Global Security registered in the name of a Depositary or its nominee will be made to the Depositary or its nominee, as the case may be, as the registered owner of the Global Security representing such Debt Securities. Neither Olin, the Trustee for such Debt Securities, any paying agent (a "Paying Agent"), nor the Registrar for such Debt Securities will have any responsibility or liability for any aspect of the records relating to or payments made by the Depository or any participants on account of beneficial ownership interests of the Global Security for such Debt Securities or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Olin expects that the Depositary for a series of Debt Securities or its nominee, upon receipt of any payment of principal, premium or interest in respect of a permanent Global Security representing any of such Debt Securities, immediately will credit participants' accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of such Global Security for such Debt Securities as shown on the records of such Depositary or its nominee. Olin also expects that payments by participants to owners of beneficial interests in such Global Security held through such participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers in bearer form or registered in "street name". Such payments will be the responsibility of such participants.

If the Depositary for a series of Debt Securities is at any time unwilling, unable or ineligible to continue as depositary and a successor depositary is not appointed by Olin within 90 days, Olin will issue individual Debt Securities of such series in exchange for the Global Security or Securities representing such series of Debt Securities. In addition, Olin may at any time and in its sole discretion, subject to any limitations described in the Prospectus Supplement relating to such Debt Securities, determine not to have any Debt Securities of a series represented by one or more Global Securities and, in such event, will issue individual Debt Securities of such series in exchange for the Global Security or Securities representing such series of Debt Securities. Further, if Olin so specifies with respect to the Debt Securities of a series, an owner of a beneficial interest in a Global Security representing Debt Securities of such series may, on terms acceptable to Olin, the Trustee, and the Depositary for such Global Security, receive individual Debt Securities of such series in exchange for such beneficial interests, subject to any limitations described in the Prospectus Supplement relating to such Debt Securities. In any such instance, an owner of a beneficial interest in a Global Security will be entitled to physical delivery of individual Debt Securities of the series represented by such Global Security equal in principal amount to such beneficial interest and to have such Debt Securities registered in its name. Individual Debt Securities of such series so issued will be issued in denominations, unless otherwise specified by Olin, of $1,000 and integral multiples thereof.

SUBORDINATION OF SUBORDINATED SECURITIES

The payment of the principal of, premium, if any, and interest on the Subordinated Securities, including sinking fund payments, if any, is subordinated in right of payment, as set forth in the Subordinated Indenture, to the prior payment in full of all Superior Indebtedness of Olin. Superior Indebtedness is defined as (a) the principal of, premium, if any, and accrued and unpaid interest on (whether outstanding on the date of execution of the Subordinated Indenture or thereafter created, incurred or assumed) (i) indebtedness of Olin for money borrowed (other than the Subordinated Securities), (ii) guarantees by Olin of indebtedness for money borrowed of any other person, (iii) indebtedness evidenced by notes, debentures, bonds or other instruments of indebtedness for the payment of which Olin is responsible or liable, by guarantees or otherwise,

(iv) obligations of Olin under any agreement relating to any interest rate or currency swap, interest rate cap, interest rate collar, interest rate future, currency exchange or forward currency transaction, or any similar interest rate or currency hedging transaction, whether outstanding on the date of the Subordinated Indenture or thereafter created, incurred or assumed, and (v) obligations of Olin under any agreement to lease, or any lease of, any real or personal property which, in accordance with generally accepted accounting principles, is classified on Olin's balance sheet as a liability, and (b) modifications, renewals, extensions and refundings of any such indebtedness, liability, obligation or guarantee; unless, in the instrument creating or evidencing the same or pursuant to which the same is outstanding, it is provided that such indebtedness, liability, obligation or guarantee, or such modification, renewal, extension or refunding thereof, is not superior in right of payment to the Subordinated Securities; provided, however, that Superior Indebtedness shall not be deemed to include (i) any obligation of Olin to any subsidiary and (ii) any other indebtedness, guarantee or obligation of Olin of the type set forth above which is subordinate or junior in ranking in any respect to any other indebtedness, guarantee or obligation of Olin.

No payment by Olin on account of principal of, premium, if any, or interest on the Subordinated Securities, including sinking fund payments, if any, may be made if any default or event of default with respect to any Superior Indebtedness shall have occurred and be continuing and (unless such default or event of default is the failure by Olin to pay principal or interest on any instrument constituting Superior Indebtedness) written notice thereof shall have been given to the Trustee by Olin or to Olin and the Trustee by the holders of at least 10% in principal amount of any kind or category of any Superior Indebtedness (or a representative or trustee on their behalf). Olin may resume payments on the Subordinated Securities (unless otherwise prohibited by the related Indenture) if (i) such default is cured or waived or (ii) unless such default is the failure of Olin to pay principal or interest on any Superior Indebtedness, 120 days pass after the notice is given if such default is not the subject of judicial proceedings. In the event that any Subordinated Security is declared due and payable before the date specified therein as the fixed date on which the principal thereof is due and payable, or upon any payment or distribution of assets of Olin to creditors upon any dissolution, winding up, liquidation or reorganization, whether voluntary or involuntary or in bankruptcy, insolvency, receivership or other proceedings, all principal of (and premium, if any) and interest due or to become due on all Superior Indebtedness must be paid in full before the holders of Subordinated Securities are entitled to receive or retain any payment (other than shares of stock or subordinated indebtedness provided by a plan of reorganization or adjustment which does not alter the rights of holders of Superior Indebtedness without such holders' consent). Subject to the payment in full of all Superior Indebtedness, the holders of the Subordinated Securities are to be subrogated to the rights of the holders of Superior Indebtedness to receive payments or distributions of assets of Olin applicable to Superior Indebtedness until the Subordinated Securities are paid in full.

By reason of such subordination, in the event of insolvency, creditors of Olin who are holders of Superior Indebtedness, as well as certain general creditors of Olin, may recover more, ratably, than the holders of the Subordinated Securities.

The Subordinated Indenture will not limit the amount of Superior Indebtedness or securities which may be issued by Olin or any of its subsidiaries.

CERTAIN COVENANTS OF OLIN WITH RESPECT TO SENIOR SECURITIES

Limitations on Liens. (a) Olin will agree that neither it nor any Restricted Subsidiary (as defined below) will issue, assume or guarantee any notes, bonds, debentures or other similar evidences of indebtedness for money borrowed ("Debt") secured by a mortgage, lien, pledge or other encumbrance ("Mortgages") upon any Principal Property (as defined below), or upon any shares of stock of any Restricted Subsidiary, without effectively providing that the Senior Securities (together with, if Olin so determines, any other indebtedness or obligation then existing or thereafter created, ranking equally with the Senior Securities) shall be secured equally and ratably with (or, at the option of Olin, prior to) such Debt so long as such Debt shall be so secured, except that this restriction will not apply to (i) Mortgages existing on the date of the Senior Indenture; (ii) Mortgages affecting property of a corporation existing at the time it becomes a Restricted Subsidiary or at the time it is merged into or consolidated with Olin or a Restricted Subsidiary;

(iii) Mortgages on property existing at the time of acquisition thereof, or to secure payment of all or part of the purchase price thereof, or to secure Debt incurred prior to, at the time of or within 24 months after such acquisition for the purpose of financing all or part of the purchase price thereof, or assumed or incurred in connection with the acquisition of property; (iv) Mortgages on property to secure all or part of the cost of repairing, altering, constructing, improving, exploring, drilling or developing such property, or to secure Debt incurred to provide funds for such purpose; (v) Mortgages in connection with non-recourse Debt; (vi) Mortgages on current assets or other personal property (other than shares of stock or indebtedness of Subsidiaries (as defined below)) to secure loans maturing not more than one year from the date of the creation thereof or to secure any renewal thereof for not more than one year at any one time; (vii) Mortgages which secure indebtedness owing by a Restricted Subsidiary to Olin or a Subsidiary; (viii) Mortgages on property of any Restricted Subsidiary principally engaged in a financing or leasing business; (ix) Mortgages incurred which do not in the aggregate materially detract from the value of the property or assets affected thereby or materially impair the use of such property or assets in the operation of its business; and (x) any extension, renewal or replacement (or successive extensions, renewals or replacements), in whole or in part, of any Mortgage referred to in the foregoing or of any Debt secured thereby, provided that the principal amount of Debt secured thereby shall not, with respect to Mortgages referred to in clauses (i) through (iv) above, exceed the principal amount of Debt so secured at the time of such extension, renewal or replacement, and that such extension, renewal or replacement Mortgage shall be limited to all or part of substantially the same property which secured the Mortgage extended, renewed or replaced (plus improvements on such property).

(b) Notwithstanding the above, Olin and any one or more Restricted Subsidiaries may, without securing the Senior Securities, issue, assume or guarantee Debt secured by Mortgages which would not be permitted by the immediately preceding paragraph in an aggregate amount which, together with (i) all other such Debt of Olin and its Restricted Subsidiaries which would not be permitted under the immediately preceding paragraph and (ii) the Attributable Debt (as defined below) in respect of Sale and Lease-Back Transactions (as defined in the Senior Indenture) existing at such time (other than Sale and Lease-Back Transactions in which the property involved would have been permitted to be mortgaged under this section "Limitations on Liens" or the proceeds of which have been applied to the retirement of long term indebtedness), does not at the time exceed 10% of Consolidated Net Tangible Assets. The term "Consolidated Net Tangible Assets" means the total amount of assets after deducting therefrom (i) all current liabilities (excluding any thereof which are by their terms extendible or renewable at the option of the obligor thereon to a time more than 12 months after the time as of which the amount thereof is being computed), and (ii) unamortized Debt discount and expense, goodwill, trademarks, brand names, patents and other intangible assets, all as shown on the latest audited consolidated financial statements of the Company at the time of the determination.

(c) For purposes of this covenant, the following are not considered Debt secured by a Mortgage: (i) the sale or other transfer of any interest in property of the character commonly referred to as a "production payment" and (ii) Mortgages in favor of governmental bodies to secure advance or progress payments pursuant to any contract or statute or indebtedness incurred for the purpose of financing the purchase price or cost of constructing or improving the property subject thereto.

Sale and Lease-Back Transactions. (a) Sale and Lease-Back Transactions with respect to Principal Property by Olin or any Restricted Subsidiary (except for temporary leases for terms of not more than three years or between the Company or a Subsidiary and a Restricted Subsidiary) are prohibited by the Senior Indenture unless the proceeds of any such sale are at least equal to the fair value of such property and either (i) Olin or such Restricted Subsidiary would be entitled to incur, assume or guarantee Debt secured by a mortgage on the Principal Property to be leased without equally and ratably securing the Senior Securities or (ii) Olin applies an amount equal to the fair value of the property so leased to the retirement of long-term indebtedness of Olin which ranks prior to or on a par with the Senior Securities. Sale and Lease-Back Transactions do not include arrangements with governmental bodies entered into for the purpose of financing the purchase price or the cost of constructing or improving the property subject thereto.

(b) Notwithstanding the provisions of the preceding paragraph (a), Olin or any Restricted Subsidiary may enter into any Sale and Lease-Back Transaction which would not be permitted under the immediately preceding paragraph if the amount of the Attributable Debt in respect of Sale and Lease-Back Transactions

for such transaction, together with (i) all Debt of Olin and its Restricted Subsidiaries secured by a Mortgage on Principal Property and not permitted under paragraph (a) of "Limitations on Liens" and (ii) all other Attributable Debt in respect of Sale and Lease-Back Transactions existing at such time (other than

Sale and Lease-Back Transactions permitted because Olin would be entitled to incur, assume or guarantee Debt secured by a Mortgage on the Principal Property to be leased without equally and ratably securing the Senior Securities and other than Sale and Lease-Back Transactions the proceeds of which have been applied in accordance with clause (ii) of the immediately preceding paragraph (a)), does not at the time exceed 10% of Consolidated Net Tangible Assets.

The term "Principal Property" means any property or plant of Olin or any Restricted Subsidiary primarily used for the manufacture of products and located within the United States or its territories or possessions, except any such property or plant which the Board of Directors of Olin by resolution declares is not of material importance to the total business conducted by Olin and its Subsidiaries as an entity.

The term "Attributable Debt" means, as of any particular time, the present value, discounted at a rate per annum equal to the weighted average of the interest rate(s) of the Senior Securities, or, in the case of Original Issue Discount Debt Securities (as defined in the Senior Indenture), the Yields to Maturity (as defined in the Senior Indenture) (compounded semi-annually), of the obligation of a lessee for rental payments (not including amounts payable by the lessee for maintenance, property taxes and insurance) due during the remaining term of any lease (including any period for which such lease has been extended or may, at the option of the lessor, be extended).

The term "Subsidiary" means any corporation, association or other business entity of which more than 50% of the Voting Stock (as defined in the Senior Indenture) is at the time directly or indirectly owned by Olin. The term "Restricted Subsidiary" means (i) any Subsidiary which owns or leases, directly or indirectly, a Principal Property, and (ii) any Subsidiary which owns, directly or indirectly, any stock or indebtedness of a Restricted Subsidiary; except that the term "Restricted Subsidiary" shall not include (A) any Subsidiary engaged primarily in financing receivables, making loans, extending credit or other activities of a character conducted by a finance company, or (B) any Subsidiary (1) which conducts substantially all of its business outside the United States or its territories and possessions or (2) the principal assets of which are stock or indebtedness of corporations which conduct substantially all of their business outside the United States and its territories and possessions.

EVENTS OF DEFAULT, NOTICE AND WAIVER

The following events are defined in each Indenture as "Events of Default" with respect to a series of Debt Securities issued under such Indenture: (a) failure to pay interest or a sinking fund installment, if any, on such series for 30 days or to pay the principal of and premium, if any, on such series when due, whether at maturity, upon redemption, by declaration or otherwise; (b) failure to perform any other covenants in such Indenture for 60 days after notice; and (c) certain events of bankruptcy, insolvency or reorganization. An Event of Default with respect to one series of Debt Securities is not necessarily an Event of Default for another series.

If an Event of Default described under (a) above shall have occurred and is continuing with respect to any series of Debt Securities, unless the principal of all the Debt Securities of such series shall have already become due and payable, either the Trustee or the holders of not less than 25% in aggregate principal amount of the Debt Securities of such series then outstanding may declare the principal amount (or, if original issue discount securities, such portion of the principal amount as specified in such series of Debt Securities) of all Debt Securities of such series immediately due and payable. If an Event of Default described under (b) above shall have occurred and is continuing, unless the principal amount of all the Debt Securities of all series shall have already become due and payable, either the Trustee or the holders of not less than 25% in aggregate principal amount of all Debt Securities then outstanding may declare the principal amount (or, if any series are original issue discount securities, such portion of the principal amount as specified in such series) of all Debt Securities then outstanding immediately due and payable.

Each of the Indentures provides that the Trustee under such Indenture shall, within 90 days after the occurrence of a default with respect to a series of Debt Securities under such Indenture, give to the holders of the Debt Securities in such series notice of all uncured defaults with respect to such series known to it; provided that, except in the case of default in the payment of principal of or premium, if any, or interest or the making of any sinking fund payment on any of the Debt Securities in such series, the Trustee shall be protected in withholding such notice if it in good faith determines that it is in the interest of the holders of such series.

Any Event of Default with respect to a particular series of Debt Securities may be waived by the holders of a majority in aggregate principal amount of the Outstanding Debt Securities (as defined in the Indentures) of such series (or of all the Outstanding Debt Securities, as the case may be), except in each case a failure to pay principal of, premium, if any, or interest on such Debt Security.

MODIFICATION OF THE INDENTURES

Each of the Indentures and the rights of holders of Debt Securities thereunder may be modified by Olin and the respective Trustee with the consent of the holders of not less than 66 2/3% of the aggregate principal amount of all series of Debt Securities under such Indenture then outstanding affected thereby (voting as one class); provided, however, that no such modification shall extend the fixed maturity of any Debt Securities, or reduce the principal amount thereof or any premium thereon or the amount of any sinking fund payment, or reduce the rate or extend the time of payment of interest thereon, or reduce any premium payable upon the redemption thereof, or reduce the percentage required for modification, without the consent of the holder of each Debt Security so affected.

Each of the Indentures provides that the Company and the Trustee may enter into supplemental indentures without the consent of the holders of Debt Securities to: (a) evidence the assumption by a successor corporation of the obligations of the Company, (b) add covenants for the protection of the holders of Debt Securities, (c) cure any ambiguity or correct any inconsistency in either of the Indentures, (d) establish the form or terms of Debt Securities of any series, (e) modify or amend either of the Indentures to permit the qualification of indentures supplemental thereto and (f) provide for the issuance under either of the Indentures of Debt Securities in coupon form exchangeable with Debt Securities issued under the Indentures.

CONSOLIDATION, MERGER AND SALE OF ASSETS

Each of the Indentures provides that the Company may not merge or consolidate with any other corporation or sell or convey all or substantially all of its assets to any Person (as defined in each of the Indentures), unless (a) the successor corporation shall be a corporation organized under the laws of the United States of America or any State thereof and shall expressly assume the due and punctual payment of the principal of and premium, if any, and interest on all the Debt Securities, according to their tenor, and the due and punctual performance and observance of all of the covenants and conditions of the Indentures to be performed or observed by the Company, by supplemental indenture satisfactory to the Trustee, executed and delivered to the Trustee by such corporation, and (b) the successor corporation shall not, immediately after such merger or consolidation, or such sale or conveyance, be in default in the performance of any such covenant or condition.

SATISFACTION AND DISCHARGE OF THE INDENTURES; DEFEASANCE; COVENANT DEFEASANCE

The Subordinated Indenture will be discharged upon cancellation of all the Subordinated Securities or, with certain limitations, upon deposit with the respective Trustee of funds sufficient for the payment or redemption thereof.

The Senior Indenture provides that Olin, at Olin's option, (a) will be discharged from any and all obligations in respect of the Senior Securities of a series (except for certain obligations to register the transfer or exchange of Debt Securities, replace stolen, lost or mutilated Debt Securities, maintain paying agencies and hold moneys for payment in trust) or (b) need not comply with certain restrictive covenants of such Indenture (including those described under "Certain Covenants of Olin With Respect To Senior Securities"), in each case if Olin deposits, in trust with the Trustee or the Defeasance Agent (as defined in the Senior Indenture), money or U.S. Government Obligations (as defined in the Senior Indenture), or any combination thereof, which through the payment of interest thereon and principal thereof in accordance with their terms will provide money, in an amount sufficient to pay all the principal (including any mandatory sinking fund payments) of, and interest and premium, if any, on, the Senior Securities of such series on the dates such payments are due in accordance with the terms of such Senior Securities. To exercise any such option, Olin is required to deliver to the Trustee and the Defeasance Agent, if any, an opinion of counsel to the effect that (i) the deposit and related defeasance would not cause the holders of the Senior Securities of such series to recognize income, gain or loss for federal income tax purposes and, in the case of a discharge pursuant to clause (a), such opinion shall be accompanied by a private letter ruling to that effect received from the United States Internal Revenue Service or a revenue ruling pertaining to a comparable form of transaction to that effect published by the United States Internal Revenue Service, and (ii) if listed on any national securities exchange, such Debt Securities would not be delisted from such exchange as a result of the exercise of such option.

THE TRUSTEES

Olin may maintain banking and other commercial relationships with the Trustees and their affiliates in the ordinary course of business.

DESCRIPTION OF CAPITAL STOCK

GENERAL

The authorized stock of the Company consists of 60,000,000 shares of common stock, par value $1 per share (the "Common Stock"), and 10,000,000 shares of preferred stock, par value $1 per share (the "Preferred Stock"), issuable in series. On March 3, 1994, there were approximately 19,116,000 shares of Common Stock, 1,172,000 shares of ESOP Preferred Stock (the "ESOP Preferred") and 2,760,000 shares of Series A Conversion Preferred Stock (the "PERCS") outstanding.

The following statements with respect to the capital stock of the Company are subject to the detailed provisions of the Company's Restated Articles of Incorporation, as amended (the "Restated Articles"), and by-laws (the "By-Laws") as currently in effect. These statements do not purport to be complete, or to give full effect to the terms of the provisions of statutory or common law, and are subject to, and are qualified in their entirety by reference to, the terms of the Restated Articles, By-Laws and the Rights Agreement, dated as of February 27, 1986 between the Company and Manufacturers Hanover Trust Company (now known as Chemical Bank) (the "Rights Agreement"), which are filed as Exhibits to the Registration Statement of which this Prospectus is a part.

Preferred Stock

The following description of the terms of the Preferred Stock sets forth certain general terms and provisions of the Preferred Stock to which a Prospectus Supplement may relate. Specific terms of any series of the Preferred Stock offered by a Prospectus Supplement will be described in the Prospectus Supplement relating to such series of the Preferred Stock. The description set forth below is subject to and qualified in its entirety by reference to the Articles of Amendment to the Restated Articles establishing a particular series of the Preferred Stock which will be filed with the Commission in connection with the offering of such series of Preferred Stock.

General. Under the Restated Articles, the Board of Directors of the Company (the "Board of Directors") is authorized, without further shareholder action, to provide for the issuance of up to 10,000,000 shares of preferred stock, $1 par value per share, in one or more series, with such voting powers and with such designations, preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions, as shall be set forth in resolutions providing for the issue thereof adopted by the Board of Directors or a duly authorized committee thereof. The Company may amend from time to time its

Restated Articles to increase the number of authorized shares of preferred stock. Any such amendment would require the approval of the holders of a majority of the outstanding shares of Common Stock, and the approval of the holders of a majority of the outstanding shares of all series of preferred stock voting together as a single class without regard to series. As of the date of this Prospectus, the Company has two series of preferred stock outstanding, which are described below under "Outstanding Preferred Stock".

The Preferred Stock will have the dividend, liquidation, redemption, conversion and voting rights set forth below unless otherwise provided in the Prospectus Supplement relating to a particular series of the Preferred Stock. Reference is made to the Prospectus Supplement relating to the particular series of the Preferred Stock offered thereby for specific terms, including: (i) the title and liquidation preference per share of such Preferred Stock and the number of shares offered; (ii) the price at which such Preferred Stock will be issued; (iii) the dividend rate (or method of calculation), the dates on which dividends shall be payable, whether such dividends shall be cumulative or noncumulative and, if cumulative, the dates from which dividends shall commence to accumulate; (iv) any redemption or sinking fund provisions of such Preferred Stock; (v) any conversion provisions of such Preferred Stock; and (vi) any additional dividend, liquidation, redemption, sinking fund and other rights, preferences, privileges, limitations and restrictions of such Preferred Stock.

The Preferred Stock will, when issued, be fully paid and nonassessable. Unless otherwise specified in the Prospectus Supplement relating to a particular series of the Preferred Stock, each series of the Preferred Stock will rank on a parity as to dividends and distributions in the event of a liquidation with the outstanding preferred stock of the Company and each other series of the Preferred Stock. See "Outstanding Preferred Stock" below.

Dividend Rights. Holders of the Preferred Stock of each series will be entitled to receive, when, as and if declared by the Board of Directors, out of assets of the Company legally available therefor, cash dividends at such rates and on such dates as are set forth in the Prospectus Supplement relating to such series of the Preferred Stock. Such rate may be fixed or variable or both. Each such dividend will be payable to the holders of record as they appear on the stock books of the Company on such record dates as will be fixed by the Board of Directors or a duly authorized committee thereof. Dividends on any series of the Preferred Stock may be cumulative or noncumulative, as provided in the Prospectus Supplement relating thereto. If the Board of Directors fails to declare a dividend payable on a dividend payment date on any series of Preferred Stock for which dividends are noncumulative, then the right to receive a dividend in respect of the dividend period ending on such dividend payment day will be lost, and the Company shall have no obligation to pay the dividend accrued for that period, whether or not dividends are declared for any future period.

If the Prospectus Supplement so provides, no full dividends will be declared or paid or set apart for payment on the Preferred Stock of any series ranking, as to dividends, on a parity with or junior to any other series of preferred stock for any period unless full dividends have been or contemporaneously are declared and paid, or declared and a sum sufficient for the payment thereof set apart for such payment, on such other series of preferred stock for the then-current dividend payment period and, if such other preferred stock is cumulative, all other dividend payment periods terminating on or before the date of payment of such full dividends. If the Prospectus Supplement so provides, when dividends are not paid in full upon any series of the Preferred Stock and any other preferred stock ranking on a parity as to dividends with such series of the Preferred Stock, all dividends declared upon such series of the Preferred Stock and any other preferred stock ranking on a parity as to dividends will be declared pro rata so that the amount of dividends declared per share on such series of the Preferred Stock and such other preferred stock will in all cases bear to each other the same ratio that accrued dividends per share on such series of the Preferred Stock and such other preferred stock bear to each other. Except as provided in the preceding sentence, unless full dividends, including, in the case of cumulative Preferred Stock, accumulations, if any, in respect of prior dividend payment periods, on all outstanding shares of any series of the Preferred Stock have been paid, no dividends (other than in shares of Common Stock or another stock ranking junior to such series of the Preferred Stock as to dividends and upon liquidation) will be declared or paid or set aside for payment or other distributions made upon the Common Stock or any other stock of the Company ranking junior to the Preferred Stock as to dividends. If the Prospectus Supplement so provides, no Common Stock or any other stock of the Company ranking junior to or on a parity with such series of the Preferred Stock as to dividends or upon liquidation be redeemed, purchased

or otherwise acquired for any consideration (or any moneys be paid to or made available for a sinking fund for the redemption of any shares of any such stock) by the Company (except by conversion into or exchange for stock of the Company ranking junior to such series of the Preferred Stock as to dividends and upon liquidation).

The amount of dividends payable for each dividend period will be computed by annualizing the applicable dividend rate and dividing by the number of dividend periods in a year, except that the amount of dividends payable for the initial dividend period or any period shorter than a full dividend period shall be computed on the basis of 30-day months, a 360-day year and the actual number of days elapsed in the period.

Each series of Preferred Stock will be entitled to dividends as described in the Prospectus Supplement relating to such series, which may be based upon one or more methods of determination. Different series of the Preferred Stock may be entitled to dividends at different dividend rates or based upon different methods of determination.

Rights Upon Liquidation. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Company, the holders of each series of Preferred Stock will be entitled to receive out of the assets of the Company available for distribution to shareholders, before any distribution of assets is made to holders of Common Stock or any other class of stock ranking junior to such series of Preferred Stock upon liquidation, liquidating distributions in the amount set forth in the Prospectus Supplement relating to such series of the Preferred Stock. If, upon any voluntary or involuntary liquidation, dissolution or winding up of the Company, the amounts payable with respect to the Preferred Stock of any series and any other shares of stock of the Company ranking as to any such distribution on a parity with such series of the Preferred Stock are not paid in full, the holders of the Preferred Stock of such series and of such other shares will share ratably in any such distribution of assets of the Company in proportion to the full respective preferential amounts to which they are entitled.

Redemption. A series of the Preferred Stock may be redeemable, in whole or in part, at the option of the Company, and may be subject to mandatory redemption pursuant to a sinking fund, in each case upon terms, at the time, the redemption prices and for the types of consideration set forth in the Prospectus Supplement relating to such series.

The Prospectus Supplement relating to a series of Preferred Stock which is subject to mandatory redemption shall specify the number of shares of such series of Preferred Stock which shall be redeemed by the Company in each year commencing after a date to be specified, at a redemption price per share to be specified, together with an amount equal to any accrued and unpaid dividends thereon to the date of redemption.

Conversion Rights. The Prospectus Supplement for any series of the Preferred Stock will state the terms, if any, on which shares of that series are convertible into shares of Common Stock or another series of preferred stock of the Company. The Preferred Stock will have no preemptive rights.

Voting Rights. Except as indicated below or in the Prospectus Supplement relating to a particular series of Preferred Stock, or except as expressly required by applicable law, a holder of the Preferred Stock will not be entitled to vote. Except as indicated in the Prospectus Supplement relating to a particular series of Preferred Stock, in the event the Company issues full shares of any series of Preferred Stock, each such share will be entitled to one vote on matters on which holders of such series of the Preferred Stock are entitled to vote.

The affirmative vote or consent of the holders of a majority of the outstanding shares of any series of Preferred Stock (unless the Board of Directors establishes a higher amount), voting as a separate class, will be required for any amendment of the Restated Articles (or any certificate amendatory thereof or supplemental thereto relating to any series of the Preferred Stock) which changes any rights or preferences of such series of Preferred Stock.

In addition to the foregoing voting rights, under Virginia law as now in effect, the holders of the Preferred Stock will have the voting rights set forth under "General" above with respect to amendments to the Restated Articles which would increase the number of authorized shares of preferred stock of the Company.

Outstanding Preferred Stock. As of March 3, 1994, the Company had two series of Preferred Stock outstanding, PERCS and ESOP Preferred. The PERCS and the ESOP Preferred rank on a parity with respect to each other and rank senior to the Common Stock with respect to payment of dividends and rights upon liquidation.

PERCS. Subject to the rights of holders of other classes of stock ranking on a parity with or senior to the PERCS with respect to the payment of dividends which may from time to time be issued by the Company, the owners of the PERCS are entitled to receive, when, as and if the Board of Directors declares a dividend on the PERCS, cumulative preferential cash dividends accruing at the rate of $3.64 per annum or $.91 per quarter for each share of the PERCS. Dividends on the PERCS accrue whether or not the Company has earnings, whether or not there are funds legally available for the payment of such dividends and whether or not such dividends are declared. Accumulated unpaid dividends will not bear interest.

On the Mandatory Conversion Date, March 1, 1995, the outstanding PERCS will convert automatically into shares of Common Stock at the Common Equivalent Rate (as described below) in effect on such date and the right to receive an amount in cash equal to all accrued and unpaid dividends on such PERCS, subject to the rights of the Company to call the PERCS for redemption prior to the Mandatory Conversion Date, as described below. The Common Equivalent Rate is initially one share of the Common Stock for each PERCS. The Common Equivalent Rate is subject to adjustment under certain circumstances.

In addition, (x) immediately prior to the effectiveness of a merger or consolidation of the Company that results in the conversion or exchange of the Common Stock into, or results in holders of the Common Stock having the right to receive, other securities or other property (whether of the Company or any other entity) or (y) immediately prior to the close of business on the business day immediately preceding the distribution date of the Rights associated with the Common Stock, each outstanding share of the PERCS will convert automatically into (i) shares of Common Stock, plus (ii) the right to receive an amount in cash equal to the accrued and unpaid dividends on such PERCS to and including the settlement date, plus (iii) the right to receive an amount in cash initially equal to $4.32, declining by $.00386 on each day following the date of issue of the PERCS to $.23 on January 1, 1995, and equal to zero thereafter. At the option of the Company, it may deliver on the settlement date, in lieu of some or all of the cash amounts described in clauses (i) and (iii) of the preceding sentence, shares of Common Stock.

The PERCS are not convertible into shares of Common Stock at the option of the holders thereof.

At any time and from time to time prior to the Mandatory Conversion Date, the Company shall have the right to call, in whole or in part, the outstanding PERCS for redemption and to deliver to the holders thereof in exchange for each such share of the PERCS, a number of shares of Common Stock equal to the call price in effect on the date of redemption divided by the current market price of the Common Stock determined as of the second trading day immediately preceding the notice date, plus an amount in cash equal to any accrued and unpaid dividends to and including the date of redemption.

In the event of the liquidation, dissolution or winding up of the business of the Company, whether voluntary or involuntary, the holders of the PERCS, after payment or provision for payment of the debts and other liabilities of the Company and before any distribution to the holders of the Common Stock or any other stock ranking junior to the PERCS with respect to distributions upon liquidation, dissolution or winding up, will be entitled to receive, for each share of the PERCS, an amount equal to the sum of (i) the price to public for each share of the PERCS and (ii) all accrued and unpaid dividends thereon, and no more.

The holders of PERCS do not have voting rights except as required by law and except that (i) upon the failure of the Company to pay dividends on the PERCS in full for six quarterly dividend periods, the holders of the PERCS (together with the holders of all other series of the Preferred Stock having such rights) will be entitled to elect two directors to the Board of Directors until the default is cured and (ii) any amendment of any of the provisions of the Restated Articles which would (A) authorize or create any shares of stock ranking

senior to the PERCS as to dividends or as to distributions in the event of the Company's liquidation, dissolution or winding up or (B) alter or change the rights, preferences or limitations of the PERCS so as to affect such rights, preferences or limitations adversely would require the affirmative vote of the holders of at least two-thirds of the total number of outstanding shares of the PERCS, voting together as a single voting group with any other series of the Preferred Stock that is (x) affected in the same or substantially similar manner and (y) entitled by law, by the Restated Articles or by resolution of the Board of Directors to vote on such amendment.

ESOP Preferred Stock. The Board of Directors, by amendment to the Restated Articles effective June 27, 1989, established 1,750,000 shares of ESOP Preferred. The ESOP Preferred is issuable only to the trustee of the Olin Corporation Contributing Employee Ownership Plan, which purchased 1,298,195 shares of such stock on June 29, 1989. The ESOP Preferred has a liquidation value of $77.03 per share (plus accrued and unpaid dividends) and cumulative annual dividends of $5.97 per share. Subject to Virginia law, each share of ESOP Preferred is currently entitled to one vote and is voted with the Common Stock as a single class on matters submitted to a vote of the Company's shareholders. Each share of ESOP Preferred is convertible into not less than one share of Common Stock, subject to anti-dilutive adjustments. The ESOP Preferred may be redeemed at the option of the Company after July 1, 1994, or at the option of the trustee of such Plan under certain circumstances (including upon payment of withdrawing Plan participant accounts or if required to meet ESOP debt payments). The Company may pay the redemption price with cash, marketable securities or shares of Common Stock or in any combination of the foregoing. Currently, the Company intends to redeem the ESOP Preferred solely with shares of Common Stock whenever mandatory redemptions occur as a result of Plan participants withdrawing their accounts.

Transfer Agent and Registrar. The transfer agent, registrar and dividend disbursement agent for a series of the Preferred Stock will be selected by the Company and be described in the applicable Prospectus Supplement. The registrar for shares of Preferred Stock will send notices to shareholders of any meetings at which holders of the Preferred Stock have the right to elect directors of the Company or to vote on any other matter.

Common Stock

Holders of Common Stock are entitled to dividends as declared by the Board of Directors from time to time after payment of, or provision for, full cumulative dividends on and any required redemptions of shares of Preferred Stock then outstanding. Holders of Common Stock are entitled to one vote per share and may not cumulate votes for the election of directors. Holders of Common Stock have no preemptive or subscription rights and have no liability for further calls or assessments. In the event of the liquidation, dissolution or winding up of the Company, holders of Common Stock are entitled to receive pro rata all the remaining assets of the Company available for distribution, after satisfaction of the prior preferential rights of the Preferred Stock and the satisfaction of all debts and liabilities of the Company.

The Transfer Agent and Registrar for the Common Stock is Chemical Bank.

CERTAIN PROVISIONS OF THE RESTATED ARTICLES AND BY-LAWS

The Board of Directors consists of three classes as nearly equal in number as possible, each of which serves for three years with one class being elected each year. The total number of Directors may not exceed 18. Special meetings of shareholders may be called only by the Board of Directors, designated officers or the holders of a majority of the shares entitled to vote at the special meeting. Directors may be removed only with cause, and vacancies on the Board of Directors, including any vacancy created by an increase in the number of Directors, may be filled only by the Board of Directors unless the vacancy is to be filled at an annual meeting of shareholders. The By-Laws require that advance notice of nominees for election as Directors to be made by a shareholder be given to the Secretary of the Company, together with certain specified information, no later than 90 days before an annual meeting of shareholders or seven days following notice of a special meeting of shareholders for the election of Directors. The provisions of the Restated Articles and By-Laws described above may, in certain circumstances, make more difficult or discourage a takeover of the Company.

COMMON STOCK PURCHASE RIGHTS

On February 27, 1986, the Company distributed one Common Stock purchase right ("Right") for each outstanding share of Common Stock to the shareholders of record on March 10, 1986. Unless the Board of Directors directs otherwise, one Right will be issued with respect to each share of Common Stock that becomes outstanding prior to the occurrence of certain potential change-in-control events. The Rights become exercisable upon certain potential change-in-control events. When exercisable and upon the occurrence of certain events, the Rights entitle holders to purchase shares of Common Stock at a substantial discount. Exercise of the Rights will cause substantial dilution to a person or group attempting to acquire control of the Company without the approval of the Board of Directors. Except under certain circumstances, the Board of Directors may cause the Company to redeem the Rights in whole, but not in part, at a price of $.05 per Right. The Rights will not interfere with any merger or other business combination approved by the Board of Directors. The Rights expire on February 27, 1996, if not redeemed earlier. The Rights have no voting or dividend privileges. Until such time as the Rights become exercisable, they are attached to and do not trade separately from the Common Stock.

DESCRIPTION OF SECURITIES WARRANTS

The Company may issue Securities Warrants for the purchase of Debt Securities, Preferred Stock or Common Stock. Securities Warrants may be issued independently or together with Debt Securities, Preferred Stock or Common Stock offered by any Prospectus Supplement and may be attached to or separate from any such Offered Securities. Each series of Securities Warrants will be issued under a separate warrant agreement (a "Securities Warrant Agreement") to be entered into between the Company and a bank or trust company, as warrant agent (the "Securities Warrant Agent"), all as set forth in the Prospectus Supplement relating to the particular issue of offered Securities Warrants. The Securities Warrant Agent will act solely as an agent of the Company in connection with the Securities Warrants and will not assume any obligation or relationship of agency or trust for or with any holders of Securities Warrants or beneficial owners of Securities Warrants. The following summary of certain provisions of the Securities Warrants does not purport to be complete and is subject to, and is qualified in its entirety by reference to, all the provisions of the Securities Warrant Agreements.

Reference is made to the Prospectus Supplement relating to the particular issue of Securities Warrants offered thereby for the terms of such Securities

Warrants, including, where applicable: (i) the designation, aggregate principal amount, currencies, denominations and terms of the series of Debt Securities purchasable upon exercise of Securities Warrants to purchase Debt Securities and the price at which such Debt Securities may be purchased upon such exercise; (ii) the designation, number of shares, stated value and terms (including, without limitation, liquidation, dividend, conversion and voting rights) of the series of Preferred Stock purchasable upon exercise of Securities Warrants to purchase shares of Preferred Stock and the price at which such number of shares of Preferred Stock of such series may be purchased upon such exercise; (iii) the number of shares of Common Stock purchasable upon the exercise of Securities Warrants to purchase shares of Common Stock and the price at which such number of shares of Common Stock may be purchased upon such exercise; (iv) the date on which the right to exercise such Securities Warrants shall commence and the date on which such right shall expire (the "Expiration Date"); (v) United States Federal income tax consequences applicable to such Securities Warrants; and (vi) any other terms of such Securities Warrants. Securities Warrants for the purchase of Preferred Stock and Common Stock will be offered and exercisable for U.S. dollars only. Securities Warrants will be issued in registered form only. The exercise price for Securities Warrants will be subject to adjustment in accordance with the applicable Prospectus Supplement.

Each Securities Warrant will entitle the holder thereof to purchase such principal amount of Debt Securities or such number of shares of Preferred Stock or Common Stock at such exercise price as shall in each case be set forth in, or calculable from, the Prospectus Supplement relating to the offered Securities Warrants, which exercise price may be subject to adjustment upon the occurrence of certain events as set forth in such Prospectus Supplement. After the close of business on the Expiration Date (or such later date to which such Expiration Date may be extended by the Company), unexercised Securities Warrants will become

void. The place or places where, and the manner in which, Securities Warrants may be exercised shall be specified in the Prospectus Supplement relating to such Securities Warrants.

Prior to the exercise of any Securities Warrants to purchase Debt Securities, Preferred Stock or Common Stock, holders of such Securities Warrants will not have any of the rights of holders of the Debt Securities, Preferred Stock or Common Stock, as the case may be, purchasable upon such exercise, including the right to receive payments of principal of, premium, if any, or interest, if any, on the Debt Securities purchasable upon such exercise or to enforce covenants in the applicable Indenture, or to receive payments of dividends, if any, on the Preferred Stock or Common Stock purchasable upon such exercise or to exercise any applicable right to vote.

PLAN OF DISTRIBUTION

Olin may sell the Offered Securities in any of three ways: (i) through underwriters or dealers; (ii) directly to one or a limited number of institutional purchasers; or (iii) through agents. The Prospectus Supplement with respect to the Offered Securities will set forth the terms of the offering of the Offered Securities, including the name or names of any underwriters, dealers or agents, the price of the Offered Securities and the net proceeds to Olin from such sale, any underwriting discounts or other items constituting underwriters' compensation, any discounts or concessions allowed or reallowed or paid to dealers and any securities exchanges on which the Offered Securities may be listed.

If underwriters are used in the sale, the Offered Securities will be acquired by the underwriters for their own account and may be resold from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale. The Offered Securities may be offered to the public either through underwriting syndicates represented by managing underwriters or directly by one or more investment banking firms or others, as designated. Unless otherwise set forth in the Prospectus Supplement, the obligations of the underwriters or agents to purchase the Offered Securities will be subject to certain conditions precedent and the underwriters will be obligated to purchase all the Offered Securities if any are purchased. Any initial public offering price and any discounts or concessions allowed or reallowed or paid to dealers may be changed from time to time.

If a dealer is utilized in the sale of any Offered Securities in respect of which this Prospectus is delivered, the Company will sell such Offered Securities to the dealer, as principal. The dealer may then resell such Offered Securities to the public at varying prices to be determined by such dealer at the time of resale. The name of the dealer and the terms of the transaction will be set forth in the Prospectus Supplement.

Offered Securities may be sold directly by Olin to one or more institutional purchasers, or through agents designated by Olin from time to time at a fixed price or prices, which may be changed, or at varying prices determined at time of sale. Any agent involved in the offer or sale of the Offered Securities will be named, and any commissions payable by Olin to such agent will be set forth, in the Prospectus Supplement. Unless otherwise indicated in the Prospectus Supplement, any such agent will be acting on a best efforts basis for the period of its appointment.

If so indicated in the Prospectus Supplement, Olin will authorize agents, underwriters or dealers to solicit offers by certain specified institutions to purchase Offered Securities from Olin at the public offering price set forth in the Prospectus Supplement pursuant to delayed delivery contracts providing for payment and delivery on a specified date in the future. Such contracts will be subject only to those conditions set forth in the Prospectus Supplement and the Prospectus Supplement will set forth the commission payable for solicitation of such contracts.

Agents and underwriters may be entitled under agreements entered into with Olin to indemnification by Olin against certain civil liabilities, including liabilities under the Securities Act, or to contribution with respect to payments which the agents or underwriters may be required to make in respect thereof. Agents and underwriters may be customers of, engage in transactions with or perform services for Olin in the ordinary course of business.

LEGAL MATTERS

The validity of the issuance of the Offered Securities offered hereby will be passed upon for the Company by Johnnie M. Jackson, Jr., Esq., General Counsel -- Corporate Resources and Secretary of the Company. Cravath Swaine & Moore, New York, may also act as counsel for the Company and in certain cases may represent the underwriters of any Offered Securities. Mr. Jackson and Cravath, Swaine & Moore may rely as to matters of Virginia law upon the opinion of Hunton & Williams, Richmond, Virginia. Each of Hunton & Williams and Cravath, Swaine & Moore has in the past represented and continues to represent the Company in other matters on a regular basis.

EXPERTS

The Company's consolidated financial statements and schedules as of December 31, 1993 and 1992 and for each of the years in the three-year period ended December 31, 1993 incorporated by reference herein have been incorporated herein in reliance upon the reports of KPMG Peat Marwick, independent certified public accountants, incorporated by reference herein, and upon the authority of said firm as experts in accounting and auditing. The reports of KPMG Peat Marwick refer to a change in accounting for postretirement benefits other than pensions and income taxes in 1992.

- ---
- ---

NO DEALER, SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED OR

INCORPORATED BY REFERENCE IN THIS PROSPECTUS SUPPLEMENT OR THE ACCOMPANYING PROSPECTUS, AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED. THIS PROSPECTUS SUPPLEMENT AND THE ACCOMPANYING PROSPECTUS DO NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY SECURITIES TO WHICH IT RELATES, OR AN OFFER OR SOLICITATION OF ANY PERSON IN ANY JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION WOULD BE UNLAWFUL. NEITHER THE DELIVERY OF THIS PROSPECTUS SUPPLEMENT AND THE ACCOMPANYING PROSPECTUS NOR ANY SALE MADE THEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE AN IMPLICATION THAT THE INFORMATION CONTAINED HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO ITS DATE.

TABLE OF CONTENTS

PROSPECTUS SUPPLEMENT

<TABLE>
<CAPTION>

</TABLE>

1,925,000 SHARES

OLIN CORPORATION
COMMON STOCK

PROSPECTUS SUPPLEMENT

MERRILL LYNCH & CO.

LEHMAN BROTHERS

MAY 12, 1994