

BARNES GROUP INC
Form 424B3
January 27, 2006
Table of Contents

PROSPECTUS SUPPLEMENT NO. 1
(To Prospectus dated December 23, 2005)

Filed Pursuant to Rule 424(b)(3)
Registration No. 333-129079

\$100,000,000

Barnes Group Inc.

3.75% CONVERTIBLE SENIOR SUBORDINATED NOTES DUE 2025 AND SHARES OF COMMON STOCK ISSUABLE UPON CONVERSION THEREOF

The Notes and Common Stock

On August 1, 2005, we issued and sold \$100,000,000 aggregate principal amount of our 3.75% Convertible Senior Subordinated Notes due 2025 in a private offering.

Interest on the notes is payable on February 1 and August 1 of each year, beginning February 1, 2006.

The notes mature on August 1, 2025 unless earlier converted, redeemed or repurchased.

The selling security holders identified in this prospectus will use this prospectus to resell the notes and the underlying shares of our common stock issuable upon conversion of the notes. If required, we will set forth the names of any other selling security holders in a prospectus supplement or post-effective amendment, as appropriate, to the registration statement of which this prospectus is a part.

We will not receive any proceeds from the sale of the notes or shares of common stock issuable upon conversion of the notes by any of the selling security holders. The notes and the shares of common stock may be offered in negotiated transactions or otherwise, at market prices prevailing at the time of sale or at negotiated prices. In addition, shares of our common stock may be offered from time to time through ordinary brokerage transactions on the New York Stock Exchange. See Plan of Distribution.

Conversion Notes

Holders may convert the notes into shares of our common stock at a conversion rate of 23.7029 shares per \$1,000 principal amount of notes, subject to adjustment, before the close of business on July 31, 2025 under the following circumstances:

- 1.

Edgar Filing: BARNES GROUP INC - Form 424B3

during any fiscal quarter commencing after September 30, 2005, if the closing sale price of our common stock exceeds 130% of the conversion price for at least 20 trading days in the 30 consecutive trading days ending on the last trading day of the preceding fiscal quarter;

2. prior to August 1, 2024, during the five business day period after any five consecutive trading day period, or measurement period, in which the trading price per \$1,000 principal amount of notes for each day of such measurement period was less than 98% of the product of the closing price of our common stock and the applicable conversion rate for the notes;
3. if the notes have been called for redemption and the redemption has not yet occurred; or
4. upon the occurrence of certain corporate transactions.

Redemption and Repurchase of the Notes

Prior to February 7, 2011, the notes will not be redeemable. On or after February 7, 2011, we may, at our option, redeem some or all of the notes in cash, at any time, upon at least 30 days' notice at a price equal to 100% of the principal amount of the notes being redeemed plus accrued and unpaid interest, including contingent interest and additional amounts, if any, up to but not including the date of redemption.

Holders may require us to repurchase for cash all or a portion of the notes on February 1, 2011, February 1, 2016 and February 1, 2021 at a repurchase price equal to 100% of the principal amount of the notes to be repurchased plus accrued and unpaid interest, including contingent interest and additional amounts, if any, up to but not including, the date of repurchase.

Ranking of the Notes

The notes are our direct, unsecured senior subordinated debt obligations and rank junior in right of payment with all of our existing and future senior indebtedness and equal in right of payment with any other future senior subordinated indebtedness. The notes effectively rank junior in right of payment to the existing and future indebtedness and other liabilities of our subsidiaries, including trade payables.

Listing

The notes issued in the initial private offering are eligible for trading in the Private Offerings, Resales and Trading through Automatic Linkages Market, commonly referred to as the PORTAL Market, of The National Association of Securities Dealers, Inc. However, the notes sold using this prospectus will no longer be eligible for trading in the PORTAL system. We do not intend to list the notes for trading on any automated interdealer quotation system or national securities exchange.

Our common stock is traded on the New York Stock Exchange under the symbol "B". On January 26, 2006, the reported last sale price of our common stock on the New York Stock Exchange was \$37.74 per share.

This prospectus supplement, which supplements Barnes Group Inc.'s prospectus dated December 23, 2005, relates to resales by selling security holders of \$100,000,000 in aggregate principal amount of Barnes Group Inc.'s 3.75% Convertible Senior Subordinated Notes Due 2025 and the shares of Barnes Group Inc. common stock issuable upon conversion of the notes. You should read this prospectus supplement in conjunction with the accompanying prospectus and the information incorporated by reference which is filed from time to time by Barnes Group Inc. with the Securities and Exchange Commission

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

Investing in our securities involves risks. See Risk Factors beginning on page 12 of the accompanying prospectus and information incorporated by reference to filings made by Barnes Group Inc. with the Securities and Exchange Commission.

The date of this prospectus supplement is January 27, 2006.

Table of Contents**TABLE OF CONTENTS**

	Page
PROSPECTUS SUPPLEMENT	
<u>IMPORTANT NOTICE TO READERS</u>	S-1
<u>SELLING SECURITY HOLDERS</u>	S-2
PROSPECTUS	
IMPORTANT NOTICE TO READERS	i
FORWARD-LOOKING STATEMENTS	ii
INDUSTRY AND MARKET DATA	ii
INCORPORATION OF DOCUMENTS FILED WITH THE SEC	iii
PROSPECTUS SUMMARY	1
RISK FACTORS	12
USE OF PROCEEDS	27
PRICE RANGE OF COMMON STOCK	27
DIVIDEND POLICY	27
CAPITALIZATION	28
SELECTED HISTORICAL CONSOLIDATED FINANCIAL INFORMATION	29
DESCRIPTION OF NOTES	31
DESCRIPTION OF CAPITAL STOCK	60
DESCRIPTION OF CERTAIN INDEBTEDNESS	64
CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS	68
SELLING SECURITY HOLDERS	75
PLAN OF DISTRIBUTION	82
VALIDITY OF SECURITIES	85
EXPERTS	85
INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM	85
WHERE YOU CAN FIND MORE INFORMATION	85

IMPORTANT NOTICE TO READERS

This prospectus supplement, dated January 27, 2006, amends and supplements the accompanying prospectus dated December 23, 2005, which is a part of a registration statement (No. 333-129079) we filed with the Securities and Exchange Commission, or SEC, using a shelf registration process. Under this shelf registration process, the selling security holders may, from time to time, offer notes or shares of our common stock issued upon conversion of the notes owned by them. Each time the selling security holders offer notes or common stock under this prospectus, they are required to provide to potential investors a copy of the prospectus and a copy of any prospectus supplements. You should read both the prospectus and all prospectus supplements, together with the information incorporated by reference in the accompanying prospectus. See **Where You Can Find More Information** in the accompanying prospectus for more information.

You should rely only on the information contained in or incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not authorized anyone to provide you with information different from the information contained in or incorporated by reference in this prospectus supplement and the accompanying prospectus. This document may be used only in jurisdictions where offers and sales of these securities are permitted. You should not assume that information contained in this prospectus supplement or the accompanying prospectus or in any document incorporated by reference is accurate as of any date other than the date of the document that contains the information, regardless of when this prospectus supplement and the accompanying prospectus is delivered or when any sale of our securities occurs.

S-1

Table of Contents

This prospectus supplement identifies one or more additional selling securities holders in accordance with the rules of the Securities and Exchange Commission. Except as amended by this prospectus supplement or by information incorporated by reference, you should refer to the accompanying prospectus for a description of the notes and our common stock and other information about us and our securities. We use certain terms in this prospectus supplement with the meaning given to them in the accompanying prospectus.

Our principal executive offices are located at 123 Main Street, Bristol, Connecticut 06010. Our telephone number is (860) 583-7070. Our common stock is listed on the New York Stock Exchange under the symbol B. We maintain a website at www.barnesgroupinc.com, however, the information on our website is not part of this prospectus, and you should only rely on the information contained in this prospectus and in the documents incorporated by reference into this prospectus when making a decision as to whether to invest or not to invest in our securities.

SELLING SECURITY HOLDERS

The information set forth in the following table hereby supercedes the table appearing under the heading Selling Security Holders in the accompanying prospectus and the information in the paragraph following the footnotes to the table supplements the Selling Security Holders section of the accompanying prospectus. The information regarding the selling security holders listed below was furnished to us by such selling security holders on or before January 26, 2006.

Name of Beneficial Owner(1)	Principal Amount Of Notes Beneficially Owned and Offered	Percentage of Notes Outstanding	Shares of Common Stock Beneficially Owned Prior to the Offering(2)	Conversion Shares of Common Stock Offered(3)	Common Stock Beneficially Owned Upon Completion of the Offering	
					Number of Shares of Common Stock	Percentage of Shares of Common Stock Outstanding(4)
Citadel Equity Fund Ltd(5)	\$ 22,500,000	22.50%		533,315		
Banc of America Securities LLC(6)	9,650,000	9.65%		228,732		
Vicis Capital Master Fund(7)	5,500,000	5.50%		130,365		
Argent Classic Convertible Arbitrage Fund (Bermuda) Ltd.(8)	5,360,000	5.36%		127,047		
Zazove Convertible Arbitrage Fund, L.P.(9)	4,000,000	4.00%		94,811		
Lord Abbett Investment Trust LA Convertible Fund(10)	3,755,000	3.76%		89,004		
KBC Financial Products USA Inc.(11)	3,651,000	3.65%		86,539		
BNP Paribas Equity Strategies, SNC(12)	3,165,000	3.17%	147	75,019	147	*
Highbridge International LLC(13)	3,135,000	3.14%		74,308		

Table of Contents

Ellington Overseas Partners, Ltd.(14)	3,000,000	3.00%	71,108
ATSF Transamerica Convertible Securities (15)	2,700,000	2.70%	63,997
Silvercreek Limited Partnership(16)	2,660,000	2.66%	63,049
Wachovia Securities International Ltd.(17)	2,500,000	2.50%	59,257
Silvercreek II Limited(16)	2,072,000	2.07%	49,112
Calamos Market Neutral Fund Calamos Investment Trust(18)	2,000,000	2.00%	47,405
Zazove Hedged Convertible Fund, L.P.(9)	2,000,000	2.00%	47,405
Basso Holdings Ltd.(19)	1,935,000	1.94%	45,865
Argent LowLev Convertible Arbitrage Fund (Bermuda) Ltd.(8)	1,640,000	1.64%	38,872
Institutional Benchmark Series (Master Feeder) Ltd.(9)	1,200,000	1.20%	28,443
Boilermakers Blacksmith Pension Trust(20)	1,115,000	1.15%	26,428
Basso Fund Ltd.(19)	1,094,000	1.09%	25,930
Delaware PERS(19)	1,025,000	1.03%	24,295
McMahan Securities Co., L.P.(21)	1,000,000	1.00%	23,702
Quest Investment Management(22)	1,000,000	1.00%	23,702
Commissioners of the Land Office(10)	970,000	*	22,991
CooperNeff Convertible Strategies (Cayman) Master Fund, L.P.(12)	955,000	*	22,636
Fore Convertible Master Fund, LP(23)	940,000	*	22,280
Basso Multi-Strategy Holdings Fund Ltd.(19)	921,000	*	21,830
HFR CA Select Fund(9)	800,000	*	18,962
Argent Classic Convertible Arbitrage Fund L.P.(24)	780,000	*	18,488
JMG Triton Offshore Fund, Ltd.(25)	600,000	*	14,221
Intl. Truck & Engine Corp. Non-Contributory Retirement Plan Trust(10)	590,000	*	13,984
Pebble Limited Partnership(16)	560,000	*	13,273
Philadelphia Board of Pensions(10)	500,000	*	11,851
Pension, Hospitalization Benefit Plan of the Electrical Ind Plan(10)	450,000	*	10,666
Intl Truck & Engine Corp. Retirement Plan for Salaried Employees Trust(10)	430,000	*	10,192
National Fuel & Gas Company Retirement Plan(10)	425,000	*	10,073
Sturgeon Limited (12)	415,000	*	9,836
ICI American Holdings Trust(20)	390,000	*	9,244
Xavex Convertible Arbitrage 10 Fund (24)	390,000	*	9,244
Lyxor Master Fund Ref: Argent/LowLev CB c/o Argent (24)	360,000	*	8,533
Man Mac I, Ltd.(26)	337,000	*	7,987
FPL Group Employee Pension Plan (120)	305,000	*	7,229
Syngenta AG(20)	280,000	*	6,636
Argent LowLev Convertible Arbitrage Fund, LLC(24)	270,000	*	6,399
Singlehedge US Convertible Arbitrage Fund(12)	235,000	*	5,570
Total Fina Elf Finance USA, Inc.(10)	235,000	*	5,570
Lyxor/Convertible Arbitrage Fund Limited(12)	230,000	*	5,451
Silver Convertible Arbitrage Fund, LDC(24)	230,000	*	5,451
Delta Airlines Master Trust(20)	225,000	*	5,333
Argent Classic Convertible Arbitrage Fund II, L.P.(24)	200,000	*	4,740
Vermont Mutual Insurance Company(10)	200,000	*	4,740
HFR CA Global Select Master Trust Account(24)	160,000	*	3,792