SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)
(X) QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2000

OR

( ) TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ________to_______

Commission file number 1-12139

SEALED AIR CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	65-0654331
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification Number)

Park 80 East Saddle Brook, New Jersey	07663-5291
(Address of Principal Executive Offices)	(Zip Code)

Registrant's telephone number, including area code (201) 791-7600

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
YES X NO

There were 83,760,124 shares of the registrant's common stock, par value $0.10 per share, and 32,213,335 shares of the registrant's Series A convertible preferred stock, par value $0.10 per share, outstanding as of July 31, 2000.

PART I
FINANCIAL INFORMATION

SEALED AIR CORPORATION AND SUBSIDIARIES
Consolidated Statements of Earnings
For the Three and Six Months Ended June 30, 2000 and 1999
(In thousands of dollars except per share data)
(Unaudited)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2000	1999	2000	1999
Net sales	$731,542	$695,121	$1,448,130	$1,374,058
Cost of sales	477,569	441,541	936,168	874,780
Gross profit	253,973	253,580	511,962	499,278
Marketing, administrative and development expenses	129,226	131,969	258,984	260,583
Goodwill amortization	12,381	12,331	24,691	24,582
Operating profit	112,366	109,280	228,287	214,113
Other income (expense):				
Interest expense	(13,923)	(14,738)	(27,011)	(29,457)
Other, net	329	1,143	(1,617)	(1,021)
Other expense, net	(13,594)	(13,595)	(28,628)	(30,478)
Earnings before income taxes	98,772	95,685	199,659	183,635
Income taxes	44,941	44,493	90,845	85,829
Net earnings	$ 53,831	$ 51,192	$ 108,814	$ 97,806
Less: Series A preferred stock dividends	17,002	17,879	34,099	35,789
Add: Excess of book value over repurchase price of Series A preferred stock	32	29	2,811	39
Net earnings ascribed to common shareholders	$ 36,861	$ 33,342	$ 77,526	$ 62,056
Earnings per common share (See Note 3):				
Basic	$ 0.44	$ 0.40	$ 0.93	$ 0.74
Diluted	$ 0.44	$ 0.40	$ 0.89	$ 0.74
Weighted average number of common shares outstanding(000):				
Basic	83,674	83,626	83,651	83,505
Diluted	83,831	83,758	84,134	83,637

See accompanying notes to consolidated financial statements.

SEALED AIR CORPORATION AND SUBSIDIARIES
Consolidated Balance Sheets
June 30, 2000 and December 31, 1999
(In thousands of dollars except share data)

	June 30, 2000 (Unaudited)	December 31, 1999
ASSETS		
Current assets:		
Cash and cash equivalents	$ 18,766	$ 13,672
Notes and accounts receivable, net of allowances for doubtful accounts of $19,838 in 2000 and $21,396 in 1999	483,415	470,046
Inventories	272,291	245,934
Other current assets	74,358	73,572
Total current assets	848,830	803,224
Property and equipment:		
Land and buildings	423,446	426,460
Machinery and equipment	1,350,264	1,364,454
Other property and equipment	109,914	115,111
Construction in progress	69,263	40,106
	1,952,887	1,946,131
Less accumulated depreciation and amortization	957,297	922,722
Property and equipment, net	995,590	1,023,409
Goodwill, less accumulated amortization of $108,144 in 2000 and $84,699 in 1999	1,843,946	1,859,958
Other assets	176,712	168,642
Total assets	$3,865,078	$3,855,233

See accompanying notes to consolidated financial statements.

SEALED AIR CORPORATION AND SUBSIDIARIES
Consolidated Balance Sheets
June 30, 2000 and December 31, 1999 (Continued)
(In thousands of dollars except share data)

	June 30, 2000 (Unaudited)	December 31, 1999
LIABILITIES, CONVERTIBLE PREFERRED STOCK & SHAREHOLDERS' EQUITY		
Current Liabilities:		
Short-term borrowings	$ 143,360	$ 152,653
Current portion of long-term debt	6,083	6,908
Accounts payable	159,305	175,166
Other current liabilities	198,858	216,487
Income taxes payable	43,252	30,880
Total current liabilities	550,858	582,094
Long-term debt, less current portion	690,275	665,116
Deferred income taxes	209,610	214,906
Other liabilities	79,138	80,425
Total liabilities	1,529,881	1,542,541
Authorized 50,000,000 preferred shares. Series A convertible preferred stock, $50.00 per share redemption value, authorized 36,021,851 shares in 2000 and 1999, issued 36,014,699 shares in 2000 and 36,015,645 shares in 1999, including 2,046,364 shares in 2000 and 782,400 shares in 1999 in treasury, mandatory redemption in 2018	1,698,417	1,761,662
Shareholders' equity:		
Common stock, $.10 par value. Authorized 400,000,000 shares, issued 84,196,613 shares in 2000 and 84,135,255 shares in 1999	8,419	8,413
Additional paid-in capital	638,864	632,230
Retained earnings	206,788	132,073
Accumulated translation adjustment	(175,102)	(171,521)
	678,969	601,195
Less: Deferred compensation	16,690	24,511
Less: Cost of treasury common stock, 517,396 shares in 2000 and 535,356 shares in 1999	23,497	23,652
Less: Minimum pension liability	2,002	2,002
Total shareholders' equity	636,780	551,030
Total liabilities, preferred stock and shareholders' equity	$ 3,865,078	$ 3,855,233

See accompanying notes to consolidated financial statements.

SEALED AIR CORPORATION AND SUBSIDIARIES
Consolidated Statements of Cash Flows
For the Six Months Ended June 30, 2000 and 1999
(In thousands of dollars)
(Unaudited)

	2000	1999
Cash flows from operating activities:		
Net earnings	$ 108,814	$ 97,806
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	109,289	111,946
Amortization of bond discount	161	19
Deferred tax benefit	(175)	(2,162)
Net loss on disposals of fixed assets	113	105
Changes in operating assets and liabilities, net of businesses acquired:		
Notes and accounts receivable	(28,177)	(11,253)
Inventories	(30,708)	(1,031)
Other current assets	(1,746)	(422)
Other assets	(4,348)	(1,542)
Accounts payable	(10,275)	(9,753)
Other current liabilities	10,837	(7,563)
Other liabilities	835	4,317
Net cash provided by operating activities	154,620	180,467
Cash flows from investing activities:		
Capital expenditures for property and equipment	(55,814)	(31,843)
Proceeds from sales of property and equipment	662	2,155
Businesses acquired in purchase transactions, net of cash acquired	(28,342)	(8,905)
Net cash used in investing activities	(83,494)	(38,593)
Cash flows from financing activities:		
Proceeds from long-term debt	182,901	298,175
Payment of long-term debt	(141,426)	(455,053)
Payment of senior debt issuance costs	0	(1,950)
Dividends paid on preferred stock	(34,887)	(35,821)
Purchase of treasury common stock	(15,239)	0
Purchase of treasury preferred stock	(60,387)	(2,836)
Proceeds from stock option exercises	524	1,663
Net (payment of) proceeds from short-term borrowings	(3,511)	69,352
Net cash used in financing activities	(72,025)	(126,470)
Effect of exchange rate changes on cash and cash equivalents	5,993	(363)
Cash and cash equivalents:		
Increase during the period	5,094	15,041
Balance, beginning of period	13,672	44,986
Balance, end of period	$ 18,766	$ 60,027

See accompanying notes to consolidated financial statements.

SEALED AIR CORPORATION AND SUBSIDIARIES
Consolidated Statements of Cash Flows
For the Six Months Ended June 30, 2000 and 1999 (Continued)
(In thousands of dollars)
(Unaudited)

	2000	1999
Supplemental Cash Flow Items:		
Interest payments, net of amounts capitalized	$22,911	$30,135
Income tax payments	$89,016	$85,275
Non-Cash Items:		
Issuance of shares of common stock to the profit-sharing plan	$13,877	$ 8,823

See accompanying notes to consolidated financial statements.

SEALED AIR CORPORATION AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
For the Three and Six Months Ended June 30, 2000 and 1999
(In thousands of dollars)
(Unaudited)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2000	1999	2000	1999
Net Earnings	$ 53,831	$ 51,192	$ 108,814	$ 97,806
Other comprehensive loss:				
Foreign currency translation adjustments	(6,186)	(7,362)	(3,581)	(48,041)
Comprehensive income	$ 47,645	$ 43,830	$ 105,233	$ 49,765

See accompanying notes to consolidated financial statements.

SEALED AIR CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements
June 30, 2000 and 1999
(Amounts in thousands, except per share data)
(Unaudited)

(1) Basis of Consolidation

The consolidated financial statements include the accounts of Sealed Air Corporation and its subsidiaries (the "Company"). All significant intercompany transactions and balances have been eliminated in consolidation. In management's opinion, all adjustments (consisting only of normal recurring accruals) necessary for a fair presentation of the consolidated financial position and results of operations for the three and six months ended June 30, 2000 have been made. The consolidated statement of earnings for the three and six months ended June 30, 2000 is not necessarily indicative of the results to be expected for the full year.

Certain prior period amounts, including segment information, have been reclassified to conform to the current year's presentation.

(2) Equity

The outstanding Series A preferred stock is convertible at any time into approximately 0.885 share of common stock for each share of preferred stock, votes with the common stock on an as-converted basis, pays a cash dividend, as declared by the Board of Directors, at an annual rate of $2.00 per share, payable quarterly in arrears, becomes redeemable at the option of the Company beginning March 31, 2001, subject to certain conditions, and is subject to mandatory redemption on March 31, 2018 at $50 per share, plus any accrued and unpaid dividends. Because it is subject to mandatory redemption, the Series A convertible preferred stock is classified outside of the shareholders' equity section of the consolidated balance sheets.

(3) Earnings Per Common Share

The following table sets forth the reconciliation of the basic and diluted earnings per common share computations for the three and six months ended June 30, 2000 and 1999.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2000	1999	2000	1999
Basic EPS:				
Numerator				
Net earnings	$53,831	$51,192	$108,814	$97,806
Add: Excess of book value over repurchase price of preferred stock	32	29	2,811	39
Less: Preferred stock dividends	17,002	17,879	34,099	35,789
Net earnings ascribed to common shareholders	$36,861	$33,342	$ 77,526	$62,056
Denominator				
Weighted average common shares outstanding - basic	83,674	83,626	83,651	83,505
Basic earnings per common share (1)	$ 0.44	$ 0.40	$ 0.93	$ 0.74

Diluted EPS:

Numerator				
Net earnings ascribed to common shareholders	$36,861	$33,342	$ 77,526	$62,056
Less: Excess of book value over repurchase price of preferred stock	32	29	2,811	39
Add: Dividends associated with repurchased preferred stock	46	0	117	12
Net earnings ascribed to common shareholders	$36,875	$33,313	$ 74,832	$62,029
Denominator				
Weighted average common shares outstanding - basic	83,674	83,626	83,651	83,505
Effect of assumed exercise of stock options	123	132	123	132
Effect of conversion of repurchased preferred stock	34	0	360	0
Weighted average common shares outstanding - diluted	83,831	83,758	84,134	83,637
Diluted earnings per common share (2)	$ 0.44	$ 0.40	$ 0.89	$ 0.74

(1) The basic earnings per common share calculation for the six months ended June 30, 2000 includes a $0.03 per share gain (excess of book value over repurchase price of preferred stock) attributable to the repurchase of preferred stock. Such gain is not included in the calculation of diluted earnings per common share for the three and six months ended June 30, 2000. The gain attributable to the repurchase of preferred stock was not significant in the three months ended June 30, 2000 and the 1999 periods.

(2) For the purpose of calculating diluted earnings per common share, net earnings ascribed to common shareholders have been adjusted to exclude the gain attributable to the repurchase of preferred stock and to add back dividends attributable to such repurchased preferred stock in each period, and the weighted average common shares outstanding have been adjusted to assume conversion of the shares of preferred stock repurchased during each period in accordance with the Financial Accounting Standards Board's Emerging Issues Task Force Topic D-53 guidance.

(4) Inventories

At June 30, 2000 and December 31, 1999, the components of inventories by major classification were as follows:

	June 30, 2000	December 31, 1999
Raw materials	$ 64,433	$ 60,596
Work in process	51,378	43,021
Finished goods	174,748	157,341
Subtotal	290,559	260,958
Reduction of certain inventories to LIFO basis	(18,268)	(15,024)
Total inventories	$ 272,291	$ 245,934

(5) Income Taxes

The Company's effective income tax rates were 45.5% and 46.5% for the second quarters of 2000 and 1999, respectively, and 45.5% and 46.7% for the first six months of 2000 and 1999, respectively. Such rates were higher than the statutory U.S. federal income tax rate primarily due to the non-deductibility for tax purposes of goodwill amortization and state income taxes.

(6) Long-Term Debt

At June 30, 2000 and December 31, 1999, debt consisted primarily of borrowings that were made under the Credit Agreements described below, the 10-year 6.95% senior notes due May 2009 (the "Senior Notes"), the 7-year 5.625% euro notes due July 2006 (the "Euro Notes") and certain other loans.

The Company's two principal credit agreements (as amended, the "Credit Agreements") are a 5-year revolving credit facility that expires on March 30, 2003 (included in long-term debt) and a 364-day revolving credit facility that expires on March 26, 2001 (included in short-term borrowings). The Company can borrow up to $900,000 in the aggregate under the Credit Agreements. As of June 30, 2000 and December 31, 1999, outstanding borrowings were $200,432 and $160,978, respectively, under the 5-year revolving credit facility and $12,953 and $38,342, respectively, under the 364-day revolving credit facility. The Credit Agreements provide that the Company and certain of its subsidiaries may borrow for various purposes, including the refinancing of existing debt, the provision of working capital and other general corporate needs, including acquisitions and capital expenditures. Amounts repaid under the Credit Agreements may be reborrowed from time to time. As of June 30, 2000, facility fees were payable on the total amounts available under the Credit Agreements and amounted to 0.095% and 0.100% per annum under the 5-year revolving credit facility and the 364-day revolving credit facility, respectively.

The Company's obligations under the Credit Agreements bear interest at floating rates. The weighted average interest rate under the Credit Agreements was approximately 6.5% at June 30, 2000 and 6.0% at December 31, 1999. The Company had certain interest rate and currency swaps outstanding at June 30, 2000 and December 31, 1999, related to its obligations under the Credit Agreements. These agreements had the effect of adjusting the interest rates on a portion of such debt. The weighted average interest rate at June 30, 2000 and December 31, 1999 did not change significantly as a result of these derivative financial instruments.

At June 30, 2000, the Company was party to interest rate swaps with an aggregate notional amount of approximately $147,250 with various expiration dates through November 2004 compared to forward-starting interest rate swaps with an aggregate notional amount of approximately $151,000 with various expiration dates through November 2004 at December 31, 1999. The interest rate swaps outstanding as of June 30, 2000 and December 31, 1999 had the effect of converting a portion of the Company's fixed rate debt to variable rate debt at U.S. dollar-denominated rates which ranged from 7.0% to 7.3% at June 30, 2000 and 6.2% to 6.5% at December 31, 1999, and euro-denominated rates which ranged from 4.3% to 5.0% at June 30, 2000 and 3.8% to 4.4% at December 31, 1999.

The Credit Agreements provide for changes in borrowing margins based on financial criteria and the Company's senior unsecured debt ratings. The Credit Agreements, Senior Notes and Euro Notes impose certain limitations on the operations of the Company and certain of its subsidiaries. The Company was in compliance with these requirements as of June 30, 2000.

(7) Restructuring and Other Charges

The Company's restructuring reserve, which arose primarily out of a restructuring undertaken by the Company during the third quarter of 1998, amounted to $2,601 at June 30, 2000 and $4,996 at December 31, 1999. The components of the restructuring charges, spending and other activity through June 30, 2000 and the remaining reserve balance at June 30, 2000 were as follows:

	Employee Termination Costs	Plant/Office Closures	Contract Termination Costs	Total
Restructuring provision recorded in 1998	$ 39,848	$ 2,291	$ 1,150	$ 43,289
Payments during 1998	(14,486)	(729)	(1,150)	(16,365)
Restructuring reserve at December 31, 1998	25,362	1,562	-	26,924
Payments during 1999	(21,392)	(536)	-	(21,928)
Restructuring reserve at December 31, 1999	3,970	1,026	-	4,996
Payments during 2000	(2,121)	(274)	-	(2,395)
Restructuring reserve at June 30, 2000	$ 1,849	$ 752	$ -	$ 2,601

The cash outlays include primarily severance and other personnel-related costs, costs of terminating leases, and facilities and equipment disposition costs. As of September 30, 1998, in connection with the restructuring, the Company planned to eliminate approximately 750 positions or approximately 5% of its workforce, of which 746 positions had been eliminated as of June 30, 2000. All restructuring actions were substantially completed as of June 30, 2000. The remaining reserves of $2,601 are related principally to outstanding employee severances and lease termination costs that are expected to be completed during 2000 and to a limited extent in later years.

(8) Business Segment Information

The Company operates in two reportable business segments: (i) Food Packaging and (ii) Protective and Specialty Packaging. The Food Packaging segment comprises primarily the Company's Cryovac(R) food products. The Protective and Specialty Packaging segment includes the aggregation of the Company's packaging products, engineered products and specialty products, all of which products are principally for non-food applications.

The Food Packaging segment includes flexible materials and related systems (shrink film products, laminated films and packaging systems marketed primarily under the Cryovac(R) trademark for a broad range of perishable foods). This segment also includes rigid packaging and absorbent pads (absorbent pads used for the packaging of meat, fish and poultry, foam trays for supermarkets and food processors, and rigid plastic containers for dairy and other food products).

The Protective and Specialty Packaging segment includes cushioning and surface protection products (including air cellular cushioning materials, films for non-food applications, polyurethane foam packaging systems sold under the Instapak(R) trademark, polyethylene foam sheets and planks, a comprehensive line of protective and durable mailers and bags, certain paper-based protective packaging materials, suspension and retention packaging, and packaging systems) and other products (principally specialty adhesive products).

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2000	1999	2000	1999
Net sales				
Food Packaging	$ 439,298	$ 425,868	$ 868,699	$ 845,561
Protective and Specialty Packaging	292,244	269,253	579,431	528,497
Total segments	$ 731,542	$ 695,121	$ 1,448,130	$ 1,374,058
Operating profit				
Food Packaging	$ 71,176	$ 72,146	$ 140,561	$ 139,028
Protective and Specialty Packaging	58,991	57,275	122,073	111,285
Total segments	130,167	129,421	262,634	250,313
Corporate operating expenses(1)	(17,801)	(20,141)	(34,347)	(36,200)
Total	$ 112,366	$ 109,280	$ 228,287	$ 214,113
Depreciation and amortization				
Food Packaging	$ 26,884	$ 26,843	$ 54,501	$ 54,743
Protective and Specialty Packaging	14,736	15,869	29,677	31,457
Total segments	41,620	42,712	84,178	86,200
Corporate (including goodwill amortization)	12,578	13,447	25,111	25,746
Total	$ 54,198	$ 56,159	$ 109,289	$ 111,946

(1) Includes goodwill amortization of $12,381 and $12,331 for the three months ended June 30, 2000 and 1999, respectively, and $24,691 and $24,582 for the six months ended June 30, 2000 and 1999, respectively.

(9) Acquisitions

During the first six months of 2000, the Company made several small acquisitions. These transactions, which were effected in exchange for cash in the aggregate amount of approximately $28,000, were accounted for as purchases and were not material to the Company's consolidated financial statements.

On June 28, 2000, the Company and Dolphin Packaging PLC ("Dolphin"), a publicly traded U.K. company, announced a cash takeover offer by the Company's U.K. subsidiary for all of the outstanding shares of Dolphin at a price of (pound)3.30 per share, amounting to approximately $118,000 in the aggregate at the then current exchange rates. On August 2, 2000, the Company acquired more than 96% of Dolphin's outstanding shares pursuant to this offer. The Company expects to acquire the balance of the shares prior to the end of the third quarter of 2000 on the same terms. This transaction is not material to the Company's consolidated financial statements.

Management's Discussion and Analysis of Results of Operations and Financial Condition

Net sales for the second quarter of 2000 increased 5% to $731,542,000 compared with $695,121,000 for the second quarter of 1999. For the six-month period, the Company's net sales increased 5% to $1,448,130,000 compared with net sales of $1,374,058,000 in the 1999 period. The increases in net sales in both periods were primarily due to higher unit volume and, to a lesser extent, higher average selling prices for certain of the Company's products and the added net sales of several small acquired businesses, partially offset by the negative effect of foreign currency translation.

The Company's net sales were affected in the second quarter and first six months of 2000 by the continued weakness of foreign currencies in Europe, Latin America and the Asia Pacific region compared with the U.S. dollar. Excluding the negative effect of foreign currency translation, net sales would have increased 9% for both the second quarter and the first six months of 2000 compared to the respective 1999 periods.

Net sales from domestic operations increased approximately 8% for the second quarter and first six months of 2000 compared with the respective 1999 periods, primarily due to increased unit volume and, to a lesser extent, higher average selling prices for certain of the Company's products. Net sales from foreign operations increased approximately 2% for the second quarter and first six months of 2000 compared with the respective 1999 periods, primarily due to increased unit volume and, to a lesser extent, the added net sales of several small acquired businesses, partially offset by the negative effect of foreign currency translation. As a percentage of total net sales, net sales from foreign operations represented approximately 44% and 46% in the second quarter of 2000 and 1999, respectively, and 45% and 46% in the first six months of 2000 and 1999, respectively, of the Company's total net sales.

Net sales of the Company's food packaging products segment, which consists primarily of the Company's Cryovac(R) food packaging products and Dri-Loc(R) absorbent pads, increased approximately 3% for the second quarter and first six months of 2000 compared with the respective 1999 periods. These increases were due primarily to higher unit volume partially offset by the negative effect of foreign currency translation. For the second quarter, net sales for this segment also benefited from certain higher average selling prices. Excluding the negative effect of foreign currency translation, net sales of this segment would have increased by 7% for the second quarter and 6% for the first six months of 2000 compared with the respective 1999 periods.

Net sales of the Company's protective and specialty packaging segment, which consists primarily of Instapak(R) chemicals and equipment, Cryovac(R) industrial and consumer packaging, air cellular and polyethylene foam surface protection and cushioning materials and protective and durable mailers and bags, increased 9% for the second quarter and 10% for the first six months of 2000 compared to the respective 1999 periods. These increases were due primarily to higher unit volume and, to a lesser extent, certain higher average selling prices and the added net sales of several small acquired businesses. Excluding the negative

effect of foreign currency translation, net sales of this segment would have increased 11% for the second quarter and 13% for the first six months of 2000 compared to the respective 1999 periods.

Gross profit as a percentage of net sales was 34.7% for the second quarter and 35.4% for the first six months of 2000 compared to 36.5% and 36.3% for the respective 1999 periods. The decrease in gross profit as a percentage of net sales in both periods was due primarily to higher raw material costs in the 2000 periods.

Marketing, administrative and development expenses and goodwill amortization declined modestly as a percentage of net sales for the second quarter and first six months of 2000 compared with the respective 1999 periods. These expenses declined to 19.4% of net sales for the second quarter of 2000 compared to 20.8% for the 1999 period and were 19.6% of net sales for the first six months of 2000 compared to 20.8% for the 1999 period. As in the second quarter and first six months of 1999, the Company continued to incur information system costs related to implementation of its enterprise resource planning system.

Other expense, net, which consists primarily of interest expense, was essentially unchanged for the second quarter and declined modestly for the first six months of 2000 compared with the respective 1999 periods. The decrease in interest expense for these periods was primarily due to the lower level of debt outstanding during the 2000 periods compared with the respective 1999 periods. Debt outstanding at June 30, 2000 was modestly higher than debt outstanding at December 31, 1999.

The Company's effective income tax rates were 45.5% and 46.5% in the second quarters of 2000 and 1999, respectively, and 45.5% and 46.7% for the first six months of 2000 and 1999, respectively. These rates are higher than the statutory U.S. federal income tax rate primarily due to the non-deductibility for tax purposes of goodwill amortization and state income taxes. The Company expects that its effective tax rate will remain higher than statutory rates for 2000.

As a result of the above, the Company's net earnings were $53,831,000 for the second quarter of 2000 and $108,814,000 for the first six months of 2000 compared to net earnings of $51,192,000 and $97,806,000 for the respective 1999 periods.

Basic and diluted earnings per common share were $0.44 for the second quarter of 2000 and $0.40 for the second quarter of 1999. Basic earnings per common share were $0.93 and diluted earnings per common share were $0.89 for the first six months of 2000 and basic and diluted earnings per common share were $0.74 for the first six months of 1999. The basic earnings per common share calculation for the six months ended June 30, 2000 includes a $0.03 per share gain attributable to the repurchase of preferred stock. Such gain is not included in the calculation of diluted earnings per common share. The gain attributable to the repurchase of preferred stock was not significant in the second quarter of 2000 and the respective 1999 periods. The diluted earnings per common share for the second quarter and first six months of 2000 is calculated assuming the conversion of the shares of preferred stock repurchased during the period in accordance with the Financial Accounting Standards Board's Emerging Issues Task Force Topic D-53 guidance. The effect of the conversion of the

Company's outstanding convertible preferred stock is not considered in the calculation of diluted earnings per common share in the second quarter and first six months of 2000 and the respective 1999 periods because it would be antidilutive.

Liquidity and Capital Resources

The Company's principal sources of liquidity are cash flows from operations and amounts available under the Company's existing lines of credit, including principally the Credit Agreements mentioned below.

Net cash provided by operating activities amounted to $154,620,000 and $180,467,000 in the first six months of 2000 and 1999, respectively. The decrease in operating cash flows for the first six months of 2000 was primarily due to changes in operating assets and liabilities in the ordinary course of business, including primarily higher levels of notes and accounts receivable and inventory that more than offset the increase in net earnings.

Net cash used in investing activities amounted to $83,494,000 in the first six months of 2000 compared to $38,593,000 in the 1999 period. The increase in net cash used in the first six months of 2000 was primarily due to a higher level of capital expenditures and several small acquisitions in the 2000 period. Capital expenditures were $55,814,000 in the 2000 period and $31,843,000 in the 1999 period.

Net cash used in financing activities amounted to $72,025,000 in the first six months of 2000 and $126,470,000 in the first six months of 1999. The decrease in net cash used in the first six months of 2000 was due to a greater amount of net borrowings during the 2000 period, partially offset by an increase in the purchase of treasury stock.

At June 30, 2000, the Company had working capital of $297,972,000, or 8% of total assets, compared to working capital of $221,130,000, or 6% of total assets, at December 31, 1999. The increase in working capital was primarily due to an increase in notes and accounts receivable and inventories offset by a decrease in short-term borrowings, accounts payable and other current liabilities due to the timing of cash payments which were partially offset by an increase in income taxes payable.

The Company's ratio of current assets to current liabilities (current ratio) was 1.5 at June 30, 2000 and 1.4 at December 31, 1999. The Company's ratio of current assets less inventory to current liabilities (quick ratio) was 1.0 at June 30, 2000 and December 31, 1999.

At June 30, 2000 and December 31, 1999, debt consisted primarily of borrowings that were made under the Credit Agreements described below, the 10-year 6.95% senior notes due May 2009 (the "Senior Notes"), the 7-year 5.625% euro notes due July 2006 (the "Euro Notes") and certain other loans.

The Company's two principal credit agreements (as amended, the "Credit Agreements") are a 5-year revolving credit facility that expires on March 30, 2003 (included in long-term debt) and a 364-day revolving credit facility that expires on March 26, 2001 (included in short-term borrowings). The Company can borrow up to $900,000,000 in the aggregate under

the Credit Agreements. As of June 30, 2000 and December 31, 1999, outstanding borrowings were $200,432,000 and $160,978,000, respectively, under the 5-year revolving credit facility and $12,953,000 and $38,342,000, respectively, under the 364-day revolving credit facility. The Credit Agreements provide that the Company and certain of its subsidiaries may borrow for various purposes, including the refinancing of existing debt, the provision of working capital and other general corporate needs, including acquisitions and capital expenditures. Amounts repaid under the Credit Agreements may be reborrowed from time to time. As of June 30, 2000, facility fees were payable on the total amounts available under the Credit Agreements and amounted to 0.095% and 0.100% per annum under the 5-year revolving credit facility and the 364-day revolving credit facility, respectively.

The Company's obligations under the Credit Agreements bear interest at floating rates. The weighted average interest rate under the Credit Agreements was approximately 6.5% at June 30, 2000 and 6.0% at December 31, 1999. The Company had certain interest rate and currency swaps outstanding at June 30, 2000 and December 31, 1999, related to its obligations under the Credit Agreements. These agreements had the effect of adjusting the interest rates on a portion of such debt. The weighted average interest rate at June 30, 2000 and December 31, 1999 did not change significantly as a result of these derivative financial instruments.

At June 30, 2000, the Company was party to interest rate swaps with an aggregate notional amount of approximately $147,250,000 with various expiration dates through November 2004 compared to forward-starting interest rate swaps with an aggregate notional amount of approximately $151,000,000 with various expiration dates through November 2004 at December 31, 1999. The interest rate swaps outstanding as of June 30, 2000 and December 31, 1999 had the effect of converting a portion of the Company's fixed rate debt to variable rate debt at U.S. dollar-denominated rates which ranged from 7.0% to 7.3% at June 30, 2000 and 6.2% to 6.5% at December 31, 1999, and euro-denominated rates which ranged from 4.3% to 5.0% at June 30, 2000 and 3.8% to 4.4% at December 31, 1999.

The Credit Agreements provide for changes in borrowing margins based on financial criteria and the Company's senior unsecured debt ratings. The Credit Agreements, Senior Notes and Euro Notes impose certain limitations on the operations of the Company and certain of its subsidiaries. The Company was in compliance with these requirements as of June 30, 2000.

At June 30, 2000, the Company had available lines of credit, including those available under the Credit Agreements, of approximately $1.2 billion of which approximately $900 million were unused.

The Company's shareholders' equity was $636,780,000 at June 30, 2000 compared to $551,030,000 at December 31, 1999. Shareholders' equity increased in 2000 due to the Company's net earnings of $108,814,000, which were partially offset by the payment of preferred stock dividends of $34,099,000 and by an additional foreign currency translation adjustment of $3,581,000.

On June 28, 2000, the Company and Dolphin Packaging PLC ("Dolphin"), a publicly traded U.K. company, announced a cash takeover offer by the Company's U.K. subsidiary for all of the outstanding shares of Dolphin at a price of (pound)3.30 per share, amounting to approximately $118,000,000 in the aggregate at the then current exchange rates. On August 2, 2000, the Company acquired more than 96% of Dolphin's outstanding shares pursuant to this offer. The Company expects to acquire the balance of the shares prior to the end of the third quarter of 2000 on the same terms. This transaction is not material to the Company's consolidated financial statements.

Since June 30, 2000, the Company has made certain other small acquisitions, which were effected in exchange for cash in the aggregate amount of approximately $9,000,000, were accounted for as purchases and were not material to the Company's consolidated financial statements.

Other Matters

Quantitative and Qualitative Disclosures about Market Risk

For a discussion of market risks at December 31, 1999, refer to "Management's Discussion and Analysis of Results of Operations and Financial Condition - Quantitative and Qualitative Disclosures about Market Risk" in the Company's 1999 Annual Report to Stockholders.

The Company is exposed to market risk from changes in interest rates and foreign currency exchange rates, which may adversely affect its results of operations and financial condition. The Company seeks to minimize these risks through regular operating and financing activities and, when deemed appropriate, through the use of derivative financial instruments. The Company does not purchase, hold or sell derivative financial instruments for trading purposes.

Interest Rates

The Company uses interest rate swaps to manage its exposure to fluctuations in interest rates. The Company also uses interest rate collars to reduce its exposure to fluctuations in the rate of interest by limiting interest rates to a given range. At June 30, 2000, the Company had interest rate swaps that had the effect of converting a portion of the Company's fixed rate debt to variable rate debt, and an interest rate collar agreement, maturing at various dates through November 2004, with a combined aggregate notional amount of approximately $155,000,000 compared with forward-starting interest rate swaps and an interest rate collar agreement with a combined aggregate notional amount of approximately $159,000,000 at December 31, 1999.

At June 30, 2000, the carrying value of the Company's total debt was $839,718,000, of which approximately $489,314,000 was fixed rate debt. At December 31, 1999, the carrying value of the Company's total debt was $824,677,000 of which $502,244,000 was fixed rate debt.

Foreign Exchange Contracts

The Company uses interest rate and currency swaps to limit foreign exchange exposure and limit or adjust interest rate exposure by swapping certain borrowings in U.S. dollars for borrowings denominated in foreign currencies. At June 30, 2000 and December 31, 1999, the Company had interest rate and currency swap agreements, maturing through March 2002, with an aggregate notional amount of approximately $5,000,000.

The Company uses foreign currency forwards to fix the amount payable on certain transactions denominated in foreign currencies. At June 30, 2000, the Company had foreign currency forward agreements, maturing through December 2000, with an aggregate notional amount of approximately $9,000,000. At December 31, 1999, the Company did not have any material foreign currency forward contracts outstanding.

Environmental Matters

The Company is subject to loss contingencies resulting from environmental laws and regulations, and it accrues for anticipated costs associated with investigatory and remediation efforts when an assessment has indicated that a loss is probable and can be reasonably estimated. These accruals do not take into account any discounting for the time value of money and are not reduced by potential insurance recoveries, if any. Environmental liabilities are reassessed whenever circumstances become better defined and/or remediation efforts and their costs can be better estimated. These liabilities are evaluated periodically based on available information, including the progress of remedial investigations at each site, the current status of discussions with regulatory authorities regarding the methods and extent of remediation and the apportionment of costs among potentially responsible parties. As some of these issues are decided (the outcomes of which are subject to various uncertainties) and/or new sites are assessed and costs can be reasonably estimated, the Company adjusts the recorded accruals, as necessary. However, the Company believes that it has adequately reserved for all probable and estimable environmental exposures.

Euro Conversion

On January 1, 1999, eleven of the fifteen members of the European Union (the "participating countries") established fixed conversion rates between their existing currencies (the "legacy currencies") and introduced the euro, a single common non-cash

currency. The euro is now traded on currency exchanges and is being used in business transactions.

At the beginning of 2002, new euro-denominated bills and coins will be issued to replace the legacy currencies, and the legacy currencies will be withdrawn from circulation. By 2002, all companies operating in the participating countries are required to restate their statutory accounting data into euros as their base currency.

In 1998, the Company established plans to address the systems and business issues raised by the euro currency conversion. These issues include, among others, (1) the need to adapt computer, accounting and other business systems and equipment to accommodate euro-denominated transactions, (2) the need to modify banking and cash management systems in order to be able to handle payments between customers and suppliers in legacy currencies and euros until 2002, (3) the requirement to change the base statutory and reporting currency of each subsidiary in the participating countries into euros during the transition period, (4) the foreign currency exposure changes resulting from the alignment of the legacy currencies into the euro, and (5) the identification of material contracts and sales agreements whose contractual stated currency will need to be converted into euros.

The Company believes that it will be euro compliant by January 1, 2002. The Company has implemented plans to accommodate euro-denominated transactions and to handle euro payments with third party customers and suppliers in the participating countries. The Company plans to meet the requirement to convert statutory and reporting currencies to the euro by acquiring and installing new financial software systems. If there are delays in such installation, the Company plans to pursue alternate means to convert statutory and reporting currencies to the euro by 2002. The Company believes that its foreign currency exposures have been reduced as a result of the alignment of legacy currencies. The Company believes that all material contracts and sales agreements requiring conversion will be converted to euros prior to January 1, 2002.

Although additional costs are expected to result from the implementation of the Company's plans, the Company also expects to achieve benefits in its treasury and procurement areas as a result of the elimination of the legacy currencies. Since the Company has operations in each of its business segments in the participating countries, each of its business segments will be affected by the conversion process. However, the Company expects that the total impact of all strategic and operational issues related to the euro conversion and the cost of implementing its plans for the euro conversion will not have a material adverse impact on its consolidated financial condition, results of operations or reportable segments.

Recently Issued Statements of Financial Accounting Standards

In June 2000, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities - an amendment of FASB Statement No. 133." In

June 1999, the FASB issued SFAS No. 137, "Accounting for Derivative Instruments and Hedging Activities - Deferral of the Effective date of FASB Statement No. 133." This Statement defers the effective date of SFAS No. 133 , "Accounting for Derivative Instruments and Hedging Activities." SFAS No. 133, as amended, which the Company expects to adopt beginning January 1, 2001, establishes accounting and operating standards for hedging activities and derivative instruments, including certain derivative instruments embedded in other contracts. The Company is reviewing the potential impact, if any, of SFAS Nos. 138 and 133 on its Consolidated Financial Statements.

Forward-Looking Statements

Certain statements made by the Company in this Form 10-Q and in future oral and written statements by management of the Company may be forward-looking. These statements include comments as to the Company's beliefs and expectations as to future events and trends affecting the Company's business, its results of operations and its financial condition. These forward-looking statements are based upon management's current expectations concerning future events and discuss, among other things, anticipated future performance and future business plans. Forward-looking statements are identified by such words and phrases as "expects," "intends," "believes," "will continue," "plans to," "could be" and similar expressions. Forward-looking statements are necessarily subject to uncertainties, many of which are outside the control of the Company, that could cause actual results to differ materially from such statements.

While the Company is not aware that any of the factors listed below will adversely affect the future performance of the Company, the Company recognizes that it is subject to a number of uncertainties, such as economic, business and market conditions in the geographic areas in which it conducts business, changes in the value of foreign currencies against the U.S. dollar, the success of certain information systems projects, factors affecting the customers, industries and markets that use the Company's packaging materials and systems, the development and success of new products, the Company's success in entering new markets and acquiring and integrating new businesses, the timing of capital expenditures, competitive factors, raw material availability and pricing, changes in the Company's relationship with customers and suppliers, litigation and claims (including environmental matters) involving the Company, changes in domestic or foreign laws or regulations, or difficulties related to the euro conversion.

PART II

OTHER INFORMATION

Item 4. Submission of Matters to a Vote of Security Holders.

On May 19, 2000, the Company held its annual meeting of stockholders (the "Annual Meeting"). At the Annual Meeting the stockholders voted: (i) to elect the entire Board of Directors of the Company; (ii) to approve the Company's Performance-Based Compensation Program (as described below); and (iii) to ratify the selection of KPMG LLP as the Company's independent accountants for the fiscal year ending December 31, 2000.

A total of 73,949,347 shares of common stock and 27,852,232 shares of Series A convertible preferred stock ("preferred stock") were present in person or by proxy at the Annual Meeting, representing approximately 98,598,572 votes, or approximately 86% of the voting power of the Company entitled to vote at the Annual Meeting. Each share of common stock was entitled to one vote on each matter before the meeting, and each share of preferred stock was entitled to 0.885 votes on each matter before the meeting.

The stockholders voted to approve the Company's Performance-Based Compensation Program. The Performance-Based Compensation Program was adopted in order to provide the Company's eligible employees with incentive compensation that meets the requirements of performance-based compensation under Section 162(m) of the Internal Revenue Code, as amended, and thus is fully deductible for U.S. income tax purposes. The Performance-Based Compensation Program provides for cash awards in the form of annual cash bonuses and awards of the Company's common stock under the Company's Contingent Stock Plan. Performance-based awards under the program require attainment of objective, pre-established goals based upon financial or strategic criteria.

The votes cast on the matters before the Annual Meeting were as set forth below:

I. Nominees for Election to Board of Directors:	Number of Votes	
	In Favor	Withheld
Hank Brown	98,160,736	437,837
John K. Castle	98,167,948	430,624
Lawrence R. Codey	98,173,990	424,582
T. J. Dermot Dunphy	98,171,365	427,208
Charles F. Farrell, Jr.	98,162,917	435,655
William V. Hickey	98,177,910	420,662
Shirley Ann Jackson	98,156,475	442,097
Virginia A. Kamsky	98,113,966	484,606
Alan H. Miller	98,151,419	447,153
John E. Phipps	78,033,675	20,564,897

II. Approval of the Corporation's Performance-Based Compensation Program:	For	91,392,449
	Against	6,695,937
	Abstentions	510,186
III. Ratification of KPMG LLP as Independent Accountants:	For	98,242,370
	Against	76,440
	Abstentions	279,762

Item 6. Exhibits and Reports on Form 8-K.

(a) Exhibits

Exhibit Number	Description
10	Sealed Air Corporation Performance-Based Compensation Program, as approved by the Company's stockholders. [Annex A to the Company's Proxy Statement for the 2000 Annual Meeting of Stockholders is incorporated herein by reference.]
27	Financial Data Schedule

(b) Reports on Form 8-K

The Company did not file any Reports on Form 8-K during the second quarter of 2000.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SEALED AIR CORPORATION

Date: August 11, 2000

By /s/ Jeffrey S. Warren

Jeffrey S. Warren
Controller
(Authorized Executive Officer
and Chief Accounting Officer)

5

The schedule contains summary information extracted from the consolidated statement of earnings for the six months ended June 30, 2000 and the consolidated balance sheet at June 30, 2000 and is qualified in its entirety by reference to such financial statements.

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SEALED AIR CORPORATION

6-MOS
DEC-31-2000
JUN-30-2000
18,766,000
0
503,253,000
19,838,000
272,291,000
848,830,000
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957,297,000
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550,858,000
690,275,000
1,698,417,000
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8,419,000
628,361,000
3,865,078,000
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1,448,130,000
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936,168,000
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0
0
108,814,000
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0.89