Chemtura CORP
Form 424B3
August 31, 2010
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Filed pursuant to Rule 424(b)(3)
Registration No. 333-168557

Rights Offering for 7,385,524 Shares of New Common Stock

CHEMTURA CORPORATION

(Debtor-in-Possession)

We are distributing non-transferable rights to subscribe for 7,385,524 shares of our new common stock to eligible holders of our common stock. If you are an eligible holder of at least 32.9383 shares of common stock as of August 24, 2010, you may be eligible to subscribe, on a pro rata basis, for a portion of the 7,385,524 shares of our new common stock reserved for issuance in this rights offering at $13.54 per share. If any of the eligible holders do not subscribe for all of their pro rata allocation of the shares of our new common stock, you may elect to subscribe for the unsubscribed shares, provided that you have already exercised the maximum amount of your initial rights.

The rights expire at 5:00 p.m. (EDT) on September 30, 2010, unless the exercise period is extended by us. We currently do not intend to extend the exercise period. Any rights unexercised at the end of the exercise period will expire without any payment, in respect of such rights, to the holders of those unexercised rights. You should carefully consider whether to exercise your rights prior to the expiration of the rights offering. The manner in which rights may be exercised is described in detail under the heading The Rights Offering Exercise of Rights. If you intend to exercise your rights, you should be careful to comply with these procedures.

We have applied to list our new common stock on the New York Stock Exchange (the NYSE) under the symbol CHMT.

This rights offering is subject to the confirmation of our Plan and holders of Class 13a interests voting in favor of the Plan. The use of proceeds from the rights offering is described under the heading Use of Proceeds.

Investing in our new common stock involves risks. You should carefully consider the information referred to under the heading Risk Factors beginning on page 15 of this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is August 30, 2010.

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As permitted under the rules of the Securities and Exchange Commission, this prospectus incorporates important business information about Chemtura Corporation that is contained in documents that we have previously filed with the Securities and Exchange Commission but that are not included in or delivered with this prospectus. You may obtain copies of these documents, without charge, from the website maintained by the Securities and Exchange Commission at www.sec.gov, as well as other sources. See Incorporation By Reference of Certain Documents.

You may also obtain copies of the incorporated documents, without charge, upon written or oral request to the office of our Corporate Secretary, Chemtura Corporation, 199 Benson Road, Middlebury, CT 06749.

You should rely only on the information incorporated by reference or provided in this prospectus. We have not authorized anyone else to provide you with different information. These securities are not being offered in any state where the offer is not permitted. You should not assume that the information in this prospectus or the documents incorporated by reference is accurate as of any date other than the date on the front of those documents.

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement on Form S-1 (which includes exhibits) that we filed with the Securities and Exchange Commission (SEC) covering the rights and the shares of our new common stock to be issued upon exercise of the rights. This prospectus does not contain all information contained in the registration statement, certain parts of which are omitted in accordance with the SEC s rules and regulations. Statements made in this prospectus as to the contents of any other document (including exhibits to the registration statement) are not necessarily complete. You should review the document itself for a thorough understanding of its contents. The registration statement and amendments thereto can be read and reviewed on the SEC s website located at www.sec.gov or at the SEC offices mentioned under the heading Where You Can Find More Information.

On March 18, 2009, Chemtura and 26 of its U.S. subsidiaries (collectively, and including Chemtura Canada Co./Cie as context requires, the Debtors) filed voluntary petitions for reorganization under Chapter 11 of the U.S. Bankruptcy Code (the Bankruptcy Code) in the U.S. Bankruptcy Court for the Southern District of New York (the Bankruptcy Court). On August 5, 2010, the Debtors filed with the Bankruptcy Court the solicitation version of their joint plan of reorganization (as it may be further amended, supplemented or modified, the Plan) and accompanying disclosure statement (as it may be further amended, supplemented or modified, the Disclosure Statement). The Bankruptcy Court approved the Disclosure Statement on August 5, 2010. A hearing on confirmation of the Plan is scheduled to begin September 16, 2010.

Eligible holders (including holders of equivalent interests) of common stock that exercise rights in this rights offering will acquire their shares covered by this prospectus pursuant to the Plan, which is more fully described herein and in the documents incorporated by reference herein.

The holder of an equivalent interest means an eligible holder as of the rights offering record date of any share of common stock, preferred stock or other instrument evidencing an ownership interest in Chemtura, whether or not transferable, and any option, warrant or other right, contractual or otherwise, to acquire any such interest in Chemtura that existed before the effective date of the Plan, any phantom stock or other similar stock unit provided pursuant to Chemtura s prepetition employee compensation programs and any claim related to the purchase of interests subject to subordination pursuant to section 510(b) of the Bankruptcy Code. Unless otherwise noted or the context otherwise suggests, references in this prospectus to rights offered to eligible holders of Chemtura s common stock include eligible holders of equivalent interests allowed to participate in the rights offering in accordance with the Plan.

In connection with the Plan, the Debtors were required to prepare projected financial information to demonstrate to the Bankruptcy Court the feasibility of the Plan and the ability of the Debtors to continue operations upon emergence from Chapter 11. These projections should not be considered or relied upon in connection with the purchase of our new common stock. Neither the projections nor any version of the Disclosure Statement was prepared for the purpose of any offering of our new common stock and such information and documents has not been, and may not be, updated on an ongoing basis. The projections reflect numerous assumptions concerning our anticipated future performance and prevailing and anticipated market and economic conditions at the time they were prepared that were and continue to be beyond our control and that may not materialize. Projections are inherently subject to uncertainties and to a wide variety of significant business, economic and competitive risks, including those risks discussed under Risk Factors in this prospectus and in the documents incorporated by reference herein.

In addition, while the projections reflect estimates concerning the reorganization and related transactions pursuant to the Plan, the projections do not reflect the comprehensive implementation of fresh-start accounting pursuant to Accounting Standards Codification (ASC) Section 852-10-45, Reorganizations Other Presentation Matters. As discussed in detail in the section entitled Unaudited Pro Forma Condensed Consolidated Financial Information, our emergence from Chapter 11, the

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implementation of the Plan and the potential application of fresh-start accounting may affect our future reported results of operations and make it difficult to compare our historical, pre-emergence results of operations and balance sheets with those that we report in the future. The application of fresh-start accounting may impact our financial results for several months due to inventory fair value adjustments as of the emergence date, but will not have an effect on our cash generated from operations.

As noted in the unaudited pro forma condensed consolidated financial statements, the estimated effects of the application of fresh-start accounting, if required, are preliminary and have been made solely for purposes of developing the Unaudited Pro Forma Condensed Consolidated Financial Information. Fresh-start accounting requires the adjustment of all asset and liabilities of the Company to fair-value as of the date of emergence. Updates to such preliminary valuations will be completed as of the emergence date and, to the extent such updates reflect valuations different than those used in the Unaudited Pro Forma Condensed Consolidated Financial Information, there may be adjustments in the fair values of certain assets such as property, plant and equipment and inventory. To the extent actual valuations and allocations differ from those used in calculating the Unaudited Pro Forma Condensed Consolidated Financial Information, these differences will be reflected on our balance sheet upon emergence under fresh-start accounting and may also affect the cost of goods sold in the months following the date of emergence that would be recognized in the statement of operations post-emergence from Chapter 11.

Except as otherwise noted or suggested by context, all references to our new common stock and the capitalization of Chemtura contained in this prospectus mean our common stock expected to be outstanding and the capitalization of Chemtura following the effective date of the Plan and all references to our common stock mean our common stock outstanding prior to such date.

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INCORPORATION BY REFERENCE OF CERTAIN DOCUMENTS

We are incorporating by reference specified documents that we file with the SEC, which means that we can disclose important information to you by referring you to those documents that are considered part of this prospectus. We incorporate by reference into this prospectus the documents listed below (other than portions of these documents deemed to be furnished or not deemed to be filed, including the portions of these documents that are either (1) described in paragraphs (d)(1), (d)(2), (d)(3) or (e)(5) of Item 407 of Regulation S-K or (2) furnished under Item 2.02 or Item 7.01 of a Current Report on Form 8-K, including any exhibits included with such Items):

- our Annual Report on Form 10-K for the year ended December 31, 2009, as amended by Form 10-K/A filed on April 29, 2010;
- our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2010 and June 30, 2010; and
- our Current Reports on Form 8-K filed on January 15, 2010 (only with respect to Item 1.01), January 25, 2010, February 5, 2010, February 25, 2010 (only with respect to Item 1.01), March 16, 2010 (only with respect to Item 5.02), April 13, 2010, May 6, 2010, June 7, 2010, July 26, 2010 (as amended on July 28, 2010) July 30, 2010, August 9, 2010, August 10, 2010, August 12, 2010, August 13, 2010, August 17, 2010, August 26, 2010 and August 27, 2010.

Any statement contained in a document incorporated or deemed to be incorporated by reference into this prospectus will be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained in this prospectus or any other subsequently filed document that is deemed to be incorporated by reference into this prospectus modifies or supersedes the statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

Our filings with the SEC, including our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to those reports, are available free of charge on our website (www.chemtura.com) as soon as reasonably practicable after they are filed with, or furnished to, the SEC. Our website and the information contained on that site, or connected to that site, are not incorporated into and are not a part of this prospectus. You may also obtain a copy of these filings at no cost by writing or telephoning us at the following address:

Chemtura Corporation

199 Benson Road

Middlebury, CT 06749

Attention: Corporate Secretary

(203) 573-2000

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements made in this prospectus and the documents incorporated by reference into this prospectus are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the Securities Act) and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act). These statements may be identified by the use of forward-looking terminology such as anticipate, believe, intend, estimate, expect, continue, should, could, may, plan, project, predict, will and similar expressions. In pa our expectations, beliefs, plans, objectives, assumptions or future events or performance contained in this prospectus under the headings Prospectus Summary and Risk Factors and in our Annual Report on Form 10-K for the year ended December 31, 2009, as amended, and Quarterly Report on Form 10-Q for the period ended June 30, 2010, under the headings Risk Factors and Management s Discussion and Analysis of Financial Condition and Results of Operations are forward-looking statements.

We have based these forward-looking statements on our current expectations, assumptions, estimates and projections. While we believe these expectations, assumptions, estimates and projections are reasonable, such forward-looking statements are only predictions and involve known and unknown risks and uncertainties, many of which are beyond our control. These and other important factors, including those discussed in this prospectus under the headings Prospectus Summary and Risk Factors and in our Annual Report on Form 10-K for the year ended December 31, 2009, as amended, and Quarterly Report on Form 10-Q for the period ended June 30, 2010, under the headings Risk Factors and Management s Discussion and Analysis of Financial Condition and Results of Operations, could cause our actual results, performance or achievements to differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements. Some of the key factors that could cause actual results to differ from our expectations include:

- the ability to complete a restructuring of our balance sheet including the entry into all definitive agreements for our exit financing facilities and satisfaction of any condition precedent to funding set forth therein;
- the ability to have the Bankruptcy Court approve motions required to sustain operations during the Chapter 11 cases;
- the uncertainties of the Chapter 11 cases, including the potential adverse impact on our operations, management, employees and the response of our customers;
- our estimates of the cost to settle proofs of claim presented in the Chapter 11 cases;
- the ability to confirm and consummate the Plan;
- the ability to be compliant with our debt covenants or obtain necessary waivers and amendments;
- the ability to reduce our indebtedness levels;
- the cyclical nature of the global chemicals industry and impact of general economic conditions;
- significant international operations and interests;
- the ability to obtain increases in selling prices to offset increases in raw material and energy costs;

the ability to retain sales volumes in the event of increasing selling prices;

the ability to absorb fixed cost overhead in the event of lower volumes;

underfunded pension and other post-retirement benefit plan liabilities and underlying assumptions;

the ability to improve profitability in our Industrial Engineered Products segment as the general economy recovers from the recession;

the ability to implement the El Dorado, Arkansas restructuring program;

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- the ability to comply with the product registration requirements under the EU REACh legislation;
- the ability to obtain growth from demand for petroleum additive, lubricant and agricultural product applications;
- the ability to restore profitability levels in our Chemtura AgroSolutions™ segment as demand conditions recover in the agrochemical market;
- disease and pest conditions, as well as local, regional, regulatory and economic conditions which could adversely affect the profitability of our Chemtura AgroSolutions™ segment;
- the ability to sell methyl bromide due to regulatory restrictions;
- changes in weather conditions which could adversely affect the seasonal selling cycles in both our Consumer Performance Products and Chemtura AgroSolutions™ segments;
- changes in the availability and/or quality of our energy and raw materials;
- the ability to collect our outstanding receivables;
- changes in interest rates and foreign currency exchange rates;
- changes in technology, market demand and customer requirements;
- the enactment of more stringent U.S. and international environmental laws and regulations;
- the ability to realize expected cost savings under our restructuring plans and lean manufacturing initiatives;
- the ability to recover our deferred tax assets;
- the ability to support the goodwill and long-lived assets related to our businesses; and
- other risks and uncertainties detailed in our filings with the Securities and Exchange Commission.

Given these risks and uncertainties, you are cautioned not to place undue reliance on such forward-looking statements. The forward-looking statements contained in, or incorporated by reference into, this prospectus are made only as of their respective dates. We do not undertake and expressly disclaim any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

TRADEMARKS

We own or have rights to use the trademarks, service marks and trade names that we use in conjunction with the operation of our businesses. In addition, our names, logos and web site names and addresses are our service marks or trademarks. Some of the more important trademarks that we own or to which we have rights include *Anderol®, Aqua Chem®, BAYROL®, BioGuard®, Chemtura AgroSolutions™, Cristal®, Greased Lightning®, Guardex®, Hatcol®, Miami®, Mineral Springs®, Naugalube®, Omni®, Poolbrite®, Pool Time®, Pro Guard®, Royco®, Spa Essentials®, SpaGuard®, Spa-Time®, Synton®* and *The Works®*. Each trademark, service mark or trade name of any other company appearing in this prospectus is, to our knowledge, owned or licensed by such other company.

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QUESTIONS AND ANSWERS ABOUT THE RIGHTS OFFERING

Q: Who is eligible to participate in the rights offering?

A: If you hold at least 32.9383 shares of common stock as of the record date, you are eligible to participate in the rights offering.

Q: What is a right?

A: Each right entitles its holder to purchase one share of new common stock.

Q: What was the record date for the rights offering?

A: The record date for the rights offering was August 24, 2010.

Q: How many rights am I receiving?

A: You are receiving one right for every 32.9383 shares of common stock that you own. No eligible holder, however, will be granted or allowed to exercise any fractional rights.

Q: How much does a right cost?

A: The rights are being distributed to you pursuant to the terms of our Plan, initially filed with the Bankruptcy Court on June 17, 2010, and revised versions of which were filed on July 9, 2010, July 20, 2010 and August 5, 2010. The rights are being distributed to you free of charge.

Q: What is the exercise price?

A: The exercise price is $13.54 per share. This price was set by agreement among the company and the representatives of its various stakeholder constituencies. If the rights offering is fully subscribed, the exercise price is consistent with our New Chemtura Total Enterprise Value (as such term is defined in the Plan).

Q: May I sell or otherwise transfer my rights if I do not want to purchase any shares?

A: No. Any independent transfer or attempted transfer of the rights will be null and void and the Debtors will not treat any purported transferee as the holder of such rights.

Q: Are there any conditions which must be satisfied for the rights offering to occur?

A: Yes. The rights offering is conditioned, among other matters, upon confirmation of the Plan and holders of Class 13a interests voting to approve the Plan. In the event that the Plan is not confirmed or holders of Class 13a interests vote to reject the Plan, under no circumstances shall any holder of shares of common stock have any rights to participate in the rights offering. In that event, all rights exercise forms received by the subscription agent shall be null and void and any payments received by the subscription agent will be refunded, without interest, to the eligible holders as soon as reasonably practicable after the effective date of the Plan. Under no circumstances shall any holder of common stock or an equivalent interest that is not entitled to vote on the Plan be eligible to participate in this rights offering.

Q: How will you use the proceeds from the rights offering?

A: In accordance with the settlement reached between Chemtura and certain of its major stakeholders, as more fully described herein, all proceeds of the rights offering will be used to partially fund distributions pursuant to the Plan. If the rights offering is undersubscribed, any shares of new common stock reserved for issuance in the rights offering that are not purchased will be reallocated to creditors in accordance with the Plan.

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Q: How do I exercise my rights?

A: The procedure for exercising your rights depends on whether you are a registered holder of common stock or hold your stock through a bank or brokerage firm.

If you are a registered holder of common stock, to exercise your rights, you must complete the rights exercise form by indicating the total number of shares that you want to exercise (which includes the initial pro rata number of shares that a participant is entitled to subscribe for plus any additional shares that such participant subscribes for if the rights offering is undersubscribed) by the expiration deadline. You must also arrange for payment of the total exercise price to the subscription agent, either by wire transfer or by certified bank or cashier s check, to be received by the subscription agent on or prior to the expiration deadline.

If you hold shares of common stock through a bank, broker or other nominee, you must provide instructions to your bank, broker, or other nominee or agent (the Subscription Nominees) regarding the number of initial and additional shares that you want to exercise, and the Subscription Nominee must effect the subscription and deliver payment on your behalf on or prior to the expiration deadline.

Q: Do I have to exercise my rights in full?

A: No. You are in no way obligated to exercise your rights in full. Any lesser amount will be accepted. Notwithstanding the foregoing, however, to the extent your holdings of our common stock would otherwise entitle you to a fraction of a right, you will not be granted or allowed to exercise any such fractional right.

Q: When will I receive the shares I am purchasing by exercising my rights?

A: If you properly exercise your rights, you will be deemed to own the shares immediately on the effective date of our Plan. If you hold shares through a Subscription Nominee, any shares you purchase will be delivered electronically to the Subscription Nominee. We will not issue share certificates. Instead, your purchase will be recorded on our books and records as maintained by the company s transfer agent.

Q: When do the rights expire?

A: The rights expire, if not exercised, at 5:00 p.m. (EDT) on September 30, 2010, unless the exercise period is extended by us. We currently do not intend to extend the exercise period. See The Rights Offering Commencement/Expiration of the Rights Offering.

Q: Am I required to exercise my rights?

A: No. However, if you do not exercise your rights prior to the expiration of the rights offering you will lose any value represented by the rights.

Q: What happens if I do not exercise my rights?

A: If you do not exercise your rights prior to the expiration of the rights offering, your rights will expire and shares of new common stock for which your rights were exercisable, but were not exercised, may be purchased by other eligible holders as part of their oversubscription option.

Q: If I exercise my rights in the rights offering, may I withdraw the exercise?

A: No.

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Q: May I subscribe for more than my pro rata share of the new common stock being offered in the rights offering?

A: Yes. If any of the eligible holders do not subscribe for all of their pro rata allocation of the shares of new common stock for which they are entitled to subscribe, other eligible holders may elect to subscribe for the unsubscribed shares. If the total number of shares subscribed for in this oversubscription option exceeds the number of shares being offered, the number of shares that such oversubscribing holders may purchase will be reduced on a pro rata basis.

Q: Is there a risk that the rights offering will not be consummated?

A: Yes. All exercises of rights are subject to and conditioned upon the confirmation of the Plan and the occurrence of the effective date of the Plan. Furthermore, the rights offering is conditioned upon holders of Class 13a interests voting to accept the Plan. We intend to announce the results of the Plan vote, including whether the holders of Class 13a interests have voted to accept the Plan, on or about September 13, 2010.

Q: If the rights offering is not consummated, will my payment be refunded to me?

A: Yes. If the rights offering is not consummated, you will be returned your exercise payments, without interest, as soon as practicable.

Q: Will I be charged a sales commission or a fee if I exercise my rights?

A: No. We will not charge a brokerage commission or a fee to rights holders for exercising their rights. If you exercise your rights through a Subscription Nominee, however, you will be responsible for any fees charged by your Subscription Nominee.

Q: What will happen to the common stock I currently own?

A: All holders of common stock will have those shares cancelled and be of no further force or effect as of the effective date of our Plan.

Q: Have you or your board of directors made a recommendation as to whether I should exercise my rights?

A: No. Neither we nor our board of directors has made any recommendation as to whether you should exercise your rights. You should make those decisions based upon your own assessment of your best interests.

Q: What are the U.S. federal income tax consequences of the rights offering to me?

A: You generally should not recognize gain or loss on the receipt or exercise of your rights for U.S. federal income tax purposes, though you may recognize a loss on their lapse. You should consult your tax advisor as to the particular tax consequences to you of the receipt of rights in the rights offering and the exercise or lapse of the rights, including the applicability of any state, local or non-U.S. tax laws.

Q: What should I do if I have other questions?

A: If you have any questions about, or require assistance regarding, the procedure for exercising your rights, including the procedure if you have lost your rights exercise form or would like additional copies of this prospectus, or questions about whether your completed rights exercise form or payment has been received, please contact Epiq Bankruptcy Solutions, which is the subscription agent for the rights offering, at:

Epiq Bankruptcy Solutions

757 Third Avenue, 3rd Floor

New York, New York 10017

(866) 734-9387

For a more complete description of the rights offering, see The Rights Offering.

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PROSPECTUS SUMMARY

This summary highlights some of the information contained elsewhere in or incorporated by reference into this prospectus. Because this is only a summary, it does not contain all of the information that may be important to you. You should carefully read this prospectus, including the documents incorporated by reference, which are described under Incorporation by Reference of Certain Documents and Where You Can Find More Information. You should also carefully consider, among other things, the matters discussed in the section entitled Risk Factors.

Unless otherwise noted or suggested by the context, all historical consolidated financial information and data and accompanying financial statements and related notes as contained in this prospectus reflect the actual historical consolidated results of operations and financial condition of Chemtura Corporation for the periods presented and do not give effect to the proposed Plan. As part of the emergence from Chapter 11, Chemtura may be required to adopt fresh-start accounting in a future period.

In this prospectus, except as otherwise indicated or as the context otherwise requires, Chemtura, we, our and us refer to Chemtura Corporation, a Delaware corporation. In the discussion of our business in this prospectus, we, our and us also refer to our subsidiaries.

Our Company

We are a leading diversified global developer, manufacturer and marketer of performance-driven engineered specialty chemicals. Most of our products are sold to industrial manufacturing customers for use as additives, ingredients or intermediates that add value to their end products. Our agrochemical products are sold through dealers and distributors to growers and others. Our pool, spa and household chemical products are sold through local dealers, large retailers, independent retailers and mass merchants to consumers for in-home and outdoor use. Our operations are located in North America, Latin America, Europe and Asia. In addition, we have important ventures primarily in the United States and the Middle East, but also in Asia and Europe. We are committed to global sustainability through green technology and developing engineered chemical solutions that meet our customers evolving needs.

Our principal executive offices are located at 199 Benson Road, Middlebury, CT 06749 and 1818 Market Street, Suite 3700, Philadelphia, PA 19103 and our telephone number is (203) 573-2000.

The Plan of Reorganization

On March 18, 2009, we and 26 of our U.S. subsidiaries filed voluntary petitions for reorganization under Chapter 11 of the Bankruptcy Code in the U.S. Bankruptcy Court for the Southern District of New York. The cases were consolidated for joint administration purposes only and were assigned a lead case number 09-11233 (REG). Our non-U.S. subsidiaries and certain U.S. subsidiaries were not included in the Chapter 11 filing.

On June 17, 2010, the Debtors filed with the Bankruptcy Court a proposed Plan and related Disclosure Statement. The Plan sets forth the contemplated structure of the Debtors that are being reorganized in connection with the Chapter 11 cases at the emergence date and outlines the manner in which the prepetition creditors and equity holders various claims against and interests in the Debtors will be treated. On August 5, 2010, after filing revised versions of the Plan and Disclosure Statement, the Bankruptcy Court approved the Disclosure Statement and the procedures for the Debtors to solicit votes on the Plan. The hearing to consider confirmation of the Plan is currently scheduled to commence on September 16, 2010. The Bankruptcy Court will confirm the Plan if the requisite type and amount of creditors vote to approve the Plan, and it determines that the Plan otherwise complies with the requirements set forth in section 1129 of the Bankruptcy Code. Although the timing is uncertain and no assurances can be given, we believe that the Bankruptcy Court will confirm a plan of reorganization for the Debtors that would be substantially similar to the Plan described herein.

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The proposed Plan includes the following key elements, among others:

- The strengthening of the Debtors balance sheet through the conversion of certain prepetition debt and claims to equity, contributions to unfunded pension plans and the settlement of many tort and environmental contingencies.

- The costs of emergence, including the cash required for distributions in settlement of certain prepetition claims, will be financed primarily from our exit financing facilities and our excess cash balances resulting from consummation of the Plan and related transactions, including the proceeds from this rights offering.

On August 8, 2010, Chemtura Canada Co./Cie (Chemtura Canada) filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code in the Bankruptcy Court and on August 11, 2010, commenced ancillary recognition proceedings under Part IV of the Companies Creditors Arrangement Act (the CCAA) in the Ontario Superior Court of Justice, located in Ontario, Canada (the Canadian Court and such proceedings, the Canadian Case). The Bankruptcy Court entered an order jointly administering Chemtura Canada s Chapter 11 case with the current Chapter 11 cases under lead case number 09-11233 (REG) and appointed Chemtura Canada as the foreign representative for the purposes of the Canadian Case. On August 11, 2010, the Canadian Court entered an order recognizing the Chapter 11 cases as foreign main proceedings under the CCAA. These filings are designed only to address in the context of the Plan diacetyl claims asserted against Chemtura Corporation and Chemtura Canada.

To effectuate our restructuring and emergence from Chapter 11 as a viable company, the Plan provides for the treatment of claims of creditors and interests of equity holders. In developing the Plan, the Debtors engaged in good faith negotiations with the statutory committee of unsecured creditors (the Creditors Committee), the committee of equity security holders (the Equity Committee) and an ad hoc committee representing certain holders of the Debtors notes and unsecured lender claims (the Ad Hoc Bondholders Committee). In furtherance of the restructuring, we also propose to raise new equity capital through the rights offering to be implemented under the Plan, as described herein.

The Plan organizes claims against the Debtors into classes according to their relative priority and certain other criteria. For each class, the Plan describes (a) the underlying claim or interest, (b) the recovery available to the holders of claims or interests in that class under the Plan, (c) whether the class is impaired under the Plan, meaning that each holder will receive less than the full value on account of its claim or interest or that the rights of holders under law will be altered in some way (such as receiving stock instead of holding a claim) and (d) the form of consideration (e.g., cash, stock or a combination thereof), if any, that such holders will receive on account of their respective claims or interests. Distributions to creditors under the Plan generally will include a combination of new common stock, cash, reinstatement or such other treatment as agreed between the Debtors (with the consent of the Creditors Committee and the Ad Hoc Bondholders Committee) and the applicable creditor. Certain creditors will be eligible to elect, when voting on the Plan, to receive their recovery in the form of the maximum available amount of cash or the maximum available amount of new common stock.

The Plan provides that if eligible holders of Chemtura s common stock vote as a class to accept the Plan, they will receive their pro rata share (determined with respect to all holders of interests in us) of 5% of new common stock, plus the right to participate in this rights offering. If, however, holders of interests in us vote as a class to reject the Plan, they will receive their pro rata share of value available for distribution, if any, after all allowed claims have been paid in full and certain disputed claims reserves have been established in accordance with the terms of the Plan. All new common stock distributed under the Plan to holders of claims and, if applicable, interests, including new common stock distributed in connection with the rights offering, shall be subject to dilution by certain of our incentive plans.

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Under the rights offering, we are not required to make distributions of fractional shares of new common stock. Therefore, only eligible holders owning the requisite number of shares of common stock will be entitled to participate in the offering. The Plan is subject to approval by the Bankruptcy Court in accordance with the Bankruptcy Code as well as various other conditions and contingencies, some of which are not within our control. We cannot provide any assurance that any plan of reorganization ultimately confirmed by the Bankruptcy Court will be consistent with the terms of the Plan. Although the Plan provides for our emergence from Chapter 11 as a going concern, there can be no assurance that the Plan, or any other plan of reorganization, will be confirmed by the Bankruptcy Court or that any such plan will be implemented successfully.

The Rights Offering

Through the rights offering, eligible holders of at least 32.9383 shares of common stock will be entitled to purchase, on a pro rata basis, a portion of the 7,385,524 shares of new common stock reserved for issuance in this rights offering for an exercise price of $13.54 per share. If any of the eligible holders do not subscribe for all of their pro rata allocation of the shares of new common stock for which they are entitled to subscribe, other eligible holders may elect to subscribe for the unsubscribed shares. If the total number of shares subscribed for in this oversubscription option exceeds the number of shares being offered, the number of shares that such oversubscribing stockholders may purchase will be reduced on a pro rata basis.

Notwithstanding anything herein to the contrary, under no circumstances shall any holder of common stock that is not entitled to vote on the Plan be eligible to participate in this rights offering. Notwithstanding anything herein to the contrary, in the event that holders of Class 13a interests vote to reject the Plan, under no circumstances shall any holder of shares of common stock have any rights to participate in the rights offering, all rights exercise forms received by the subscription agent shall be null and void and any payments received by the subscription agent will be refunded, without interest, to the eligible holders as soon as reasonably practicable after the effective date of the Plan.

In accordance with the settlement reached between us and our major stakeholders, all of the proceeds that we receive from the rights offering, which would be approximately $100 million if all rights are exercised, will be used to partially fund distributions pursuant to the Plan. If the rights offering is undersubscribed, any shares of new common stock reserved for issuance in the rights offering that are not purchased will be reallocated to creditors in accordance with the Plan. The registration statement of which this prospectus forms a part relates to the proposed sale of new common stock offered pursuant to the exercise of rights in the rights offering.

Recent Developments

On August 27, 2010, we completed our previously announced private placement offering of $455 million in aggregate principal amount of 7.875% senior notes due 2018 (the Senior Notes). On August 27, 2010, we also entered into the Senior Secured Term Facility Credit Agreement (the Term Loan Facility Agreement), among us, Bank of America, N.A., as administrative agent (the Administrative Agent), the other agents party thereto and the Initial Lenders and other Lenders party thereto. Under the Term Loan Facility Agreement, the Lenders advanced loans in an aggregate principal amount of $295 million (the Term Loan), funded at 99% of such principal amount. We entered into the Senior Notes and Term Loan Facility Agreement as part of our anticipated exit financing package pursuant to our Plan (the Exit Financing Facilities). The proceeds from both our Senior Notes and Term Loan Facility Agreement have been placed in escrow pending our emergence from Chapter 11. For additional information see our Current Report on Form 8-K filed August 27, 2010.

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THE RIGHTS OFFERING

Securities Offered	Each eligible holder shall be entitled to purchase up to its pro rata share of the 7,385,524 shares of new common stock made available pursuant to the rights offering.

If any of the eligible holders do not subscribe for all of their pro rata allocation of the shares of new common stock for which they are entitled to subscribe, other eligible holders may elect to subscribe for the unsubscribed shares. If the total number of shares subscribed for in this oversubscription option exceeds the number of shares being offered, the number of shares that each oversubscribing holder may purchase will be reduced on a pro rata basis.

Exercise Price	$13.54 per share.
Record Date	August 24, 2010.
Expiration Deadline	The rights expire, if not previously exercised, at 5:00 p.m. (EDT) on September 30, 2010, unless the exercise period is extended by us. We currently do not intend to extend the exercise period.
Use of Proceeds	If all rights are exercised, the proceeds from the rights offering will be approximately $100 million, which will be used to partially fund distributions pursuant to the Plan. If the rights offering is undersubscribed, any shares of new common stock reserved for issuance in the rights offering that are not purchased will be reallocated to creditors in accordance with the Plan.
Non-Transferability of Rights; Withdrawal	Pursuant to the Plan, the rights are not transferable. Rights may be exercised only by or through the eligible holder entitled to exercise such rights on the record date. Any independent transfer or attempted transfer of the rights will be null and void and the Debtors will not treat any purported transferee as the holder of such rights. Once the rights are exercised, such exercise will not be permitted to be withdrawn.
Procedures for Exercise	For those eligible registered holders:

Each such eligible holder that intends to exercise its rights shall designate such intention on its rights exercise form and deliver the completed rights exercise form to the subscription agent prior to the expiration deadline. In addition, any eligible holder that exercises all of its rights initially allocated to it may indicate on its rights exercise form how many additional shares of new common stock such eligible holder wishes to purchase if all of the rights in the rights offering are not initially subscribed for. Along with the rights exercise form, a participating holder shall also deliver full payment (including any amount in respect to the oversubscription option) for the subscription price to the subscription agent prior to the expiration deadline. If any eligible holder fails to deliver a duly completed rights exercise form (or full payment of the subscription price) so that such form and

	payment is actually received by the subscription agent on or before the expiration deadline, such eligible holder shall be deemed to have relinquished and waived its rights.
	For those eligible holders owning shares of common stock through a Subscription Nominee:

To exercise its rights (including pursuant to the overallotment option), such holder must provide instructions to its Subscription Nominee. The Subscription Nominee, in turn, must then convey the instruction through DTC s Automated Subscription Offer Program (ASOP) on or before the expiration deadline. Full payment (including any amount in respect to the oversubscription option) for the subscription price will be made automatically through the ASOP.

If the subscription agent for any reason does not receive a duly completed rights exercise form or equivalent instructions from DTC on or prior to the expiration deadline, and immediately available funds in an amount equal to the subscription price on or prior to the expiration deadline, then each such eligible holder shall be deemed to have relinquished and waived its right to participate in the rights offering. Each eligible holder intending to participate in the rights offering must affirmatively elect to exercise its rights by the expiration deadline.

Issuance of New Common Stock	If you properly exercise your rights, you will be deemed to own the shares immediately on the effective date of our Plan.
No Recommendation	Neither we nor our board of directors has made any recommendation as to whether you should exercise your rights. You should make those decisions based upon your own assessment of your best interests.
Listing of Our New Common Stock	We have applied to list our new common stock on the NYSE under the symbol CHMT.
Tax Consequences of Rights Offering	You generally should not recognize gain or loss on the receipt, exercise or lapse of your rights for U.S. federal income tax purposes. You should consult your own tax advisor regarding the proper treatment of the rights in your particular circumstances.
Subscription Agent	We have appointed Epiq Bankruptcy Solutions to act as the subscription agent for the rights offering.
Risk Factors	You should read Risk Factors beginning on page 15 before you exercise rights.

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KEY DATES TO KEEP IN MIND

Rights Offering Record Date	August 24, 2010.
Confirmation Hearing	Beginning September 16, 2010
Expiration Deadline	The rights expire, if not previously exercised, at 5:00 p.m. (EDT) on September 30, 2010, unless the exercise period is extended by us. We currently do not intend to extend the exercise period. Any rights unexercised at the end of the exercise period will expire without any payment to the holders of those unexercised rights.

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RISK FACTORS

You should consider carefully all of the information set forth in this prospectus and the documents incorporated by reference herein, unless expressly provided otherwise, and, in particular, the risk factors described below and those described in our Annual Report on Form 10-K for the year ended December 31, 2009, as amended, and Quarterly Report on Form 10-Q for the period ended June 30, 2010, and certain of our other filings with the SEC. In addition, those risks described below, elsewhere in this prospectus and in any document incorporated by reference herein are not the only ones we face. Such risks are considered to be the most material. However, there may be other risks and uncertainties not currently known to us or those that we view to be immaterial may become material and adversely affect our future results. Past financial performance may not be a reliable indicator of future performance and historical trends should not be used to anticipate results or trends in future periods.

Risks Related to Our Businesses

The cyclical nature of the chemicals industry causes significant fluctuations in our results of operations and cash flows.

Our historical operating results reflect the cyclical and volatile nature of the supply and demand balance of the chemicals industry. The chemicals industry has experienced alternating periods of inadequate capacity and supply, allowing prices and profit margins to increase, followed by periods when substantial capacity is added, resulting in oversupply, overcapacity, corresponding declining utilization rates and, ultimately, declining prices and profit margins. Some of the markets in which our customers participate, such as the automotive, electronics and building and construction industries, are cyclical in nature, thus posing a risk to us that is beyond our control. These markets are highly competitive, are driven to a large extent by end-use markets and may experience overcapacity, all of which may affect demand for and pricing of our products and result in volatile operating results and cash flows over our business cycle. Future growth in product demand may not be sufficient to utilize current or future capacity. Excess industry capacity may continue to depress our volumes and margins on some products. Our operating results, accordingly, may be volatile, as a result of excess industry capacity, as well as from rising energy and raw materials costs.

Increases in the price of the raw materials or energy utilized for our products may have a material adverse effect on our operating results.

We purchase significant amounts of raw materials and energy for our businesses. The cost of these raw materials and energy, in the aggregate, represents a substantial portion of our operating expenses. The prices and availability of the raw materials we utilize vary with market conditions and may be highly volatile. Over the past few years, we have experienced significant cost increases in purchases of petrochemicals, tin, soybean oil, other raw materials and, our primary energy source, natural gas which has had a negative impact on our operating results.

Although we have attempted, and will continue to attempt, to match increases in the prices of raw materials or energy with corresponding increases in product prices, we may not be able to immediately raise product prices, if at all. Ultimately, our ability to pass on increases in the cost of raw materials or energy to customers is highly dependent upon market conditions. Specifically, there is a risk that raising prices charged to our customers could result in a loss of sales volume. In the past, we have not always been able to pass on increases in the prices of raw materials and energy to our customers, in whole or in part, and there will likely be periods in the future when we will not be able to pass on these price increases. Reactions by our customers and competitors to our price increases could cause us to reevaluate and possibly reverse such price increases, which may raise our operating expenses and negatively affect operating results.

Any disruption in the availability of the raw materials or energy utilized for our products may have a material adverse effect on our operating results.

Across our businesses, there are a limited number of suppliers for some of our raw materials and utilities and, in some cases, the number of sources for and availability of raw materials and utilities is specific to the

particular geographic region in which a facility is located. It is also common in the chemicals industries for a facility to have a sole, dedicated source for its utilities, such as steam, electricity and gas. Having a sole or limited number of suppliers may result in our having limited negotiating power, particularly during times of rising raw material costs. Even where we have multiple suppliers for a raw material or utility, these suppliers may not make up for the loss of a major supplier. Moreover, any new supply agreements we enter into may not have terms as favorable as those contained in our current supply agreements. For some of our products, the facilities or distribution channels of raw material and utility suppliers and our production facilities form an integrated system, which limits our ability to negotiate favorable terms in supply agreements.

In addition, as part of an increased trend towards vertical integration in the chemicals industry, other chemical companies are purchasing raw material suppliers. This is further reducing the available suppliers for certain raw materials.

If one or more of our significant raw material or utility suppliers were unable to meet its obligations under present supply arrangements, raw materials become unavailable within the geographic area from which they are now sourced, or supplies are otherwise constrained or disrupted, our businesses could be forced to incur increased costs for our raw materials or utilities, which would have a direct negative impact on plant operations and may adversely affect our results of operations and financial condition.

Decline in general economic conditions and other external factors may adversely impact our operations.

External factors, including domestic and global economic conditions, international events and circumstances, competitor actions and government regulation, are beyond our control and can cause fluctuations in demand and volatility in the prices of raw materials and other costs that can intensify the impact of economic cycles on our operations. We produce a broad range of products that are used as additives and components in other products in a wide variety of end-use markets. As a result, our products may be negatively impacted by supply and demand instability in other industries and the effects of that instability on supply chain participants. Economic and political conditions in countries in which we operate may also adversely impact our operations. For example, some countries in Central and Eastern Europe have been particularly adversely affected by the recent global financial crisis, and rising government deficits and indebtedness levels, protracted credit market tightness and other challenging European market conditions have negatively affected, and could continue to negatively affect, our businesses. Although our diversified product portfolio and international presence lessen our dependence on a single market and exposure to economic conditions or political instability in any one country or region, our businesses are nonetheless sensitive to changes in economic conditions. Accordingly, financial crises and economic downturns anywhere in the world could adversely affect our results of operations, cash flow and financial condition.

Competition may adversely impact our results of operations.

We face significant competition in many of the markets in which we operate due to the trend toward global expansion and consolidation by competitors. Some of our existing competitors are larger than we are and may have more resources and better access to capital markets to facilitate continued expansion or new product development. Additionally, some of our competitors have greater product range and distributional capability than we do for certain products and in specific regions. We also expect that we will continue to face new competitive challenges as well as additional risks inherent in international operations in developing regions. We are susceptible to price competition in certain markets in which customers are sensitive to changes in price. At the same time, we also face downward pressure on prices from industry overcapacity and lower cost structures in certain businesses. The further use and introduction of generic and alternative products by our competitors may result in increased competition and could require us to reduce our prices and take other steps to compete effectively. These measures could negatively affect our financial condition, results of operations and cash flows. Alternatively, if we were to increase prices in response to this competition, the reactions of our competitors and customers to such price increases could cause us to reevaluate and possibly reverse such price increases or risk a loss in sales volumes.

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Our inability to register our products in member states of the European Union under the REACh legislation may lead to some restrictions or cancellations of registrations, which could impact our ability to manufacture and sell certain products.

In December 2006, the European Union signed the Registration, Evaluation and Authorization of Chemicals (REACh) legislation. This legislation requires chemical manufacturers and importers in the European Union to demonstrate the safety of the chemical substances contained in their products via a substance registration process. The full REACh registration process will be phased in over the next ten years. The registration process will require capital and resource commitments to compile and file comprehensive chemical dossiers regarding the use and attributes of each chemical substance manufactured or imported by Chemtura and will require us to perform chemical safety assessments. Successful registration under REACh will be a functional prerequisite to the continued sale of our products in the European Union market. Thus, REACh presents a risk to the continued sale of our products in the European Union should we be unable or unwilling to complete the registration process or if the European Union seeks to ban or materially restrict the production or importation of the chemical substances used in our products.

Adverse weather or economic conditions could materially affect our results of operations.

Sales volumes for the products in Chemtura AgroSolutions , like all agricultural products, are subject to the sector s dependency on weather, disease and pest infestation conditions. Adverse weather conditions in a particular region could materially adversely affect Chemtura AgroSolutions . Additionally, our Chemtura AgroSolutions products are typically sold pursuant to contracts with extended payment terms in Latin America and Europe. Customary extended payment periods, which are tied to particular crop growing cycles, render Chemtura AgroSolutions susceptible to losses from receivables during economic downturns and may adversely affect our results of operations and cash flows.

Our pool and spa products in our Consumer segment are primarily used in swimming pools and spas. Demand for these products is influenced by a variety of factors, including seasonal weather patterns. An adverse change in weather patterns, such as the unseasonably cold and wet summers in the United States in 2008 and 2009, could negatively affect the demand for, and profitability of, our pool and spa products.

Demand for Chemtura AgroSolutions products is affected by governmental policies.

Demand for our Chemtura AgroSolutions products is also influenced by the agricultural policies of governments and regulatory authorities, particularly in developing countries in Asia and Latin America, where we conduct business. Moreover, changes in governmental policies or product registration requirements could have an adverse impact on our ability to market and sell our products.

Current and future litigation, governmental investigations, prosecutions and administrative claims, including antitrust-related governmental investigations and lawsuits, could harm our financial condition, results of operations and cash flows.

We have been involved in several significant lawsuits and claims relating to environmental and chemical exposure matters, and may in the future be involved in similar litigation. Additionally, we are routinely subject to other civil claims, litigation and arbitration and regulatory investigations arising in the ordinary course of our business as well as with respect to our divested businesses. Some of these claims and lawsuits relate to product liability claims, including claims related to current and former products and asbestos-related claims concerning the premises and historic products of us and our predecessors. We could become subject to additional claims. An adverse outcome of these claims could have a materially adverse effect on our business, financial conditions, results of operations and cash flows.

We have also been involved in a number of governmental investigations, prosecutions and administrative claims in the past, including antitrust-related governmental investigations and civil lawsuits, and may in the

future be subject to similar claims. Additionally, we have incurred and could again incur expenses in connection with antitrust-related matters, including expenses related to our cooperation with governmental authorities and defense-related civil lawsuits.

Environmental, health and safety regulation matters could have a negative impact on our results of operations and cash flows.

We are subject to extensive federal, state, local and foreign environmental, health and safety laws and regulations concerning, among other things, emissions in the air, discharges to land and water and the generation, handling, treatment and disposal of hazardous waste and other materials. Our operations entail the risk of violations of those laws and sanctions for violations such as clean-up and removal costs, long-term monitoring and maintenance costs, costs of waste disposal, natural resource damages and payments for property damage and personal injury. Although it is our policy to comply with such laws and regulations, it is possible that we have not been or may not be at all times in compliance with all of these requirements.

Additionally, these requirements, and enforcement of these requirements, may become more stringent in the future. The ultimate additional cost of compliance with any such requirements could be material. Non-compliance could subject us to material liabilities such as government fines or orders, criminal sanctions, third-party lawsuits, remediations and settlements, the suspension, modification or revocation of necessary permits and licenses, or the suspension of non-compliant operations. We may also be required to make significant site or operational modifications at substantial cost. Future regulatory or other developments could also restrict or eliminate the use of, or require us to make modifications to, our products, packaging, manufacturing processes and technology, which could have a significant adverse impact on our financial condition, results of operations and cash flows.

At any given time, we may be involved in claims, litigation, administrative proceedings, settlements and investigations of various types in a number of jurisdictions involving potential environmental liabilities, including clean-up costs associated with hazardous waste disposal sites, natural resource damages, property damage, personal injury and regulatory compliance or non-compliance. The resolution of these environmental matters could have a material adverse effect on our results of operations and cash flows.

Recent federal regulations aimed at increasing security at certain chemical production plants, and similar legislation that may be proposed in the future, could require us to enhance plant security and to alter or discontinue our production of certain chemical products, thereby increasing our operating costs and causing an adverse effect on our results of operations.

Regulations have recently been issued by the U.S. Department of Homeland Security (DHS) aimed at decreasing the risk, and effects, of potential terrorist attacks on chemical plants located within the United States. Pursuant to these regulations, these goals would be accomplished in part through the requirement that certain high-priority facilities develop a prevention, preparedness, and response plan after conducting a vulnerability assessment. In addition, companies may be required to evaluate the possibility of using less dangerous chemicals and technologies as part of their vulnerability assessments and prevention plans and implementing feasible safer technologies in order to minimize potential damage to their facilities from a terrorist attack. Certain of our sites are subject to these regulations and we cannot state at this time with certainty the costs associated with any security plans that DHS may require. These regulations may be revised further, and additional legislation may be proposed in the future on this topic. It is possible that such future legislation could contain terms that are more restrictive than what has recently been passed and which would be more costly to us. We cannot predict the final form of currently pending legislation, or other related legislation that may be passed and can provide no assurance that such legislation will not have an adverse effect on our results of operations in a future reporting period. In addition, the failure to comply with these regulations could result in liability to us for any subsequent damages.

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We operate on an international scale and are exposed to risks in the countries in which we have significant operations or interests. Changes in foreign laws and regulatory requirements, export controls or international tax treaties could adversely affect our results of operations and cash flows.

We are dependent, in large part, on the economies of the countries in which we manufacture and market our products. Of our 2009 net sales, 49% were to customers in the United States and Canada, 31% to Europe and Africa, 15% to the Asia/Pacific region and 5% to Latin America. As of June 30, 2010, our net property, plant and equipment were located as follows: 66% in the United States and Canada, 27% in Europe and Africa, 5% in the Asia/Pacific region and 2% in Latin America.

The economies of countries in these areas are in different stages of socioeconomic development. Consequently, we are exposed to risks from changes in foreign currency exchange rates, interest rates, inflation, governmental spending, social instability and other political, economic or social developments that may materially adversely affect our financial condition, results of operations and cash flows.

We may also face difficulties managing and administering an internationally dispersed business. In particular, the management of our personnel across several countries can present logistical and managerial challenges. Additionally, international operations present challenges related to operating under different business cultures and languages. We may have to comply with unexpected changes in foreign laws and regulatory requirements, which could negatively impact our operations and ability to manage our global financial resources. Export controls or other regulatory restrictions could prevent us from shipping our products into and from some markets. Moreover, we may not be able to adequately protect our trademarks and other intellectual property overseas due to uncertainty of laws and enforcement in a number of countries relating to the protection of intellectual property rights. Changes in tax regulation and international tax treaties could significantly reduce the financial performance of our foreign operations or the magnitude of their contributions to our overall financial performance.

If we fail to establish and maintain adequate internal controls over financial reporting, we may not be able to report our financial results in a timely and reliable manner, which could harm our business and impact the value of our securities.

We depend on our ability to produce accurate and timely financial statements in order to run our business. If we fail to do so, our business could be negatively affected and our independent registered public accounting firm may be unable to attest to the accuracy of our financial statements and effectiveness of our internal controls, as required by Section 404 of the Sarbanes-Oxley Act. Effective internal controls are necessary for us to provide reliable financial reports and to effectively prevent fraud. If we cannot provide reliable financial reports and effectively prevent fraud, our reputation and operating results could be harmed. Even effective internal controls have inherent limitations including the possibility of human error, the circumvention or overriding of controls, or fraud. Therefore, even effective internal controls can provide only reasonable assurance with respect to the preparation and fair presentation of financial statements. In addition, projections of any evaluation of effectiveness of internal control over financial reporting in future periods are subject to the risk that the control may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

We have in the past discovered, and may in the future discover, areas of our internal controls that need improvement, including with respect to income tax accounts and international customer incentive, commission and promotional payment practices. We have completed the previously disclosed review of various customer incentive, commission and promotional payment practices of the Chemtura AgroSolutions segment (formerly known as Crop Protection Engineered Products) in its Europe, Middle East and Africa region. The review was conducted under the oversight of the Audit Committee of the Board of Directors and with the assistance of outside counsel and forensic accounting consultants. As disclosed previously, the review found evidence of various suspicious payments made to persons in certain Central Asian countries and of activity intended to

conceal the nature of those payments. The amounts of these payments were reflected in our books and records but were not recorded appropriately. In addition, the review found evidence of payments that were not recorded in a transparent manner, including payments that were redirected to persons other than the customer, distributor or agent in the particular transaction. None of these payments were subject to adequate internal control. We have strengthened our worldwide internal controls relating to customer incentives and sales agent commissions and enhanced our global policy prohibiting improper payments, which contemplates, among other things, that we monitor our international operations. Such monitoring may require that we investigate allegations of possible improprieties relating to transactions and the way in which such transactions are recorded. We have severed our relationship with all of the sales agents, and the employees responsible for the suspicious payments no longer are, or by the end of the year, no longer will be our employees. We cannot reasonably estimate the nature or amount of monetary or other sanctions, if any, that might be imposed as a result of the review.

If we fail to remedy these deficiencies or otherwise fail to maintain adequate internal controls, including any failure to implement new or improved controls, or if we experience difficulties in their implementation, we could fail to meet our reporting obligations, and there could be a material adverse effect on our business and financial results. In the event that our current control practices deteriorate, we may be unable to accurately report our financial results or prevent fraud, and investor confidence and the market price of our securities may be adversely affected.

Our results of operations are subject to exchange rate and other currency risks. A significant movement in exchange rates could adversely impact our results of operations.

Significant portions of our businesses are conducted in currencies other than the U.S. dollar. Accordingly, foreign currency exchange rates affect our operating results. Effects of exchange rate fluctuations upon our future operating results cannot be predicted because of the number of currencies involved, the variability of currency exposure and the potential volatility of currency exchange rates. We face risks arising from the imposition of exchange controls and currency devaluations. Exchange controls may limit our ability to convert foreign currencies into U.S. dollars or to remit dividends and other payments by our foreign subsidiaries or businesses located in or conducted within a country imposing controls. In certain foreign countries, some components of our cost structure are denominated in U.S. dollars while our revenues are denominated in the local currency. In those cases, currency devaluation could adversely impact our operating margins.

We are dependent upon a trained, dedicated sales force, the loss of which could materially affect our operations.

Many of our products are sold and supported through dedicated staff and specifically trained personnel. The loss of this sales force due to our Chapter 11 proceedings or other conditions could affect our ability to sell and support our products effectively, which could have an adverse effect on our results of operations.

A drilling moratorium in the U.S. Gulf of Mexico in response to the current oil spill in the Gulf of Mexico, could adversely affect our flame retardants business.

As has been widely reported, on April 20, 2010, a fire and explosion occurred onboard the semisubmersible drilling rig Deepwater Horizon, leading to the oil spill currently affecting the Gulf of Mexico. In response to this incident, the Minerals Management Service (now known as the Bureau of Ocean Energy Management, Regulation and Enforcement, or BOE) of the U.S. Department of the Interior issued a notice on May 30, 2010 implementing a six-month moratorium on certain drilling activities in the U.S. Gulf of Mexico. Implementation of the moratorium was blocked by a U.S. District Court, which was subsequently affirmed on appeal, but on July 12, 2010, the BOE issued a new moratorium that applies to deep-water drilling operations that use subsea blowout preventers or surface blowout preventers on floating facilities. The new moratorium will last until November 30, 2010, or until such earlier time that the BOE determines that deep-water drilling operations can proceed safely.

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Our flame retardants business produces products which are used in older drilling rigs in the Gulf of Mexico. While this business had already experienced decreased demand for products used in deep sea drilling for oil and gas for some time due to reduced rig count in the Gulf of Mexico due to high natural gas inventories, the temporary moratorium on drilling in the Gulf of Mexico will likely delay any recovery in demand for these products.

Production facilities are subject to operating risks that may adversely affect our financial condition, results of operations and cash flows.

We are dependent on the continued operation of our production facilities. Such production facilities are subject to hazards associated with the manufacturing, handling, storage and transportation of chemical materials and products, including pipeline leaks and ruptures, explosions, fires, inclement weather and natural disasters, terrorist attacks, mechanical failure, unscheduled downtime, labor difficulties, transportation interruptions, remediation complications, chemical spills, discharges or releases of toxic or hazardous gases, storage tank leaks and other environmental risks. These hazards can cause personal injury and loss of life, severe damage to, or destruction of, property and equipment and environmental damage, fines, civil or criminal penalties and liabilities. The occurrence of these events may disrupt production which could have an adverse effect on the production and profitability of a particular manufacturing facility and our business, financial condition, results of operations and cash flows.

Our businesses depend upon many proprietary technologies, including patents, licenses and trademarks. Our competitive position could be adversely affected if we fail to protect our patents or other intellectual property rights or if we become subject to claims that we are infringing upon the rights of others.

Our intellectual property is of particular importance for a number of the specialty chemicals that we manufacture and sell. The trademarks and patents that we own may be challenged, and because of such challenges, we could eventually lose our exclusive rights to use and enforce such proprietary technologies and marks, which would adversely affect our competitive position and results of operations. We are licensed to use certain patents and technology owned by other companies, including foreign companies, to manufacture products complementary to our own products. We pay royalties for these licenses in amounts not considered material, in the aggregate, to our consolidated results. We cannot assure you that such licensors will adequately maintain or protect or enforce such licensed technology, or that such licenses will continue to be available on current terms, which may impair our ability to offer certain products and may require us to seek licenses on less favorable terms.

In connection with our introduction and development of the Chemtura AgroSolutions brand, we have filed applications to register the Chemtura AgroSolutions trademark. In April 2010, a third party filed an opposition to one such filing in the United States for the registration of the Chemtura AgroSolutions mark in connection with agricultural herbicides and pesticides. If such opposition is successful, we may be unable to prevent competitors from using marks similar to Chemtura AgroSolutions in the United States, and may be subject to further challenges which may prevent us from using the Chemtura AgroSolutions mark in the United States.

We also rely on unpatented proprietary know-how and continuing technological innovation and other trade secrets to develop and maintain our competitive position. Although it is our policy to enter into confidentiality agreements with our employees and third parties to restrict the use and disclosure of trade secrets and proprietary know-how, those confidentiality agreements may be breached. Additionally, adequate remedies may not be available in the event of an unauthorized use or disclosure of such trade secrets and know-how, and others could obtain knowledge of such trade secrets through independent development or other access by legal means. The failure of our patents, trademarks or confidentiality agreements to protect our processes, apparatuses, technology, trade secrets or proprietary know-how and the brands under which we market and sell our products could have a material adverse effect on our business, financial condition, results of operations and cash flows.

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We cannot assure you that our products or methods do not infringe on the patents or other intellectual property rights of others. Infringement and other intellectual claims or proceedings brought against us, whether successful or not, could result in substantial costs and harm our reputation. Such claims and proceedings can also distract and divert management and key personnel from other tasks important to the success of our business. In addition, intellectual property litigation or claims could force us to do one or more of the following:

- cease selling products that contain asserted intellectual property;
- pay substantial damages for past use of the asserted intellectual property;
- obtain a license from the holder of the asserted intellectual property, which may not be available on reasonable terms; and
- redesign or rename, in the case of trademark claims, our products to avoid infringing the rights of third parties.

Such requirements could adversely affect our revenue, increase costs, and harm our financial condition.

Our patents may not provide full protection against competing manufacturers outside of the United States, the European Union countries and certain other developed countries. Weaker protection may adversely impact our sales and results of operations.

In some of the countries in which we operate, such as China, the laws protecting patent holders are significantly weaker than in the United States, countries in the European Union and certain other developed countries. Weaker protection may assist competing manufacturers in becoming more competitive in markets in which they might not have otherwise been able to introduce competing products for a number of years. In these regions, we, therefore, tend to rely more heavily upon trade secret and know-how protection, as applicable, rather than patents. Additionally, for our Chemtura AgroSolutions products sold in China, we rely on regulatory protection of intellectual property provided by regulatory agencies, which may not provide us with complete protection against competitors.

An inability to remain technologically innovative and to offer improved products and services in a cost-effective manner could adversely impact our operating results.

Our operating results are influenced in part by our ability to introduce new products and services that offer distinct value to our customers. For example, both our Chemtura AgroSolutions business and our organometallic specialties business seek to provide tailored products for customers often unique problems, which requires an ongoing level of innovation. In many of the markets where we sell our products, the products are subject to a traditional product life cycle. Even where we devote significant human and financial resources to develop new technologically advanced products and services, we may not be successful in these efforts.

Joint venture investments that we make could be adversely affected by our lack of sole decision-making authority, our reliance on joint venture partners financial condition and disputes between us and our joint venture partners.

A portion of our operations is conducted through certain ventures in which we share control with third parties. In these situations, we are not in a position to exercise sole decision-making authority regarding the facility, partnership, joint venture or other entity. Investments through partnerships, joint ventures, or other entities may, under certain circumstances, involve risks not present were a third party not involved, including the possibility that joint venture partners might become bankrupt, fail to fund their share of required capital contributions, make poor business decisions or block or delay necessary decisions. Joint venture partners may have economic or other business interests or goals which are inconsistent with our business interests or goals, and may be in a position to take actions contrary to our policies or objectives. Such investments may also have the potential risk of impasses on decisions, such as a sale, because neither we nor our joint venture partners would

have full control over the partnership or joint venture. Disputes between us and our joint venture partners may result in litigation or arbitration that would increase our expenses and prevent the members of our management team from focusing their time and effort on our business. Consequently, action by, or disputes with, our joint venture partners might result in subjecting the facilities owned by the partnership or joint venture to additional risk. In addition, we may in certain circumstances be liable for the actions of our joint venture partners. Our joint ventures unfunded and underfunded pension plans and post-retirement health care plans could adversely impact our financial condition, results of operations and cash flows.

Our unfunded and underfunded defined benefit pension plans and post-retirement welfare benefit plans could adversely impact our financial condition, results of operations and cash flows.

The cost of our defined benefit pension and post-retirement welfare benefit plans is incurred over long periods of time and involves many uncertainties during those periods of time. Our funding policy for defined benefit pension plans is to accumulate plan assets that, over the long run, will approximate the present value of projected benefit obligations. Our pension cost is materially affected by the discount rate used to measure pension obligations, the level of plan assets available to fund those obligations at the measurement date and the expected long-term rate of return on plan assets. Significant changes in investment performance or a change in the portfolio mix of invested assets can result in corresponding increases and decreases in the valuation of plan assets or in a change of the expected rate of return on plan assets. Similarly, our post-retirement welfare benefit cost is materially affected by the discount rate used to measure these obligations, as well as by changes in the actual cost of providing these medical and other welfare benefits.

We have underfunded obligations under our U.S. tax-qualified defined benefit pension plans totaling approximately $249 million on a projected benefit obligation basis as of December 31, 2009. We also have underfunded obligations under our U.K. defined benefit plan. Further declines in the value of the plan investments or unfavorable changes in law or regulations that govern pension plan funding could materially change the timing and amount of required funding. Additionally, we sponsor foreign and non-qualified U.S. pension plans under which there are substantial unfunded liabilities totaling approximately $191 million on a projected benefit obligation basis as of December 31, 2009. Foreign regulatory authorities may seek to have us take responsibility for some portion of these obligations. Mandatory funding contributions with respect to these obligations and potential unfunded benefit liability claims could have a material adverse effect on our financial condition, results of operations or future cash flows. In addition, our actual costs with respect to our post-retirement welfare benefit plans could exceed our current actuarial projections.

We may be required to fund the pension plan of our U.K. subsidiary, which would have an adverse effect on our results of operations.

In addition, certain of the Debtors subsidiaries and affiliates sponsor pension plans in their respective countries that are or may be underfunded. Non-Debtor Chemtura Manufacturing U.K. Limited sponsored the Great Lakes U.K. Limited Pension Plan (the U.K. Pension Plan), an occupational pension scheme that was established and participated in the U.K. Pension Plan in order to provide pensions and other benefits, most of which are defined benefits in nature based on pensionable salary. The U.K. Pension Plan provides benefits to approximately 580 pensioners and 690 members entitled to deferred payment of defined benefits. Although an actuarial valuation as of December 31, 2008 is still being finalized, the estimated funding deficit as of June 30, 2009, as measured in accordance with section 75 of the Pension Act of 1995 (U.K.) is approximately £95 million.

The Trustees of the U.K. Pension Plan have filed 27 contingent, unliquidated proofs of claim against each of the Debtors. On July 8, 2010, the Debtors filed an objection seeking to disallow and expunge these proofs of claim. We cannot assure you that the claims will be disallowed or that such claims would be treated as prepetition unsecured claims or that litigation will not ensue with respect to such claims in the Bankruptcy Court. As a result, we may have exposure as a consequence of the U.K. Pension Plan s liabilities, which could have a material adverse effect on our results of operations and financial condition.

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We are subject to risks associated with possible climate change legislation, regulation and international accords.

Greenhouse gas emissions have increasingly become the subject of a large amount of international, national, regional, state and local attention. Cap and trade initiatives to limit greenhouse gas emissions have been enacted in the European Union. Similarly, numerous bills related to climate change have been introduced in the U.S. Congress, which could adversely impact all industries. The Environmental Protection Agency (EPA) is using existing laws to impose obligations, including reporting obligations, permitting requirements, and certain emissions control requirements on certain large stationary source greenhouse gas emitters. In addition, future regulation of greenhouse gas could occur pursuant to future international treaty obligations, statutory or further regulatory changes, including under the Clean Air Act or new climate change legislation. While not all are likely to become law, there is a strong indication that additional climate change related mandates will be forthcoming, and may impact our costs by increasing energy costs and raw material prices and establishing costly emissions trading schemes or emissions limitations, and requiring modification of equipment.

A step toward federal restriction on greenhouse gas emissions was taken on December 7, 2009, when the EPA issued its Endangerment Finding in response to a decision of the Supreme Court of the United States. The EPA found that the emission of six greenhouse gases, including carbon dioxide (which is emitted from the combustion of fossil fuels), may reasonably be anticipated to endanger public health and welfare. Based on this finding, the EPA defined the mix of these six greenhouse gases to be air pollution subject to regulation under the Clean Air Act. Although the EPA has stated a preference that greenhouse gas regulation be based on new federal legislation rather than the existing Clean Air Act, certain major emitters of greenhouse gases emissions are the subject of recent EPA rulemakings promulgated under the Clean Air Act. For example, the EPA has issued additional regulatory requirements for certain major sources to report greenhouse gas emissions and for certain large industrial facilities to obtain permits and to install emissions control technologies.

The U.S. Congress is considering legislation that would create an economy-wide cap-and-trade system that would establish a limit (or cap) on overall greenhouse gas emissions and create a market for the purchase and sale of emissions permits or allowances. Under the leading cap-and-trade proposals before Congress, the chemical industry likely would be affected due to anticipated increases in energy costs as fuel providers pass on the cost of the emissions allowances, which they would be required to obtain, to cover the emissions from fuel production and the eventual use of fuel by us or our energy suppliers. In addition, cap-and-trade proposals would likely increase the cost of energy, including purchases of steam and electricity, and certain raw materials used by us. Other countries are also considering or have implemented cap-and-trade systems. Future environmental regulatory developments related to climate change are possible, which could materially increase operating costs in the chemical industry and thereby increase our manufacturing and delivery costs.

If our goodwill or intangible assets become impaired, we may be required to record a significant charge to earnings.

Under U.S. generally accepted accounting principles (GAAP), we review our intangible assets for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. Goodwill is tested for impairment on July 31 of each year. Factors that may be considered a change in circumstances, indicating that the carrying value of our goodwill or amortizable intangible assets may not be recoverable, include a decline in stock price and market capitalization, reduced future cash flow estimates, and slower growth rates in our industry. We may be required to record a significant charge in our financial statements during the period in which any impairment of our goodwill or intangible assets is determined, negatively impacting our results of operations.

We do not yet know all of the persons who will serve on our board of directors after the Emergence Date.

On the emergence date, our board of directors will consist of nine directors, one of whom will be the chief executive officer. The Debtors, the Creditors Committee and the Ad Hoc Bondholders Committee have established a board selection committee to select eight members of the board of directors in addition to the chief

executive officer. The board selection committee, which will be advised by an independent search firm, will be charged with working together to try to reach consensus upon a list of proposed board members. In the event, however, that consensus is not reached by the board selection committee, the Creditors Committee and the Ad Hoc Bondholders Committee shall, together, be entitled to designate six members of the board of directors and the Debtors will be entitled to designate two members. Each designated member of the board of directors will meet minimum eligibility requirements consistent with service on the board of a public company of comparable size to Chemtura and the other Debtors, with such minimum requirements to be identified by the independent search firm advising the board selection committee. As a result, we do not yet know who the persons who will serve on our board of directors after the emergence date will be, and their interests may conflict with your interests.

Risks Related to Chapter 11 and Emergence from Chapter 11

We may be subject to claims that were not discharged in the Chapter 11 cases, which could have a material adverse effect on our results of operations and profitability.

The Plan will only resolve claims against those of our subsidiaries that were parties to the Chapter 11 proceedings. In addition, certain material claims against the Debtors will not be resolved pursuant to the Plan and will remain with us after we emerge from Chapter 11. Furthermore, certain claims that should have been resolved pursuant to the Plan may not be discharged. Pursuant to the terms of the Plan, the provisions of the Plan constitute a good faith compromise of all claims, interests and controversies relating to the contractual, legal and subordination rights that a holder of a claim or an interest may have with respect to any allowed claim or interest, or any distribution to be made on account of such allowed claim or interest, with respect to the Debtors subject to the Chapter 11 proceedings. Circumstances in which claims and other obligations that arose prior to our Chapter 11 filings may not be discharged include, among other things, instances where a claimant had inadequate notice of the Chapter 11 filings. We anticipate that the largest claims which will not be resolved through the Chapter 11 proceedings will be our ongoing pension liabilities, liabilities for other post employment benefits, certain environmental liabilities for our owned and operated facilities and some off site locations and certain tort liabilities for injuries that are known to us or that do not manifest themselves until after we emerge from Chapter 11.

Our actual financial results may vary significantly from the projections filed with the Bankruptcy Court.

In connection with the Disclosure Statement and the hearing to consider confirmation of the Plan, we prepared projected financial information to demonstrate to the Bankruptcy Court the feasibility of the Plan and our ability to continue operations upon our emergence from the Chapter 11 cases. This information was not audited or reviewed by our independent public accountants. These projections were prepared for the purpose of the Chapter 11 cases and not for the purpose of this rights offering and have not been, and will not be, updated on an ongoing basis. These projections are not included in, or incorporated by reference into, this prospectus and should not be relied upon in connection with the exercise of rights. At the time they were prepared, the projections reflected numerous assumptions concerning our anticipated future performance and with respect to prevailing and anticipated market and economic conditions that were and remain beyond our control and that may not materialize. Projections are inherently subject to substantial and numerous uncertainties and to a wide variety of significant business, economic and competitive risks, and the assumptions underlying the projections and/or valuation estimates may prove to be wrong in material respects. Actual results may vary significantly from those contemplated by the projections that were prepared in connection with the Disclosure Statement and the hearing to consider confirmation of the Plan. As a result, you should not consider or rely on such projections in deciding whether to exercise your rights.

Following our emergence from Chapter 11, our historical consolidated financial information included in this prospectus may not be comparable to financial information for future periods.

Following our emergence from Chapter 11, we will operate our existing businesses under a new capital structure, and we may have to adopt fresh-start accounting. If required, under fresh-start accounting, assets and

liabilities will be recorded at fair value, based on values determined in connection with the implementation of our Plan. Certain reported assets do not yet give effect to the adjustments that would result from the adoption of fresh-start accounting and, as a result, would change materially. Accordingly, our balance sheet and results of operations from and after the date of our emergence from Chapter 11 may not be comparable to the balance sheet or results of operations reflected in our historical consolidated financial statements included elsewhere in this prospectus.

We have made certain assumptions regarding the effects of the application of fresh-start accounting, which may differ materially from the actual effect of the adoption of fresh-start accounting, if required.

In preparing the Unaudited Pro Forma Condensed Consolidated Financial Information included in this prospectus, we have made certain assumptions regarding the application of fresh-start accounting to our historical consolidated financial information. For example, we have made certain assumptions regarding the reorganization value of our assets upon emergence and the fair values of identifiable assets and liabilities. In the event we are required to adopt fresh-start accounting, it is possible that the final reorganization value of our assets and the final fair value of our identifiable assets and liabilities will be different from the amounts used in the preparation of the Unaudited Pro Forma Condensed Consolidated Financial Information contained in this prospectus. Therefore, actual amounts of identifiable assets and liabilities may differ from the amounts reflected in our Unaudited Condensed Consolidated Pro Forma Financial Information. The fair value adjustment to plant, property and equipment together with intangibles may result in different depreciation and amortization expenses than reflected in the Unaudited Pro Forma Condensed Consolidated Financial Information, although this amortization would have no impact on our cash flows. In addition, fair value adjustments of inventory upon the adoption of fresh-start accounting will increase our cost of goods sold, reducing profitability until that inventory is sold. As a result, our financial statements prepared after we emerge from Chapter 11 may be materially different from those set forth in this prospectus.

Our historical consolidated financial statements state that uncertainties related to our emergence from Chapter 11 protection raise substantial doubt about our ability to continue as a going concern.

This prospectus incorporates by reference our audited consolidated balance sheets as of December 31, 2009, and 2008 and the related consolidated statements of operations, stockholders equity and cash flows for each of the years in the three-year period ended December 31, 2009 prepared in accordance with GAAP. Our financial statements as of December 31, 2009 and 2008 state that uncertainties inherent in our Chapter 11 process and recurring losses from continuing operations raise substantial doubt about our ability to continue as a going concern. Although we believe that as of the date of our emergence from Chapter 11, the basis for the uncertainties relating to our ability to continue as a going concern will no longer exist, we cannot assure you that a similar disclosure will not be included in future financial statements.

Regardless of the foregoing, our historical consolidated financial statements have been prepared in accordance with GAAP applicable to a going concern, which assumes that we will be able to meet our obligations and continue our operations over a reasonable length of time. Realization values may be substantially different from carrying values as shown and these financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should we be unable to continue as a going concern.

We cannot be certain that the Chapter 11 proceedings will not adversely affect our operations going forward.

We cannot assure you that our operations going forward will not be adversely affected by our Chapter 11 filing. Our Chapter 11 filing may impair our ability to successfully negotiate favorable terms from suppliers, hedging counterparties and others and to attract and retain customers, employees and managers. The failure to obtain such favorable terms and retain customers and employees could adversely affect our business, financial condition and results of operations. For example, the public disclosure of our liquidity constraints and the

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Chapter 11 cases has impaired our ability to maintain normal credit terms with certain of our suppliers. As a result, we have been required to pay cash in advance to certain vendors and have experienced restrictions on the availability of trade credit, which has further reduced our liquidity. If liquidity problems persist following our emergence from Chapter 11, our suppliers could refuse to provide key products and services.

Risks Related to Ownership of Our New Common Stock

The market price of our new common stock is subject to volatility.

The market price of our new common stock could be subject to wide fluctuations in response to numerous factors, many of which are beyond our control. These factors include, among other things, actual or anticipated variations in our operational results and cash flow, our and our competitors earnings, changes in financial estimates by securities analysts, trading volume, market conditions in the industry, the general state of the securities markets and the market for stocks of companies in our industry, governmental legislation or regulation and currency and exchange rate fluctuations, as well as general economic and market conditions, such as recessions.

A liquid trading market for our new common stock may not develop.

We have applied to list our new common stock on the New York Stock Exchange or other exchange. However, we may not be able to satisfy the requirements for listing our new common stock on the exchange. Even if we are able to list our new common stock on the New York Stock Exchange or other exchange, a liquid trading market for our new common stock may not develop or be sustained. The liquidity of the trading market for our new common stock will depend, among other things, upon the number of holders of our new common stock, our financial performance and the number of research analysts covering Chemtura, none of which can be determined or predicted with certainty.

Substantial sales of or trading in our new common stock could occur in connection with emergence from Chapter 11, which could cause our stock price to be adversely affected.

Shares distributed in connection with the Plan generally may be sold in the public markets immediately following our emergence from Chapter 11 or thereafter from time to time. Some of our creditors or other investors who receive shares of our new common stock in connection with the Plan may sell our shares shortly after emergence from Chapter 11 for any number of reasons. The sale of significant amounts of our new common stock or substantial trading in our new common stock or the perception in the market that substantial trading in our new common stock will occur may adversely affect the market price of our new common stock.

Certain holders of claims may acquire a substantial amount of our new common stock upon consummation of the Plan.

During our Chapter 11 cases, there has been no limitation on the trading of claims. Accordingly, upon consummation of the Plan, certain holders of claims are likely to receive distributions of our new common stock representing a substantial amount of the outstanding shares of our new common stock. If holders of a significant number of shares of our new common stock were to act as a group, they could be in a position to control the outcome of actions requiring stockholder approval, including, among other things, election of directors. This concentration of ownership could also facilitate or hinder a negotiated change of control of Chemtura and, consequently, impact the value of our new common stock. Furthermore, the possibility that one or more holders of a significant number of shares of our new common stock may sell all or a large portion of its shares of new common stock in a short period of time may adversely affect the trading prices of our new common stock.

Issuances under our Plan and future sales of our common stock will cause you to incur substantial dilution and may depress our stock price.

In connection with the consummation of the Plan, we anticipate the issuance of 100 million shares of new common stock, including approximately 7,385,524 shares reserved for issuance in this rights offering. If the

holders of Class 13a interests vote against the Plan or this rights offering is undersubscribed, all or a portion of shares reserved for issuance in this rights offering, as applicable, will be reallocated to creditors. In addition, in the future we may grant equity securities to our employees, consultants and directors under certain stock option and incentive plans, and we expect to reserve 11,000,000 shares for issuance under the management incentive plan to be in effect after our emergence from Chapter 11. Furthermore, we may issue equity securities in connection with future investments or acquisitions. Such grants or issuances could constitute a substantial portion of our then-outstanding common stock. This will cause you to suffer potentially substantial dilution in your ownership of our common stock and may adversely affect the price of our common stock.

Provisions in Delaware law and our amended and restated certificate of incorporation and bylaws may discourage, delay or prevent a change in control of our company or changes in our management and therefore depress the trading price of our new common stock.

Our amended and restated certificate of incorporation and bylaws, which will be effective upon our emergence from Chapter 11, will contain provisions that could depress the trading price of our new common stock by acting to discourage, delay or prevent a change in control of our company or changes in our management that our stockholders may deem advantageous. We are and following the effective date will continue to be subject to Section 203 of the Delaware General Corporation Law, which we refer to as the DGCL, which generally prohibits a Delaware corporation from engaging in any of a broad range of business combinations with any interested stockholder for a period of three years following the date on which the stockholder became an interested stockholder and which may discourage, delay or prevent a change in control of our company. See Description of Capital Stock Rights and Preferences of Chemtura Capital Stock Anti-Takeover Effects of Provisions of the DGCL and Provisions to be Included in Our Amended and Restated Certificate of Incorporation and Bylaws.

We do not expect to pay dividends on our new common stock for the foreseeable future.

The payment of any future dividends to our stockholders will depend on decisions that will be made by our board of directors and will depend on then existing conditions, including, among other things, our operating results, financial condition, contractual restrictions, corporate law restrictions, capital agreements, the applicable laws of the State of Delaware and business prospects. Additionally, upon our emergence from Chapter 11, we will have indebtedness outstanding under the Exit Financing Facilities. The Exit Financing Facilities will impose certain restrictions on the payment of dividends. For more information, see Prospectus Summary Recent Developments.

We will have significant indebtedness upon our emergence from Chapter 11.

After our emergence from Chapter 11 we will have a significant amount of indebtedness. Subject to the limits contained in indebtedness upon emergence from Chapter 11, we may be able to incur substantial additional debt from time to time to finance working capital, capital expenditures, investments or acquisitions, or for other purposes. If we do so, the risks related to our high level of debt could intensify. Specifically, our high level of debt could have important consequences to our stockholders, including the following:

- making it more difficult for us to satisfy our obligations with respect to our debt;
- limiting our ability to obtain additional financing to fund future working capital, capital expenditures, product developments, acquisitions or other general corporate requirements;
- requiring a substantial portion of our cash flows to be dedicated to debt service payments instead of other purposes, thereby reducing the amount of cash flows available for working capital, capital expenditures, acquisitions and other general corporate purposes;
- increasing our vulnerability to general adverse economic and industry conditions;
- limiting our flexibility in planning for and reacting to changes in the industry in which we compete;

- placing us at a disadvantage compared to other, less leveraged competitors; and
- increasing our cost of borrowing.

In addition, indebtedness upon emergence from Chapter 11 will contain restrictive covenants that will limit our ability to engage in activities that may be in our long-term best interests. Our failure to comply with those covenants could result in an event of default, which, if not cured or waived, could result in the acceleration of all our debts.

Our operations will be restricted by the terms of our indebtedness upon emergence from Chapter 11.

Our indebtedness upon emergence from Chapter 11 will contain a number of restrictive covenants that impose significant operating and financial restrictions on us and may limit our ability to engage in acts that may be in our long-term best interests, including, among other things, restrictions on our ability to:

- incur, assume or guarantee additional indebtedness;
- issue redeemable stock and preferred stock;
- pay dividends or distributions or redeem or repurchase capital stock;
- prepay, redeem or repurchase certain debt;
- make loans and investments;
- incur liens;
- restrict dividends, loans or asset transfers from our subsidiaries;
- sell or otherwise dispose of assets, including capital stock of subsidiaries;
- consolidate or merge with or into, or sell substantially all of our assets to, another person;
- enter into transactions with affiliates; and
- enter into new lines of business.

In addition, the restrictive covenants in indebtedness upon emergence from Chapter 11 will require us to maintain specified financial ratios and satisfy other financial condition tests. Our ability to meet those financial ratios and tests can be affected by events beyond our control, and we cannot assure you that we will meet them. As a result of these restrictions, we may be:

- limited in how we conduct our business;
- unable to raise additional debt or equity financing to operate during general economic or business downturns; or
- unable to compete effectively or to take advantage of new business opportunities.

These restrictions may affect our ability to grow in accordance with our plans.

A breach of the covenants under the indebtedness upon emergence from Chapter 11 could result in an event of default under the applicable indebtedness. Such default may allow the creditors to accelerate the related debt and may result in the acceleration of any other debt to which a cross-acceleration or cross-default provision applies. Furthermore, if we were unable to repay the amounts due and payable under any secured indebtedness upon emergence from Chapter 11, those lenders could proceed against the collateral granted to them to secure that indebtedness. In the event our lenders accelerate the repayment of our borrowings, we cannot assure you that we and our subsidiaries would have sufficient assets to repay such indebtedness.

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Risks Related to the Rights Offering

The exercise price was set by agreement among the company and representatives of certain of its stakeholder constituencies and is not necessarily an indication of our value or the market value of our new common stock that may be established in trading on a stock exchange.

The exercise price is the initial per share price for the new common stock being distributed to both creditors and equity interest holders under our Plan. The exercise price is $13.54 per share. This price was set by agreement among us and the representatives of certain of our stakeholder constituencies. This exercise price was not intended to bear any relationship to the historical or projected price of our common stock or our past operations, cash flows, net income, current financial condition, the book value of our assets or any other established criteria for value. As a result, the exercise price should not be considered an indication of the actual value of Chemtura or of the market value of our new common stock.

The price of our new common stock may decline.

We cannot assure you that the public trading market price of our new common stock will not decline below the exercise price after you elect to exercise your rights or that following the exercise of rights you will be able to sell your shares at a price equal to or greater than the exercise price.

The rights offering may be terminated under certain circumstances prior to the expiration of the offer period, and neither we nor the subscription agent will have any obligation to you except to return your exercise payments.

We may, if we abandon our Plan, decide not to continue with the rights offering or terminate the rights offering prior to the expiration of the offer period. Additionally, the rights offering is contingent upon the holders of Class 13a interests voting to approve the Plan. We intend to announce the results of the Plan vote, including whether the holders of Class 13a interests have voted to accept the Plan, on or about September 13, 2010. If the rights offering is terminated or not approved, all exercise payments, without interest, will be returned as soon as practicable.

You must act promptly and follow instructions carefully if you want to exercise your rights.

Eligible participants and, if applicable, Subscription Nominees acting on their behalf, who desire to purchase new common stock in the rights offering must act promptly to ensure that all required rights exercise forms are actually received prior to the expiration deadline and that all payments are actually received prior to the expiration deadline. The time period to exercise rights is limited. If you or your Subscription Nominee fails to complete and sign the required rights exercise forms, sends an incorrect payment amount or otherwise fails to follow the procedures that apply to the exercise of your rights, we may, depending on the circumstances, reject your exercise of rights or accept it only to the extent of the payment received. Neither we nor the subscription agent undertakes to contact you concerning, or attempt to correct, an incomplete or incorrect rights exercise form or payment or contact you concerning whether a Subscription Nominee holds rights on your behalf. We have the sole discretion to determine whether an exercise properly follows the procedures that apply to the exercise of your rights.

If you elect to exercise your rights, your proposed acquisition of new common stock may be subject to notification obligations under the Hart-Scott-Rodino Act of 1976.

If as a result of exercising your rights you would hold shares of our new common stock worth in excess of $63.4 million, your proposed acquisition may trigger notification obligations under the Hart-Scott-Rodino Act of 1976, or the HSR Act, and all waiting periods under the HSR Act will need to have expired or otherwise been terminated before we can satisfy your exercise of rights. There can be no guarantee that the Federal Trade Commission and U.S. Department of Justice will allow the waiting periods to expire or terminate. You should consider seeking advice of legal counsel to determine the applicability of the HSR Act to your rights.

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Your exercise of rights may not be withdrawn.

Your exercise may not be withdrawn in whole or in part for any reason even if we have not already issued the shares to you. Therefore, even if circumstances arise after you have exercised your rights pursuant to the rights offering that change your mind about investing in our new common stock, you will nonetheless be legally bound to proceed.

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USE OF PROCEEDS

If all rights are exercised in the rights offering, our proceeds from the rights offering will be approximately $100 million. The proceeds will be used to partially fund distributions pursuant to the Plan. If the rights offering is undersubscribed, any shares of new common stock reserved for issuance in the rights offering that are not purchased will be reallocated to creditors in accordance with the Plan.

DIVIDEND POLICY

Chemtura has not paid any dividends on its common stock since 2008. The Exit Financing Facilities that will remain outstanding following our emergence from Chapter 11 will impose certain restrictions on the payment of dividends. In addition to requiring a waiver or elimination of any such restrictions, the payment of any future dividends to our stockholders will depend on decisions that will be made by our board of directors and will depend on then existing conditions, including, among other things, our operating results, financial condition, contractual restrictions, corporate law restrictions, capital agreements, the applicable laws of the State of Delaware and business prospects.

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UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL INFORMATION

Our unaudited pro forma condensed consolidated balance sheet is presented as of June 30, 2010. Our unaudited pro forma statements of operations are presented for the six months ended June 30, 2010 and for the year ended December 31, 2009. We prepared the Unaudited Pro Forma Condensed Consolidated Financial Information by applying adjustments to our historical consolidated financial statements incorporated by reference into this prospectus. The Unaudited Pro Forma Condensed Consolidated Financial Information gives effect to the adjustments described below as if the emergence date had occurred on January 1, 2009, for the unaudited pro forma condensed consolidated statements of operations and on June 30, 2010 for the unaudited pro forma condensed consolidated balance sheet. The Unaudited Pro Forma Condensed Consolidated Financial Information should be read in conjunction with Management s Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K for the year ended December 31, 2009, as amended, and Quarterly Report on Form 10-Q for the period ended June 30, 2010, and the consolidated financial statements and related notes incorporated by reference into this prospectus.

The Unaudited Pro Forma Condensed Consolidated Financial Information is presented for illustrative purposes only. The Unaudited Pro Forma Condensed Consolidated Financial Information is not necessarily indicative of what our financial position or results of operations would have been if the emergence date had actually occurred on June 30, 2010 for the unaudited pro forma condensed consolidated balance sheet or on January 1, 2009, for the unaudited pro forma condensed consolidated statements of operations, and is not necessarily indicative of our future financial position or results of operations. As a result of our anticipated emergence from Chapter 11 and our potential adoption of fresh-start accounting, our historical consolidated financial information incorporated by reference into this prospectus will not be comparable to financial information for periods following our emergence from Chapter 11. In addition, the amount of new stockholders equity in the unaudited pro forma condensed consolidated balance sheet is not an estimate of the market value of our new common stock as of the emergence date or at any other time. We make no representations as to the market value, if any, of our new common stock.

The following Unaudited Pro Forma Condensed Consolidated Financial Information adjusts historical information for the effects of the following:

- the Plan, which includes the effectiveness of the Plan and the implementation of the transactions contemplated by the Plan (as further described below, the Recapitalization Adjustments); and
- the estimated adjustments required under fresh-start accounting pursuant to Accounting Standards Codification (ASC) 852-10-45, *Reorganization Other Presentation Matters* (referred to as Fresh-Start Adjustments below). It has not yet been determined if fresh-start accounting will be applicable.

Recapitalization Adjustments

The Unaudited Pro Forma Condensed Consolidated Financial Information gives effect to the Plan and the implementation of the transactions contemplated by the Plan. These transactions and related underlying assumptions include, but are not limited to, the following:

- the issuance of notes and borrowings under the Exit Financing Facilities (composed of a senior secured revolving credit facility (the Senior Asset Based Facility), the Term Loan, and the Senior Notes), which will result in initial indebtedness of $750 million ($744 million after discount), bearing interest at a weighted average rate of 7.1% per annum;
- the repayment of $300 million of liabilities under the senior secured super-priority debtor-in-possession credit facility, approved on an interim basis by order of the Bankruptcy Court on February 9, 2010, and by final order on February 18, 2010, with cash;
- the settlement of liabilities subject to compromise through equity conversion, cash repayment or reinstatement (pass-through); and

the payment of professional fees related to the bankruptcy proceedings, the emergence process, or the Exit Financing Facilities.

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Fresh-Start Adjustments

The Unaudited Pro Forma Condensed Consolidated Financial Information also gives effect to fresh-start adjustments relating to our preliminary estimate of the impact of the application of fresh-start accounting. Under fresh-start accounting, reorganization value represents the fair value of the entity before considering indebtedness and approximates the amount a willing buyer would pay for the assets of the entity immediately after the reorganization. It has not yet been determined if fresh-start accounting will be applicable upon emergence. We will be required to adopt fresh-start accounting if the reorganization value of our assets immediately prior to emergence is less than our total liabilities. However, the pro forma information has been presented with adjustments to reconcile the carrying value of assets to an assumed enterprise value. The pro forma adjustments are based on the enterprise value for Chemtura, on a consolidated basis, upon which our Plan was prepared. The assumed enterprise value is $2,050 million. The fresh-start pro forma adjustments assume a hypothetical purchase price allocation based on the reorganization value as the purchase price.

The reorganization value of our assets and the fair values of assets and liabilities on the unaudited pro forma condensed consolidated balance sheet are preliminary estimated values as of June 30, 2010 and have been made solely for purposes of developing the Unaudited Pro Forma Condensed Consolidated Financial Information and are subject to further revisions and adjustments. If we are required to adopt fresh-start accounting, final valuations will be completed as of the emergence date and, to the extent such updates reflect valuations different than those used in the Unaudited Pro Forma Condensed Consolidated Financial Information, there may be adjustments in the values of certain assets and liabilities, and related deferred taxes from those shown in the unaudited pro forma condensed consolidated balance sheet. To the extent actual valuations may differ from those used in preparing the Unaudited Pro Forma Condensed Consolidated Financial Information, these differences will be reflected on our balance sheet upon emergence under fresh-start accounting. Any fair value adjustments to property, plant and equipment together with intangible assets may result in a change to depreciation and amortization expense compared to historical trends or amounts shown in the Unaudited Pro Forma Condensed Consolidated Financial Information. In addition, any fair value adjustments to inventory will increase our cost of goods sold, reducing profitability until that inventory is sold. As such, the following Unaudited Pro Forma Condensed Consolidated Financial Information may not represent our actual post-emergence financial condition and results of operations, and any differences could be material.

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UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET

AS OF JUNE 30, 2010

(dollars in millions)	Historical	Recapitalization Adjustments	Subtotal	Fresh-Start Adjustments	Pro Forma
Assets					
Current assets:					
Cash and cash equivalents	$ 184	$ (171)(a)	$ 13	$	$ 13
Accounts receivable	560		560		560
Inventories	496		496	80(k)	576
Other current assets	258	(29)(b)	229		229
Total current assets	1,498	(200)	1,298	80	1,378
Non-current assets:					
Property, plant and equipment	681		681	189(l)	870
Goodwill	227		227	(102)(m)	125
Intangible assets, net	435		435	392(n)	827
Other assets	176	26(c)	202	19(o)	221
Total assets	$ 3,017	$ (174)	$ 2,843	$ 578	$ 3,421
Liabilities and stockholders (deficit) equity					
Current liabilities:					
Short-term borrowings	$ 302	$ (300)(d)	$ 2	$	$ 2
Accounts payable	157		157		157
Accrued expenses	187	103(e)	290	28(p)	318
Income taxes payable	15		15		15
Total current liabilities	661	(197)	464	28	492
Non-current liabilities:					
Long-term debt	2	744(f)	746		746
Pension and post-retirement health care liabilities	134	306(g)	440		440
Other liabilities	180		180	210(p)	390
Total liabilities not subject to compromise	977	853	1,830	238	2,068
Liabilities subject to compromise	2,151	(2,151)(h)			
Total liabilities	3,128	(1,298)	1,830	238	2,068
Total stockholders (deficit) equity	(111)	1,124(i)	1,013	340(j)	1,353
Total liabilities and stockholders (deficit) equity	$ 3,017	$ (174)	$ 2,843	$ 578	$ 3,421

See Notes to Unaudited Pro Forma Condensed Consolidated Financial Information.

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UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

FOR THE SIX MONTHS ENDED JUNE 30, 2010

(dollars in millions)	Historical	Recapitalization Adjustments	Subtotal	Fresh-Start Adjustments	Pro Forma
Net sales	$ 1,370	$	$ 1,370	$	$ 1,370
Cost of goods sold	1,037		1,037	(k)	1,037
Selling, general and administrative	147		147		147
Depreciation and amortization	94		94	(8)(q)	86
Research and development	20		20		20
Facility closures, severance and related costs	3		3		3
Changes in estimates related to expected allowable claims	73		73		73
Equity Income	(2)		(2)		(2)
Operating (loss) profit	(2)		(2)	8	6
Interest expense	(129)	99(r)	(30)		(30)
Loss on early extinguishment of debt	(13)	13(s)			
Other expense, net	(10)		(10)		(10)
Reorganization items, net	(47)	47(t)			
Loss from continuing operations before income taxes	(201)	159	(42)	8	(34)
Income tax provision	(16)	(u)	(16)	(3)(u)	(19)
Loss from continuing operations	$ (217)	$ 159	$ (58)	$ 5	$ (53)
Basic and diluted per share information:					
Loss from continuing operations, net of tax	$ (0.90)				$ (0.53)
Weighted average shares outstanding	242.9				100.0 (v)

See Notes to Unaudited Pro Forma Condensed Consolidated Financial Information.

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UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2009

(dollars in millions)	Historical	Recapitalization Adjustments	Subtotal	Fresh-Start Adjustments	Pro Forma
Net sales	$ 2,300	$	$ 2,300	$	$ 2,300
Cost of goods sold	1,721		1,721	(k)	1,721
Selling, general and administrative	289		289		289
Depreciation and amortization	162		162	(28)(q)	134
Research and development	35		35		35
Facility closures, severance and related costs	3		3		3
Antitrust costs	10		10		10
Impairment of long-lived assets	39		39		39
Changes in estimates related to expected allowable claims	73		73		73
Operating (loss) profit	(32)		(32)	28	(4)
Interest expense	(70)	10(r)	(60)		(60)
Other expense, net	(17)		(17)		(17)
Reorganization items, net	(97)	97(t)			
Loss from continuing operations before income taxes	(216)	107	(109)	28	(81)
Income tax provision	(10)	(u)	(10)	(10)(u)	(20)
Loss from continuing operations	$ (226)	$ 107	$ (119)	$ 18	$ (101)
Basic and diluted per share information:					
Loss from continuing operations, net of tax	$ (0.93)				$ (1.01)
Weighted average shares outstanding	242.9				100.0 (v)

See Notes to Unaudited Pro Forma Condensed Consolidated Financial Information.

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NOTES TO UNAUDITED PRO FORMA CONDENSED CONSOLIDATED

FINANCIAL INFORMATION (dollars in millions)

(a) The impact on cash and cash equivalents to give effect to the transactions pursuant to the Plan is as follows:

Sources of Funds	
Term Loan, net of discount	$ 292
Senior Notes, net of discount	452
Total sources	$ 744
Uses of Funds	
Amended and Restated Debtor in Possession Financing (A&R DIP Facility)	$ 300
Administrative and priority claims	10
Professional fees	64
Exit financing fees and expenses	26
Payments to creditors and others	443
Pension plan contributions	72
Total uses	$ 915
Net change in funds	$ (171)

Proceeds from the rights offering have not been assumed as they are not firmly committed at this time.

(b) To write-off (i) the remaining deferred financing costs relating to the A&R DIP Facility ($5 million) and (ii) over-collateralized letters of credit used as consideration towards claim settlements ($24 million).

(c) To record the impacts of financing costs relating to emergence financing.

Term Loan	$ 5
Senior Notes	