

MYERS INDUSTRIES INC

FORM DEFA14A

(Additional Proxy Soliciting Materials (definitive))

Filed 04/02/12

Address	1293 S MAIN ST AKRON, OH 44301
Telephone	330-253-5592
CIK	0000069488
Symbol	MYE
SIC Code	3089 - Plastics Products, Not Elsewhere Classified
Industry	Fabricated Plastic & Rubber
Sector	Basic Materials
Fiscal Year	12/31

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

SCHEDULE 14A
(RULE 14A-101)

**INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION
PROXY STATEMENT PURSUANT TO SECTION 14(A) OF THE SECURITIES
EXCHANGE ACT OF 1934**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

MYERS INDUSTRIES, INC.

(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement, if Other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11. (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount previously paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Strengthened Foundation.
Strong Results.

April 2012
Investor Presentation



Highlights

- ❑ **Consistent strategic direction resulted in strong performance in 2011**
 - Adjusted EPS increased 81%
 - Share price appreciated 27% in 2011; additional 18% YTD 2012
 - 1-year TSR – 30.2%; 3-year TSR – 19.2% (annualized)
- ❑ **Financial position remains solid, with a flexible balance sheet and financial liquidity**
- ❑ **Balanced approach to capital allocation**
 - 8% dividend increase in 2011; 14% increase in 2012 first quarterly dividend
 - Completed a two million share repurchase, or 5.7% of our common stock
 - Reduced debt by \$9.7 million
 - Capital spending of \$22 million (34% was for growth projects)
- ❑ **Strong, independent and committed Board**
 - Highly experienced and qualified members
 - Approximately 70% new directors since 2005
- ❑ **Compensation policies are aligned with Company performance**
- ❑ **Recently named one of America's 100 most trustworthy companies for its strong corporate governance in an annual survey commissioned by *Forbes***
- ❑ **GAMCO has not proposed any substantive plans to alter or improve the strategic direction or execution at Myers Industries**

Company at a Glance



- NYSE: MYE
- Founded in 1933
- Headquartered in Akron, Ohio
- **Diversified international manufacturer** of polymer products and wholesale distributor that operates in four segments:

Material Handling
Lawn & Garden

Distribution
Engineered Products

Business Segments

Material Handling

AKRO-MILS **BUCKHORN** **MYERS**
As One

The most recognized brands for reusable containers and pallets to replace cardboard and other disposable packaging – reducing supply chain waste and costs...

- Plastic Reusable Containers & Pallets
- Plastic Storage Bins & Systems
- Motor Wire Shelving Systems
- Custom Material Handling Products

Applications:

- Agriculture / Seed
- Beverage Processing
- Food Processing
- Industrial / Manufacturing
- Retail Distribution

Lawn & Garden

DILLEN **ETIML** **Pro Cal** **Liste** **PLANTER'S PICK** **AKRO-MILS**

Leading brands for plastic pots, trays, baskets and decorative resin planters for the professional grower industry and retail garden centers...

- Plastic Flowerpots & Tray Systems
- Hanging Baskets
- Decorative Resin Planters
- Merchandising & Branding Programs

Applications:

- Greenhouse Growers
- Nursery Growers
- Green Distributors
- Retail Garden Centers

Distribution

Myers **Myers**
The Americas **International, Inc.**

The largest U.S. distributor of tools, supplies and equipment for the tire, wheel and undervehicle service industry...

- Tire Valves & Accessories
- Tire Changing & Balancing Equipment
- Lift & Alignment Equipment
- The Repair & Retread Supplies

Applications:

- Auto Dealers
- Auto Repair Facilities
- Commercial Auto & Truck Fleets
- Retail Tire Dealers
- Remounting
- Truck Tire Dealers

Engineered Products

Ameri-Kart **Patch** **WEB** **ATM**

Engineered plastic components, custom products and tire repair products serving diverse niche markets...

- Plastic HMC Components
- Air Straps & Fuel Tanks
- Marine Fuel Tanks
- Custom Plastic Components & Products
- Tire Repair & Retread Products
- Industrial Rubber Sheet Stock
- Highway Marking Tapes

Applications:

- Agriculture
- Automobile
- Industrial
- Marine
- Recreational Vehicle
- Tire Repair



Our Strategic Principles & Strengths



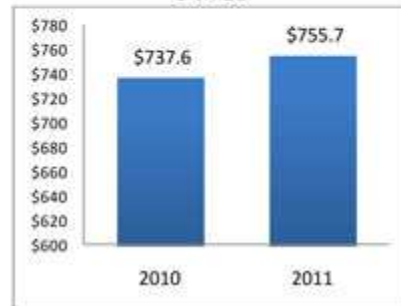
Our Goals

- ❑ Generate returns above cost-of-capital
- ❑ Produce strong free cash flow
- ❑ Achieve organic growth > 1.5x GDP
- ❑ Target a 5% reduction in COGS each year
- ❑ Maintain strong financial position
- ❑ Balanced approach to capital allocation including returning cash to shareholders

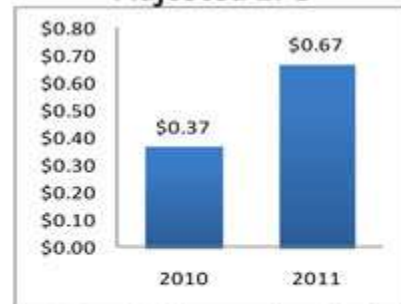
2011 Financial Highlights

- ❑ 3% of total sales in 2011 came from new products/solutions
- ❑ Gross margin expanded 390 basis points to 26.2%
- ❑ \$14 million of operations excellence savings were generated during the year
- ❑ Adjusted net income increased 80% to \$23.4 million
- ❑ Cash flow from operations increased 41% to \$64.2 million
- ❑ Dividend was increased by 8%
- ❑ Spent \$21 million to buy back 2 million shares of stock

Sales



Adjusted EPS*



*Adjusted EPS for 2010 and 2011 include adjustments related to one-time expenses of \$71.3M and \$4.6M respectively

Our Balanced Approach to Capital Allocation



Returning Cash to Shareholders

- Dividend paid each year since public in 1971
 - 1Q 2012 quarterly dividend increased by 14.3%



Notes:

1) Above adjusted for stock dividends and splits in 2000, 2001, 2002 and 2004.

2) In 2007 there was an additional special dividend of \$0.28 or \$9.9M accrued but not paid until 2008, resulting from a merger termination payment.

- Two million share repurchase completed in 2011
 - Spent \$21 million to buy back 5.7% of shares
 - First repurchase in more than a decade
- Reduced debt by \$9.7 million in 2011
 - Debt-to-Capital ratio 26%
 - Leverage ratio 1.07

Solid Corporate Governance Principles

- Separate roles of CEO and Board Chairman
- All directors stand for election annually
- No poison pill provision
- Broad range of expertise provided by current board
- Stock ownership guidelines for officers and directors
- Director resignation policy in place
- Effective June 1, 2011, the following changes to the CEO's employment agreement were made:
 - Eliminated the CEO's employment agreement in favor of a severance agreement
 - Eliminated tax gross-up provisions
 - Eliminated single-trigger change of control protection
- Consider and evaluate all shareholder director nominees; seek best qualified directors

Committed and Experienced Board

- Myers Industries has extremely experienced and effective Board members overseeing a solid strategic plan and challenging management to drive additional shareholder value creation.
- The Board's composition includes expertise from diverse areas:
 - ✓ Polymer Manufacturing
 - ✓ Industrial Operations
 - ✓ Finance & Accounting
 - ✓ Distribution
 - ✓ Investment Banking
 - ✓ Sales & Marketing
 - ✓ Risk Management
 - ✓ Strategic Planning
 - ✓ Mergers & Acquisitions
 - ✓ Banking & Capital Formation
- 5 of the 9 directors have joined the board in just the past 5 years
 - ✓ 2007: Robert Stefanko
 - ✓ 2009: John Crowe
 - ✓ 2010: Sarah Coffin
 - ✓ 2011: William Foley
 - ✓ 2011: Robert Heisler, Jr.

Profile of Current Board of Directors

- **Vincent C. Byrd – served as a Director since 2006**
 - ✓ President & Chief Operating Officer, The J.M. Smucker Company (NYSE) and Director of the J.M. Smucker Company
 - ✓ Expertise in operations, branding, finance, international business, mergers and acquisitions

- **Sarah R. Coffin – served as a Director since 2010**
 - ✓ Former Chief Executive Officer, Aspen Growth Strategies LLC
 - ✓ Senior-level leadership in polymer industry; expertise in marketing and operations

- **John B. Crowe – served as a Director since 2009**
 - ✓ Chief Executive Officer and Chairman of Buckeye Technologies Inc. (NYSE)
 - ✓ Expertise in packaging markets, operations, investor relations and strategic planning

- **William A. Foley – served as Director since 2011**
 - ✓ Chairman of the Board of Directors of Libbey, Inc. (NYSE)
 - ✓ Expertise in polymers, lawn and garden markets, distribution, operations and governance

- **Robert B. Heisler, Jr. – served as Director since 2011**
 - ✓ Retired Dean, Kent State University Business School
 - ✓ Director, FirstEnergy Corp. (NYSE); TFS Financial Corporation (NASDAQ)
 - ✓ Former Chief Financial Officer, Kent State University
 - ✓ Former Chairman and Chief Executive Officer, KeyBanc, NA (NYSE)
 - ✓ Expertise in finance, management, mergers and acquisitions and strategic planning

Profile of Current Board of Directors

- **Richard P. Johnston – served as a Director since 1992**
 - ✓ Current Chairman of the Board of Myers Industries; Founder and former CEO of Buckhorn, Inc.
 - ✓ Managing Director of Jackson Hole Capital Partners
 - ✓ Director of Results Radio, Inc.
 - ✓ Expertise in operations, strategic planning, corporate governance practices, and mergers and acquisitions
- **Edward W. Kissel – served as a Director since 2000**
 - ✓ President and Managing Partner of Kissel Group Ltd.
 - ✓ Expertise in manufacturing, sales, marketing, strategic planning, mergers and acquisitions
- **John C. Orr – served as a Director since 2005**
 - ✓ President and Chief Executive Officer of Myers Industries
 - ✓ Director of Libbey Inc. (NYSE)
 - ✓ Expertise in polymer manufacturing, strategic planning, operations and mergers and acquisitions
- **Robert A. Stefanko – served as a Director since 2007**
 - ✓ Former Chairman of the Board and Executive Vice President of Finance and Administration of A. Schulman, Inc.
 - ✓ Director and member of Audit Committee of OMNOVA Solutions, Inc. (NYSE)
 - ✓ Expertise in polymers, finance, risk management and compensation

Background and History with GAMCO

The Company has made every effort over the last several years to understand and respond to GAMCO's concerns regarding the Board of Directors:

In November 2008, GAMCO sent a letter to the Company announcing its intention to nominate 3 nominees for election to the Board of Directors at the 2009 Annual Meeting of Shareholders.

Upon receiving GAMCO's letter, a representative of the Company's Board contacted GAMCO to further inquire about specific concerns of GAMCO relating to the Company. The individuals noted in GAMCO's letter were invited to participate in the regular Board candidate vetting process.

GAMCO declined to have its individuals participate in the Company's review process and failed to articulate any specific concerns that it had regarding the operations of the Company.

The Company identified and evaluated a highly qualified candidate, John Crowe, and nominated him for election to the Board of Directors at the 2009 Annual Meeting of Shareholders.

The Company received no further communications from GAMCO regarding the Company until the filing of GAMCO's preliminary proxy statement with the SEC on March 30, 2009.

At the April 30, 2009, Annual Meeting of Shareholders, shareholders strongly supported the full Company Director slate and did not support the GAMCO slate.

Background and History with GAMCO

In May 2009, GAMCO disclosed that it intended to submit one or more individuals as nominees for election to the Board of Directors at the 2010 Annual Meeting.

Management of the Company engaged in several conversations with Mr. Mario Gabelli, principal of GAMCO, to understand GAMCO's specific concerns relating to the Company and its Board.

At NO TIME did Mr. Gabelli relate specific concerns with the Company's strategy, operations or management.

On October 30 and again on November 13, 2009, GAMCO disclosed that it had sent letters to the Company announcing its intention to nominate three individuals for election to the Board of Directors at the 2010 Annual Meeting.

The Company identified and evaluated a highly qualified candidate, Sarah Coffin, and nominated her for election to the Board of Directors at the 2010 Annual Meeting of Shareholders.

At the April 30, 2010, Annual Meeting of Shareholders, shareholders strongly supported the full Company Director slate and did not support the GAMCO slate.

Background and History with GAMCO

The Company identified two highly qualified candidates for the Board, William A. Foley and Robert B. Heisler, Jr. , and nominated both individuals for election to the Board at the 2011 Annual Meeting of Shareholders.

On February 28, 2011, without any other communication to the Company, GAMCO disclosed that it had sent a letter to the Company recommending two individuals for nomination for election as directors of the Company at the Annual Meeting of Shareholders.

Recognizing GAMCO's position as a significant shareholder and to avoid the expense and distraction of a costly proxy fight, the Company offered to add one of GAMCO's nominees to the Board's slate at the 2011 Annual Meeting of Shareholders. GAMCO and the Company were unable to reach agreement on the Company's offer.

At the April 29, 2011 Annual Meeting of Shareholders, shareholders strongly supported the full Company Director slate and did not support the GAMCO slate.

Background and History with GAMCO

In November 2011, GAMCO disclosed that it had sent a letter to the Company announcing its intention to nominate at least four individuals as directors at the 2012 Annual Meeting of Shareholders.

On February 15, 2012, GAMCO disclosed that it had sent a letter to the Company announcing that it was recommending Richard L. Bready and Robert S. Prather for election to the Board of Directors at the 2012 Annual Meeting.

As in each of the prior years, despite its efforts, Myers has been unable to engage in a meaningful dialogue with GAMCO regarding any specific concerns or initiatives that GAMCO would like addressed. GAMCO files the same proxy materials each year, just changing the names and dates. To date, only one of the GAMCO nominees has completed the package of information required of any new nominee to be considered by the Corporate Governance and Nominating Committee. Having reviewed that response (which was exactly the same as last year's response and the same as the response from the year before that), the Committee determined that the Company's slate of directors is best qualified to serve the interests of all of the shareholders and execute on the Company's strategic plans.

As in each of the prior years, GAMCO has failed to offer any alternative strategic plan to create additional value for shareholders and has consistently refused to communicate its specific concerns to management or the Board.

Conclusion

GAMCO has consistently failed to articulate any specific concerns regarding the Company's operations or propose a new strategy for the Company going forward.

GAMCO has not articulated any special qualifications of the individuals it seeks to put on the Company's board that might make them more suited to serve as directors of the Company than the nominees recommended by the Board of Directors.

In the past three years, the Company has nominated and shareholders have elected four new, highly-qualified directors to the Board.

In the past three years, the Company has delivered TSR of 19.2% on an annualized basis, while paying dividends, reducing expenses and investing for future growth and increased productivity.

***Shareholders are urged to vote FOR the Company's
Directors on the WHITE proxy card***

Safe Harbor Statement

Statements in this presentation concerning the Company's goals, strategies, and expectations for business and financial results may be "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 and are based on current indicators and expectations. Whenever you read a statement that is not simply a statement of historical fact (such as when we describe what we "believe," "expect," or "anticipate" will occur, and other similar statements), you must remember that our expectations may not be correct, even though we believe they are reasonable. We do not guarantee that the transactions and events described will happen as described (or that they will happen at all). You should review this presentation with the understanding that actual future results may be materially different from what we expect. Many of the factors that will determine these results are beyond our ability to control or predict. You are cautioned not to put undue reliance on any forward-looking statement. We do not intend, and undertake no obligation, to update these forward-looking statements. These statements involve a number of risks and uncertainties that could cause actual results to differ materially from those expressed or implied in the applicable statements. Such risks include:

- (1) Fluctuations in product demand and market acceptance
- (2) Uncertainties associated with the general economic conditions in domestic and international markets
- (3) Increased competition in our markets
- (4) Changes in seasonality
- (5) Difficulties in manufacturing operations, such as production outages or maintenance programs
- (6) Raw material availability
- (7) Fluctuations in raw material costs; fluctuations outside the "normal" range of industry cycles
- (8) Changes in laws and regulations and approvals and decisions of courts, regulators, and governmental bodies

Myers Industries, Inc. encourages investors to learn more about these risk factors. A detailed explanation of these factors is available in the Company's publicly filed quarterly and annual reports, which can be found online at www.myersind.com and at the SEC.gov web site.

