



# News Release

NYSE: MYE

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## Myers Industries Reports 2011 Third Quarter Results

*Further benefits realized from its performance improvement program*

*EPS \$0.21 compared with \$0.09 in 3Q 2010*

*Adjusted EPS \$0.14 compared with \$0.09 in 3Q 2010*

*Gross profit margin increased to 25.0% versus 22.2% for 3Q 2010*

*Repurchased 1.4 million shares or 4% of outstanding stock*

October 20, 2011, Akron, Ohio - Myers Industries, Inc. (NYSE: MYE) today announced results for the third quarter ended September 30, 2011. Net sales for the third quarter were \$190.0 million compared to \$187.0 million in the third quarter of 2010. The gross profit percentage increased to 25.0% in the third quarter compared to 22.2% in the third quarter of 2010, despite an increase in raw material costs of approximately 21%.

Net income in the third quarter of 2011 was \$7.2 million or \$0.21 per share compared to net income in the third quarter of 2010 of \$3.2 million or \$0.09 per share. Net income in the third quarter of 2011 included approximately \$2.0 million (\$1.9 million was a provision relative to a remedial investigation and feasibility study described in more detail later in this release) of special pre-tax costs as detailed on the **Reconciliation of Non-GAAP Financial Measures** included in this release. Net income in the third quarter of 2011 also included net favorable income tax adjustments of approximately \$3.8 million that are also described in more detail later in this release. Net income in the third quarter of 2010 included \$0.4 million of special pre-tax costs as detailed on the **Reconciliation of Non-GAAP Financial Measures** included in this release. Adjusting for these special items, earnings per share was \$0.14 in the third quarter of 2011 compared to \$0.09 in the third quarter of 2010.

"We continue to make good progress," said President and Chief Executive Officer John C. Orr. "In spite of higher raw material costs again this quarter, we delivered improved operating results, as adjusted, on a year-over-year basis, for a fifth consecutive quarter. Our performance improvement plans focused on improving how we manage both volatile raw material costs and productivity has helped us generate strong cash flow which we returned in part to our shareholders through the repurchase of \$15.1 million or 4% of our outstanding stock during the quarter."

### **Segment Results**

The results below are as adjusted and exclude pre-tax restructuring costs as detailed on the **Reconciliation of Non-GAAP Financial Measures** included in this release.

The **Material Handling Segment's** net sales were \$72.1 million compared to \$69.4 million in the third quarter of 2010, an increase of 4%. A continued strong demand across all markets, especially the agricultural, auto and industrial markets, more than offset an absence of lower-margin pallet sales in the third quarter of this year versus last year. Income before taxes in Material Handling increased 25% to \$8.9 million from \$7.1 million in the third quarter of 2010. Increased sales volume, higher prices, a favorable customer mix, and productivity improvements drove higher margins which offset higher raw material costs.

The **Lawn & Garden Segment's** net sales were \$45.6 million compared to \$49.6 million in the third quarter of 2010. The decrease of 8% was the result of the carry over effects of an industry-wide weak spring season. Lawn & Garden's loss before taxes was \$1.4 million compared to a loss of \$2.5 million in the third quarter of 2010. Lawn & Garden continued to deliver improved operating results despite a rise in resin costs again this quarter. The segment is benefiting from the operation's turnaround plan that we have been implementing since the second half of 2010.

The **Distribution Segment's** net sales increased 6% to \$48.8 million as compared to \$46.0 million in the third quarter of 2010. An increase in new product sales and a broader customer base more than offset lower sales volumes during the quarter. Distribution's income before taxes was \$4.6 million in the third quarter of both years. Income generated by higher sales in the quarter was offset by an unfavorable product mix and higher selling and distribution expenses.

The **Engineered Products Segment's** net sales were \$29.4 million compared to \$28.0 million in the third quarter of 2010, an increase of 5%. New product and customer sales more than offset a decline in demand in the RV market as well as the temporary interruption in the transplant auto business that continued into the third quarter. Engineered Product's income before taxes was \$3.1 million compared to \$2.6 million during the third quarter of 2010. In addition to the increase in sales volume, an increase in manufacturing productivity drove the improved results.

#### **Cash Flow**

Cash flow provided by operations for the quarter and nine months ended September 30, 2011 was \$31.5 million and \$40.2 million respectively. Cash flow from operations for the quarter and nine months ended September 30, 2010 was \$17.2 million and \$14.5 million respectively. The increase in cash provided by operations is primarily due to higher net income and a reduction in cash flow used for working capital.

#### **Other Financial Items**

In May of 2011, the Company announced a share repurchase plan that allows the Company to purchase up to five million shares of its common stock in the open market. On June 1, 2011, the Company subsequently announced that it had adopted a rule 10b5-1 plan ("the Plan") in connection with the five million share repurchase plan that was announced in May. The Plan was adopted for the purpose of repurchasing up to two million shares of its common stock in accordance with the guidelines specified in rule 10b5-1 of the Securities Exchange Act of 1934.

During the third quarter of 2011, the Company purchased 1,423,341 shares of stock under the Plan at an average price of \$10.61 resulting in a cash outflow of \$15.1 million. For the nine months ended September 30, 2011, the Company had purchased 1,795,120 shares of stock under the Plan at a cost of \$18.8 million and an average price of \$10.48.

At the end of the quarter, debt, net of cash, was \$77.4 million which compared to \$83.8 million at the end of the second quarter.

On July 20, 2011, the Company acquired tooling assets and intellectual property from Material Improvements L.P. for a new reusable plastic container used in producing, shipping and processing bulk natural cheese.

During the third quarter of 2011, the Company recognized net favorable income tax adjustments of approximately \$3.8 million that were largely the result of realizing previously reserved tax benefits related to the loss on the sale of one of our subsidiaries in 2007 and other tax adjustments, primarily resulting from changes in estimates. The tax benefit generated by the sale and the related accrued interest was recognized in the third quarter based on the expiration of the statute of limitations for assessment of the taxes.

In September of 2011, a preliminary notification was issued from the U.S. Environmental Protection Agency adding the New Idria Mercury Mine site to the Superfund National Priorities List because of contaminants discharged to California waterways. The Company, through one of its subsidiaries, was named as a potentially responsible party. During the third quarter, the Company provided \$1.9 million for a required remedial investigation and feasibility study at the site. Any additional liability stemming from this matter is not determinable at this time.

### **Outlook**

Commenting on the Company's outlook for the fourth quarter, Orr said, "While we continue to benefit from our performance improvement plans, the slow economy has resulted in a weakening in demand for some of our end products. In spite of that, we believe that the positive operating momentum we have created will continue."

### **Conference Call Details**

The Company will host an earnings conference call and webcast for investors and analysts on Thursday, October 20, 2011 at 10:00 a.m. ET. The call is anticipated to last approximately one hour and may be accessed at (877) 407-8033. Callers are asked to sign on at least five minutes in advance. The call will be available as a webcast through the Company's web site, [www.myersind.com](http://www.myersind.com). Click on the Investor Relations tab to access the webcast. Webcast attendees will be in a listen-only mode. An archived replay of the call will also be available on the site shortly after the event. To listen to a telephone replay, callers should dial: (US) 877-660-6853 or (Int'l) 201-612-7415. The replay passcodes are: Account # 286; Conference ID # 380489.

### **About Myers Industries**

Myers Industries, Inc. is an international manufacturer of polymer products for industrial, agricultural, automotive, commercial, and consumer markets. The Company is also the largest wholesale distributor of tools, equipment and supplies for the tire, wheel and undervehicle service industry in the U.S. The Company reported net sales from continuing operations of \$737.6 million in 2010. Visit [www.myersind.com](http://www.myersind.com) to learn more.

### **Caution on Forward-Looking Statements**

Statements in this release may include "forward-looking" statements within the meaning of the Private Securities Litigation Reform Act of 1995. Any statement that is not of historical fact may be deemed "forward-looking". Words such as "expect", "believe", "project", "plan", "anticipate", "intend", "objective", "goal", "view", and similar expressions identify forward-looking statements. These statements are based on management's current views and assumptions of future events and financial performance and involve a number of risks and uncertainties, many outside of the Company's control that could cause actual results to materially differ from those expressed or implied. Risks and uncertainties include: changes in the markets for the Company's business segments; changes in trends and demands in the markets in which the Company competes; unanticipated downturn in business relationships with customers or their purchases; competitive pressures on sales and pricing; raw material availability, increases in raw material costs, or other production costs; future economic and financial conditions in the United States and around the world; ability to weather the current economic downturn; inability of the Company to meet future capital requirements; claims, litigation and regulatory actions against the Company; changes in laws and regulations affecting the Company; the Company's ability to execute the components of its Strategic Business Evolution process; and other risks as detailed in the Company's 10-K and other reports filed with the Securities and Exchange Commission. Such reports are available on the Securities and Exchange Commission's public reference facilities and its web site at <http://www.sec.gov>, and on the Company's Investor Relations section of its web site at <http://www.myersind.com>. Myers Industries undertakes no obligation to publicly update or revise any forward-looking statements contained herein. These statements speak only as of the date made.

**MYERS INDUSTRIES, INC.**  
**CONDENSED STATEMENTS OF INCOME (UNAUDITED)**  
(\$ in thousands, except share data)

	<u>Quarter Ended Sept 30,</u>		<u>Nine Months Ended Sept 30,</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Net Sales	\$ 190,045	\$ 187,045	\$ 560,291	\$ 549,374
Cost of Sales	142,543	145,568	416,732	429,033
<b>Gross Profit</b>	<b>47,502</b>	<b>41,477</b>	<b>143,559</b>	<b>120,341</b>
Selling, General & Administrative Expenses	40,243	35,183	115,258	103,575
<b>Operating Income</b>	<b>7,259</b>	<b>6,294</b>	<b>28,301</b>	<b>16,766</b>
Interest Expense, Net	1,264	1,722	3,655	5,373
Income Before Income Taxes	5,995	4,572	24,646	11,393
Income Taxes (Benefit)	(1,219)	1,353	6,055	3,743
<b>Net Income</b>	<b>\$ 7,214</b>	<b>\$ 3,219</b>	<b>\$ 18,591</b>	<b>\$ 7,650</b>
Income Per Basic & Diluted Common Share	<b>\$ 0.21</b>	<b>\$ 0.09</b>	<b>\$ 0.53</b>	<b>\$ 0.22</b>
Weighted Average Common Shares Outstanding	34,460,952	35,382,411	35,028,413	35,360,739

**MYERS INDUSTRIES, INC.**  
**2011 SALES AND EARNINGS BY SEGMENT**  
(\$ in thousands)

	<u>Third Quarter Ended September 30,</u>			<u>Nine Months Ended September 30,</u>		
	<u>2011</u>	<u>2010</u>	<u>% Change</u>	<u>2011</u>	<u>2010</u>	<u>% Change</u>
<b>Net Sales</b>						
Material Handling	\$ 72,070	\$ 69,381	3.9%	\$ 204,808	\$ 192,321	6.5%
Lawn & Garden	45,552	49,569	-8.1%	151,998	164,315	-7.5%
Distribution	48,785	45,979	6.1%	136,511	128,666	6.1%
Engineered Products	29,360	28,031	4.7%	85,182	82,187	3.6%
Intercompany Sales	(5,722)	(5,915)	---	(18,208)	(18,115)	---
<b>Total</b>	<b>\$ 190,045</b>	<b>\$ 187,045</b>	<b>1.6%</b>	<b>\$ 560,291</b>	<b>\$ 549,374</b>	<b>2.0%</b>
<b>Income (Loss) Before Income Taxes</b>						
Material Handling	\$ 8,870	\$ 7,080	25.3%	\$ 27,526	\$ 15,942	72.7%
Lawn & Garden	(1,413)	(2,542)	---	846	(3,264)	---
Distribution	4,564	4,480	1.9%	11,651	11,009	5.8%
Engineered Products	3,001	2,334	28.6%	8,381	7,971	5.1%
Corporate	(9,027)	(6,780)	---	(23,758)	(20,265)	---
<b>Total</b>	<b>\$ 5,995</b>	<b>\$ 4,572</b>	<b>31.1%</b>	<b>\$ 24,646</b>	<b>\$ 11,393</b>	<b>116.3%</b>

**MYERS INDUSTRIES, INC. RECONCILIATION OF NON-GAAP FINANCIAL MEASURES  
INCOME (LOSS) BEFORE TAXES BY SEGMENT (UNAUDITED)  
(\$ in millions)**

	<b>Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>September 30,</b>		<b>September 30,</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
<b><u>Material Handling</u></b>				
Income before taxes as reported	\$ 8.9	\$ 7.0	\$ 27.5	\$ 15.9
Restructuring expenses	0.0	0.1	0.0	1.1
Gain on plant sale	0.0	0.0	0.0	(0.7)
Income before taxes as adjusted	<u>8.9</u>	<u>7.1</u>	<u>27.5</u>	<u>16.3</u>
<b><u>Lawn &amp; Garden</u></b>				
Income (loss) before taxes as reported	(1.4)	(2.5)	0.8	(3.2)
Restructuring expenses	0.0	0.0	0.1	0.2
Income (loss) before taxes as adjusted	<u>(1.4)</u>	<u>(2.5)</u>	<u>0.9</u>	<u>(3.0)</u>
<b><u>Distribution</u></b>				
Income before taxes as reported	4.6	4.5	11.7	11.0
Restructuring expenses	0.5	0.1	1.2	0.3
Gain on building sale	(0.5)	0.0	(0.5)	0.0
Income before taxes as adjusted	<u>4.6</u>	<u>4.6</u>	<u>12.4</u>	<u>11.3</u>
<b><u>Engineered Products</u></b>				
Income before taxes as reported	3.0	2.4	8.4	8.0
Restructuring expenses	0.1	0.2	0.2	0.7
Income before taxes as adjusted	<u>3.1</u>	<u>2.6</u>	<u>8.6</u>	<u>8.7</u>
<b><u>Corporate and interest expense</u></b>				
Income (loss) before taxes as reported	(9.1)	(6.8)	(23.8)	(20.3)
Restructuring - environment and other adjustments	1.9	0.0	2.2	0.6
Income (loss) before taxes as adjusted	<u>(7.2)</u>	<u>(6.8)</u>	<u>(21.6)</u>	<u>(19.7)</u>
<b><u>Consolidated</u></b>				
Income before taxes as reported	6.0	4.6	24.6	11.4
Restructuring expenses and other adjustments	2.0	0.4	3.2	2.2
Income before taxes as adjusted	<u>8.0</u>	<u>5.0</u>	<u>27.8</u>	<u>13.6</u>
Income taxes at 39%	3.1	1.9	10.8	5.3
Net Income as adjusted	<u>\$ 4.9</u>	<u>\$ 3.1</u>	<u>\$ 17.0</u>	<u>\$ 8.3</u>

**Note on Reconciliation of Income and Earnings Data:** Income (loss) excluding the items mentioned above in the text of this release and in this reconciliation chart is a non-GAAP financial measure that Myers Industries, Inc. calculates according to the schedule above, using GAAP amounts from the Consolidated Financial Statements. The Company believes that the excluded items are not primarily related to core operational activities. The Company believes that income (loss) excluding items that are not primarily related to core operational activities is generally viewed as providing useful information regarding a company's operating profitability. Management uses income (loss) excluding these items as well as other financial measures in connection with its decision-making activities. Income (loss) excluding these items should not be considered in isolation or as a substitute for net income (loss), income (loss) before taxes or other consolidated income data prepared in accordance with GAAP. The Company's method for calculating income (loss) excluding these items may not be comparable to methods used by other companies.

**MYERS INDUSTRIES, INC.**  
**CONDENSED STATEMENTS OF FINANCIAL POSITION (UNAUDITED)**  
(\$ in thousands)

	<u>September 30, 2011</u>	<u>December 31, 2010</u>
<b>Assets</b>		
Current Assets		
Cash	\$ 2,851	\$ 4,705
Accounts Receivable, Net	101,299	98,799
Inventories	103,695	96,404
Other	10,595	13,939
Total Current Assets	<u>218,440</u>	<u>213,847</u>
Other Assets	69,985	66,733
Property, Plant, & Equipment	<u>137,497</u>	<u>151,815</u>
<b>Total Assets</b>	<u><u>425,922</u></u>	<u><u>432,395</u></u>
<b>Liabilities &amp; Shareholders' Equity</b>		
Current Liabilities		
Accounts Payable	60,947	64,143
Accrued Expenses	44,762	42,188
Total Current Liabilities	<u>105,709</u>	<u>106,331</u>
Long-Term Debt, less current portion	79,925	83,530
Deferred Income Taxes	24,168	24,793
Other Liabilities	13,107	5,936
Shareholders' Equity	<u>203,013</u>	<u>211,805</u>
<b>Total Liabilities &amp; Shareholders' Equity</b>	<u><u>\$ 425,922</u></u>	<u><u>\$ 432,395</u></u>

**MYERS INDUSTRIES, INC.**  
**CONDENSED STATEMENTS OF CONSOLIDATED CASH FLOWS (UNAUDITED)**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2011 and 2010**  
(\$ in thousands)

	<b>Nine Months Ended September 30,</b>	
	<b>2011</b>	<b>2010</b>
<b>Cash Flows From Operating Activities</b>		
Net Income	\$ 18,591	\$ 7,650
Items not affecting use of cash:		
Depreciation	24,102	22,482
Impairment charges and asset write-offs	814	-0-
Amortization of other intangible assets	2,210	2,217
Non-cash stock compensation	2,151	1,796
Provision for loss on accounts receivable	1,179	557
Deferred taxes	635	(930)
Other long-term liabilities	3,015	51
Gain on sale of property, plant and equipment	(591)	(733)
Other	50	-0-
Cash flow provided by (used for) working capital:		
Accounts Receivable	(5,024)	(18,374)
Inventories	(8,759)	5,014
Prepaid Expenses	2,294	1,442
Accounts payable and accrued expenses	(422)	(6,634)
Net cash provided by operating activities	<u>40,245</u>	<u>14,538</u>
<b>Cash Flows From Investing Activities</b>		
Capital expenditures	(13,337)	(14,508)
Acquisition of business, net of cash acquired	(1,100)	(411)
Proceeds from sale of property, plant and equipment	1,082	5,213
Other	(92)	209
Net cash used for investing activities	<u>(13,447)</u>	<u>(9,497)</u>
<b>Cash Flows From Financing Activities</b>		
Net (repayment) borrowing on credit facility	(3,212)	2,700
Cash dividends paid	(7,163)	(6,915)
Proceeds from issuance of common stock	173	103
Repurchase of common stock	(18,821)	-0-
Net cash used for financing activities	<u>(29,023)</u>	<u>(4,112)</u>
Foreign Exchange Rate Effect on Cash	<u>371</u>	<u>163</u>
Net increase in cash	(1,854)	1,092
Cash at January 1	4,705	4,728
Cash at September 30	<u><u>\$ 2,851</u></u>	<u><u>\$ 5,820</u></u>