

rethink **OMNOVA**





ON THE COVER

OMNOVA's **memerase**[®] flexible dry-erase surfaces offer the perfect opportunity to collaborate and brainstorm.

Also pictured: **Boltaflex**[®] upholstery, **surf(x)**[®] 3D Laminates (on side tables), flooring laminates, and chemicals used in coated paper and packaging, carpet, tape, floor polish and apparel.



APPLICATIONS PICTURED

THIS PAGE: coated paper, commercial roofing, furniture laminates, construction materials, oil/gas field drilling, floor care, disposable diapers, nonwoven wipes, automotive upholstery.

OPPOSITE PAGE: tape and adhesives, marine upholstery.





rethinkKOMNOVA

TO OUR

SHAREHOLDERS Today's OMNOVA Solutions is a different company than it was a year ago. We have improved margins, reduced costs, streamlined processes, entered attractive new markets and geographies, and enhanced the skills and abilities of our team. These actions resulted in substantial performance improvement in 2005, providing tangible evidence that OMNOVA's turnaround is well under way. Most importantly, we proved that we could increase profitability – our number-one priority – despite facing the challenges of difficult outside economic and market forces. So if you thought you knew what OMNOVA was all about, think again...and read on. I believe you will be impressed with the progress *your company* is making.

OMNOVA Solutions had record sales of \$810 million in 2005, up nearly 9%, as we improved significantly in virtually every key financial metric. Our Adjusted EBITDA doubled from the previous year, from \$26 million to \$52 million, led by Performance Chemicals and improved performance in Decorative Products. [A definition of Adjusted EBITDA and reconciliation to net income are provided on page 3 of this Annual Report.] This was accomplished despite continuing record inflation in the costs of our oil-based raw materials.

The first quarter is typically OMNOVA's weakest, and this was again the case in 2005. But we gained traction in the second quarter and never looked back, ending the year with three consecutive quarters of positive earnings per share. Year-over-year, we achieved a \$0.57 increase in earnings per share.

As a result of the many actions we have taken to streamline our cost structure, SG&A (sales, general and administrative) expenses of \$122 million, or 15% of sales, were both record lows for our Company. Continued strong cash flow contributed to another excellent year for debt reduction, as we ended 2005 with a debt level of \$176 million. We improved our debt-to-Adjusted EBITDA ratio by more than half year-over-year, from 6.9 to 3.4. In May, OMNOVA announced an extension of its bank credit

agreement to November 2009 and at more attractive terms – a show of confidence by our lenders. These successes in cost and debt reduction, and improved credit terms will provide greater operating leverage and flexibility for the future.

We are proud of the improvements we have made, but also very mindful that this is just the first step, albeit an important one, in a journey to sustainable superior performance, and we realize that there is more work ahead to make that goal a reality. Likewise, we are keenly aware that our progress has not yet translated into positive returns to our shareholders. However, we are confident that our ongoing strategy of investing in new products, expanding to new markets, broadening our global presence and continuing to drive down costs will further strengthen our Company's operating performance and, in turn, create shareholder value. This, we believe, will cause investors to RETHINK the exciting investment opportunity our Company presents.



RETHINK: MARKET STRATEGY

Although there have been challenges in certain of our traditional market segments in recent years, other market segments still offer attractive growth opportunities. We are continually identifying and seizing opportunities to leverage our competitive strengths and value-added innovations to gain share in our traditional market segments, and to move into new, related markets and applications.

In 2005, we were particularly successful in growing market share in our paper coating and carpet chemical product lines. Customers have been very excited by the performance advantages offered by our new GenCryl® Platinum Pt™ paper latex as well as our 4200 Series advanced coating lubricants. These technologies have helped us boost share in the North American coated paper market. At the same time, an array of recently introduced products, combined with truly superior technical service, have continued to win new business for OMNOVA in the carpet market.

Polymers for nonwoven applications, both for durables and nondurables, remain an area of strength for us. Disposable diapers, construction materials and filtration media are examples of growth opportunities for our nonwoven business. We are also receiving excellent customer reaction and increased sales from our products for adhesives and tape with our technical advances in tape release systems.

In Decorative Products, where many market segments have experienced prolonged recessionary conditions, we captured key opportunities in targeted high-potential segments such as kitchen and bath cabinetry. As the year came to a close, OMNOVA was awarded substantial new laminates business from one of the largest and fastest growing cabinet makers in America. In addition, our surf(x)® 3D Laminates continue to win business from an expanding customer base that values the design flexibility offered by this dynamic product. The store fixtures and office furniture market segments are increasingly important for surf(x) laminates which can provide a cost-effective solution for contoured edges that are so popular in today's designs.

Commercial wallcovering has been especially impacted by several years of challenging market conditions. However, the hospitality segment – OMNOVA's fastest growing wallcovering end use – improved in 2005. In addition, office occupancy rates began to pick up toward the end of the year, which is a good leading indicator of future improvement in our largest commercial wallcovering segment. To make the most of these market rebounds going forward, OMNOVA Solutions took several actions designed to sharpen our focus in this business. Those actions included the closure of our wallcovering distribution facility in Massachusetts, the divestiture of selected brands – while retaining long-term manufacturing supply agreements – and an exciting partnership

FINANCIAL HIGHLIGHTS

(Dollars in millions, except per share data)

Net Sales

Performance Chemicals
Decorative Products
Building Products

Segment Operating Profit (Loss)

Performance Chemicals
Decorative Products
Building Products

Interest expense
Corporate expenses
Deferred financing costs write-off
Income tax benefit

Net Loss**Basic and Diluted Loss Per Share**

Net Loss Per Basic and Diluted Share

Other Data

Capital expenditures
Depreciation and amortization
Number of employees at year-end
Number of outstanding shares for diluted EPS (millions)

	Years Ended November 30,		
	2005	2004	2003
Net Sales			
Performance Chemicals	\$ 452.8	\$ 372.9	\$ 327.0
Decorative Products	242.2	257.8	257.6
Building Products	115.1	115.0	98.0
	\$ 810.1	\$ 745.7	\$ 682.6
Segment Operating Profit (Loss)			
Performance Chemicals	\$ 33.8	\$ 13.5	\$ 11.2
Decorative Products	(2.8)	(6.8)	(70.0)
Building Products	.9	1.0	3.0
	\$31.9¹	\$ 7.7¹	\$ (55.8)¹
Interest expense	(21.2)	(20.7)	(15.3)
Corporate expenses	(12.8)	(11.7)	(10.2)
Deferred financing costs write-off	–	–	(3.1)
Income tax benefit	.3	.3	.6
	\$ (1.8)	\$ (24.4)	\$ (83.8)
Basic and Diluted Loss Per Share			
Net Loss Per Basic and Diluted Share	\$ (.04)	\$ (.61)	\$ (2.10)
Other Data			
Capital expenditures	\$ 13.2	\$ 11.8	\$ 8.8
Depreciation and amortization	\$ 22.3	\$ 22.8	\$ 33.7
Number of employees at year-end	1,800	2,000	2,100
Number of outstanding shares for diluted EPS (millions)	40.7	40.2	39.9

¹Segment operating profit for the full year of 2005, 2004 and 2003 was impacted by a number of items which are discussed in this Annual Report. Management excludes certain of these items when evaluating the results of the Company's segments. These items include, for the full year of 2005, restructuring and severance charges of \$5.8 million, asset impairment charges of \$2.5 million, a gain on a legal settlement of \$0.9 million, a gain on the sale of a brand of \$0.8 million and work stoppage charges of \$1.7 million; for the full year of 2004, trademark impairment charges of \$3.9 million and restructuring and severance charges of \$0.5 million; and for the full year of 2003, restructuring and severance charges of \$8.8 million, goodwill and trademark impairment charges of \$49.6 million and asset impairment charges of \$5.7 million.

with leading wallcovering designer DLM Studio to create a new design direction for our Bolta®, Genon® and Tower® brands. At the same time, we have made significant improvements in our custom wallcovering business and in the breadth of our printing capability, further enhancing our industry leadership in both areas.

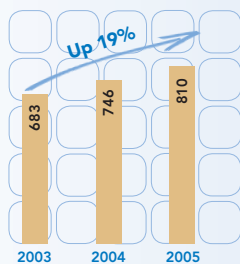
As you can see, there are still many exciting opportunities for growth in our traditional markets. However, we also recognize that it is critical for us to find applications for our products in new, related markets where our technology can bring value to customers. The

two most notable examples of this focus on adjacent markets are in our coated fabrics product line. While we continue to offer leading-edge designs for traditional furniture applications, over the past two years OMNOVA Solutions has gained significant new business in marine upholstery and trim with our respected Nautolex® fabrics protected with our proprietary PreFixx® coating. We have also entered OEM and aftermarket automotive seating with our new BoltaSoft® upholstery. In fact, as we began the 2006 fiscal year, we announced an agreement with a major OEM seating customer to

rethink OMNOVA

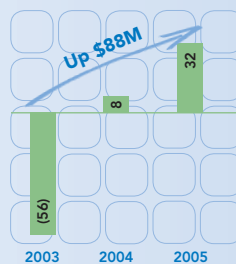
Net Sales

Dollars in millions



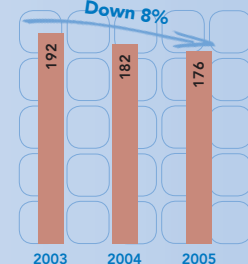
Segment Operating Profit

Dollars in millions



Total Year-End Debt

Dollars in millions



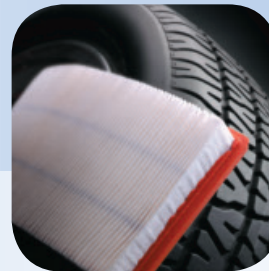
RECONCILIATION OF NET INCOME (LOSS) TO ADJUSTED EBITDA

This Annual Report also includes Adjusted EBITDA, which is a non-GAAP financial measure as defined by the Securities and Exchange Commission. Adjusted EBITDA is calculated in accordance with the definition of adjusted net earnings from operations as set forth in the Company's senior secured revolving credit facility dated May 28, 2003, as subsequently amended, and excludes charges for interest, taxes, depreciation, amortization, restructuring and severance, work stoppage, goodwill and trademark impairments, amortization of deferred financing costs, net earnings of joint ventures less cash dividends, gains or losses on asset sales, non-cash charge for 401(k) company match, pension income, commercial paper costs and deferred financing costs write-off. Adjusted EBITDA is not a measure of financial performance under GAAP. Adjusted EBITDA is not calculated in the same manner by all companies and accordingly is not necessarily comparable to similarly titled measures of other companies and may not be an appropriate measure for comparing performance relative to other companies. Adjusted EBITDA should not be construed as an indicator of the Company's operating performance or liquidity and should not be considered in isolation from or as a substitute for net income (loss), cash flows from operations or cash flow data which are all prepared in accordance with GAAP. Adjusted EBITDA is not intended to represent and should not be considered more meaningful than, or as an alternative to, measures of operating performance as determined in accordance with GAAP. Management believes that presenting this information is useful to investors because it is commonly used as an analytical indicator to evaluate performance, allocate resources and measure leverage capacity and debt service ability. Set forth below is a reconciliation of this non-GAAP financial measure to the most directly comparable GAAP financial measure.

	Years Ended November 30,		
	2005	2004	2003
(Dollars in millions, except per share data)			
Net income (loss)	\$ (1.8)	\$ (24.4)	\$ (83.8)
Interest	21.2	20.7	15.3
Taxes	(.3)	(.3)	(.6)
Depreciation and amortization	22.3	22.8	26.5
Restructuring and severance	5.9	.4	9.0
Calendar line restructuring	1.6	-	-
Work stoppage	1.7	-	-
Amortization of deferred financing costs	1.4	1.8	1.7
Net earnings of joint ventures less cash dividends	(.7)	-	-
Gains or losses on asset sales	(1.1)	-	-
Non-cash charge for 401(k) company match	1.5	1.4	.5
Pension income	-	-	(1.7)
Goodwill and trademark write-offs	-	3.9	60.1
Commercial paper costs	-	-	.7
Deferred financing costs write-off	-	-	3.1
Adjusted EBITDA	\$ 51.7	\$ 26.3	\$ 30.8

Certain information included in this annual report is forward-looking and, accordingly, involves estimates, assumptions, judgments and uncertainties. Forward-looking statements may generally be identified by the use of forward-looking terms such as "may," "should," "projects," "forecasts," "seeks," "believes," "expects," "anticipates," "estimates," "intends," "plans," "targets," "likely," "will," "would," "could," or similar terms. For information regarding some of the factors that could cause actual results or outcomes to differ materially from those described in the forward-looking statements, see the Forward-Looking Statements section of Management's Discussion and Analysis of Financial Condition and Results of Operations.

“The transformation we are undergoing complements and builds upon [long-standing] strengths.”



APPLICATIONS PICTURED

health & beauty products, digital murals, filtration, tire cord

produce upholstery at OMNOVA's joint venture facility in Shanghai, China, for the fast-growing Asian automotive market.

Additional examples of our extension into related markets with exciting potential include:

- **viewnique®** digitally printed full wall graphics – These custom, one-of-a-kind murals enhance a unique visitor experience and promote strong branding in establishments such as restaurants, fitness centers, retail outlets, office lobbies, and educational or entertainment venues.
- **GenCeal™** latex for ocean natural gas well drilling operations, and for construction – This unique product improves resistance to salt and extremely high temperatures encountered in deep wells in challenging high-growth drilling applications. **GenCeal** latex is also being used in construction applications to help improve water resistance of exterior sheathing.
- **PolyFox™** fluorosurfactants – Excellent flow and leveling characteristics and environmental preferability provide advantages in the manufacture of construction materials, electronics and industrial coatings, floor care and household cleaning products.
- **Lytron®** opacifiers for health and beauty products – Originally developed for the paper industry, this technology has found a home in consumer health and beauty product applications where a luxuriously creamy, opaque product is desired.
- Geomembranes and waterproofing membranes – Our **GenFlex®** single-ply roofing technology is being extended into applications for above-ground and below-surface protection of structures and containment systems.

RETHINK: GLOBAL POSITION

If you thought OMNOVA Solutions was exclusively a domestic company, think again. Not including the sales of our two Asian joint ventures, sales outside the United States were about \$100 million in 2005. In total, our unconsolidated China and Thailand joint ventures in Decorative Products set record sales in 2005 of approximately \$81 million, up \$29 million from 2003. Though we do not consolidate the joint venture sales in our financial statements, this revenue improvement made a positive contribution to our reported operating profit. Total international sales in our Performance Chemicals business increased 52% in 2005, with 28%

of that related to increased volume, primarily driven by latex growth in nonwovens in Europe and tire cord adhesives in Asia.

Our Decorative Products joint ventures in Asia serve local and multinational customers in this fast-growing region in addition to providing targeted low-cost supply capabilities for product imports to North America and Europe. We made significant strides in 2005 to integrate these joint ventures into our core businesses and improve their overall capabilities and quality systems.

During the summer, Performance Chemicals expanded its Asia Pacific presence with the opening of an office in Shanghai, China. We are beginning to actively market and promote our portfolio of specialty chemicals in targeted applications in the region while seeking potential local supply sources for our products. This is an excellent market for our tire cord adhesives, tape release systems, **PolyFox** fluorosurfactants and textile chemicals.

While Asian markets offer substantial potential for future growth, most of the increase in our international chemical sales in 2005 resulted from the continued outstanding work of our Performance Chemicals team in Europe to find exciting opportunities to leverage our technology for growth in that part of the world. Two-thousand-five marked the sixth consecutive year of chemical sales growth in Europe, up 47% over 2004. We look forward to expanding on the solid foundation we have built both in Asia and in Europe to achieve our future growth objectives.

Our Building Products business unit, too, is aggressively pursuing new business for our commercial roofing products outside the United States. In 2005, we delivered systems to South Korea, Turkey and Mexico and established distribution relationships in Western Europe, Singapore and the Middle East.

RETHINK: RAW MATERIALS AND SOURCING

As we all know, the impact of rising energy and raw material prices is a major concern. Raw material inflation in our business has been unrelenting in the last several years. We have seen the price of oil move from under \$20 a barrel in 2002 to a high of over \$70 a barrel in 2005. During that same period, OMNOVA's raw material costs rose approximately \$160 million. Again in 2005, we saw new record-high costs in many of our oil-based raw materials, totaling \$83 million in increases for the year.

We have taken many actions to reduce our operating costs to protect our customers from the full brunt of these unprecedented increases. However, with this prolonged inflation, pricing actions were an absolute must for our business and we have worked closely with our customers to communicate the rationale and timing of these increases. While profit margins are still not at levels we ultimately expect them to be, through productivity and cost actions and our pricing efforts, we did make progress in expanding what had been unacceptably low margins.

Our Strategic Sourcing organization continues to extend its reach, identifying new global supply sources and developing innovative relationships with our key suppliers. If the raw material situation wasn't challenging enough, hurricanes in the Gulf of Mexico in the fourth quarter put increased pressure on already tight North American petrochemical supplies. However, our team was able to keep materials flowing into and out of our facilities without any disruption to customers. This situation demonstrated OMNOVA Solutions' long-standing commitment to meet our customers' needs, even under the most difficult of circumstances.

RETHINK: OPERATIONAL EXCELLENCE

We are successfully transforming into a leaner, nimbler company through our hard work to significantly reduce our cost structure and respond to the realities of the markets we serve. We have taken action on a number of fronts, including reducing our workforce by approximately 10% over the past year and 33% since our spin-off from GenCorp in 1999. While productivity and "operating lean" will always be among our top priorities, during 2005 we made some critical investments in our capabilities, business processes and infrastructure that will better enable us to drive future growth.

Our implementation of an SAP enterprise resource management system was a significant achievement that will help in the standardization and streamlining of key processes in our Performance Chemicals business. We have all seen the headlines about companies that have struggled in implementing new enterprise business systems, but thanks to our disciplined approach, an appropriate balance of internal and external resources and great teamwork, we completed the project on time, on budget, on target for delivering key business benefits and, most importantly, without disruption to our customers.

Our LEAN SixSigma operating approach continues to gain momentum across the Company. LEAN SixSigma, which is focused on eliminating waste and optimizing processes, has helped us deliver faster inventory turns, lowered our capital expenditures due to improved cycle times, and contributed to OMNOVA's success in reducing debt. More than 400 of our associates were involved in Kaizen events in 2005. These events are an important LEAN tool to engage associates that are closest to the work – and who therefore have the deepest insights into the processes – to make rapid improvements that achieve sustainable, positive change.

RETHINK: OMNOVA

OMNOVA Solutions has long-standing strengths, including a leading position in most of the market categories we serve, a broad portfolio of innovative products and services, a seasoned,

independent Board of Directors, a strong management team, and a never-ending focus on increasing shareholder value. The transformation we are undergoing complements and builds upon those strengths, offering a unique opportunity to investors.

Intense market and economic pressures have made the past few years very challenging and required us to rethink our opportunities. Through targeted investment in capability building, we are seeing a significant increase in the active involvement of our associates to implement changes that will elevate our competitive position and drive continuous improvement in all aspects of our business. We are fortunate to have people who dare to believe that a fresh outlook, a firm commitment, and effective planning and execution will continue to transform our Company.

Our focus in 2006 will be profitable growth and margin expansion to demonstrate the sustainability of our much-improved Company and provide a positive return to shareholders. We will accomplish this by leveraging the changes we have already made, gaining share through investments in value-added products and services, further extending our reach in traditional and new markets by better articulating that value to our customers, expanding our global presence and evaluating selective acquisitions made possible by our improved balance sheet.

Thank you for your continued support of OMNOVA Solutions. These are exciting times. We are moving forward with a renewed sense of confidence as we challenge ourselves, our customers and our shareholders to RETHINK the company we are and can become.



Kevin M. McMullen
Chairman and CEO



directors&officers

BOARD OF DIRECTORS

Edward P. Campbell²
Chairman and
Chief Executive Officer,
Nordson Corporation

David A. Daberko^{2,3}
Chairman and
Chief Executive Officer,
National City Corporation

David J. D'Antoni¹
Retired Senior Vice President
and Group Operating Officer,
Ashland Inc.

Diane E. McGarry¹
Retired Chief Marketing Officer,
Xerox Corporation

Kevin M. McMullen³
Chairman, Chief Executive Officer
and President,
OMNOVA Solutions Inc.

Steven W. Percy¹
Former Chairman and
Chief Executive Officer,
BP America Inc.

Dr. R. Byron Pipes^{2,3}
John L. Bray Distinguished
Professor of Engineering,
Purdue University

William R. Seelbach²
President and Chief Executive Officer,
Ohio Aerospace Institute

COMMITTEES

- 1 Audit Committee
Chairman:
Steven W. Percy
- 2 Compensation and Corporate
Governance Committee
Chairman:
David A. Daberko
- 3 Executive Committee
Chairman:
Kevin M. McMullen

EXECUTIVE OFFICERS

Kevin M. McMullen
Chairman, Chief Executive Officer
and President

Michael E. Hicks
Senior Vice President and
Chief Financial Officer; Treasurer

James C. LeMay
Senior Vice President, Business
Development; General Counsel

Gregory T. Troy
Senior Vice President,
Human Resources

Douglas E. Wenger
Senior Vice President and
Chief Information Officer

James J. Hohman
Vice President; President,
Performance Chemicals

Robert H. Coleman
President, Decorative Products

Harold P. Franze
President, Building Products

Sandra L. Klaasse
Vice President, LEAN SixSigma

FRONT ROW L-R:
James LeMay
Kevin McMullen
Michael Hicks

BACK ROW L-R:
Robert Coleman
Harold Franze
Gregory Troy
Sandra Klaasse
James Hohman
Douglas Wenger



corporate information

SHAREHOLDER INFORMATION

NYSE Annual CEO Certification

The annual CEO certification required by Section 303A.12(a) of the New York Stock Exchange Listed Company Manual was submitted by Kevin M. McMullen without qualification on April 21, 2005.

Transfer Agent and Registrar

The Bank of New York
1-800-524-4458
1-610-382-7833 (outside U.S.)
1-888-269-5221 (hearing impaired – TDD phone)
Shareowners@bankofny.com (Email)
www.stockbny.com (stock transfer website)

Send shareholder inquiries to:

The Bank of New York
Shareholder Relations Department 11-E
P.O. Box 11258
Church Street Station
New York, NY 10286

Send certificates for transfer and address changes to:

The Bank of New York
Receive and Deliver Department 11-W
P.O. Box 11002
Church Street Station
New York, NY 10286

BuyDIRECT

(A direct purchase, sale and dividend reinvestment plan) BuyDIRECT is available to shareholders and interested first-time investors and offers a convenient method of increasing investment in the Company. All brokerage commissions and bank service fees incurred on behalf of the participants in connection with stock purchases and dividend reinvestments are paid by the Company. Subject to terms and conditions of the plan, dividends, together with optional cash investments of up to \$120,000 per year, are used to buy more shares of the Company's Common Stock.

BuyDIRECT Contact:
The Bank of New York
Dividend Reinvestment Department
P.O. Box 1958
Newark, NJ 07101-9774
1-800-524-4458

Common Stock Listing

New York Stock Exchange
Ticker Symbol: OMN

Annual Meeting of Shareholders

March 23, 2006 at 9:00 a.m.
Hilton Akron – Fairlawn
3180 West Market Street
Fairlawn, OH 44333

Independent Registered Public Accounting Firm

Ernst & Young LLP
Akron, OH

Form 10-K

Additional copies available after March 1, 2006 on the internet at www.omnova.com or by writing to:
OMNOVA Solutions Inc.
175 Ghent Road
Fairlawn, OH 44333-3300
Attention: Secretary

Shareholder Services

1-800-735-5160

Investor Relations Contact

Michael E. Hicks
Senior Vice President and
Chief Financial Officer; Treasurer
330-869-4411

OMNOVA Solutions Foundation

175 Ghent Road
Fairlawn, OH 44333-3300
330-869-4289

Communications

General inquiries, contact:
Corporate Communications,
330-869-4271.
Financial literature requests,
contact: World Investor Link,
1-888-400-7789.

Internet Website

www.omnova.com

OMNOVA Solutions is an equal opportunity employer.



OMNOVA enhanced its sales and marketing efforts with the launch of a new website in 2005. It features an interactive Design Center that allows customers to browse thousands of decorative products, create project folders and order samples online. The site also includes an expanded section for investors.

PAPER STOCK: The cover and inside glossy pages of this report are printed on paper coated with GenFlo® latex.

PHOTOS: Automotive upholstery photo courtesy of Distinctive Industries Inc. • Marine upholstery photo courtesy of Stingray Boats • Cover photo shot at BIE – Business Interiors and Environments, Inc., Cleveland, Ohio.

DIGITAL MURAL ON PAGE 4: Design by Becky Wagley, of Wagley Design

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