FORM 10-K

Annual report pursuant to section 13 and 15(d)

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SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

FORM 10-K

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

Fiscal year ended December 31, 1993 Commission file number 1-5222

M. A. HANNA COMPANY
(Exact name of registrant as specified in its charter)

STATE OF DELAWARE	34-0232435
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1301 E. NINTH STREET, SUITE 3600, CLEVELAND, OHIO	44114-1860
(Address of principal executive offices)	(Zip code)

Registrant's telephone number, including area code 216-589-4000

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, $1 par value	New York Stock Exchange
	Chicago Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days.

YES X NO

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

Aggregate market value of the voting stock held by nonaffiliates of the Registrant, computed by reference to the price at which the stock was sold as of February 18, 1994: $855,231,228.00.

Common Shares outstanding as of February 18, 1994: 23,756,423.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the following documents are incorporated by reference into the designated parts of this Form 10-K: (1) Registrant's definitive proxy statement distributed to stockholders dated March 17, 1994, filed with the Commission pursuant to Regulation 14A and incorporated by reference into Parts I and III of this Form 10-K; and (2) Registrant's Annual Report distributed to stockholders for the fiscal year ended December 31, 1993, incorporated by reference into Parts I and II of this Form 10-K. With the exception of the information specifically incorporated by reference, neither the Registrant's proxy statement nor the 1993 Annual Report to stockholders is deemed to be filed as part of this Form 10-K.

Except as otherwise stated, the information contained in this report is given as of December 31, 1993, the end of the Registrant's last fiscal year.

PART I

ITEM 1. BUSINESS

(a) Acquisitions and Dispositions

In May 1993, the Registrant completed its previously announced acquisition of Global Processing Company, a specialty rubber compounder located in Santa Fe Springs, California. With annual sales of approximately $10 million and 50 associates, Global Processing is one of the leading fluoroelastomer compounders in the United States.

Also in May 1993, the Registrant announced an agreement to acquire the thermoplastic resin distribution business of Plasticos Polisol S.A. de C.V., based in Mexico City, as part of Registrant's program to establish a polymer processing and distribution capability in Mexico. In furtherance of this program, Registrant through its Hanna Polimeros, S.A. de C.V. subsidiary, began construction of a processing plant near Mexico City in January 1994, which is scheduled for start-up in June 1994. Also, another subsidiary, M. A. Hanna de Mexico, S.A. de C.V., was formed to engage in the polymers distribution business in Mexico.

In June 1993, the Registrant completed its previously announced acquisition of the engineered materials division of Cookson America Inc., comprised of certain assets of Monmouth Plastics, a leading producer of flame retardant polyolefins, located in Freehold, New Jersey, and Texapol Corporation, a major producer of engineering thermoplastic compounds, located in Bethlehem, Pennsylvania. With combined annual sales of approximately $32 million, the two units serve end markets that include the electrical/electronics, consumer durables, appliances and automotive industries.

In August 1993, Amoco Performance Products, Inc., a subsidiary of Amoco Chemical Company and a leading producer of engineering thermoplastics, named Registrant a distributor of Amodel polyphthalamide (PPA) resins. Also, in July 1993, Himont, Incorporated, entered into an agreement naming the Registrant as a distributor of Himont's resin products in the United States.

Also in August 1993, the Registrant completed an agreement with Sumika Polymers America Corporation, a Sumitomo Chemical subsidiary, for the construction and operation of a manufacturing facility to produce a family of value-added thermoplastic compounds in Dyersburg, Tennessee. The facility will be designed jointly by Sumika and the Registrant's Colonial Plastics unit, with start-up scheduled for August 1994.

In November 1993, the Registrant announced that it had reached a preliminary agreement to sell its elastomeric membrane roofing material business based in Kingstree, South Carolina, to Firestone Building Products Company, a division of Bridgestone/Firestone, Inc. The sale is expected to close in the first quarter of 1994.

In December 1993, the Registrant sold its BenePlan Strategies unit, a third-party administrator of medical benefits based in Dayton, Ohio, to Harrington Services Corporation, based in Columbus, Ohio.

Also in December 1993, the Registrant purchased for $27.5 million warrants for 2.75 million shares of its common stock held by Brascan Limited of Toronto. The warrants had been issued to Brascan in 1991 as part of the purchase of 7.7 million shares of the Registrant that Brascan had acquired in 1982.

Two of Registrant's plastics color and additive concentrate units, Allied Color Industries, Inc., based in Broadview Heights, Ohio, and Avecor, Inc., based in Vonore, Tennessee were merged effective January 1, 1994. The combined businesses, with annual sales of approximately $70 million and seven manufacturing facilities, will operate as Allied Color Industries, Inc.

On March 16, 1994, the Registrant acquired North Coast Compounders, a producer of thermoplastic elastomers ("TPEs"). Based in North Ridgeville, Ohio, with approximately 50 employees, North Coast Compounders produces proprietary TPEs, alloys and blends, and also engages in toll compounding.

(b) See the financial information regarding the Registrant's business segments set forth at pages 30 through 31 of the Registrant's Annual Report distributed to stockholders for the fiscal year ended December 31, 1993, which pages are incorporated herein by this reference.

(c)

(1)(i)

Formulated Polymers

(a) Processing

The Registrant, through its Burton Rubber Processing, Inc., Colonial Rubber Works, Inc., Global Processing Company, MACH-I Compounding, Monmouth Plastics, Plastic Distributing Corporation, Southwest Chemical Services, Inc., and Texapol Corporation business units, engages in the custom compounding of plastic and rubber materials to the specifications of manufacturers of plastic and rubber products for customers located throughout the United States and Canada.

Through its Allied Color Industries, Inc., PMS Consolidated, Inc., Synthecolor S.A. and Wilson Color business units, the Registrant manufactures custom formulated colorants in the form of color concentrates, liquid dispersions, dry colorants, and additives for customers in the plastics industry throughout the United States, Canada and Europe. PMS Consolidated and Wilson Color also produce specialty colorants and additives for the automobile, vinyl siding and textile industries and for the wire and cable industry, respectively. Through its Hanna Polimeros unit, Registrant is scheduled to begin manufacturing colorants in Mexico in 1994.

(b) Resin Distribution

Through its Bruck Plastics Company, Fiberchem, Inc., Plastic Distributing Corporation and M.A. Hanna de Mexico business units, the Registrant distributes polymer resins in North America.

(c) Polymer Products

Through its Cadillac Plastic Group business unit, Registrant engages in the worldwide distribution of plastic sheet, rod, tube, and film products to industrial and retail customers as well as cutting and machining plastic products to customers' specifications and thermoforming plastic into products such as skylights and signs.

Registrant, through its Day International Printing and Textile Products business unit, engages in the manufacture and worldwide sale of printing blankets and print rollers for the printing industry and aprons, cots, and other consumable supplies for the textile industry.

Through its Colonial Rubber Works, Inc. business unit, Registrant manufactures molded sponge automotive parts for customers located throughout the United States and Canada.

Other Operations

Net sales and operating revenues from Registrant's operations outside the formulated polymers industry do not individually constitute 10 percent or more of Registrant's consolidated revenues.

(1) (iii) In Registrant's formulated polymers processing segment the primary raw materials required are natural and synthetic rubbers, plastics, and chemicals, all of which are available in adequate supply. The primary raw materials required by Registrant's colorant subsidiaries are plastics, chemicals, and organic and inorganic pigments, all of which are available in adequate supply.

(1) (iv) Registrant's formulated polymers business units own numerous patents and registered trademarks, which are important in that they protect the Registrant's corresponding inventions and trademarks against infringement by others and thereby enhance Registrant's position in the marketplace. The patents vary in duration from 1 year to 17 years, and the trademarks have an indefinite life which is based upon continued use.

(1) (x) The custom compounding of plastic and rubber materials is highly competitive, with product quality and service to customers being principal factors affecting competition. Registrant is the largest independent custom compounder of rubber and a leading compounder of plastics in the United States in terms of pounds produced.

The manufacture of custom formulated colorants for the plastics industry is highly competitive with product quality and service to customers being principal factors affecting competition. Registrant is one of the leading producers of custom formulated colorants in the United States and Europe.

The distribution of plastic sheet, rod, tube, film products, and polymer resins is highly competitive with product quality and service to customers being principal factors affecting competition. Registrant is one of the leading distributors of such products in the world.

The manufacture of molded sponge automotive parts is highly competitive, with quality, price and service to customers being principal factors affecting competition. Information generally available indicates that Registrant is the leading supplier of such parts in the United States.

The manufacture of printing blankets and rollers is highly competitive, with image quality and durability being principal factors affecting competition. Registrant ranks as one of the world's leading producers of these products. The manufacture of aprons, cots, and other consumable supplies for the textile industry is highly competitive, with quality and price being the principal factors affecting competition. Registrant ranks among the larger producers of such products in the United States.

(1) (xii) At each of its operations the Registrant, its subsidiaries, and associated companies are governed by laws and regulations designed to protect the environment and in this connection Registrant has adopted a corporate policy which directs compliance with the various requirements of these laws and regulations. The Registrant believes that it, its subsidiaries and associated companies are in substantial compliance with all such laws and regulations, although it recognizes that these laws and regulations are constantly changing.

There are presently no material estimated capital expenditures for further environmental control facilities projected by the Registrant, its subsidiaries and associated companies for any of its operations.

(1) (xiii) Registrant employs 6,334 persons at its consolidated operations (6,333 in 1992) and manages operations for others that employ 2,235 persons (2,351 in 1992).

(d) (1) See information regarding Registrant's international operations at page 30 of Registrant's Annual Report distributed to stockholders for the fiscal year ended December 31, 1993, which page is incorporated herein by this reference.

(2) The international operations in which the Registrant and its subsidiaries have equity interests, and the investments of the Registrant and its subsidiaries in such companies, may be affected from time to time by foreign political and economic developments, laws and regulations, increases or decreases in costs in such countries and changes in the relative values of the various currencies involved.

ITEM 2. PROPERTIES

The table below sets forth the principal plants and properties owned or leased by the Registrant's formulated polymers business units. For properties which are leased, the date of expiration of the current term of the lease is indicated followed by an "R" if the lease is subject to renewal or a "P" if the property is subject to an option to purchase. Properties which are shown as owned are owned in fee simple, subject to any mortgages on the properties. In addition to mortgages, some properties are subject to minor encumbrances of a nature which do not materially affect the Registrant's operations.

In addition, several business units of Registrant lease floor space at various locations within the United States. They are used by the regional branches for sales offices, for the distribution of Registrant's products, for fabrication, and for warehousing. These are short-term leases.

Registrant and certain of its business units lease or own space in various locations outside the United States, including Australia, Belgium, Canada, the United Kingdom, France, Germany, Mexico and Sweden.

Location	Facility	Owned/ Leased	Approximate Size (sq. ft.)
Burton, Ohio	Burton rubber compounding	Owned	160,000
Macedonia, Ohio	Burton plastic compounding	Owned	87,000
Tillsonburg, Ontario	Burton rubber compounding	Owned	60,000
Jonesboro, Tennessee	Burton rubber compounding	Owned	69,000
Santa Fe Springs, California	Global rubber compounding	Leased 1996	13,231
Broadview Heights, Ohio	Allied colorant manufacturing	Owned	61,000
Greenville, South Carolina	Allied colorant manufacturing	Owned	11,000
Phoenix, Arizona	Allied colorant manufacturing	Owned	20,500
Vonore, Tennessee	Allied colorant manufacturing	Owned	47,000
North Kansas City, Missouri	Allied colorant manufacturing	Leased 1998	44,000
San Fernando, California	Allied colorant manufacturing	Leased 1998	50,000
Vancouver, Washington	Allied colorant manufacturing	Leased 2002-R	35,000
Troy, Michigan	Cadillac Plastic headquarters	Leased 1998-R	28,620

Romeoville, Illinois	Bruck headquarters & distribution	Leased 2008-P	103,000
Seattle, Washington	Fiberchem headquarters & distribution	Leased 2005-R-P	79,000
Three Rivers, Michigan	Day printing products manufacturing	Owned	57,943
Dundee, Scotland	Day printing/ textile products manufacturing	Owned	101,000
Lerma, Mexico	Day printing products manufacturing	Owned	45,000
Arden, North Carolina	Day printing/ textile products manufacturing	Owned	240,580
Kingstree, South Carolina	Colonial polymer compounding and products manufacturing	Owned	381,354
Dyersburg, Tennessee	Colonial polymer compounding and products manufacturing	Owned	862,399
Bethlehem, Pennsylvania	Texapol engineered thermoplastic compounding	Leased 2004-P	82,000
Suwanee, Georgia	PMS Consolidated, Inc., headquarters	Owned	20,000
Somerset, New Jersey	PMS colorant manufacturing	Owned	44,300
Florence, Kentucky	PMS colorant manufacturing	Leased 1994-R-P	30,000
Gastonia, North Carolina	PMS colorant manufacturing	Leased 1997	32,150
Elk Grove Village, Illinois	PMS colorant manufacturing	Owned	51,870
St. Peters, Missouri	PMS colorant manufacturing	Owned	32,480
Fort Worth, Texas	PMS colorant manufacturing	Owned	75,080
Norwalk, Ohio	PMS colorant manufacturing	Owned	94,000
Gardena, California	PMS colorant manufacturing	Owned	46,652
Carolina, Puerto Rico	PMS colorant manufacturing	Leased 1994	12,600
Buford,	PMS colorant	Leased	73,000

Georgia	manufacturing	1997-R	
Milford, New Hampshire	PMS colorant manufacturing	Leased 1995-R	20,600
Coral Springs, Florida	PMS research & development	Leased	18,000
Toluca, Mexico	Hanna Polimeros colorant manufacturing (6/94)	Owned	22,000
LaPorte, Texas	Southwest Chemical polymer compounding	Owned	200,000
Ayer, Massachusetts	PDC headquarters & distribution	Leased 2000\2-P	82,000
Houston, Texas	PDC compounding & distribution	Leased 1997 1998	 88,000 44,120
Statesville, North Carolina	PDC distribution	Leased 1998	48,240
Neshanic Station, New Jersey	Wilson headquarters & colorant manufacturing	Leased 1997-R-P	123,000
Assesse, Belgium	Wilson colorant manufacturing	Owned	120,976
Tossiat, France	Wilson colorant manufacturing	Owned	87,188
Bendorf, Germany	Wilson colorant manufacturing	Owned	72,086
Angered, Sweden	Wilson colorant manufacturing	Owned	22,259
Paris, France	Synthecolor colorant manufacturing	Owned Leased	46,285 16,146

Registrant's combined annual plastic and rubber compounding capacity and colorant manufacturing capacity, based on the estimated design capacities of Registrant's plants amounts to approximately 770 million pounds of compounded rubber products, 795 million pounds of compounded plastic products and over 235 million pounds of colorants. A variation in the mix of products produced at a given plant results in a corresponding increase or decrease in the quantity (in pounds) of products that can be produced at full capacity. Beyond these estimated capacities for Registrant's rubber and plastic compounding and colorant manufacturing properties, there are no comparative measurement units of production capacity that reasonably can be ascribed to Registrant's other properties in the formulated polymer segment.

Registrant's 50 percent-owned partnership, DH Compounding Company, owns and operates an engineering plastics compounding plant in Clinton, Tennessee. The 100,000 square foot plant has an annual design capacity of 60 million pounds.

ITEM 3. LEGAL PROCEEDINGS

The State of Idaho filed suit in 1983 in the U.S. District Court of the District of Idaho against the Registrant and certain other named and unnamed defendants based on allegations of violation of the Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980 and state environmental law and upon allegations of strict liability and maintenance of public nuisance. The state filed amended complaints in 1990 and 1993. In 1993 the U.S. Government also sued the Registrant and the other defendants in the same court, advancing essentially the same theories of liability. Plaintiffs are seeking reimbursement from the defendants for damages to the environment and all costs for clean-up of the area around the Blackbird Mine, now owned by a limited partnership in which the Registrant is the limited partner. The general partner in the limited partnership is a major North American mining company which has been actively participating in the defense of this action. The Registrant and the other defendants filed answers asserting various defenses and served third-party complaints against former owners and operators of the Blackbird Mine and the U.S. Government and certain of its departments and agencies, alleging that such third-party defendants are legally responsible for the alleged natural resources damage. The Registrant and the other defendants are conducting discovery. An independent consulting firm undertook a study of the Blackbird Mine and in 1985 presented several abatement alternatives with estimated construction costs ranging from $3.4 to $8.2 million and estimated operation and maintenance costs ranging from $200,000 to $600,000 annually for an indeterminate period. However, to date no definitive cost estimates or remediation plans have been prepared and submitted to the regulatory authorities. Registrant's insurance carrier has reserved its rights to deny coverage and has sued Registrant for declaratory judgement on this coverage issue, but is funding certain legal defense costs. If the Registrant is found liable, it may seek to recover its costs from the general partner pursuant to the limited partnership agreement. In view of the fact that Registrant's liabilities have not been determined, the remediation costs have not been definitively estimated and the insurance coverage has not been accepted by the carrier, it is not possible at this time to state the amount of Registrant's future costs or liabilities or the probability of insurance recoveries; however, Registrant believes that the matter will be resolved without a material adverse effect on Registrant's business or financial position.

Registrant, through its indirect wholly-owned subsidiary, Cadillac Plastic Group, Inc. (formerly Day International Corporation), is obligated for costs of environmental remediation measures taken and to be taken in connection with certain of Cadillac's businesses related to operations that have been sold or discontinued. These include the clean-up of Superfund sites and participation with other companies in the clean-up of hazardous waste disposal sites, several of which have been designated as Superfund sites. Registrant has established reserves for Cadillac's liabilities for environmental remediation, which do not reflect potential insurance recoveries and which management believes is adequate to cover Cadillac's ultimate exposure. Registrant believes that these liabilities will not have a material adverse effect on the Registrant's business or financial condition.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

_______ EXECUTIVE OFFICERS OF THE REGISTRANT

The following table lists information as of March 18 1994, as to each executive officer of the Registrant, including his position with the Registrant as of that date and other positions held by him during at least the past five years:

M. D. Walker Age - 61	Chairman and Chief Executive Officer. Chairman and Chief Executive Officer, September 1986 to date; President, December 1988 - May 1989.
D. J. McGregor Age - 53	President and Chief Operating Officer. Senior Vice President-Operations of the Registrant, March 1988 - September 1988; Executive

	Vice President, September 1988 - May 1989; President and Chief Operating Officer, May 1989 to date.
S. P. Chong Age - 51	Vice President-Total Quality Planning & Technical Services. Vice President-Technical Services, 1986 - May 1990; Vice President Total Quality Planning & Technical Services, May 1990 to date.
G. W. Henry Age - 48	Vice President - Operations. Comptroller, 1985 - July 1990; Vice President, 1987 - July 1990; Vice President - Marine Services and Special Projects, July 1990 - February 1992; Vice President - Operations, February 1992 to date.
J. S. Pyke, Jr. Age - 55	Vice President and Secretary. Secretary, 1973 to date; Vice President, 1979 to date.
D. R. Schrank Age - 45	Vice President and Chief Financial Officer. Senior Vice President and Chief Financial Officer, Sealy, Inc. (bedding manufacturer) 1989 to September 1993. Vice President and Chief Financial Officer of the Registrant, September 1993 to date.
W. J. Tremblay Age - 62	Vice President - Taxes, 1983 to date.
L. C. Van Hoeven, Jr. Age - 57	Vice President and Treasurer. Treasurer, 1980 to date. Vice President, November 1987 to date.
T. E. Lindsey Age - 43	Comptroller. Assistant Comptroller of the Registrant 1987 to July 1990; Comptroller, July 1990 to date.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON STOCK AND RELATED STOCKHOLDER MATTERS

See the tables regarding Registrant's Stock Price Data at page 35 and Stock Information at page 36 of Registrant's Annual Report distributed to stockholders for the fiscal year ended December 31, 1993, which tables are incorporated herein by this reference.

ITEM 6. SELECTED FINANCIAL DATA

See Selected Financial Data at page 36 of Registrant's Annual Report distributed to stockholders for the fiscal year ended December 31, 1993, which Selected Financial Data is incorporated herein by this reference.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

See pages 37 through 38 of Registrant's Annual Report distributed to stockholders for the fiscal year ended December 31, 1993, which pages are incorporated herein by this reference.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

See pages 22 through 39 of Registrant's Annual Report distributed to stockholders for the fiscal year ended December 31, 1993, which pages and section are incorporated herein by this reference.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Directors

See the table listing nominees for directors on page 2 of Registrant's definitive proxy statement distributed to stockholders dated March 17, 1994, filed with the Commission pursuant to Regulation 14A, which table is incorporated herein by this reference.

Executive Officers

See the item captioned "Executive Officers of the Registrant" in Part I of this Form 10-K, which item is incorporated herein by this reference.

ITEM 11. EXECUTIVE COMPENSATION

See the section captioned "Executive Compensation" through the section captioned "Directors' Compensation" at pages 5 through 13 of Registrant's definitive proxy statement distributed to stockholders dated March 17, 1994, filed with the Commission pursuant to Regulation 14A, which sections are incorporated herein by this reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

(a) Security Ownership of Certain Beneficial Owners:

See the section captioned "Holdings of Shares of the Company's Common Stock" at pages 4 through 5 of Registrant's definitive proxy statement distributed to stockholders dated March 17, 1994 filed with the Commission pursuant to Regulation 14A, which section is incorporated herein by this reference.

(b) Security Ownership by Management:

See the table, and footnotes thereto, regarding beneficial ownership of the Registrant's Common Stock by management, at page 3 of Registrant's definitive proxy statement distributed to stockholders dated March 17, 1994 filed with the Commission pursuant to Regulation 14A, which table and footnotes are incorporated herein by this reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

See the section captioned "Transactions with Directors" at page 4 of Registrant's definitive proxy statement distributed to stockholders dated March 17, 1994 filed with the Commission pursuant to Regulation 14A, which section is incorporated herein by this reference.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

(a) 1. and 2. -- The response to this portion of Item 14 is submitted as a separate section commencing on page F-1 of this Form 10-K.

3. List of Exhibits. [Those documents listed below that are incorporated herein by reference to Registrant's earlier periodic reports were filed with the Commission under Registrant's File No. 1-5222.]

(i) Exhibits filed pursuant to Regulation S-K (Item 601):

(3) Articles of Incorporation and By-laws.

(a) Registrant's Articles of Incorporation (as restated as of November 13, 1989, and currently in effect), filed as Exhibit 3(b) to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1989, and incorporated herein by this reference.

(b) Registrant's By-laws (as amended and restated as of March 2, 1988, and currently in effect), filed as Exhibit 3(d) to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1987 and incorporated herein by this reference.

(4) Instruments Defining the Rights of Security Holders:

(a) Rights Agreement, dated December 4, 1991, between the Registrant and Ameritrust Company National Association, filed as Exhibit 4.1 to Registrant's Form 8-K dated December 4, 1991, and incorporated herein by this reference.

(b) Credit Agreement, dated September 15, 1989 between the Registrant, Citibank, N.A. and the other banks signatory thereto, a copy of which will be provided to the Commission upon request.

(c) Indenture dated September 15, 1991 between the Registrant and Ameritrust Company, National Association, Trustee relating to Registrant's $100,000,000 aggregate principal amount of 9% Senior Notes due 1998 and $150,000 aggregate principal amount of 9 3/8% Senior notes due 2003, filed as Exhibit 4 to the Registrant's Form S-3 filed on September 18, 1991, and incorporated herein by this reference.

(d) Indenture dated September 26, 1991 between the Registrant and Ameritrust Texas, National Association, Trustee, relating to Registrant's $50,000,000 aggregate principal amount of 9% Notes due 1998, filed as Exhibit 4 to the Registrant's Form S-3 filed on October 24, 1991, and incorporated herein by this reference.

(e) Associates Ownership Trust Agreement dated September 12, 1991, between Registrant and Wachovia Bank of North Carolina, filed as Exhibit 28.3 to Registrant's Current Report on Form 8-K dated September 12, 1991, and incorporated herein by this reference.

(10) Material Contracts:

*(a) The Restated 1979 Executive Incentive Compensation Plan of the Registrant, filed as Exhibit 5 to the Form S-8 Registration Statement No. 2-70755 filed with the Commission on February 19, 1981 and incorporated herein by this reference, and amendment to the Plan, as ratified and approved by Registrant's stockholders on October 3, 1983, filed as Exhibit 10(c) to Registrant's Form 10-K for the fiscal year ended December 31, 1983 and incorporated herein by this reference. Also amendment to the Plan as approved by Registrant's stockholders on May 1, 1985, filed as Exhibit 10(c) to Registrant's Form 10-K for the fiscal year ended December 31, 1985 and incorporated herein by this reference.

*(b) Forms of 1985 Stock Option Agreement, 1985 Grant of Appreciation Rights and 1985 Grant of Performance Rights under

the 1979 Executive Incentive Compensation Plan, filed as Exhibit 10(g) to Registrant's Form 10-K for the fiscal year ended December 31, 1985 and incorporated herein by this reference.

*(c) Forms of 1987 Stock Option Agreement, 1987 Grant of Appreciation Rights and 1987 Grant of Performance Rights under the 1979 Executive Incentive Compensation Plan, filed as Exhibit 10(e) to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1986, and incorporated herein by this reference.

*(d) 1988 Long-Term Incentive Plan, and forms of Grants of Stock Options, Grants of Appreciation Rights and Grants of Long-Term Incentive Units thereunder, filed as Exhibit 10(e) to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1988, and incorporated herein by this reference. Also forms of 1989 Stock Option Agreement, 1989 Grant of Appreciation Rights and 1989 Grant of Long-Term Incentive Units, filed as Exhibit 10(e) to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1989 and incorporated herein by this reference. Also 1990 Amendment to the Plan, filed as Exhibit 10(e) to Registrant's Form 10-K for the fiscal year ended December 31, 1990 and incorporated herein by this reference and forms of 1990 Stock Option Agreement, 1990 Grant of Appreciation Rights and 1990 Grant of Long-Term Incentive Units, filed as Exhibit 10(e) to Registrant's Form 10-K for the fiscal year ended December 31, 1990 and incorporated herein by this reference. Also 1991 Amendment to the Plan, and forms of 1991 Stock Option Agreement, 1991 Grant of Appreciation Rights, 1991 Grant of Long Term Incentive Units, and 1991 Stock Option Agreement with non-employee directors of Registration, filed as Exhibit 10(f) to Registrant's Form 10-K for the fiscal year ended December 31, 1991, and incorporated herein by this reference. Also forms of 1992 Stock Option Agreement and 1992 Grant of Long Term Incentive Units, filed as Exhibit 10(e) to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1992, and incorporated herein by this reference.

*(e) Form of Supplemental Deferred Compensation agreement in which any of the five most highly compensated executive officers of the Registrant participates, refiled herewith.

*(f) Form of Supplemental Death Benefits agreement in which any of the five most highly compensated executive officers of the Registrant participates, refiled herewith.

*(g) Form of Employment Agreement dated as of February 17, 1989 between Registrant and certain of Registrant's executive officers filed as Exhibit 10(h) to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1988 and incorporated herein by this reference. Also (i) Employment Agreement dated August 6, 1986, as amended March 5, 1987 and December 1, 1992 between M. D. Walker and the Registrant, filed as Exhibit 10(h)(i) to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1992, and incorporated herein by this reference; (ii) Employment Agreement dated as of September 27, 1993, between D. R. Schrank and Registrant, filed as Exhibit (a) to Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 1993, and incorporated herein by this reference; and (iii) Employment Agreement dated March 1, 1993 between D. J. McGregor and Registrant, filed herewith.

*(h) Description of Directors' compensation and retirement plan, set forth in the section captioned "Directors' Compensation" on pages 12 and 13 of Registrant's definitive proxy statement dated March 17, 1994, as distributed to stockholders and filed with the Commission pursuant to Regulation 14A, which section is incorporated herein by this reference.

*(i) Excess Benefit Plan in which any of the five most highly compensated executive officers of the Registrant participates,

filed as Exhibit 10(j) to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1992 and incorporated herein by this reference.

*(j) Supplemental Retirement Benefit Plan in which any of the five most highly compensated executive officers of the Registrant participates, filed as Exhibit 10 (k) to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1992 and incorporated herein by this reference.

[*- Identifies management contract or compensation plans or arrangements filed pursuant to Item 601(b)(10)(iii)(A)]

(11) Computation of per share earnings, filed herewith.

(13) Registrant's Annual Report as distributed to stockholders for the fiscal year ended December 31, 1993, filed herewith.

(21) Subsidiaries of the Registrant, filed herewith.

(23) Consent of Independent Auditors, filed herewith.

(24) Powers of Attorney of certain Directors of Registrant, filed herewith.

(ii) Other exhibits:

Financial statements (and consent of independent auditors) pursuant to Form 11-K and Rule 15d-21 for the year ended December 31, 1993, for the Capital Accumulation Plan for Salaried Employees of M. A. Hanna Company and Associated Companies, and for stock purchase/savings plans of Registrant's subsidiaries and divisions will be filed as exhibits to the Form 10-K under a Form 10-KA amendment not later than June 30, 1994.

(b) Since September 30, 1993, Registrant has filed no reports on Form 8-K.

(c) The response to this portion of Item 14 is submitted as a separate Section commencing on page X-1 of this Form 10-K.

(d) The response to this portion of Item 14 is submitted as a separate section commencing on page F-1 of this Form 10-K.

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

M. A. HANNA COMPANY
(Registrant)

Date: March 18, 1994 By /s/J. S. Pyke, Jr.
J. S. Pyke, Jr.
Vice President and Secretary

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Date: March 18, 1994 By /s/M. D. Walker
M. D. Walker, Chairman and Chief
Executive Officer (Principal
Executive Officer) and Director

Date: March 18, 1994   By   /s/D. R. Schrank
D. R. Schrank, Vice President
and Chief Financial Officer
(Principal Financial Officer)

Date: March 18, 1994   By   /s/T. E. Lindsey
T. E. Lindsey, Comptroller
(Principal Accounting Officer)

B. C. Ames, Director

W. R. Embry, Director

J. T. Eyton, Director

By /s/T. E. Lindsey
T. E. Lindsey
Attorney-in-Fact

G. D. Kirkham, Director

M. L. Mann, Director

Date: March 18, 1994

P. M. Marshall, Director

D. J. McGregor, Director

R. W. Pogue, Director

FORM 10-K

ITEM 14(a) (1) and (2)

FINANCIAL STATEMENTS AND SCHEDULES

M. A. HANNA COMPANY

The following consolidated financial statements of the Registrant and its consolidated subsidiaries, included in the annual report of the Registrant to its stockholders for the year ended December 31, 1993, are incorporated herein by reference in Item 8:

Summary of accounting policies
Consolidated balance sheets - December 31, 1993 and 1992
Consolidated statements of income, stockholders' equity and cash flows - years ended December 31, 1993, 1992 and 1991
Notes to financial statements

The following consolidated financial information, together with the report of the independent accountants, are included in Item 14 (d):

Schedule VIII - Valuation and qualifying accounts
Schedule IX - Short-term borrowings
Schedule X - Supplementary income statement information

All other schedules for which provision is made in the applicable accounting regulation of the Securities and Exchange Commission are not required under the related instructions or are inapplicable, and therefore have been omitted.

Financial statements of unconsolidated subsidiaries or 50% or less owned persons accounted for by the equity method have been omitted because they do not, considered individually or in the aggregate, constitute a significant subsidiary.

Report Of Independent Auditors

Board of Directors
M.A. Hanna Company

We have audited the accompanying consolidated balance sheets of M.A. Hanna Company and subsidiaries as of December 31, 1993 and 1992, and the related consolidated statements of income, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 1993. Our audits also included the financial statement schedules listed in the Index at Item 14(a)(1) and (2). These financial statements and schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedules based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of M.A. Hanna and subsidiaries at December 31, 1993 and 1992, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 1993, in conformity with generally accepted accounting principles. Also, in our opinion, the related financial statement schedules, when considered in relation to the basic financial statements taken as a whole, present fairly in all material respects the information set forth therein.

As discussed in notes to the financial statements, in 1992 the Company changed its method of accounting for post-retirement benefits other than pensions and income taxes.

/s/ Ernst & Young

January 31, 1994

<TABLE>

SCHEDULE VIII - VALUATION AND QUALIFYING ACCOUNTS

M. A. HANNA COMPANY AND CONSOLIDATED SUBSIDIARIES

<CAPTION>

COL. A	COL. B	COL. C ADDITIONS		COL. D	COL. E
DESCRIPTION	Balance at Beginning of Period	(1) Charged to Costs and Expenses	(2) Charged to Other Accounts - Describe	Deductions - Describe	Balance at End of Period
<S>	<C>	<C>	<C>	<C>	<C>
Year ended December 31, 1993:					
Deducted from asset accounts:					
Allowance for doubtful accounts	$8,003,000	$3,939,000	$188,000 (a) 1,321,000 (b)	$2,539,000 (c)	$10,912,000
Year ended December 31, 1992:					
Deducted from asset accounts:					
Allowance for doubtful accounts	$6,329,000	$2,373,000	$1,067,000 (a) 891,000 (b)	$2,657,000 (c)	$8,003,000
Year ended December 31, 1991:					
Deducted from asset accounts:					
Allowance for doubtful accounts	$7,473,000	$2,790,000	$793,000 (a) 227,000 (b)	$4,954,000 (c)	$6,329,000

(a) Reserves of companies acquired.

(b) Charge included in income(loss) from discontinued operations.

(c) Uncollectible amounts written off.

</TABLE>

SCHEDULE IX - SHORT-TERM BORROWINGS

M. A. HANNA COMPANY AND CONSOLIDATED SUBSIDIARIES

<TABLE>
<CAPTION>

COL. A	COL. B	COL. C	COL. D	COL. E	COL. F
CATEGORY OF AGGREGATE SHORT-TERM BORROWINGS	Balance at End of of Period	Weighted Average Interest Rate	Maximum Amount Outstanding During the Period	Average Amount Outstanding During the Period	Weighted Average Interest Rate During the Period
<S>	<C>	<C>	<C>	<C>	<C>
Year ended December 31, 1993					
Notes payable to banks by foreign subsidiaries	$2,478,108	7.08%	$3,960,008	$2,012,417 (1)	8.03% (2)
Year ended December 31, 1992					
Notes payable to banks by foreign subsidiaries	$2,311,958	6.45%	$2,826,279	$1,828,051 (1)	7.22% (2)
Year ended December 31, 1991					
Notes payable to banks by foreign subsidiaries	$2,145,434	9.19%	$7,178,279	$4,197,706 (1)	10.82% (2)

(1) The average amount outstanding during the period was computed by dividing the total of month-end outstanding principal balance by 12.

(2) The weighted average interest rate during the period was computed by dividing the actual interest expense by average short-term debt outstanding.

</TABLE>

<TABLE>
<CAPTION>

SCHEDULE X - SUPPLEMENTARY INCOME STATEMENT INFORMATION

M. A. HANNA COMPANY AND CONSOLIDATED SUBSIDIARIES

COL. A ITEM	COL. B Charged to Costs and Expenses		
	Year ended December 31		
	1993	1992	1991
<S>	<C>	<C>	<C>
Maintenance and repairs	$21,177,000	$19,051,755	$17,291,633
Amortization of intangibles:			
Goodwill	9,794,000	9,394,000	9,203,000
Other intangibles	7,518,000	7,014,734	6,283,038
Taxes, other than payroll and income taxes:			
Real estate and personal property	(A)	(A)	(A)
Other	(A)	(A)	(A)
Royalties	(A)	(A)	(A)
Advertising	(A)	(A)	(A)

Note A - Not presented as such amount is less than 1% of total sales and revenues.

</TABLE>

Item 14 - Exhibit 10(e)

DEFERRED COMPENSATION AGREEMENT

Dated as of

M. A. HANNA COMPANY, a Delaware corporation ("Hanna"), and _________________________ ("Executive") hereby agree as follows:

1. Upon the retirement of the Executive from the employ of Hanna on or after his having reached sixty (60) years of age, Hanna shall, subject to the terms and conditions of this Agreement and commencing with the later of (a) the Executive's retirement or (b) five (5) years from the date of this Agreement, pay to him each month the sum set forth in Appendix I opposite his age at his retirement. Payments shall be made for the period shown in Appendix I.

2. If the Executive leaves the employ of Hanna before he reaches the later of (a) sixty (60) years of age or (b) five (5) years from the date of this Agreement for any reason other than his death or his permissible early retirement under one of Hanna's early retirement plans, Hanna shall have no obligation under this Agreement except to allow the Executive to purchase the Policy as specified in paragraph 6 hereof.

If the Executive dies before he reaches the later of (a) or (b) in this paragraph 2, the proceeds specified in the Policy (as defined in paragraph 6 hereof) shall be paid to the beneficiary designated as described in paragraph 5 hereof (or, if no beneficiary is designated, pursuant to the provisions of paragraph 5), and Hanna shall have no obligation under this Agreement.

If the Executive takes permissible early retirement under one of Hanna's early retirement plans before he reaches sixty (60) years of age and provided that he makes the premium payments specified in paragraph 7 hereof, then for purposes of this Agreement he shall be deemed to have retired at sixty (60) years of age and Hanna shall make payments to him as specified in paragraph 1 hereof commencing on the later of (a) or (b) in this paragraph 2.

3. If the Executive shall die prior to his retirement but on or after the later of (a) his having reached sixty (60) years of age or (b) five years from the date of this Agreement, Hanna shall pay each month to the Executive's designated beneficiary, the sum set forth in Appendix I that would have been paid if the Executive had retired at age 65. Payments shall begin as soon as practicable after the Executive's death and shall continue for a period of

fifteen (15) years.

If the Executive shall die prior to his retirement, but before the later of (a) or (b) in this paragraph 3, the proceeds specified in the Policy (as defined in paragraph 6 hereof) shall be paid to the beneficiary designated as described in paragraph 5 hereof (or, if no beneficiary is designated, pursuant to the provisions of paragraph 5), and Hanna shall have no obligation under this Agreement.

4. If the Executive shall die after becoming eligible for payments as specified in paragraph 1 above, but prior to receiving the last monthly installment, the remaining installments shall be paid as they become due to the Executive's designated beneficiary.

5. The Executive shall designate his beneficiary in a writing filed with and acceptable to Hanna which may be modified by the Executive at any time. If the Executive fails to designate a beneficiary, installments otherwise payable to the designated beneficiary shall be paid as they become due to the duly appointed executor, administrator or other personal representative of the Executive's estate.

6. Hanna will purchase an insurance policy (the "Policy") on the life of the Executive and will be the sole owner of the Policy. If the Executive leaves Hanna for any reason other than death or retirement or if the Company wishes to terminate the Policy, the Executive may purchase the Policy from Hanna for its cash surrender value at that time, provided that the employee has worked for Hanna for at least five (5) years from the Policy issuance date.

7. The Executive will contribute to the cost of the benefits under this Agreement and the Policy by making premium payments as notified by Hanna but in no case greater than the amount shown in Appendix II. During the Executive's employment with Hanna, premium payments will be deducted by Hanna twice each month from the Executive's compensation. When the Executive is no longer employed by Hanna, he will make payments once per year in the amount shown.

If for any reason the Executive fails to make a premium payment when it is due, Hanna shall notify him of that fact. If Hanna has sent him a second notice, by registered mail, and the Executive still fails to make such premium payment, Hanna shall be entitled to terminate this Agreement and the Policy, and be relieved of all further obligations under this Agreement, sixty (60) days after sending the second notice.

8. This Agreement may not be terminated by Hanna after the Executive's death. It may be terminated by Hanna prior to the later of (a) the Executive's reaching sixty (60) years of age or (b) five (5) years from the date of this Agreement, by written

notice sent to the Executive, as of a date not less than thirty (30) days after the date of sending that notice, but only on the following terms and conditions:

(i) Hanna terminates identical or similar deferred compensation agreements with respect to all other living employees who have not yet attained the later of (a) or (b) in this paragraph 8; and

(ii) If such termination occurs at any time after three (3) full years following the date of this Agreement, the Executive shall be eligible for, and entitled to, irrevocably vested deferred compensation, commencing on or after the Executive's retirement as stipulated in this Agreement, in an amount as set forth in paragraph 1 above, and any amendments thereto, multiplied by a fraction of which the numerator is the number of full years from the date of this Agreement to the date of such termination and the denominator is the number of full years from the date of this Agreement to the date when the Executive has fulfilled his obligation to make premium payments required under this Agreement.

Notwithstanding any provision to the contrary herein, Hanna shall not have the right to amend or terminate this Agreement or the Policy after a change in control of Hanna, as hereinafter defined, occurs except for nonpayment of premiums by the Executive as specified in paragraph 7 above.

For purposes of this Agreement, the term "change in control" of Hanna shall have occurred if and when any of the following events shall have occurred:

(a) Hanna enters into an agreement to merge, consolidate or reorganize into or with another corporation or other legal person, and as a result of such merger, consolidation or reorganization less than 75% of the combined voting power of the then-outstanding securities of such corporation or person immediately after such transaction are held in the aggregate by the holders of Voting Stock (as that term is defined in subparagraph (c) below) of Hanna immediately prior to such transaction;

(b) Hanna enters into an agreement to sell or otherwise transfer all or substantially all of its assets to any other corporation or other legal person, and as a result of such sale or transfer less than 75% of the combined voting power of the then-outstanding securities of such corporation or person immediately after such sale or transfer is held in the aggregate by the holders of Voting stock of Hanna immediately prior to such sale or transfer;

(c) The filing on Schedule 13D or schedule 14D-1 (or any successor schedule, form or report), each as promulgated pursuant to the Securities Exchange Act of 1934, as amended (the "Exchange Act"), disclosing that any person (as the term "person" is used in Section 13 (d) (3) or Section 14 (d) (2) of the Exchange Act) has become, the beneficial owner (as the term "beneficial owner" is defined under Rule 13d-3 or any successor rule or regulation promulgated under the Exchange Act) of securities representing 30% or more of the combined voting power of the then-outstanding securities entitled to vote generally in the election of directors of Hanna ("Voting Stock");

(d) Hanna files a report or proxy statement with the Securities and Exchange Commission pursuant to the Exchange Act disclosing in response to Form 8-K or Schedule 14A (or any successor schedule, form or report or item therein) that a change in control of Hanna has or may have occurred or will or may occur in the future pursuant to any then-existing contract or transaction; or

(e) During any period of two consecutive years, individuals who constitute the Directors of Hanna at the beginning of any such period cease for any reason to constitute at least a majority thereof, unless the election, or the nomination for election by Hanna's stockholders, of each new Director was approved by a vote of at least two-thirds of the Directors of Hanna then still in office who were Directors of the Company at the beginning of such period.

Notwithstanding the foregoing provisions of subparagraphs (c) or (d) above hereof a "Change in Control" shall not be deemed to have occurred for purposes of this Agreement solely because (i) Hanna, (ii) an entity in which Hanna directly or indirectly beneficially owns 50% or more of the voting securities, or (iii) any Hanna-sponsored employee stock ownership plan or other employee benefit plan of Hanna, either files or becomes obligated to file a report or a proxy statement under or in response to Schedule 13D, Schedule 14D-1, Form 8-K or Schedule 14A (or any successor schedule, form or report or item therein) under the Exchange Act, disclosing beneficial ownership by it of shares of Voting Stock, whether in excess of 30% or otherwise, or because Hanna reports that a change in control of Hanna has or may have occurred or will or may occur in the future by reason of such beneficial ownership.

In the event that any such agreement to merge, consolidate, reorganize or sell or otherwise transfer assets referred to in subparagraphs (a) or (b) above is terminated without such merger, consolidation, reorganization or sale or transfer having been consummated, or the person filing such Schedule 13D or Schedule 14D-1 referred to in subparagraph (c) above files an amendment to such Schedules disclosing that it no longer is the beneficial owner of securities representing 30% or more of the Voting Stock of Hanna, or Hanna reports that the change of control which it reported in the filing referred to in subparagraph (d) above will not in fact occur, any executive officer of Hanna may be notice to the Executive nullify the operation of this Agreement by reason of such Change in Control, without prejudice to any exercise by the Executive of his rights under this Agreement that may have occurred prior to such nullification.

In the event a change in control of Hanna occurs, the rights and benefits of the Executive hereunder will continue in full force and effect, subject only to payment by the Executive on a timely basis of his share of the premiums stipulated in this Agreement. The Executive shall receive timely notice of all premium payments due after a change in control of Hanna.

9. Except as permitted by this Agreement or in accordance with a qualified domestic relations order as defined in Section 414(p) of the Internal Revenue Code, no rights of any kind under this Agreement shall, without the written consent of Hanna, be transferable or assignable by the Executive, any designated beneficiary or any other person, or be subject to alienation, encumbrance, garnishment, attachment, execution or levy of any kind, voluntary or involuntary.

If the Executive or any other person attempts to assign, transfer, alienate or encumber his rights to receive payments hereunder (except as permitted by this Agreement) or permits the same to be subject to alienation, garnishment, attachment, execution or levy of any kind, Hanna shall have no further obligation under this Agreement.

10. If the Executive shall, at any time while he is receiving payments pursuant to the Agreement, acquire five percent (5%) or more of the voting stock of a competing business or be employed by a competing business, or shall take any action inimical to the interest of Hanna, Hanna shall be relieved of all further obligations hereunder. A competing business shall be any business which is (i) substantially similar to the whole or any significant part of the business then being conducted by Hanna and its

subsidiaries and (ii) conducted within twenty-five (25) miles of any place of business maintained by Hanna and its subsidiaries.

11. This Agreement is not nor does it contain an offer or commitment by Hanna to continue the Executive's employment with Hanna for any period of time.

12. All questions of interpretation, construction or application arising under this Agreement shall be decided by the Board of Directors or a Committee of the Board of Directors of Hanna, whose decision shall be final and conclusive upon all persons.

13. The undertakings of Hanna herein constitute merely the unsecured promise of Hanna to make the payments as provided for herein. No property of Hanna is or shall be, by reason of this Agreement, held in trust for the Executive, any designated beneficiary or other person, and neither the Executive nor any designated beneficiary or any other person shall have by reason of this Agreement, any right, title or interest of any kind in or to any property of Hanna.

14. Hanna will not consolidate or merge into or with another corporation, or transfer all or substantially all of its assets to another corporation or entity, unless such other corporation or entity shall assume this Agreement and upon such assumption the Executive and the successor corporation or entity shall become obligated to perform the terms and conditions hereunder. This provision shall continue to apply in the event of any subsequent merger, consolidated or transfer of assets.

15. This Agreement shall be effective as of ________________.

IN WITNESS WHEREOF, M. A. Hanna Company has caused this Agreement to be duly executed and the Executive has executed this Agreement, in triplicate, on this _______ day of _______________, ______.

M. A. HANNA COMPANY

By

____
Executive

SUPPLEMENTAL DEATH BENEFIT AGREEMENT

THIS AGREEMENT, dated as of the _____ day of ______________, _______, by M. A. HANNA COMPANY, a corporation with offices at 1301 East 9th Street, Suite 3600, Cleveland, Ohio 44114-1860 (hereinafter referred to as "Hanna") with and for the benefit of _________________ (hereinafter referred to as the "Associate").

WITNESSETH:

WHEREAS, the Associate has been associated with Hanna in its business during which time Hanna has had the benefit of the talent, ability and unique and extensive business experience of the Associate;

WHEREAS, Hanna wishes to secure for itself the benefits of a continuing association with the Associate;

WHEREAS, Hanna has offered certain supplemental life insurance and death benefits to certain of its employees under a program (hereinafter referred to as the "Program") set forth in a letter of the Chairman of the Board of Hanna to such employees, including the Associate; and

WHEREAS, this Agreement is made by Hanna pursuant to the Program;

NOW, THEREFORE, in consideration of the premises and of the services rendered and to be rendered by the Associate to Hanna, Hanna agrees to make payments of supplemental death benefits to the designated beneficiary of the Associate according and subject to the following terms and conditions:

1.(a) Supplemental Death Benefit

Provided that the employee is in the employ of Hanna, or has retired from the employ of Hanna on or after having attained sixty-five (65) years of age or has ceased to be in the employ of Hanna for any reason other than his death or such retirement and Hanna shall have agreed in writing that such cessation of employment shall not be deemed to terminate the rights of the Associate hereunder, then, upon the death of the Associate on or after attaining sixty-five (65) years of age, Hanna shall pay in equal monthly installments for a period of fifteen (15) years and until one hundred eighty (180) equal monthly installments have been paid, the aggregate sum of $___________ to the beneficiary whom the Associate shall designate in a writing filed with the Employee Benefits Department of Hanna and in form accepted by the Employee Benefits Department. The Associate shall have the right to change or amend such designation from time to time by a writing similarly filed and in form accepted by the Employee Benefits Department. If the Associate shall fail to make such designation prior to the time an equal monthly installment and all remaining monthly installments shall be paid, as they become due, to the duly appointed executor, administrator or other personal representative of the estate of the Associate.

If the Associate takes permissible early retirement under one of Hanna's early retirement plans, the Associate will be instructed in writing as to the premium payments necessary to keep this benefit in force. Failure to pay stated premiums relieves Hanna of all obligations under this Agreement.

(b) Optional Payment Election

The Associate may elect to have Hanna pay to the Associate on or after the date the Associate attains seventy (70) years of age the aggregate sum of $__________in equal monthly installments for a period of fifteen (15) years and until one hundred eighty (180) equal monthly installments have been paid; provided that

(i) the Associate shall give prior written notice to the Employee Benefits Department of Hanna of such election with such notice specifying the date on which the Associate wishes to begin receiving the equal monthly installments; and

(ii) such notice shall not be effective if given prior to six (6) months before the Associate attains seventy (70) years of age.

Should the Associate die (i) after giving such notice and before receiving the first such monthly installment or (ii) within said fifteen (15) year period, then all remaining monthly installments shall be paid to the beneficiaries or persons whom the Associate shall designate in a writing filed with the Employee Benefits Department of Hanna and in a form accepted by said Employee Benefits Department. The Associate shall have the right to change or amend such designation from time to time by a writing similarly filed and in form accepted by the Employee Benefits Department. If the Associate shall fail to make such designation prior to the time an equal monthly installment shall become payable, such installment and all remaining monthly installments shall be paid, as they become due, to the duly appointed executor, administrator or other personal representative of the estate of the Associate.

2. Except as permitted this Agreement or in accordance with a qualified domestic relations order as defined in Section 414(p) of the Internal Revenue Code, no rights of any kind under this Agreement shall, without the written consent of Hanna, be transferable or assignable by the Associate, any designated beneficiary, or any other person, or be subject to alienation, encumbrance, garnishment, attachment, execution or levy of any kind, voluntary or involuntary.

3. All questions of interpretation, construction or application arising under this Agreement shall be decided by the Board of Directors or a Committee of the Board of Directors of Hanna, whose decision shall be final and conclusive upon all persons.

4. The undertakings of Hanna herein constitute merely the unsecured promise of the Company to make payments as provided for herein. No property of Hanna is or shall, by reason of this Agreement, be held in trust for the Associate, any designated beneficiary or any other person, and neither the Associate nor any designated beneficiary or any other person shall have, by reason of this Agreement, any rights, title or interest of any kind in or to any property of Hanna.

5. This Agreement may be terminated by Hanna prior to the Associate attaining sixty-five (65) years of age provided that

(i) Hanna terminates the Program and similar supplemental death benefit agreements with respect to all other living employees participating in the Program who have not yet attained sixty-five (65) years of age; and

(ii) if such termination occurs at any time after three (3) full years following the date of this Agreement, the Associate shall be eligible for, and entitled to, an irrevocably vested supplemental benefit, commencing with the Associate's retirement, in an amount determined in the same manner as the benefit provided under paragraph 1 above, multiplied by a fraction of which the numerator is the number of full years from the date of such termination and the denominator is the number of full years from the date of this Agreement to the date the Associate attains sixty-five (65) years of age.

6. Notwithstanding any provisions to the contrary herein, Hanna shall not have the right to amend or terminate this Agreement after a change in control of Hanna, as hereinafter defined, occurs except for nonpayment of premiums by the Executive as specified in paragraph 1(a) hereof. For purposes of this Agreement, a "Change in Control" of Hanna shall have occurred if and when any of the following events shall have occurred:

(a) Hanna enters into an agreement to merge, consolidate or reorganize into or with another corporation or other legal person, and as a result of such merger, consolidation or reorganization less than 75% of the combined voting power of the then-outstanding securities of such corporation or person immediately after such transaction are held in the aggregate by the holders of Voting Stock (as that term is defined in subparagraph (c) below) of Hanna immediately prior to such transaction;

(b) Hanna enters into an agreement to sell or otherwise transfer all or substantially all of its assets to any other corporation or other legal person, and as a result of such sale or transfer less than 75% of the combined voting power of the then-outstanding securities of such corporation or person immediately after such sale or transfer is held in the aggregate by the holders of Voting Stock of Hanna immediately prior to such sale or transfer;

(c) The filing on Schedule 13D or Schedule 14D-1 (or any successor schedule, form or report), such as promulgated pursuant to the Securities Exchange Act of 1934, as amended (the "Exchange Act"), disclosing that any person (as the term "person" is used in Section 13(d)(3) or Section 14 (d)(2) of the Exchange Act) has become the beneficial owner (as the term "beneficial owner" is defined under Rule 13d-3 or any successor rule or regulation promulgated under the Exchange Act) of securities representing 30% or more of the combined voting power of the then-outstanding securities entitled to vote generally in the election of directors of Hanna ("Voting Stock");

(d) Hanna files a report or proxy statement with the Securities and Exchange Commission pursuant to the Exchange Act disclosing in response to Form 8-K or Schedule 14A (or any successor schedule, form or report or item therein) that a change in control of Hanna has or may have occurred or will or may occur in the future pursuant to any then-existing contract or transaction; or

(e) During any period of two consecutive years, individuals who constitute the Directors of Hanna at the beginning of any such period cease for any reason to constitute at least a majority thereof, unless the election, or the nomination for election by Hanna's stockholders, of each new Director was approved by a vote of at least two-thirds of the Directors of Hanna then still in office who were Directors of the Company at the beginning of such period.

Notwithstanding the foregoing provisions of subparagraphs (c) or (d) hereof, a "Change in Control" shall not be deemed to have occurred for purposes of this Agreement solely because (i) Hanna, (ii) an entity in which Hanna directly or indirectly beneficially owns 50% or more of the voting securities, or (iii) any Hanna-sponsored employee stock ownership plan or other employee benefit plan of Hanna, either files or becomes obligated to file a report or proxy statement under or in response to Schedule 13D, Schedule 14D-1, Form 8-K or Schedule 14A (or any successor schedule, form or report or item therein) under the Exchange Act, disclosing beneficial ownership by it of shares of Voting Stock, whether in excess of 30% or otherwise, or because Hanna reports that a change in control of Hanna has or may have occurred or will or may occur in the future by reason of such beneficial ownership.

In the event that any such agreement to merge, consolidate, reorganize or sell or otherwise transfer assets referred to in subparagraphs (a) or (b) is terminated without such merger, consolidation, reorganization or sale or transfer having been consummated, or the person filing such Schedule 13D or Schedule 14D-1 referred to in subparagraph (c) files an amendment to such Schedules disclosing that it no longer is the beneficial owner of securities representing 30% or more of the Voting Stock of Hanna, or Hanna reports that the change of control which it reported in the filing referred to in subparagraph (d) will not in fact occur, any executive officer of Hanna may by notice to the Executive nullify the operation of this Agreement by reason of such Change in Control, without prejudice to any exercise by the Associate of his rights under this Agreement that may have occurred prior to such nullification.

In the event a change in control of Hanna occurs, the rights and benefits of the Executive hereunder will continue in full force and effect, subject only to payment by the Executive on a timely basis of his share of the premiums stipulated in this Agreement. The Executive shall receive timely notice of all premium payments due after a change in control of Hanna.

7. Nothing herein shall be construed as an offer or

commitment by Hanna to continue the Associate's employment with Hanna for any period of time.

8. This Agreement shall be effective as of _________ __, _____.

IN WITNESS WHEREOF, Hanna has caused this Agreement to be duly executed and the Associate has executed this Agreement, in triplicate, on this _____ day of ___________.

M. A. HANNA COMPANY

By: ____________________________

Vice President and Secretary

____

Associate

Item 14 - Exhibit 10(g)(iii)

EMPLOYMENT AGREEMENT

AGREEMENT dated as of March 1, 1993, between M. A. HANNA COMPANY, a Delaware corporation (the "Corporation"), and DOUGLAS J. McGREGOR ("Mr. McGregor").

WITNESSETH:

WHEREAS, Mr. McGregor has been employed by the Corporation since March 1, 1988 under an Employment Agreement dated as of March 1, 1988; and

WHEREAS, the parties wish to continue Mr. McGregor's employment on the terms and subject to the conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the premises, the parties hereto have agreed, and do agree, as follows:

1. The Corporation agrees to employ Mr. McGregor and he agrees to serve it, on the terms and subject to the conditions herein set forth, for a period (the "Employment Period") commencing on March 1, 1993 and continuing through March 1, 1996, or on any earlier date this Agreement is terminated by Mr. McGregor's death or as otherwise provided herein.

2. Mr. McGregor has been elected President and Chief Operating Officer. It is the intention of the Corporation that Mr. McGregor shall be continued as President and Chief Operating Officer of the Corporation during the Employment Period; provided, however, that the sole remedy of Mr. McGregor for any failure to be so included or continued shall be as provided for by Paragraph 6 hereof.

3. During the Employment Period, Mr. McGregor shall devote his best efforts and all of his normal business time (reasonable vacations, periods of temporary leave, sick leave, and time devoted to civic and charitable activities excepted) to the business of the Corporation and its subsidiaries and affiliated companies. Mr. McGregor may hereafter accept service as a director of any other corporation approved by the Chief Executive Officer of the Corporation and receive compensation therefor; provided, however, that in the case of any other corporation Mr. McGregor shall be required to provide the Corporation with such evidence of directors and officers liability insurance and/or rights of indemnification as shall be acceptable to the Corporation.

4. As President and Chief Operating Officer, Mr. McGregor shall be responsible to the Chief Executive Officer of the Corporation. He shall

have all the responsibility and authority assigned to a President and Chief Operating Officer of a large multi-division corporation, subject always to responsibilities and delegated authority of the Chief Executive Officer and the Board of Directors of the Corporation.

5. The Corporation agrees to compensate Mr. McGregor for the services rendered by him during the Employment Period as follows:

(a) By paying him a base salary ("Base Compensation") at the rate of $370,000 per annum (or at a higher rate if and as the Chief Executive Officer may from time to time recommend to the Board of Directors for their approval and determination), payable in installments in accordance with the practice followed by the Corporation for its senior officers.

(b) By paying him an incentive compensation bonus ("Incentive Compensation Bonus") as may be recommended by the Chief Executive Officer and approved by the Board of Directors in conformity with established Corporation executive incentive guidelines.

(c) By awarding him, pursuant to the present or any future Long Term Incentive Plan or other benefit plans of the Corporation, in respect to each year (or portion thereof) of his employment, an amount of Long Term Incentive Plan Awards ("LTIP Awards") and stock options as, in the judgment of the Board of Directors of the Corporation, are appropriate for the office at the time occupied by him in relation to the amounts of LTIP Awards and stock options awarded by the Corporation to other senior officers, which awards shall be payable or exercisable in accordance with the provisions of the Corporation's benefit plans and the terms established by the Board of Directors.

(d) By granting to him, except as otherwise expressly provided in this Agreement, participation in all benefit plans and personal benefit programs applicable to senior officers of the Corporation, at such times as Mr. McGregor otherwise qualifies for participation pursuant to the terms of such plans or programs, including, but not limited to, the Corporation's split-dollar insurance program, health and life insurance programs, Capital Accumulation Plan, Salaried Employees Retirement Income Plan, Supplemental Retirement Benefits Plan, and a Club membership in a Country Club and Business Luncheon Club membership approved by the Chief Executive Officer.

6. Except as otherwise provided herein, in the event that Mr. McGregor is not retained in the employment of the Corporation in at least the President and Chief Operating Officer capacity during the term of this Agreement, or if, during the term of this Agreement, Mr. McGregor shall suffer a total and permanent disability, as determined by a licensed physician selected by the Chief Executive Officer and approved by a majority of the Board of Directors, he may in either case, upon written notice to the Corporation, elect to terminate his employment under this Agreement, and the termination of this employment shall become effective

on the date specified in the notice which shall not be later than the last day of the month in which the notice is given. The Corporation may also elect to terminate Mr. McGregor's employment for reasons other than "gross misconduct of duty" as defined in Paragraph 9 below. In the event of any such termination, Mr. McGregor shall be entitled to receive, subject to reduction as provided in the next following paragraph of this Paragraph 6, for the unexpired term of this Agreement, the Base Compensation paid semi-monthly, his Incentive Compensation Bonus for the year in which the termination occurs paid at target and any other benefits referred to in Paragraph 5 hereof the rights to which have vested, all of which shall constitute Mr. McGregor's sole remedy for such termination.

The parties agree that notwithstanding any provisions to the contrary in this Agreement, the terms of the Stock Option and Long-Term Incentive Plan Agreements entered into between the Corporation and Mr. McGregor pursuant to the Corporation's Long-Term Incentive Plans shall remain in full force and effect and shall operate independently of this Agreement except that if Mr. McGregor's employment is terminated pursuant to the provisions of this Paragraph 6, either because Mr. McGregor elected to so terminate or because the Corporation elected to terminate his employment for reasons other than "gross misconduct of duty", the extent to which an LTIP Unit shall be deemed to have been earned, calculated at the end of the relevant LTIP Performance Period, shall be determined as if Mr. McGregor's employment had not terminated and the LTIP Payment Value shall be multiplied by a fraction, the numerator of which is the number of days he was employed during the relevant Performance Period and the denominator of which is the total number of days in such Performance Period.

In the event that Mr. McGregor's employment is terminated as provided in this Paragraph 6, and Mr. McGregor should, during the balance of the term of this Agreement accept other gainful employment, the Base Compensation to be received by Mr. McGregor hereunder shall be reduced by the amount of compensation received from such other employment, on a dollar-for-dollar basis. Mr. McGregor shall promptly provide the Corporation with notice of such other employment and provide timely, accurate and complete information with respect to such other compensation.

7. During a period of three (3) years after Mr. McGregor's termination of employment with the Corporation, Mr. McGregor agrees that he will not accept employment by, or act as a consultant to, any competitor of the Corporation or any firm or corporation which, to the knowledge of Mr. McGregor, intends to become such a competitor, or otherwise engage in any business competitive with or detrimental to the business of the Corporation without first obtaining the written consent of the Corporation. The determination that Mr. McGregor has become employed in any such manner or in any manner detrimental to the Corporation shall be determined by a neutral party mutually agreed upon by the Corporation and Mr. McGregor.

During and following the term of this Agreement or any termination of his employment as provided herein, Mr. McGregor shall not disclose or make accessible to any unauthorized individual, or make use of (other than in the regular course of the business of the Corporation or any of its subsidiaries) specialized knowledge or information, which he shall have obtained during his employment by the Corporation and which shall not be generally known or recognized as standard industry practice, or information within the public domain. Such "specialized knowledge or information" comprises any technical, economic, financial, marketing or other information, whether patented or not, on processes, products, research, development, operations, and equipment relating to the Corporation or any of its subsidiaries.

8. Should Mr. McGregor voluntarily resign as President and Chief Operating Officer of the Corporation, otherwise than by reason of total and permanent disability or at the request of the Chief Executive Officer and the Board of Directors of the Corporation, the term of employment under this Agreement shall thereupon cease and Mr. McGregor shall not thereafter be entitled to receive any payments under this Agreement, except (a) Base Compensation through the date on which such termination occurs, (b) the Incentive Bonus Compensation payable pursuant to Paragraph 5(b) hereof through the date on which such termination occurs (calculated on a pro rata basis for the period during which he has been employed).

9. If the employment of Mr. McGregor shall be terminated for gross misconduct of duty, Mr. McGregor shall not thereafter be entitled to receive any payments under this Agreement other than Base Compensation through the date on which such termination occurs. The existence of gross misconduct of duty shall be determined by a neutral party mutually agreed upon by the Corporation and Mr. McGregor. For purposes of this Agreement, "gross misconduct of duty" shall include, but not be limited to, theft or embezzlement from the Corporation, conviction of the commission of a felony, wrongful disclosure of the Corporation's specialized knowledge or information as defined in Paragraph 7 of this Agreement, direct or indirect employment or engagement in unauthorized activities in competition with the business of the Corporation, or a willful breach of the restrictions against insider trading imposed by the Federal securities laws.

10. All notices hereunder shall be in writing and delivered or mailed by registered or certified mail, return receipt requested, to the following addresses: If to the Corporation, at its office at 1301 East Ninth Street, Cleveland, Ohio 44114-1860, Attention: Corporate Secretary; and if to Mr. McGregor, at 6 Country Lane, Pepper Pike, Ohio 44124, or to such other address as the Corporation or Mr. McGregor may hereinafter designate to the other in writing for such purpose.

11. This Agreement shall not be assignable by the Corporation without the written consent of Mr. McGregor except that if the Corporation shall merge or consolidate with or into, or transfer substantially all of its assets to, another corporation or other form of business organization, this Agreement shall bind and run to the benefit of the successor of the Corporation resulting from such merger, consolidation, or transfer. Neither

Mr. McGregor nor any person designated by him to receive payments hereunder may assign, pledge, or encumber such interest in this Agreement or any part hereof without the express written consent of the Corporation, this Agreement being personal to Mr. McGregor and the beneficiaries designated by him.

12. Nothing herein contained shall prohibit or otherwise limit Mr. McGregor in receiving or participating in any additional benefit programs in which or pursuant to which the Board of Directors of the Corporation shall determine that Mr. McGregor is eligible for participation.

13. Any controversy or claim arising out of, or relating to this Agreement, or its breach, shall be settled by arbitration in the city of Cleveland, state of Ohio, in accordance with the then governing rules of the American Arbitration Association. Judgment upon the award rendered may be entered and enforced in any court of competent jurisdiction.

14. The Corporation shall indemnify Mr. McGregor and hold him harmless for all acts or decisions made by him in good faith while performing services for the Corporation. The Corporation shall also use its best efforts to obtain coverage for him under any insurance policy now in force or hereinafter obtained during the term of this Agreement covering the other officers and the directors of the Corporation against lawsuits. The Corporation shall pay all expenses, including attorney's fees, actually incurred by Mr. McGregor in connection with the defense of such act, suit, or proceeding and in connection with any related appeal including the cost of court settlements.

15. In the event of any claim, suit, or proceeding resulting from or relating to any dispute, inaccuracy, breach, or failure of performance under this Agreement is resolved in favor of Mr. McGregor, Mr. McGregor shall be entitled to all actual attorney's fees and other related costs pertaining thereto.

16. This Agreement comprises the entire understanding between the Corporation and Mr. McGregor as to the subject matter hereof and may not be modified except by a writing signed by both the Corporation and Mr. McGregor. This Agreement shall be construed under and be governed by the laws of the State of Ohio.

IN WITNESS WHEREOF, Mr. McGregor and the Corporation, by a duly authorized officer pursuant to authority of its Board of Directors, have executed this Employment Agreement as of September 3, 1993 but effective as of the day and year first above written.

ATTEST:	M. A. HANNA COMPANY
/s/ John S. Pyke, Jr. Secretary	By /s/ Martin D. Walker Chairman and Chief Executive Officer

/s/ Douglas J. McGregor

<TABLE>
<CAPTION>

Item 14 - Exhibit 11

M.A. HANNA COMPANY AND CONSOLIDATED SUBSIDIARIES

COMPUTATION OF EARNINGS PER SHARE

<S>	1993 <C>	1992 <C>	1991 <C>
	Year Ended December 31 (Dollars in thousands except per share data)		
Primary			
Income(loss) from continuing operations before extraordinary item and cumulative effect of changes in accounting principles	$30,049	$27,927	($17,381)
Dividends on preferred stock	-	-	1,031
	30,049	27,927	(18,412)
Income(loss) from discontinued operations	(28,031)	2,563	25,225
Extraordinary item	-	-	(5,969)
Cumulative effect of changes in accounting principles	-	(11,465)	-
Net income applicable to common stock	$2,018	$19,025	$844
Average common shares outstanding	19,851,779	19,131,148	23,644,232
Net effect of dilutive stock options and stock warrants - based on treasury stock method using average market price	701,403	- *	- *
Total	20,553,182	19,131,148	23,644,232
Income(loss) per share			
Continuing operations	$1.46	$1.46	($0.78)
Discontinued operations	(1.36)	0.13	1.07
Extraordinary item	-	-	(0.25)
Cumulative effect of changes in accounting principles	-	(0.60)	-
Net income	$0.10	$0.99	$0.04

* Not significant in 1992 and 1991.
</TABLE>

<TABLE>
<CAPTION>

Item 14 - Exhibit 11

M.A. HANNA COMPANY AND CONSOLIDATED SUBSIDIARIES

COMPUTATION OF EARNINGS PER SHARE

	Year Ended December 31		
	1993	1992	1991
	(Dollars in thousands except per share data)		
<S>	<C>	<C>	<C>
Fully Diluted			
Income(loss) from continuing operations before extraordinary item and cumulative effect of changes in accounting principles	$30,049	$27,927	($17,381)
Dividends on preferred stock	-	-	1,031
	30,049	27,927	(18,412)
Income(loss) from discontinued operations	(28,031)	2,563	25,225
Extraordinary item	-	-	(5,969)
Cumulative effect of changes in accounting principles	-	(11,465)	-
Net income applicable to common stock	$2,018	$19,025	$844
Average common shares outstanding	19,851,779	19,131,148	23,644,232
Net effect of dilutive stock options and stock warrants - based on treasury stock method using the year-end market price if higher than average market price	929,548	453,573	361,877
Shares reserved under earnout provisions of purchase agreements	-	190,411	206,944
Total	20,781,327	19,775,132	24,213,053
Income(loss) per share			
Continuing operations	$1.45	$1.41	($0.78)
Discontinued operations	(1.35)	0.13	1.06
Extraordinary item	-	-	(0.25)
Cumulative effect of changes in accounting principles	-	(0.58)	-
Net income	$0.10	$0.96	$0.03

*   Not significant in 1992 and 1991.
</TABLE>

Item 14 - Exhibit (13)

M. A. HANNA COMPANY

1993

ANNUAL REPORT

<TABLE>
<CAPTION>
CONSOLIDATED STATEMENTS OF INCOME
M. A. Hanna Company and Consolidated Subsidiaries

(Dollars in thousands except per share data)

	Year Ended December 31		
	1993	1992	1991
<S>	<C>	<C>	<C>
Net Sales	$1,519,728	$1,295,646	$1,103,094
Costs and Expenses			
Cost of goods sold	1,211,578	1,026,389	856,156
Selling, general and administrative	196,837	171,074	164,570
Provision for doubtful accounts	3,939	2,373	2,790
Other income	(5,412)	(6,183)	(3,220)
Other expense	9,785	9,186	46,431
Interest on debt	32,286	32,509	23,221
Amortization	17,312	16,409	15,486
	1,466,325	1,251,757	1,105,434
Income(Loss) from Continuing Operations Before Income Taxes, Extraordinary Item and Cumulative Effect of Changes in Accounting Principles	53,403	43,889	(2,340)
Income taxes	23,354	15,962	15,041
Income(Loss) from Continuing Operations Before Extraordinary Item and Cumulative Effect of Changes in Accounting Principles	30,049	27,927	(17,381)
Income(Loss) from Discontinued Operations (including gain(loss) from disposal of ($27,620,000) in 1993, $9,180,000 in 1992 and $8,469,000 in 1991)	(28,031)	2,563	25,225
Income Before Extraordinary Item	2,018	30,490	7,844
Extraordinary item	-	-	(5,969)
Income Before Cumulative Effect of Changes in Accounting Principles	2,018	30,490	1,875
Cumulative effect of changes in accounting principles	-	(11,465)	-
Net Income	2,018	19,025	1,875
Dividends on preferred stock	-	-	1,031
Net Income Applicable to Common Stock	$ 2,018	$ 19,025	$ 844
Net Income Per Share of Common Stock			
Primary			
Continuing operations	$ 1.46	$ 1.46	$ (.78)
Discontinued operations	(1.36)	.13	1.07
Extraordinary	-	-	(.25)
Cumulative effect of changes in accounting principles	-	(.60)	-
Net income	$ .10	$ .99	$ .04
Fully diluted			
Continuing operations	$ 1.45	$ 1.41	$ (.78)

Discontinued operations	(1.35)	.13	1.06
Extraordinary	-	-	(.25)
Cumulative effect of changes in accounting principles	$ -	(.58)	-
Net income	$ .10	$ .96	$ .03

See summary of accounting policies and notes to financial statements.

</TABLE>

<TABLE>
<CAPTION>
CONSOLIDATED STATEMENTS OF CASH FLOWS
M. A. Hanna Company and Consolidated Subsidiaries

(Dollars in thousands)

<S>	Year Ended December 31 1993 <C>	1992 <C>	1991 <C>
CASH PROVIDED FROM (USED FOR) OPERATIONS			
Net income	$ 2,018	$ 19,025	$ 1,875
Discontinued operations	30,041	(1,657)	(11,542)
Depreciation and amortization	48,142	45,294	40,477
Companies carried at equity:			
Income	(4,286)	(3,812)	(2,194)
Dividends received	5,729	1,355	1,209
Changes in operating assets and liabilities:			
Receivables	(10,531)	(15,605)	7,898
Inventories	(9,239)	(2,301)	6,894
Prepaid expenses	1,774	(1,881)	(184)
Trade payables and other accruals	10,771	21,107	(13,752)
Gain from sales of assets	(1,730)	(409)	-
Restructuring obligations	(16,594)	(10,367)	(20,827)
Other	11,755	2,737	10,784
Cumulative effect of changes in accounting principles	-	11,465	-
Premium associated with share repurchase	-	-	14,621
Extraordinary item	-	-	9,627
Net operating transactions	67,850	64,951	44,886
CASH PROVIDED FROM (USED FOR) INVESTMENT TRANSACTIONS			
Expenditures for property, plant and equipment	(23,379)	(19,154)	(26,766)
Acquisitions of companies, less cash acquired	(28,803)	(55,354)	(5,526)
Acquisition obligations	(3,410)	(7,268)	(3,119)
Sales of assets	7,127	77,427	35,009
Investments in associated and other companies	-	(1,200)	(16,241)
Purchase of short-term securities	(5,061)	(25,702)	-
Sale of short-term securities	25,702	-	-
Other	(2,000)	(6,581)	(2,044)
Net investment transactions	(29,824)	(37,832)	(18,687)

</TABLE>

<TABLE>
<CAPTION>
CONSOLIDATED STATEMENTS OF CASH FLOWS--Continued
M. A. Hanna Company and Consolidated Subsidiaries

(Dollars in thousands)

<S>	Year Ended December 31 1993 <C>	1992 <C>	1991 <C>
CASH PROVIDED FROM (USED FOR) FINANCING TRANSACTIONS			
Purchase of common stock warrants	(27,500)	-	-
Cash dividends paid	(14,003)	(12,630)	(16,298)
Proceeds from the sale of redeemable			

preferred and common stock	14,582	3,422	152,087
Increase in debt	12,228	47,367	85,850
Reduction in debt	(39,144)	(35,974)	(191,814)
Proceeds from the sale of senior notes	-	-	247,930
Purchase of shares for treasury	-	-	(187,994)
Defeasance of debt	-	-	(116,391)
Net financing transactions	(53,837)	2,185	(26,630)
Effect of exchange rate changes on cash	(821)	495	(547)
CASH AND CASH EQUIVALENTS			
Increase(decrease)	(16,632)	29,799	(978)
Beginning of year	54,277	24,478	25,456
End of year	$ 37,645	$ 54,277	$ 24,478
CASH PAID DURING YEAR			
Interest	$ 33,001	$ 31,097	$ 18,038
Income taxes	19,165	13,900	21,450

See summary of accounting policies and notes to financial statements.

</TABLE>

CONSOLIDATED BALANCE SHEETS
M. A. Hanna Company and Consolidated Subsidiaries

(Dollars in thousands)

	December 31 1993	1992
ASSETS		
Current Assets		
Cash and cash equivalents	$ 37,645	$ 54,277
Short-term securities	5,061	25,702
Receivables:		
Trade	202,541	190,978
Other	8,701	10,717
	211,242	201,695
Inventories:		
Finished products	104,399	93,291
Raw materials and supplies	34,123	32,939
	138,522	126,230
Prepaid expenses	4,494	5,514
Deferred taxes	22,922	26,004
Total current assets	419,886	439,422
Property, Plant and Equipment		
Land	12,548	11,316
Buildings	83,343	84,802
Machinery and equipment	263,989	246,065
	359,880	342,183
Less allowances for depreciation	147,318	117,410
	212,562	224,773
Other Assets		
Goodwill and other intangibles	382,822	400,389
Investments and other assets	88,736	86,343
Deferred taxes	37,296	27,197
Total other assets	508,854	513,929
	$1,141,302	$1,178,124

	December 31 1993	1992
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Notes payable to banks	$ 2,478	$ 2,312
Trade payables and accrued expenses	270,566	248,902

Current portion of long-term debt	740	796
Total current liabilities	273,784	252,010
Other Liabilities	179,959	177,365
Long-term Debt		
Senior notes	300,000	300,000
Other	22,103	50,806
	322,103	350,806
Stockholders' Equity		
Preferred stock, without par value: authorized 5,000,000 shares; issued 132 shares in 1993 and 0 shares in 1992	-	-
Common stock, par value $1.00 per share: authorized 50,000,000 shares; issued 28,605,722 shares in 1993 and 28,274,584 shares in 1992	28,606	28,274
Common stock warrants	-	14,621
Capital surplus	299,389	288,708
Retained earnings	269,026	280,420
Associates ownership trust	(115,214)	(111,221)
Cost of treasury stock (4,864,707 shares in 1993 and 4,874,512 shares in 1992)	(102,794)	(102,379)
Minimum pension liability adjustment	(8,577)	-
Accumulated translation adjustment	(4,980)	(480)
Total stockholders' equity	365,456	397,943
	$1,141,302	$1,178,124

See summary of accounting policies and notes to financial statements.

<TABLE>
<CAPTION>

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
M. A. Hanna Company and Consolidated Subsidiaries

(Dollars in thousands except per share data)

	Preferred Stock	Common Stock	Common Stock Warrants	Capital Surplus	Retained Earnings	Associates Ownership Trust
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Balance January 1, 1991	$ -	$27,942	$ -	$267,921	$288,448	$ -
Net income for 1991					1,875	
Cash dividends:						
Common ($.625 per share)					(15,267)	
Preferred					(1,031)	
Exercise of stock options		80		928		
Purchase of shares for treasury						
Sale of stock:						
Common (16,850 shares)		17		361		
Preferred (1,200,000 shares)	150,000					
Payment of incentive compensation awards				204		
Establishment of TRASOP				177		
Exchange of preferred stock for senior notes	(150,000)					
Issuance of common stock warrants			14,621			
Establishment of Associates Ownership Trust						(100,049)
Payment of employee benefits						49
Adjustment to market value				(18,905)		18,905
Translation adjustment						
Balance December 31, 1991	-	28,039	14,621	250,686	274,025	(81,095)
Net income for 1992					19,025	
Cash dividends:						
Common ($.6625 per share)					(12,630)	
Exercise of stock options		221		2,847		
Sale of stock:						
Common (14,012 shares)		14		340		
Payment of incentive compensation awards				95		4,207
Payment of additional consideration of acquisition				407		
Adjustment to market value				34,333		(34,333)
Translation adjustment						
Balance December 31, 1992	-	28,274	14,621	288,708	280,420	(111,221)
Net income for 1993					2,018	

Cash dividends:						
Common ($.7125 per share)					(14,003)	
Exercise of stock options		311		8,813		
Sale of stock:						
Common (21,273 shares)		21		609		
Purchase of common stock warrants			(14,621)	(12,879)		
Payment of incentive compensation awards						
and employee benefits				2,525		8,260
Acquisition of business				(640)	591	
Adjustment to market value				12,253		(12,253)
Minimum pension adjustment						
Translation adjustment						
Balance December 31, 1993	$ -	$28,606	$ -	$299,389	$269,026	($115,214)

See summary of accounting policies and notes to financial statements.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
M. A. Hanna Company and Consolidated Subsidiaries

(Dollars in thousands except per share data)	Treasury Stock	Minimum Pension Liability Adjustment	Accumulated Translation Adjustment	Total Stockholders' Equity
<S>	<C>	<C>	<C>	<C>
Balance January 1, 1991	($22,738)	$ -	$6,101	$567,674
Net income for 1991				1,875
Cash dividends:				
Common ($.625 per share)				(15,267)
Preferred				(1,031)
Exercise of stock options				1,008
Purchase of shares for treasury	(187,993)			(187,993)
Sale of stock:				
Common (16,850 shares)				378
Preferred (1,200,000 shares)				150,000
Payment of incentive compensation awards	765			969
Establishment of TRASOP	507			684
Exchange of preferred stock for senior notes				(150,000)
Issuance of common stock warrants				14,621
Establishment of Associates Ownership Trust	100,049			
Payment of employee benefits				49
Adjustment to market value				
Translation adjustment			(2,509)	(2,509)
Balance December 31, 1991	(109,410)	-	3,592	380,458
Net income for 1992				19,025
Cash dividends:				
Common ($.6625 per share)				(12,630)
Exercise of stock options				3,068
Sale of stock:				
Common (14,012 shares)				354
Payment of incentive compensation awards	636			4,938
Payment of additional consideration of acquisition	6,395			6,802
Adjustment to market value				
Translation adjustment			(4,072)	(4,072)
Balance December 31, 1992	(102,379)	-	(480)	397,943
Net income for 1993				2,018
Cash dividends:				
Common ($.7125 per share)				(14,003)
Exercise of stock options	(1,675)			7,449
Sale of stock:				
Common (21,273 shares)				630
Purchase of common stock warrants				(27,500)
Payment of incentive compensation awards				
and employee benefits	569			11,354
Acquisition of business	691			642
Adjustment to market value				
Minimum pension adjustment		(8,577)		(8,577)
Translation adjustment			(4,500)	(4,500)
Balance December 31, 1993	($102,794)	($8,577)	($4,980)	$365,456

See summary of accounting policies and notes to financial statements.
</TABLE>

SUMMARY OF ACCOUNTING POLICIES

RECLASSIFICATION

Certain prior year amounts have been reclassified to conform to the current year classifications.

PRINCIPLES OF CONSOLIDATION

Majority owned subsidiaries are included in the consolidated financial statements and all significant intercompany accounts and transactions have been eliminated.

Interests in certain associated companies and investments are carried at cost adjusted for earnings and losses since acquisition, less dividends.

NET INCOME PER SHARE OF COMMON STOCK

Primary net income per share of common stock is computed by dividing net income applicable to common stock by the average number of shares of common stock outstanding during the year. Shares of common stock held by the Associates Ownership Trust ("AOT") enter into the determination of the average number of shares outstanding as the shares are released from the AOT to fund a portion of the Company's obligations under certain of its employee compensation and benefit plans. The effect of assuming the exercise of stock options and stock warrants was not significant in 1992 and 1991.

The number of shares used to compute income per share on a fully diluted basis is based on the number of shares used for primary net income per share increased by the common stock equivalents which would arise from the exercise of stock options and stock warrants and by the number of common shares reserved under earnout provisions of purchase agreements.

CASH EQUIVALENTS AND SHORT-TERM SECURITIES

Cash equivalents are highly liquid investments with a maturity of three months or less. Both cash equivalents and short-term securities are stated at cost.

INVENTORIES

Inventories are stated at the lower of cost or market. Substantially all domestic inventories are valued by the last-in, first-out (LIFO) cost method. The excess of current cost over LIFO cost was $6,863,000 at December 31, 1993 and $7,775,000 at December 31, 1992.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost. Provisions for depreciation have been computed principally on the straight-line method at rates sufficient to depreciate the cost of the assets over their estimated productive lives.

Property items retired or otherwise disposed of are removed from the property and related allowances for depreciation accounts. Any profit or loss is included in operations.

GOODWILL AND OTHER INTANGIBLES

Goodwill is being amortized over 40 years. Goodwill with a net book value of $26,482,000 was written off in the fourth quarter of 1993 in connection with the pending sale of the Company's elastomeric membrane roofing business. Other intangibles are being amortized on a straight-line basis over 4 to 40 years. Accumulated amortization at December 31, 1993 and 1992 was $92,513,000 and $79,775,000, respectively.

Certain purchase agreements provided that future payments may be made to former owners based on performance up to the year ending December 31, 1992. Such contingent amounts, representing additional purchase price, were recorded at the end of the period in which they were earned as an addition to goodwill and are subsequently amortized. During 1992, $3,429,000 was recorded under the terms of these agreements.

The carrying value of goodwill will be reviewed if the facts and circumstances suggest that it may be impaired. If undiscounted cash flows over the remaining amortization period indicate that goodwill may not be recoverable, the carrying value of goodwill will be reduced by the estimated shortfall of cash flows.

INCOME TAXES

Effective January 1, 1992, Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes" was adopted. This Statement requires companies to recognize deferred tax liabilities and assets for the expected future tax consequences of events that have been recognized in the Company's financial statements or tax returns. The cumulative effect of adopting Statement 109 increased net income by $22,096,000 or $1.12 per share. The impact on 1992 operating results was a decrease of $.24 per share.

Under Statement 109 deferred tax liabilities and assets are determined based on the differences between financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rate and laws that will be in effect when the differences are expected to reverse. Prior to the adoption of Statement 109, income tax expense was determined using the liability method prescribed by Statement of Financial Accounting Standards No. 96. Among other changes, Statement 109 changed the recognition and measurement criteria for deferred tax assets included in Statement 96.

Investment tax credits are recorded as a reduction of the current federal income tax provision.

ACQUISITIONS AND DISPOSITIONS

On June 30, 1993, the Company acquired the stock of Texapol Corporation, a producer of engineering thermoplastic compounds, and certain assets of Monmouth Plastics, a producer of flame retardant thermoplastic compounds. The acquisitions were accounted for using the purchase method of accounting. Had the acquisitions been made at the beginning of 1992, reported results of operations would not be materially different.

On November 15, 1993, the Company announced it had reached a preliminary agreement to sell its elastomeric membrane roofing business to Firestone Building Products Company, a division of Bridgestone/Firestone, Inc. The pending sale, which is expected to close in the first quarter of 1994, has been recorded as a disposal of a segment of a business and the operating results have been classified as discontinued operations in the consolidated financial statements. Revenues were $41,042,000, $38,295,000, and $45,108,000 and operating results were income (loss) of $487,000, $(1,705,000) and $633,000 in 1993, 1992 and 1991, respectively. The Company recognized an after-tax charge of $30,000,000 for the write-off of goodwill and restructuring charges associated with the sale.

INTERESTS IN ASSOCIATED COMPANIES AND INVESTMENTS

Iron Ore Company of Canada:

During February 1992, the Company sold a portion of its interest in Iron Ore Company of Canada ("IOC") to Mitsubishi Corporation, Tokyo. The Company sold 20% of the outstanding shares of common stock of IOC and 50% of the Company's sales agency for IOC, realizing proceeds of $62,000,000. No gain or loss was recognized as a result of this transaction and the Company ceased equity accounting for its remaining ownership in IOC.

The Company is Managing Agent for IOC and owns approximately 8% (28% in 1991) of the stock. IOC incurred commission and management expense of $2,648,000 in 1993 ($2,628,000 in 1992 and $6,157,000 in 1991) payable to the Company and $3,317,000 in 1993 ($3,294,000 in 1992 and $1,292,000 in 1991) payable to 50% owned affiliated companies carried at equity.

Coal Companies:

On October 18, 1991, the Company sold its 50% partnership interest in Colowyo Coal Company ("Colowyo"), together with certain other natural resources assets including Hayden-Gulch West Coal Company and The Axial Basin Ranch Company in the western United States to Grace Energy Corporation ("Grace"). Under terms of the agreement, Grace paid the Company approximately $34,200,000 in cash at closing resulting in a gain of $8,469,000, and agreed to pay the Company 50% of any amount received by Colowyo under its $23,000,000 prepetition bankruptcy claim against Colorado-Ute Electrical Association, Inc. During 1993 and 1992, the Company received $2,320,000 and $9,180,000, respectively, representing the recovery of its prepetition claim.

The operating results related to IOC and the Company's western coal interests have been reported as discontinued operations in the consolidated statements of income.

DETAIL OF CURRENT AND OTHER LIABILITIES

Included in trade payables and accrued expenses and other liabilities at December 31 are:

(In thousands)	1993	1992
Trade payables and accrued expenses:		
Trade payables	$137,178	$134,667
Salaries and wages	12,211	16,445
Employee benefits	29,647	26,901
Restructuring and acquisition costs	16,367	15,953
Other liabilities:		
Plant closedown costs	14,318	17,117
Environmental costs	18,449	18,771
Employee benefits	12,045	14,089
Other post-retirement benefits	77,977	75,987

LONG-TERM DEBT

(In thousands)	1993	1992
9% Senior Notes due 1998	$150,000	$150,000
9.375% Senior Notes due 2003	150,000	150,000
Credit agreements	17,787	45,250
Other	5,056	6,352
	322,843	351,602
Less current portion	740	796
	$322,103	$350,806

Annual maturities on the Company's long-term debt are: 1994--$740,000; 1995--$734,000; 1996--$18,410,000; 1997--$605,000 and 1998--$150,600,000.

The Company's five-year credit agreement provides for borrowings of up to $150 million. The agreement provides for interest rates to be determined at the time of borrowing based on a choice of formulas as specified in the agreement. Beginning March 31, 1994, the bank commitments will be reduced by 12.5% of the aggregate amount of borrowings outstanding under the agreement each quarter for eight consecutive quarters. No borrowings were outstanding under this agreement at December 31, 1993 and 1992.

During 1993, the Company entered into a credit agreement which provides for borrowings of up to 150 million French francs through November 1996. The agreement provides for interest rates to be determined at the time of borrowing based on a choice of formulas as specified in the agreement. At December 31, 1993, borrowings outstanding under this agreement were 105 million French francs or an equivalent of $17,787,000, at a rate of 7.3125%.

During 1992, the Company entered into a credit agreement which provided for borrowings of up to 250 million French francs through January 1994. The agreement provided for interest rates to be determined at the time of the borrowing. At December 31, 1992, borrowings outstanding under this agreement were 250 million French francs or an equivalent of $45,250,000, at a rate of 11.1875%. Borrowings outstanding under this agreement were repaid in 1993.

Other debt at December 31, 1993 and 1992 consisted primarily of mortgages, industrial revenue bonds, and notes with differing repayment terms. These obligations mature in various installments through March 2002 and are at interest rates ranging from 3% to 12.75%.

The various debt agreements contain certain restrictions and conditions among which are limitations on cash dividends and other payments. Under the most restrictive of these agreements, approximately $71,200,000 of retained earnings was free of such limitations at December 31, 1993.

The Company has entered into an interest rate swap agreement, which expires in June 1994, that effectively converts $50 million of its fixed rate borrowings into variable rate obligations. Under the terms of this agreement, the Company makes payments at variable rates which are based on LIBOR (3.48% at December 31, 1993) and receives payments at fixed interest rates (5.04% at December 31, 1993). The differential to be paid or received is accrued as interest rates change and is recognized over the life of the agreement.

In September 1991, United States Government securities were purchased at a cost of $145,900,000 and deposited in an irrevocable trust to satisfy principal and interest payments on 12.5% Senior Subordinated Notes due in 1994. On October 16, 1991, the Company called the 1994 Notes for redemption on October 15, 1992, at 100% of the principal amount thereof. The Company received approximately $23,686,000 from the Trustee, which represented the excess of the amount necessary to pay the redemption price and interest through the redemption date. The debt, accrued interest thereon and related unamortized debt issuance costs were removed from the balance sheet in 1991 in an in-substance defeasance transaction resulting in an extraordinary loss, net of a related tax benefit, of $5,969,000.

The 9% Senior Notes with a principal amount of $100 million and the 9.375% Senior Notes, with a principal amount of $150 million were sold in September 1991 at par. In addition, preferred stock sold in 1991 to Brascan Limited in connection with a repurchase of common stock was exchanged for $150 million in principal amount of 9% notes due in 1998, of which $100 million has been subsequently repaid.

STOCKHOLDERS' EQUITY

On August 20, 1991, the Company purchased all 7,736,181 shares of the Company's common stock held by Brascan Limited. The Company paid $26.12 per share purchased, or approximately $202,069,000, and issued Brascan seven year warrants to purchase 2,750,000 shares of common stock at a price of $26.12 per share. On December 13, 1993, the Company purchased the warrants held by Brascan for $27.5 million in cash. The difference between the amount paid and the carrying value of the warrants has been charged to capital surplus.

The Company obtained $150 million of the consideration used to repurchase the Company's common stock from the concurrent sale to Brascan of 1.2 million shares of redeemable exchangeable preferred stock. The preferred stock had an initial dividend rate of 6.6875% and was subject to mandatory redemption on September 1, 1998. During the third quarter of 1991, the Company exchanged the preferred stock for $150 million in principal amount of 9% notes due in 1998. (See Long-Term Debt Note.)

In September 1991, the Company established a trust (" Associates Ownership Trust" or "AOT"), which held 4,054,739 shares of the Company's common stock to fund a portion of the Company's obligations under certain of its employee compensation and benefit plans for the 15-year term of the AOT. The AOT acquired the shares of the common stock from the Company for a promissory note for an aggregate consideration of approximately $100,049,000.

In December 1991, the Board of Directors adopted a Stock Purchase Rights Plan and declared a dividend distribution of one stock purchase right ("Right") for each outstanding or subsequently issued share of common stock. Each Right entitles the holder to buy from the Company one one-hundredth of a share of Cumulative Series A Preferred Stock, without par value (the "Preferred Share") for $95 per one one-hundredth of a Preferred Share, subject to adjustment. The Rights become exercisable if certain triggering events occur, including the acquisition of 15% or more of the Company's common stock. The Company is entitled to redeem the Rights at $.01 per Right at any time until ten days after any person or group has acquired 20% of the Company's common stock and in certain circumstances thereafter. If a party owning 20% or more of the Company's common stock merges with the Company or engages in certain other transactions with the Company, each Right, other than the Rights held by the acquiring party, entitles the holder to purchase that number of additional common shares having a market value of two times the exercise price of the Right. The Rights expire on December 16, 2001.

STOCK OPTIONS

The Company's stock option plans provide for granting options at prices equal to the market value at date of grant. Options are exercisable for ten years.

During 1991, the Company's stockholders approved amendments to the Company's stock option plan which among other matters provide for the grant of options to non-associate directors to purchase up to 150,000 shares of common stock at prices equal to the market value at the date of grant. Options are exercisable for ten years.

The following summarizes the changes in the shares granted under the Company's plans for the three years ended December 31, 1993.

	SHARES	PRICE RANGE
Shares under option		
Outstanding January 1, 1991	1,107,852	$12.25 - $25.25
Granted	230,550	$21.50 - $24.375
Exercised	(79,224)	$12.25 - $19.125
Canceled or expired	(19,577)	$13.33 - $22.00
Outstanding December 31, 1991	1,239,601	$12.25 - $25.25
Granted	114,800	$28.25
Exercised	(220,613)	$12.25 - $25.25
Canceled or expired	(4,287)	$13.33 - $25.25
Outstanding December 31, 1992	1,129,501	$12.25 - $28.25
Granted	250,310	$29.75 - $30.75
Exercised	(309,865)	$12.25 - $25.25
Canceled or expired	(16,850)	$16.75 - $28.25
Outstanding December 31, 1993	1,053,096	$12.25 - $30.75

At December 31, 1993, options were exercisable for 603,684 shares (767,440 shares at December 31, 1992) at prices from $12.25 to $28.25 and 4,054 shares were reserved for future grants.

FAIR VALUES OF FINANCIAL INSTRUMENTS

The following methods and assumptions were used by the Company in estimating fair value disclosures for financial instruments:

Cash, Cash Equivalents and Short-Term Securities: The carrying amount reported in the balance sheet approximates fair value.

Long and Short-Term Debt: The carrying amount of the Company's short-term borrowings approximates fair value. The fair value of the Company's Senior Notes are based on quoted market prices. The carrying amount of the Company's borrowings under its long-term revolving credit agreements and other long-term borrowings approximates fair value.

Off-Balance-Sheet Instruments: Fair values for the Company's off-balance-sheet instruments (interest rate swaps) are based on pricing models or formulas using current assumptions.

The carrying amounts and fair values of the Company's financial instruments at December 31, 1993 and 1992 are as follows:

(In thousands)	1993		1992	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Cash and cash equivalents	$ 37,645	$ 37,645	$ 54,277	$ 54,277
Short-term securities	5,061	5,061	25,702	25,702
Notes payable to banks	2,478	2,478	2,312	2,312
Long-term debt				
9% Senior Notes	150,000	172,500	150,000	159,000
9.375% Senior Notes	150,000	180,000	150,000	161,191
Credit agreements	17,787	17,787	45,250	45,250
Other	5,056	5,056	6,352	6,352
Interest rate swaps	-	365	-	1,094

BUSINESS SEGMENTS

The Company operates principally in the formulated polymers industry which consists of three major segments - processing, resin distribution and polymer products. Processing includes producers of custom compounds for the plastics and rubber industries and producers of custom formulated colorants for the plastics industry. Resin distribution includes distributors of thermoplastic and thermoset resins and fiberglass materials. Polymer products includes the distributors of engineered plastic shapes, manufacturer of printing blankets and other consumable supplies for the printing industry and manufacturer of engineered consumable supplies for the textile industry.

Other operations include the Company's oil and gas business, marine operations, insurance operations and management fees. In December 1992 the Company sold Midland SouthWest, its oil and gas business for $5,290,000. No gain or loss was recognized as a result of this transaction.

The Company's sales are made through its own organization, distributors and representatives. Operating profit (expense) in 1993 for processing includes $1,300,000 for restructuring costs and for other operations a gain of $1,730,000 from sale of assets and in 1991 for processing and corporate includes restructuring costs of $2,594,000 and $2,046,000, respectively, and $35,007,000 for corporate related to the premium associated with the shares repurchased.

Net sales, operating profit and identifiable assets by geographic area for the years ended December 31, 1993, 1992 and 1991 are as follows:

	Year Ended December 31		
(In thousands)	1993	1992	1991
Net sales			
Domestic	$1,288,502	$1,107,632	$ 955,960
International	231,226	188,014	147,134
	$1,519,728	$1,295,646	$1,103,094
Operating profit			
Domestic	$ 96,504	$ 82,650	$ 67,376
International	13,460	12,483	11,300
	$ 109,964	$ 95,133	$ 78,676
Identifiable assets			
Domestic	$ 970,947	$1,003,614	$ 940,150
International	170,355	174,510	106,232
	$1,141,302	$1,178,124	$1,046,382

M. A. Hanna Company and Consolidated Subsidiaries
<TABLE>
<CAPTION>

(In thousands)	Net Sales	Operating Profit (Expense)	Depreciation and Amortization	Capital Expenditures	Identifiable Assets
<S>	<C>	<C>	<C>	<C>	<C>
1993					
Formulated polymers					
Processing	$784,951	$66,637	$29,842	$15,494	$522,122
Resin distribution	298,727	5,799	2,379	982	115,154
Polymer products	452,945	31,103	15,147	6,575	341,158
Other operations	18,351	6,425	300	79	1,726
Intersegment activity	(35,246)	-	-	-	-
Corporate	-	(24,275)	474	38	146,392
Discontinued operations	-	-	-	211	14,750
	$1,519,728	$85,689	$48,142	$23,379	$1,141,302
1992					
Formulated polymers					
Processing	$655,584	$54,485	$25,987	$13,088	$489,900
Resin distribution	219,669	4,126	1,900	553	102,899
Polymer products	434,491	29,697	15,265	5,200	406,104
Other operations	22,537	6,825	1,599	313	9,757
Intersegment activity	(36,635)	-	-	-	-
Corporate	-	(18,735)	543	-	169,464
Discontinued operations	-	-	-	-	-
	$1,295,646	$76,398	$45,294	$19,154	$1,178,124
1991					
Formulated polymers					
Processing	$556,937	$38,820	$21,149	$20,506	$407,336
Resin distribution	144,867	2,042	1,510	426	71,170
Polymer products	417,402	26,626	15,354	5,333	418,787
Other operations	27,307	11,188	1,840	501	14,025
Intersegment activity	(43,419)	-	-	-	-
Corporate	-	(57,795)	624	-	56,530
Discontinued operations	-	-	-	-	78,534
	$1,103,094	$20,881	$40,477	$26,766	$1,046,382

</TABLE>

<TABLE>

<CAPTION>

OTHER INCOME

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

Other income includes the following:

(In thousands)	1993	1992	1991
Interest	$ 2,190	$ 3,937	$ 1,966
Gain on sales of assets	1,730	409	-
Other	1,492	1,837	1,254
	$ 5,412	$ 6,183	$ 3,220

OTHER EXPENSE

<C> <C> <C> <C>

Other expenses includes the following:

(In thousands)	1993	1992	1991
Expenses of closed facilities	$ 7,031	$ 7,091	$ 5,974
Restructuring costs	1,300	-	4,640
Other	1,454	2,095	810
Premium associated with share repurchase	-	-	35,007
	$ 9,785	$ 9,186	$46,431

</TABLE>

INCOME TAXES

Income taxes consist of the following:

(In thousands)	1993	1992	1991
Current:			
Federal	$15,722	$11,512	$ 8,029
State	3,970	3,135	3,422
Foreign	3,454	2,736	2,525
	23,146	17,383	13,976
Deferred:			
Federal	1,936	(1,041)	800
State	(585)	(273)	-
Foreign	(1,143)	(107)	265
	208	(1,421)	1,065
	$23,354	$15,962	$15,041

The provision for income taxes for continuing operations differs from the amount computed by applying the U.S. statutory federal income tax rate as follows:

<TABLE>
<CAPTION>

(In thousands)	1993	1992	1991
<S>	<C>	<C>	<C>
Provision at statutory tax rate	$18,691	$14,925	$ (796)
State income taxes	2,103	1,886	2,259
Goodwill amortization	3,841	3,139	3,023
Change in income tax rate	(578)	-	-
Utilization of capital loss carryforwards	(1,062)	-	-
Rate differential on foreign earnings	-	750	135
Favorable adjustment of income tax liabilities	-	(4,800)	-
Premium associated with share repurchase	-	-	11,902
Alternative minimum taxes	-	-	1,916
Utilization of tax credits	-	-	(488)
Other	359	62	(2,910)
	$23,354	$15,962	$15,041

</TABLE>

Deferred income taxes reflect the net effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The Company has not provided deferred taxes on undistributed earnings of foreign subsidiaries and joint ventures because it is not practical to estimate the amount of tax payable upon any future remittance of these earnings. Significant components of the Company's deferred tax assets (liabilities) as of December 31, 1993 and 1992 are:

(In thousands)	1993	1992
Other post-retirement benefits	$32,748	$30,886
Basis differences from purchase accounting	(23,604)	(26,703)
Tax over book depreciation	(17,488)	(14,731)
Environmental costs	8,012	8,072
Employee benefits	19,407	13,600
Restructuring and plant closedown costs	11,967	12,566
Inventory and receivable reserves	8,981	6,727
Operating and capital loss carryforwards	22,689	28,452
Tax credit carryforwards	13,751	10,983
Other	8,517	8,803

Valuation allowance	(24,762)	(25,454)
	$60,218	$53,201

The Company has tax credit carryforwards of $13,751,000 of which $2,988,000 expire in 1996 through 2000. For financial reporting purposes, a valuation allowance has been recognized to offset the deferred tax asset related to capital loss carryforwards. During 1993, the valuation allowance was increased $370,000 due to the tax law change and was reduced by $1,062,000 due to the utilization of capital loss carryforwards.

Income before income taxes includes $6,546,000, $5,586,000 and $7,810,000 in 1993, 1992 and 1991, respectively, from foreign operations.

Income taxes related to discontinued operations were $1,938,000 in 1993, $2,652,000 in 1992 and $2,734,000 in 1991. The income tax benefit related to the extraordinary item in 1991 was $3,658,000.

PENSION AND OTHER POST-RETIREMENT BENEFITS

The Company has non-contributory defined benefit plans covering certain of its associates which comply with federal funding requirements. Benefits for these plans are based primarily on years of service and qualifying compensation during the final years of employment. Plan assets include marketable equity securities, money market funds and fixed income securities.

The Company also sponsors defined contribution plans for certain of its associates, which provide for Company contributions of a specified percentage of each associate's total compensation.

A summary of the components of net periodic pension cost for the defined benefit plans and the total contributions charged to expense for the defined contribution plans are:

(In thousands)	1993	1992	1991
Defined benefit plans:			
Service costs	$ 617	$ 650	$ 658
Interest cost on projected benefit obligation	6,300	8,050	7,959
Return on plan assets	(6,258)	(8,364)	(7,352)
Net amortization and deferral	815	656	301
Net pension costs	1,474	992	1,566
Defined contribution plans	3,844	4,293	3,788
	$5,318	$5,285	$5,354

In accordance with the provisions of Financial Accounting Standard No. 87, the Company recorded a minimum pension liability representing the excess of the accumulated benefit obligation over the fair value of plan assets and accrued pension liabilities. The liability has been offset by intangible assets to the extent possible. Because the asset recognized may not exceed the amount of unrecognized past service cost, the balance of the liability at the end of 1993 is reported as a separate reduction of stockholders' equity, net of applicable deferred income taxes.

The following table sets forth the funded status of the Company's defined benefit plans:

<TABLE>
<CAPTION>

	Accumulated Benefits Exceed Assets		Assets Exceed Accumulated Benefits	
(In thousands)	1993	1992	1993	1992
<S>	<C>	<C>	<C>	<C>
Actuarial present value of benefit obligations:				
Accumulated benefit obligations including vested benefits of $79,793 in 1993 and $88,951 in 1992	$66,528	$70,019	$16,000	$20,970
Projected benefit obligation	$68,088	$72,318	$16,386	$21,192
Plan assets at fair value	46,953	61,132	21,199	28,552
Projected benefits in excess of (less than) plan assets	21,135	11,186	(4,813)	(7,360)
Consisting of:				
Unrecognized net obligations (asset)	1,969	2,218	(441)	(356)
Unrecognized net actuarial (gains) or losses	17,842	5,224	(2,180)	(7,219)
Adjustment to recognize minimum liability	18,251	5,143	-	-

Accrued(prepaid) pension cost recognized in balance sheet	$19,575	$ 8,887	$(2,192)	$ 215

</TABLE>

The projected benefit obligation was determined using an assumed discount rate of 7.25% (9% in 1992) and an assumed long-term rate of increases in compensation of 5%. The assumed long-term rate of return on plan assets is 10%. The change in the discount rate caused the accumulated benefit obligation to increase approximately $11,300,000.

During 1993, the Company settled a portion of its retirement benefit obligations to certain of its retirees through the purchase of annuity contracts.

In addition to providing pension benefits, the Company provides certain contributory and non-contributory health care and life insurance benefits for certain retired associates. Certain associates of the Company may become eligible for those post-retirement benefits if they reach retirement age while working for the Company.

Effective January 1, 1992, Statement of Financial Accounting Standards No. 106, "Employers' Accounting for Postretirement Benefits Other than Pensions" was adopted using the immediate recognition transition option. The standard requires recognition of the estimated future costs of providing health and other post-retirement benefits on an accrual basis. These benefits have previously been recognized as incurred. The cumulative effect of this accounting change reduced 1992 net income by $33,561,000 ($54,131,000 less related deferred income taxes of $20,570,000) or $1.70 per share. The effect of the change on 1992 earnings was $.12 per share.

The status of the Company's plans at December 31, 1993 and 1992 is as follows:

(In thousands)	1993	1992
Accumulated post-retirement benefit obligation		
Retirees	$66,917	$63,745
Fully eligible active plan participants	5,286	4,580
Other active plan participants	15,398	
		12,955
	87,601	81,280
Unrecognized actuarial loss	(3,631)	-
Accrued post-retirement benefit obligation	$83,970	$81,280

Net periodic post-retirement benefit cost includes the following components:

(In thousands)	1993	1992
Service cost	$1,564	$1,464
Interest cost	6,733	6,533
Net periodic post-retirement benefit cost	$8,297	$7,997

The weighted-average assumed rate of increase in the per capita cost of covered benefits (i.e., health care cost trend rate) is assumed to be 14.0% and decreasing gradually to 5.25% in 2009 and remaining at that level thereafter. A one percentage point increase in the assumed health care cost trend rate would have increased the accumulated benefit obligation by $11,514,000 at December 31, 1993 and the aggregate service and interest costs components of net periodic post-retirement benefit costs for 1993 by $1,281,000. Post-retirement benefit costs in 1991 were $3,052,000.

A weighted average discount rate of 7.25% (8.5% in 1992) was used in determining the accumulated benefit obligation. The change in the discount rate caused the accumulated benefit obligation to increase approximately $3,950,000.

LEASE COMMITMENTS

Rental expense for certain manufacturing facilities, warehouses, transportation equipment and data processing and office equipment was $16,745,000 in 1993, $14,855,000 in 1992 and $15,369,000 in 1991. Several manufacturing facilities are leased under industrial development type loan arrangements. Certain of the Company's leases have options to renew, and there are no significant contingent rentals in any of the leases.

At December 31, 1993, future minimum lease commitments for noncancelable operating leases are:

(In thousands)

1994	$11,047
1995	9,195
1996	7,982
1997	7,088
1998	5,142
Thereafter	19,216
	$59,670

CONTINGENCIES

The Company is involved in certain legal actions and claims arising in the ordinary course of business including lawsuits brought by the State of Idaho in 1983 and the United States government in 1993 seeking reimbursement from the Company and other defendants for alleged damages to the environment and clean-up costs for the area around the Blackbird Mine in Idaho. Claims have been made against a subsidiary of the Company for the costs of environmental remediation measures taken or to be taken in connection with operations that have been sold or closed. These include the clean-up of Superfund sites and participation with other companies in the clean-up of hazardous waste disposal sites, several of which have been designated as Superfund sites. Reserves for such liabilities have been established and no insurance recoveries have been reflected in the determination of the reserves. In management's opinion, such litigation and claims will be resolved without material adverse effect on the financial position of the Company.

SUPPLEMENTAL CASH FLOW DATA

The following is a summary of noncash investing and financing activities.

(In thousands)	1993	1992	1991
Acquisition of businesses			
Assets acquired	$33,130	$106,447	$ 25,885
Liabilities assumed	4,327	45,030	20,221
Cash paid	28,803	61,417	5,664
Less cash acquired	-	6,063	138
	$28,803	$ 55,354	$ 5,526
Debt of companies acquired		$ 11,084	$ 5,535
Payment of additional purchase price of acquired business with treasury stock		$ 6,802	
Payment of incentive compensation awards with treasury stock	$ 780	$ 731	$ 969
Payment of incentive compensation awards and employee benefits with stock held by Associates Ownership Trust	$ 8,260	$ 4,207	$ 49
Payment of stock option exercise with shares of common stock	$ 1,675		
Formation of TRASOP			$ 684
Exchange of preferred stock for Senior Notes			$150,000
Issuance of common stock warrants			$ 14,621

<TABLE>
<CAPTION>
Quarterly Financial and Stock Price Data
M.A. Hanna Company and Consolidated Subsidiaries
Summarized unaudited quarterly financial and stock price data for 1993 and 1992 are as follows:

(In thousands except per share data)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
<S>	<C>	<C>	<C>	<C>

1993				
Net sales	$362,465	$384,727	$388,059	$384,477
Gross margin	71,774	78,309	77,565	80,502
Income(loss)				
Continuing operations	4,496	8,124	8,578	8,851
Discontinued operations	1,344	220	286	(29,881)
Net income(loss)	5,840	8,344	8,864	(21,030)
Income(loss) per common share (fully diluted)				
Continuing operations	0.21	0.39	0.42	0.43
Discontinued operations	0.07	0.01	0.01	(1.44)
Net income(loss)	0.28	0.40	0.43	(1.01)
Price range				
High	30 3/4	33 1/4	32 1/8	34
Low	25 3/4	28	26	28 7/8
Cash dividends paid	.175	.175	.175	.1875
1992				
Net sales	$289,290	$322,789	$343,633	$339,934
Gross margin	56,971	67,345	71,855	73,086
Income(loss)				
Continuing operations	2,549	6,353	7,354	11,671
Discontinued operations	(173)	47	3,840	(1,151)
Cumulative effect of changes in accounting principles	(11,465)	-	-	-
Net income(loss)	(9,089)	6,400	11,194	10,520
Income(loss) per common share (fully diluted)				
Continuing operations	0.13	0.33	0.37	0.59
Discontinued operations	(0.01)	-	0.19	(0.06)
Cumulative effect of changes in accounting principles	(0.60)	-	-	-
Net income(loss)	(0.48)	0.33	0.56	0.53
Price range				
High	26 3/4	26 3/8	30	29 1/8
Low	19 3/4	24	24 3/4	24 1/8
Cash dividends paid	.1625	.1625	.1625	.175

During the fourth quarter of 1993, the Company announced the pending sale of its elastomeric membrane roofing business. The operating results of this business have been reclassified as discontinued operations which has increased (decreased) previously reported income from continuing operations in 1993 by $138,000 in the first quarter ($.01 per share), ($220,000) in the second quarter ($(.01) per share) and ($286,000) in the third quarter ($(.01) per share) and increased (decreased) previously reported income from continuing operations in 1992 by $173,000 in the first quarter ($.01 per share), ($47,000) in the second quarter (no impact on per share), $428,000 in the third quarter ($.02 per share) and $1,150,000 in the fourth quarter ($.06 per share).

Income per share calculations for each of the quarters are based on the weighted average number of shares outstanding for each period, and the sum of the quarters may not necessarily be equal to the full year income per share amount.

Unusual or infrequently occurring items recognized in net income in the quarter are as follows:

(In thousands)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
1993				
Effect of tax rate change	$ -	$ -	$578	$ -
Sale of assets	-	-	-	1,300
Miscellaneous restructuring	-	-	-	(702)
1992				
Sale of assets	$ -	$ -	$5,692	$ -
Settlement of mineral operation obligation	-	-	(1,424)	-
Adjustment of accrued tax liability	-	-	-	4,800

</TABLE>

<TABLE>
<CAPTION>
SELECTED FINANCIAL DATA
M. A. Hanna Company and Consolidated Subsidiaries

(Dollars in thousands except per share data)	1993	1992	1991	1990	1989	1988 (1)
<S>	<C>	<C>	<C>	<C>	<C>	<C>
SUMMARY OF OPERATIONS						
Net sales	$1,519,728	$1,295,646	$1,103,094	$1,055,308	$1,010,676	$888,135
Cost of goods sold	1,211,578	1,026,389	856,156	806,885	773,789	667,588
Selling, general and administrative	200,776	173,447	167,360	157,806	155,804	148,758
Amortization expense	17,312	16,409	15,486	15,044	14,226	11,608
Interest on debt	32,286	32,509	23,221	18,301	21,286	23,908

Income (loss) from continuing operations before income taxes, extraordinary item and cumulative effect of changes in accounting principles	53,403	43,889	(2,340)	56,521	56,811	40,589
Income taxes	23,354	15,962	15,041	16,995	9,502	4,987
Income (loss) from continuing operations before extraordinary item and cumulative effect of changes in accounting principles	30,049	27,927	(17,381)	39,526	47,309	35,602
Net income	2,018	19,025	1,875	55,871	86,920	83,223
Per share of common stock						
Income (loss) from continuing operations	1.46	1.46	(0.78)	1.43	1.78	1.26
Net income	.10	.99	.04	2.03	3.34	3.48
Dividends paid	.71	.66	.62	.55	.45	.33
Cash dividends paid on						
Common stock	14,003	12,630	15,267	15,175	11,812	7,169
Preferred stock	-	-	1,031	-	2,125	8,501
BALANCE SHEET						
Current assets	$419,886	$439,422	$295,759	$292,034	$279,859	$257,882
Current liabilities	273,784	252,010	216,309	196,794	182,359	184,038
Working capital	146,102	187,412	79,450	95,240	97,500	73,844
Property, plant and equipment - net	212,562	224,773	216,717	217,852	209,294	193,168
Other assets	508,854	513,929	533,906	554,654	546,569	512,827
Other liabilities	(179,959)	(177,365)	(118,735)	(162,361)	(175,913)	(173,010)
Long-term debt	(322,103)	(350,806)	(330,880)	(137,711)	(134,834)	(137,725)
Total stockholders' equity	$365,456	$397,943	$380,458	$567,674	$542,616	$469,104
Shares of common stock outstanding	23,741,015	23,400,072	22,830,050	26,625,048	27,788,538	21,554,181
Book value per share of common stock	$15.39	$17.01	$16.66	$21.32	$19.53	$17.12

(1) Prior to 1988, the Company was a natural resources company and not in the specialty chemicals business. Results for 1984-1987 are excluded because they are not comparable with results for 1988-1993.

STOCK INFORMATION

M. A. Hanna Company common stock is listed on the New York and Chicago stock exchanges under the symbol MAH. At December 31, 1993, the number of stockholders of record of the Company's common stock was 3,512.
</TABLE>

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

M.A. Hanna Company and Consolidated Subsidiaries

RESULTS OF OPERATIONS

Your Company made significant strategic and financial progress in 1993. Net sales increased 17.3% to a record $1,519.7 million from $1,295.6 million in 1992. Income from continuing operations, excluding non-recurring events was $28.9 million, a 25.1% improvement over 1992 income from continuing operations, excluding non-recurring events, of $23.1 million. In 1993, earnings from continuing operations include a one-time benefit due to the change in tax laws, a gain from the sale of BenePlan Strategies and a charge for restructuring certain polymer processing businesses. In 1992, earnings from continuing operations include a favorable tax adjustment.

1993 Compared with 1992

Net sales increased from $1,295.6 million in 1992 to a record $1,519.7 million in 1993. Sales from polymer processing businesses increased $129.4 million from 1992 levels due to acquisitions made in both 1993 and 1992 and higher unit volumes. Resin distribution sales increased $79.1 million to $298.7 million in 1993 due to higher unit volumes and an acquisition made at the end of the third quarter in 1992. Polymer product sales increased from $434.5 million in 1992 to $452.9 million in 1993 due to higher unit volumes. Sales from other operations decreased from $22.5 million in 1992 to $18.4 million in 1993 due to the sale of businesses in both years.

Cost of goods sold increased $185.2 million to $1,211.6 million in 1993 and corresponds with the sales increases. As a percentage of sales, cost of goods sold was 79.7% in 1993 compared with 79.2% in 1992. The resultant decrease in gross margin is due to a higher percentage of sales from resin distribution businesses, which carry a lower gross margin.

Selling, general and administrative expenses increased $27.3 million in

1993 over 1992 levels due to acquisitions in polymer processing and resin distribution businesses and higher sales activity from existing businesses. However, as a percentage of sales, selling, general and administrative expenses fell from 13.4% in 1992 to 13.2% in 1993, reflecting the Company's ongoing efforts to manage these costs.

Amortization expense increased from $16.4 million in 1992 to $17.3 million in 1993 due to acquisitions made in both 1993 and 1992.

The Company's effective tax rate in 1993 was 43.7% compared with 36.4% in 1992. The tax rate in both years was impacted by favorable tax adjustments. Tax expense in 1993 was reduced $.6 million from the enactment of a change in tax laws and tax expense in 1992 was reduced $4.8 million due to a favorable adjustment of income tax liabilities.

During the fourth quarter of 1993, the Company announced it had reached a preliminary agreement to sell its elastomeric membrane roofing business. Accordingly, the operating results of this business have been reclassified as discontinued operations. In addition, the Company recognized an after-tax charge of $30.0 million for the writeoff of goodwill and restructuring charges associated with the sale. Also included in discontinued operations is $1.5 million from the sale of a former natural resources affiliate.

1992 Compared with 1991

Net sales increased $192.5 million in 1992 from 1991 levels. Sales from polymer processing businesses increased from $556.9 million in 1991 to $655.6 million in 1992 due to higher volume and the acquisition of Wilson Color in June 1992. Resin distribution sales increased $74.8 million due to acquisitions in both 1992 and 1991 and higher unit volumes. Sales from polymer products increased $17.1 million to $434.5 million in 1992 due to higher unit volumes. Sales from other operations decreased from $27.3 million in 1991 to $22.5 million in 1992 due to lower volume and reduced prices at oil and gas operations, lower volume at marine operations and lower management and sales agency fees. The Company's oil and gas operations were sold in December 1992.

Cost of goods sold increased from $856.2 million in 1991 to $1,026.4 million in 1992 and correspond with the increases in the level of sales. As a percentage of sales, cost of goods sold was 79.2% in 1992 compared with 77.6% in 1991. The resultant decrease in gross margin was due to reduced pricing in the Company's polymer products businesses, a higher percentage of sales from resin distribution businesses, as well as lower management fee income.

Selling, general and administrative expenses increased $6.1 million in 1992 to $173.4 million and is attributable to acquisitions made in both 1992 and 1991. As a percentage of sales, selling, general and administrative expenses were 13.4% in 1992 compared with 15.2% in 1991.

Amortization expense increased from $15.5 million in 1991 to $16.4 million in 1992 due to acquisitions made in both 1992 and 1991.

Other income increased $3.0 million in 1992 due to gains from miscellaneous asset sales as well as higher interest income from higher average amounts of invested funds.

Interest on debt increased from $23.2 million in 1991 to $32.5 million in 1992 due to higher average borrowings due to the recapitalization which occurred in 1991 and additional borrowings incurred in 1992 in connection with the acquisition of Wilson.

Other costs and expenses decreased from $46.4 million in 1991 to $9.2 million in 1992. Included in 1991 amounts is a non-recurring charge of $35.0 million related to the repurchase of all the shares of the Company's common stock held by Brascan Limited. Also included in 1991 amounts is a charge of $4.6 million related to miscellaneous restructuring activities.

The Company's effective tax rate for 1992 was 36.4%. The rate was impacted by a favorable adjustment of income tax liabilities of $4.8 million. Without this favorable adjustment, the Company's effective tax rate was 47.3% which results from the impact nondeductible goodwill amortization has on pre-tax earnings. The Company's effective tax rate in 1991 was significantly impacted due to the nondeductibility of the non-recurring charge related to the share repurchase.

Discontinued operations in 1992 includes a $5.7 million gain, representing a partial payment on a prepetition bankruptcy claim related to Colowyo Coal Company, offset by a charge of $1.4 million related to the settlement of a claim of a silicon operation sold in prior years and the operating results of the Company's elastomeric membrane roofing business. Discontinued operations in 1991 include the operating results of Iron Ore Company of Canada, Colowyo Coal Company and other western coal interests and the operating results of the Company's elastomeric membrane roofing businesses. The Company sold its interest in Colowyo and other western coal interests in 1991 realizing a gain of $8.5 million. In February 1992, the Company sold a portion of its interest in IOC. No gain or loss was recognized as a result of this transaction.

LIQUIDITY AND SOURCES OF CAPITAL

The Company's ability to generate significant cash flows from operations continued in 1993 with $67.9 million provided from operating activities. This amount includes the use of $7.2 million for working capital and $16.6 million for the payment of obligations related to prior restructurings. Investment transactions used $29.8 million and include $28.8 million related to acquisition of businesses and $23.4 million for capital expenditures, partially offset by $25.7 million from sales of short-term securities. Financing activities used $53.8 million and include $27.5 million for the purchase of common stock warrants, $14.0 million for cash dividends, $26.9 million for reductions in outstanding debt, partially offset by proceeds from the sale of stock of $14.6 million. In summary, cash decreased only $16.6 million despite the purchase of common stock warrants ($27.5 million), acquisitions ($28.8 million) and debt reductions ($26.9 million), which total $83.2 million.

The current ratio at December 31, 1993 was 1.5:1 compared with 1.7:1 at December 31, 1992. Long-term debt to total capital was 46.8% at December 31, 1993 and 46.9% at December 31, 1992.

The Company has a credit agreement which provides commitments for borrowings up to $150 million through March 1994. Beginning March 1994, the bank commitments will be reduced by 12.5% of the aggregate amount of borrowings outstanding under the agreement each quarter for eight consecutive quarters. The arrangement provides for interest rates to be determined at the time of the borrowing based on a choice of formulas specified in the agreement. No borrowings were outstanding under this agreement at December 31, 1993.

The Company also has a credit agreement which provides commitments for borrowings of up to 150 million French francs through November 1996. The agreement provides for interest rates to be determined at the time of borrowing. At December 31, 1993, borrowings outstanding under this commitment were 105 million French francs, or an equivalent of $17.8 million.

The Company believes that its ability to generate cash flows from operations and the availability of funds under existing credit facilities will be sufficient to meet anticipated capital expenditure programs, existing obligations arising from prior restructurings and acquisitions, dividend requirements and other planned financial commitments in 1994 and throughout the term of the existing credit facilities.

Environmental Matters

The Company is subject to various laws and regulations concerning environmental matters. The Company is committed to a long-term environmental protection program that reduces emissions of hazardous materials into the environment as well as to the remediation of identified existing environmental concerns.

The Company is involved in certain legal actions and claims arising in the ordinary course of business including lawsuits brought by the State of Idaho in 1983 and the United States government in 1993 seeking reimbursement from the Company and other defendants for alleged damages to the environment and clean-up costs for the area around the Blackbird Mine in Idaho. Claims have been made against a subsidiary of the Company for the costs of environmental remediation measures taken or to be taken in connection with operations that have been sold or closed. These include the clean-up of Superfund sites and participation with other companies in the clean-up of hazardous waste disposal sites, several of which have been designated as Superfund sites. Reserves for such liabilities have been established and no insurance recoveries have been reflected in the determination of reserves. In management's opinion, such litigation and claims will be resolved without material adverse effect of the financial position of the Company.

On behalf of Hanna Management,

/s/Douglas R. Schrank
Douglas R. Schrank
Vice President and Chief Financial Officer

REPORT OF ERNST & YOUNG, INDEPENDENT AUDITORS

Board of Directors
M. A. Hanna Company
Cleveland, Ohio

We have audited the accompanying consolidated balance sheets of M. A. Hanna Company and subsidiaries as of December 31, 1993 and 1992, and the related consolidated statements of income, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 1993. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of M. A. Hanna Company and subsidiaries at December 31, 1993 and 1992, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 1993, in conformity with generally accepted accounting principles.

/s/Ernst & Young

Cleveland, Ohio
January 31, 1994

SUBSIDIARIES OF THE REGISTRANT:

Name	Where Incorporated (or formed)
Allied Color Industries, Inc.	Ohio
Bruck Plastics Company	Delaware
Burton Rubber Compounding , L.P. (a limited partnership)	Delaware
Burton Rubber Processing, Ltd.	Ontario
Cadillac Plastic Group, Inc.	Michigan
Day International, Inc.	Delaware
DH Compounding Company (a general partnership)	Delaware
Erieview Insurance Company Limited	Bermuda
Fiberchem, Inc.	Washington
Global Processing Company	California
Hanac Corp.	Delaware
Hanna France SARL	France
Hanna Hamilton Holdings Company	Delaware
Hanna Holdings Company	Delaware
Hanna International Corporation	Delaware
Hanna Polimeros, S.A. de C.V.	Mexico
M. A. Hanna de Mexico, S.A. de C.V.	Mexico
MAH Plastics Company	Delaware
Monmouth Plastics Company	Delaware
Plastic Distributing Corporation-Southeast	North Carolina
Synthecolor, S.A.	France
Texapol Corporation	Pennsylvania
The Lower Lake Dock Company	Ohio
The Ohio & Western Pennsylvania Dock Company	Ohio
The Pennsylvania Tidewater Dock Company	Delaware
Wilson Color S.A.	Belgium
Wilson Color GmbH	Germany
Wilson Color S.A.	France
Wilson Color AB	Sweden

The Registrant has other unconsolidated subsidiaries and 50 percent or less owned persons accounted for by the equity method, which in the aggregate do not constitute a significant subsidiary.

Item 14 - Exhibit (23)

Consent of Independent Auditors

We consent to the use of our report dated January 31, 1994, with respect to the consolidated financial statements of M.A. Hanna Company, included in its Annual Report (Form 10-K) for the year ended December 31, 1993 and the related financial statement schedules included therein, filed with the Securities and Exchange Commission.

/s/Ernst & Young

March 17, 1994

Item 14 - Exhibit (23)

Consent of Independent Auditors

We consent to the incorporation by reference in the following Registration Statements (Exhibit I) of M.A. Hanna Company of our report dated January 31, 1994, with respect to the consolidated financial statements and schedules of M.A. Hanna Company incorporated by reference included in the Annual Report (Form 10-K) for the year ended December 31, 1993.

/s/Ernst & Young

March 17, 1994

Consent of Independent Auditors
Exhibit I

Form S-8 No. 2-70755 pertaining to the M.A. Hanna Company 1979 Executive Incentive Compensation Plan.

Form S-8 No. 33-29622 pertaining to the M.A. Hanna Company 1988 Long-Term Incentive Plan.

Form S-8 No. 33-35654 pertaining to the M.A. Hanna Company Restated 1979 Executive Compensation Plan and 1988 Long-Term Incentive Plan.

Form S-8 No. 33-38988 pertaining to the M.A. Hanna Company Capital Accumulation Plan.

Form S-8 No. 33-41461 pertaining to the M.A. Hanna Company Capital Accumulation and Savings Plan for Salaried Employees of Day International Corporation.

Form S-8 No. 33-45420 pertaining to the M.A. Hanna Company Pay for Performance Plans.

Form S-3 No. 33-29624 pertaining to the M.A. Hanna Company Dividend Reinvestment and Stock Purchase Plan.

Form S-3 No. 33-46522 pertaining to various employee compensation and benefit plans of M.A. Hanna Company.

Form S-3 No. 33-66128 pertaining to various employee compensation and benefit plans of M.A. Hanna Company.

Form S-8 No. 33-51517 pertaining to Wilson Color Profit Sharing Plan.

Form S-8 No. 33-51519 pertaining to Texapol Corporation Employees' 401(k) Savings Plan.

Form S-8 No. 33-51555 pertaining to PMS Profit Sharing and Retirement Savings Plan.

Form S-8 No. 33-51513 pertaining to Fiberchem, Inc. 401(k) Plan.

Form S-8 No. 33-51497 pertaining to DH Compounding Company Savings and Retirement Plan.

Form S-8 No. 33-51499 pertaining to Dayton Plastics Profit Sharing Plan.

Form S-8 No. 33-51491 pertaining to Burton Rubber Processing, Inc. Savings and Retirement Plan.

Form S-8 No. 33-51507 pertaining to Bruck Plastics Company Profit Sharing Plan.

Form S-8 No. 33-51503 pertaining to Allied Color Industries, Inc. Savings and Retirement Plan for Associates of the Vonore, TN, Kansas City, MO, San Fernando, CA and Vancouver, WA Operations formerly the Avecor, Inc. Savings and Retirement Plan.

Form S-8 No. 33-51501 pertaining to Allied Color Industries, Inc. Profit Sharing Plan for Associates of the Broadview Heights, OH, Greenville, SC, and Phoenix, AZ Operations formerly the Allied Color Industries, Inc. Profit Sharing Plan.

POWER OF ATTORNEY

The undersigned, Director of the corporation named herein opposite his signature, hereby appoints T. E. Lindsey, J. S. Pyke, Jr., and D. R. Schrank, or any of them, his attorney or attorneys in fact, with full power of substitution, to sign the Annual Report on Form 10-K for the fiscal year ended December 31, 1993, being filed with the Securities and Exchange Commission by M. A. Hanna Company, and any and all amendments to such Annual Report, with full power and authority to take any and all such action as may be necessary or advisable in the premises.

Signature	Capacity in which Annual Report on Form 10-K is to be signed	Date
/s/ B. C. Ames B. C. Ames	Director of M. A. Hanna Company	March 2, 1994

POWER OF ATTORNEY

The undersigned, Director of the corporation named herein opposite his signature, hereby appoints T. E. Lindsey, J. S. Pyke, Jr., and D. R. Schrank, or any of them, his attorney or attorneys in fact, with full power of substitution, to sign the Annual Report on Form 10-K for the fiscal year ended December 31, 1993, being filed with the Securities and Exchange Commission by M. A. Hanna Company, and any and all amendments to such Annual Report, with full power and authority to take any and all such action as may be necessary or advisable in the premises.

Capacity in which Annual Report
on Form 10-K is to be signed

Signature		Date
/s/ W. R. Embry W. R. Embry	Director of M. A. Hanna Company	March 2, 1994

POWER OF ATTORNEY

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Capacity in which Annual Report
on Form 10-K is to be signed

Signature		Date
/s/ J. T. Eyton J. T. Eyton	Director of M. A. Hanna Company	March 2, 1994

POWER OF ATTORNEY

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J. S. Pyke, Jr., and D. R. Schrank, or any of them, his attorney or attorneys in fact, with full power of substitution, to sign the Annual Report on Form 10-K for the fiscal year ended December 31, 1993, being filed with the Securities and Exchange Commission by M. A. Hanna Company, and any and all amendments to such Annual Report, with full power and authority to take any and all such action as may be necessary or advisable in the premises.

Signature	Capacity in which Annual Report on Form 10-K is to be signed	Date
/s/ G. D. Kirkham G. D. Kirkham	Director of M. A. Hanna Company	March 2, 1994

POWER OF ATTORNEY

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Signature	Capacity in which Annual Report on Form 10-K is to be signed	Date
/s/ M. L. Mann M. L. Mann	Director of M. A. Hanna Company	March 2, 1994

POWER OF ATTORNEY

The undersigned, Director of the corporation named herein opposite his signature, hereby appoints T. E. Lindsey, J. S. Pyke, Jr., and D. R. Schrank, or any of them, his attorney or attorneys in fact, with full power of substitution, to sign the Annual Report on Form 10-K for the fiscal year ended December 31, 1993, being filed with the Securities and Exchange Commission by M. A. Hanna Company, and any and all amendments to such Annual Report, with full power and authority to take any and all such action as may be necessary or advisable in the premises.

Signature	Capacity in which Annual Report on Form 10-K is to be signed	Date
/s/ P. M. Marshall P. M. Marshall	Director of M. A. Hanna Company	March 2, 1994

POWER OF ATTORNEY

The undersigned, Director of the corporation named herein opposite his signature, hereby appoints T. E. Lindsey, J. S. Pyke, Jr., and D. R. Schrank, or any of them, his attorney or attorneys in fact, with full power of substitution, to sign the Annual Report on Form 10-K for the fiscal year ended December 31, 1993, being filed with the Securities and Exchange Commission by M. A. Hanna Company, and any and all amendments to such Annual Report, with full power and authority to take any and all such action as may be necessary or advisable in the premises.

Signature	Capacity in which Annual Report on Form 10-K is to be signed	Date

/s/ R. W. Pogue R. W. Pogue	Director of M. A. Hanna Company	March 2, 1994

POWER OF ATTORNEY

The undersigned, Director of the corporation named herein opposite his signature, hereby appoints T. E. Lindsey, J. S. Pyke, Jr., and D. R. Schrank, or any of them, his attorney or attorneys in fact, with full power of substitution, to sign the Annual Report on Form 10-K for the fiscal year ended December 31, 1993, being filed with the Securities and Exchange Commission by M. A. Hanna Company, and any and all amendments to such Annual Report, with full power and authority to take any and all such action as may be necessary or advisable in the premises.

Signature	Capacity in which Annual Report on Form 10-K is to be signed	Date
/s/ D. J. McGregor D. J. McGregor	Director of M. A. Hanna Company	March 2, 1994