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 September 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 83,659,240 shares of the registrant's common stock, par value $0.10 per share, and 30,297,409 shares of the registrant's Series A convertible preferred stock, par value $0.10 per share, outstanding as of October 31, 2000.

PART I

FINANCIAL INFORMATION

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

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2000	1999	2000	1999
Net sales	$746,860	$714,755	$2,194,990	$2,088,813
Cost of sales	493,426	457,551	1,429,594	1,332,331
Gross profit	253,434	257,204	765,396	756,482
Marketing, administrative and development expenses	129,790	130,721	388,774	391,304
Goodwill amortization	13,438	12,278	38,129	36,860
Operating profit	110,206	114,205	338,493	328,318
Other income (expense):				

Interest expense	(17,082)	(14,631)	(44,093)	(44,088)
Other, net	7,269	822	5,652	(199)
Other expense, net	(9,813)	(13,809)	(38,441)	(44,287)
Earnings before income taxes	100,393	100,396	300,052	284,031
Income taxes	45,679	46,684	136,524	132,513
Net earnings	$ 54,714	$ 53,712	$ 163,528	$151,518
Less: Series A preferred stock dividends	15,991	17,879	50,090	53,668
Add: Excess of redemption value over repurchase price of Series A preferred stock	8,914	--	11,725	39
Net earnings ascribed to common shareholders	$ 47,637	$ 35,833	$ 125,163	$ 97,889
Earnings per common share (See Note 3):				
Basic	$ 0.57	$ 0.43	$ 1.50	$ 1.17
Diluted	$ 0.46	$ 0.43	$ 1.36	$ 1.17
Weighted average number of common shares outstanding (000's):				
Basic	83,723	83,648	83,675	83,552
Diluted	85,116	83,784	86,367	83,688

See accompanying notes to consolidated financial statements.

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

	September 30, 2000 (Unaudited)	December 31, 1999
ASSETS		
Current assets:		
Cash and cash equivalents	$ 6,251	$ 13,672
Notes and accounts receivable, net of allowances for doubtful accounts of $20,817 in 2000 and $21,396 in 1999	491,335	470,046
Inventories	298,629	245,934
Other current assets	75,499	73,572
Total current assets	871,714	803,224
Property and equipment:		
Land and buildings	434,103	426,460
Machinery and equipment	1,357,213	1,364,454
Other property and equipment	111,553	115,111
Construction in progress	80,702	40,106
	1,983,571	1,946,131
Less accumulated depreciation and amortization	965,293	922,722
Property and equipment, net	1,018,278	1,023,409
Goodwill, less accumulated amortization of $121,427 in 2000 and $84,699 in 1999	1,919,375	1,859,958
Other assets	180,234	168,642
Total assets	$3,989,601	$3,855,233

See accompanying notes to consolidated financial statements.

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

	September 30, 2000 (Unaudited)	December 31, 1999
LIABILITIES, CONVERTIBLE PREFERRED STOCK & SHAREHOLDERS' EQUITY		
Current liabilities:		
Short-term borrowings	$ 174,488	$ 152,653
Current portion of long-term debt	1,801	6,908
Accounts payable	160,648	175,166
Other current liabilities	213,597	216,487
Income taxes payable	57,847	30,880
Total current liabilities	608,381	582,094
Long-term debt, less current portion	884,695	665,116
Deferred income taxes	210,540	214,906
Other liabilities	73,053	80,425
Total liabilities	1,776,669	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, outstanding 30,716,182 shares in 2000 and 35,233,245 shares in 1999, mandatory redemption in 2018	1,535,809	1,761,662
Shareholders' equity:		
Common stock, $.10 par value. Authorized 400,000,000 shares, issued 84,279,505 shares in 2000 and 84,135,255 shares in 1999	8,427	8,413
Additional paid-in capital	651,620	632,230
Retained earnings	245,511	132,073
Accumulated translation adjustment	(182,008)	(171,521)
	723,550	601,195
Less: Deferred compensation	16,691	24,511
Less: Cost of treasury common stock, 617,646 shares in 2000 and 535,356 shares in 1999	27,734	23,652
Less: Minimum pension liability	2,002	2,002
Total shareholders' equity	677,123	551,030
Total liabilities, preferred stock and shareholders' equity	$ 3,989,601	$ 3,855,233

See accompanying notes to consolidated financial statements.

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

	2000	1999
Cash flows from operating activities:		
Net earnings	$ 163,528	$ 151,518
Adjustments to reconcile net earnings to net cash provided by operating activities, net of effect of businesses acquired:		
Depreciation and amortization	164,574	167,871
Amortization of bond discount	242	92
Deferred tax provision (benefit)	80	(2,217)
Net loss on disposals of fixed assets	100	200
Changes in operating assets and liabilities, net of businesses acquired:		
Notes and accounts receivable	(27,730)	(24,130)
Inventories	(51,191)	5,033
Other current assets	(1,851)	1,265
Other assets	(7,702)	(727)
Accounts payable	(12,239)	(5,513)
Other current liabilities	36,536	11,125
Other liabilities	(3,619)	6,202
Net cash provided by operating activities	260,728	310,719
Cash flows from investing activities:		
Capital expenditures for property and equipment	(81,262)	(51,145)
Proceeds from sales of property and equipment	957	2,371
Businesses acquired in purchase transactions, net of cash acquired	(176,502)	(10,430)
Net cash used in investing activities	(256,807)	(59,204)
Cash flows from financing activities:		
Proceeds from long-term debt	499,390	500,855
Payment of long-term debt	(256,223)	(808,440)
Payment of senior debt issuance costs	0	(3,123)
Dividends paid on preferred stock	(51,890)	(53,700)
Purchase of treasury common stock	(19,468)	(14,189)
Purchase of treasury preferred stock	(214,073)	(2,836)
Proceeds from stock option exercises	677	1,924
Net proceeds from short-term borrowings	21,074	158,599
Net cash used in financing activities	(20,513)	(220,910)
Effect of exchange rate changes on cash and cash equivalents	9,171	(1,188)
Cash and cash equivalents:		
(Decrease) Increase during the period	(7,421)	29,417
Balance, beginning of period	13,672	44,986
Balance, end of period	$ 6,251	$ 74,403

See accompanying notes to consolidated financial statements.

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

	2000	1999
Supplemental Cash Flow Items:		
Interest payments, net of amounts capitalized	$ 34,560	$ 36,110
Income tax payments	$ 119,618	$ 133,473
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 Nine Months Ended September 30, 2000 and 1999
(In thousands of dollars)
(Unaudited)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2000	1999	2000	1999
Net earnings	$ 54,714	$ 53,712	$ 163,528	$ 151,518
Other comprehensive loss:				
Foreign currency translation adjustments	(6,906)	(2,641)	(10,487)	(50,682)
Comprehensive income	$ 47,808	$ 51,071	$153,041	$ 100,836

See accompanying notes to consolidated financial statements.

SEALED AIR CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements
September 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 all periods presented have been made. The consolidated statements of earnings for the three and nine months ended September 30, 2000 are 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) Series A Convertible Preferred Stock

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. During the first nine months of 2000 the Company repurchased approximately 4,516 shares of the Company's series A convertible preferred stock at a cost of approximately $214,073, which represents a cost that is $11,725 below its book value. This excess of book value over the repurchase price of the preferred stock is recorded as an increase to additional paid-in-capital.

(3) Earnings Per Common Share

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

	Three Months Ended September 30, 2000	Three Months Ended September 30, 1999	Nine Months Ended September 30, 2000	Nine Months Ended September 30, 1999
Basic EPS:				
Numerator				
Net earnings	$ 54,714	$ 53,712	$ 163,528	$ 151,518
Add: Excess of book value over repurchase price of preferred stock	8,914	--	11,725	39
Less: Preferred stock dividends	15,991	17,879	50,090	53,668
Net earnings ascribed to common shareholders	$ 47,637	$ 35,833	$ 125,163	$ 97,889
Denominator				
Weighted average common shares outstanding - basic	83,723	83,648	83,675	83,552

Basic earnings per common share(1)	$ 0.57	$ 0.43	$ 1.50	$ 1.17
Diluted EPS:				
Numerator				
Earnings ascribed to common shareholders	$ 47,637	$ 35,833	$ 125,163	$ 97,889
Less: Excess of book value over repurchase price of preferred stock	8,914	--	11,725	--
Add: Dividends associated with repurchased preferred stock	633	--	4,002	--
Earnings ascribed to common shareholders - diluted	$ 39,356	$ 35,833	$ 117,440	$ 97,889
Denominator				
Weighted average common shares outstanding - basic	83,723	83,648	83,675	83,552
Effect of assumed exercise of stock options	112	136	112	136
Effect of conversion of repurchased preferred stock	1,281	--	2,580	--
Weighted average common shares outstanding - diluted	85,116	83,784	86,367	83,688
Diluted earnings per common share(2)	$ 0.46	$ 0.43	$ 1.36	$ 1.17

(1) The basic earnings per common share calculation for the three and nine months ended September 30, 2000 includes a $0.11 and $0.14 per share gain (excess of book value over repurchase price of preferred stock), respectively, 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 nine months ended September 30, 2000. The gain attributable to the repurchase of preferred stock was not significant in 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 the 2000 periods, and the weighted average common shares outstanding have been adjusted to assume conversion of the shares of preferred stock repurchased during the 2000 periods in accordance with the Financial Accounting Standards Board's Emerging Issues Task Force Topic D-53 guidance. The assumed conversion of the outstanding preferred stock is not considered in the calculation of diluted earnings per common share for all periods as the effect is antidilutive.

(4) Inventories

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

	September 30, 2000	December 31, 1999
Raw materials	$ 71,690	$ 60,596
Work in process	59,907	43,021
Finished goods	185,300	157,341
Subtotal	316,897	260,958
Reduction of certain inventories to LIFO basis	(18,268)	(15,024)
Total inventories	$ 298,629	$ 245,934

(5) Income Taxes

The Company's effective income tax rates were 45.5% and 46.5% for the third quarters of 2000 and 1999, respectively, and 45.5% and 46.7% for the first nine 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 September 30, 2000 and December 31, 1999, the Company's outstanding 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").

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 September 30, 2000 and December 31, 1999, outstanding borrowings were $404,436 and $160,978, respectively, under the 5-year revolving credit facility and $26,258 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 September 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 6.7% at September 30, 2000 and 6.0% at December 31, 1999. The Company had certain interest rate and currency swaps outstanding at September 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 September 30, 2000 and December 31, 1999 did not change significantly as a result of these derivative financial instruments.

At September 30, 2000, the Company was party to interest rate swaps with an aggregate notional amount of approximately $144,000 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 September 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 September 30, 2000 and 6.2% to 6.5% at December 31, 1999, and euro-denominated rates which ranged from 5.0% to 5.6% at September 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 September 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 $2,241 at September 30, 2000 and $4,996 at December 31, 1999. The components of the restructuring charges, spending and other activity through September 30, 2000 and the remaining reserve balance at September 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	(2,393)	(362)	-	(2,755)
Restructuring reserve at September 30, 2000	$ 1,577	$ 664	$ -	$ 2,241

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 September 30, 2000. All restructuring actions were substantially completed as of September 30, 2000. The remaining reserves of $2,241 are related principally to outstanding employee severance obligations 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 September 30,		For the Nine Months Ended September 30,	
	2000	1999(1)	2000	1999(1)
Net sales				
Food Packaging	$ 452,215	$ 434,486	$ 1,320,914	$ 1,280,047
Protective and Specialty Packaging	294,645	280,269	874,076	808,766
Total	$ 746,860	$ 714,755	$ 2,194,990	$ 2,088,813
Operating profit				
Food Packaging	$ 66,387	$ 68,625	$ 206,948	$ 207,653
Protective and Specialty Packaging	61,983	62,928	184,056	174,213
Total segments	128,370	131,553	391,004	381,866
Corporate operating expenses(2)	(18,164)	(17,348)	(52,511)	(53,548)
Total	$ 110,206	$ 114,205	$ 338,493	$ 328,318
Depreciation and amortization				
Food Packaging	$ 27,562	$ 27,432	$ 82,063	$ 82,175
Protective and Specialty Packaging	14,599	16,376	44,276	47,833
Total segments	42,161	43,808	126,339	130,008
Corporate (including goodwill amortization)	13,124	12,117	38,235	37,863
Total	$ 55,285	$ 55,925	$ 164,574	$ 167,871

(1) Certain prior period amounts have been reclassified to conform to the current year's presentation.
(2) Includes goodwill amortization of $12,900 and $12,278 for the three months ended September 2000 and 1999, respectively, and $37,591 and $36,860 for the nine months ended September 2000 and 1999, respectively.

(9) Acquisitions

During the first nine months of 2000, the Company made several small acquisitions, including the acquisition of Dolphin Packaging plc during the third quarter 2000. These transactions, which were carried out in exchange for cash in the aggregate amount of approximately $177,000 were accounted for as purchases and resulted in goodwill of approximately $100,000. Such transactions did not have a significant impact on the Company's net earnings for the periods presented.

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

Net sales for the third quarter of 2000 increased 4% to $746,860,000 compared with $714,755,000 for the third quarter of 1999. For the nine-month period, the Company's net sales increased 5% to $2,194,990,000 compared with net sales of $2,088,813,000 in the 1999 period. The increase in net sales for the third quarter was primarily due to higher unit volume, the added net sales of several acquired businesses and, to a lesser extent, higher average selling prices for certain of the Company's products. Excluding the negative effect of foreign currency translation, net sales would have increased 8% compared with the third quarter of 1999. Excluding both the negative effect of foreign currency translation and the impact of acquisitions, net sales would have increased 4% compared with the third quarter of 1999. The increase in net sales for the first nine months of 2000 was due primarily to higher unit volume and, to a lesser extent, the added net sales of several acquired businesses and higher average selling prices for certain of the Company's products. Excluding the negative impact of foreign currency translation, net sales would have increased by 8% compared with the first nine months of 1999.

Net sales from domestic operations increased approximately 5% and 7% compared with the third quarter and first nine months of 1999, respectively, primarily due to increased unit volume and, to a lesser extent, higher average selling prices for certain of the Company's products in both periods.

Net sales from foreign operations represented approximately 45% of the Company's total net sales in both the third quarter of 2000 and the third quarter of 1999, and 45% and 46% in the first nine months of 2000 and 1999, respectively. Net sales from foreign operations in the third quarter of 2000 increased approximately 4% compared with the third quarter of 1999, primarily due to increased unit volume and the added net sales of several acquired businesses, partially offset by the negative impact of foreign currency translation. Net sales from foreign operations in the first nine months of 2000 increased approximately 3% compared with the first nine months of 1999, primarily due to increased unit volume, and, to a lesser extent, the added net sales of several acquired businesses, partially offset by the negative impact of foreign currency translation.

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 4% for the third quarter and 3% for the first nine months of 2000 compared with the respective 1999 periods. The increase in the third quarter of 2000 was primarily due to the added net sales of several acquired businesses and, to a lesser extent, higher unit volume and higher average selling prices for certain of the segment's products. The increase in the first nine months of 2000 was due to higher unit volume and, to a lesser extent, the added net sales of several acquired businesses and higher average selling prices for certain of the segment's products. Excluding the negative effect of foreign currency translation, net sales of this segment would have increased by 8% for the third quarter and 7% for the first nine months of 2000 compared with the respective 1999 periods. Excluding both the negative effect of foreign currency and the impact of acquisitions, net sales would have increased by 4% and 5% for the third quarter and the first nine months of 2000, respectively, compared to 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) performance shrink films, air cellular and polyethylene foam surface protection and cushioning materials and protective and durable mailers and bags, increased approximately 5% for the third quarter and 8% for the first nine months of 2000 compared to the respective 1999 periods. The increases in both periods were due primarily to higher unit volume and, to a lesser extent, 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 by 8% for the third quarter and 11% for the first nine months of 2000 compared with the respective 1999 periods.

Gross profit as a percentage of net sales was 33.9% for the third quarter and 34.9% for the first nine months of 2000 compared to 36.0% for the third quarter of 1999 and 36.2% for the first nine months of 1999. The decrease in gross profit as a percentage of net sales for the third quarter of 2000 was primarily due to certain higher raw material costs and, to a limited extent, charges in the U.K. related to a factory realignment and rationalization and inclusion of the operating results of the newly acquired Dolphin Packaging plc business, which was acquired in early August 2000. The decrease in gross profit as a percentage of net sales for the first nine months of 2000 was primarily due to higher raw material costs.

Marketing, administrative and development expenses and goodwill amortization as a percentage of net sales were 19.2% for the third quarter of 2000 compared to 20.0% for the 1999 period and were 19.4% for the first nine months of 2000 compared to 20.5% for the 1999 period. As in the third quarter and first nine months of 1999, the Company continued to incur information system costs related to implementation of its enterprise resource planning system.

Other expense, net, declined compared to the third quarter and first nine months of 1999. Interest expense increased to $17,082,000 and $44,093,000 for the third quarter and first nine months of 2000, respectively, compared to $14,631,000 and $44,088,000 for the comparable 1999 periods. The increase in interest expense was primarily due to additional borrowings made in connection with business acquisitions and stock repurchases made under the Company's stock repurchase program. The increased interest expense was more than offset by the receipt of a $10,000,000 fee from a third party for the assignment of a pre-existing contract during the third quarter of 2000. The remaining amount in other expense, net, primarily represents foreign currency exchange losses attributable to the weakness of foreign currencies, particularly the euro, relative to the U.S. dollar.

The Company's effective income tax rate was 45.5% in the third quarter and first nine months of 2000 and 46.5% and 46.7% in the third quarter and the first nine months of 1999, respectively. These rates are higher than the applicable statutory U.S. Federal income tax rate primarily due to the non-deductibility for tax purposes of goodwill amortization and to 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 recorded net earnings of $54,714,000 for the third quarter of 2000 and $163,528,000 for the first nine months of 2000 compared to net earnings of $53,712,000 and $151,518,000 for the respective 1999 periods.

Basic earnings per common share were $0.57 and diluted earnings per common share were $0.46 for the third quarter of 2000, and basic and diluted earnings per common share were $0.43 for the third quarter of 1999. Basic earnings per common share were $1.50 and diluted earnings per common share were $1.36 for the first nine months of 2000, and basic and diluted earnings per common share were $1.17 for the first nine months of 1999. The basic earnings per common share calculation for the quarter and nine months ended September 30, 2000 includes an $0.11 and $0.14 per share gain, respectively, attributable to the repurchase of preferred stock. Such gain is not included in the calculation of diluted earnings per common share. Gains attributable to the repurchase of preferred stock were not significant in the respective 1999 periods. The diluted earnings per common share for the third quarter and first nine 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 Company's preferred stock is convertible into shares of its common stock at a rate of approximately 0.885 share of common stock for each share of preferred stock. 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 third quarter and first nine 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 described below.

Net cash provided by operating activities amounted to $260,728,000 and $310,719,000 in the first nine months of 2000 and 1999, respectively. The decrease in operating cash flows for the first nine months of 2000 was primarily due to changes in operating assets and liabilities in the ordinary course of business.

Net cash used in investing activities amounted to $256,807,000 in the first nine months of 2000 compared to $59,204,000 in the 1999 period. The change in the first nine months of 2000 compared to the 1999 period was primarily due to the higher level of capital expenditures and several small acquisitions in 2000, including the acquisition of Dolphin Packaging plc during the third quarter of 2000. Capital expenditures were $81,262,000 in the 2000 period and $51,145,000 in the 1999 period. The Company currently anticipates that capital expenditures for the full year of 2000 will be in the range of $110,000,000 to $125,000,000.

Net cash used in financing activities declined to $20,513,000 in the first nine months of 2000 compared with $220,910,000 in the first nine months of 1999. In the 2000 period, the Company incurred net borrowings of $264,241,000, while in the first nine months of 1999, the Company made net debt repayments of $148,986,000. The borrowings made in the 2000 period were incurred to finance a portion of the cost of the acquisitions made in the first nine months of the year as well as repurchases of the Company's outstanding convertible preferred stock and common stock. During the first nine months of 2000, the Company repurchased approximately 4,516,000 shares of its preferred stock and 409,000 shares of its common stock at a cost of approximately $214,073,000 and $19,468,000, respectively. These repurchases were made under the Company's share repurchase program, as authorized by its Board of Directors. As of November 2, 2000, the total number of shares of preferred stock and common stock authorized to be repurchased under this program was the equivalent of approximately 16,977,000 shares of common stock on an as-converted basis, of which approximately 6,234,000 had been repurchased, leaving the equivalent of approximately 10,744,000 shares of common stock on an as-converted basis available for repurchase under this program. During the first nine months of 2000, the Company made several acquisitions, including the acquisition of Dolphin Packaging plc during the third quarter of 2000. These transactions, which were affected in exchange for cash in the aggregate amount of approximately $177,000,000, were accounted for as purchases.

At September 30, 2000, the Company had working capital of $263,333,000 or 7% 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 increases in accounts receivable and inventory and decreases in accounts payable, partially offset by increases in short-term borrowings, primarily under the Credit Agreements, and increases in income taxes payable.

The Company's ratio of current assets to current liabilities (current ratio) was 1.4 at September 30, 2000 and December 31, 1999. The Company's ratio of current assets less inventory to current liabilities (quick ratio) was 0.9 at September 30, 2000 and 1.0 at December 31, 1999.

At September 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") and the 7-year 5.625% euro notes due July 2006 (the "Euro Notes").

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 September 30, 2000 and December 31, 1999, outstanding borrowings were $404,436,000 and $160,978,000, respectively, under the 5-year revolving credit facility and $26,258,000 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 September 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 6.7% at September 30, 2000 and 6.0% at December 31, 1999. The Company had certain interest rate and currency swaps outstanding at September 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 September 30, 2000 and December 31, 1999 did not change significantly as a result of these derivative financial instruments.

At September 30, 2000, the Company was party to interest rate swaps with an aggregate notional amount of approximately $144,000,000 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 September 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 September 30, 2000 and 6.2% to 6.5% at December 31, 1999, and euro-denominated rates which ranged from 5.0% to 5.6% at September 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 September 30, 2000.

At September 30, 2000, the Company had available lines of credit, including those available under the Credit Agreements, of approximately $1.2 billion of which approximately $650 million were unused.

The Company's shareholders' equity was $677,123,000 at September 30, 2000 compared to $551,030,000 at December 31, 1999. Shareholders' equity increased in the first nine months of 2000 due to the Company's net earnings of $163,528,000 and the excess of book value over repurchase price of $11,725,000 recognized in connection with the preferred stock repurchases, which were partially offset by preferred stock dividends of $50,090,000 and by an additional foreign currency translation adjustment of $10,487,000.

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, which was included as a portion of Exhibit 13 to the Company's Annual Report on Form 10-K for the year ended December 31, 1999.

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 September 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 $152,000,000 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 September 30, 2000, the carrying value of the Company's total debt was $1,060,984,000 of which approximately $477,465,000 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 September 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 $6,874,000 and $5,000,000, respectively.

The Company uses foreign currency forwards to fix the amount payable on certain transactions denominated in foreign currencies. At September 30, 2000, the Company had foreign currency forward agreements, maturing through June 2001, with an aggregate notional amount of approximately $25,000,000. 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 expects 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 or results of operations.

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 potential impact, if any, of SFAS Nos. 138 and 133 on the Company's Consolidated Financial Statements is contingent on the financial market conditions at January 1, 2001 and actions taken by the Company regarding its derivative instruments through December 31, 2000. Based on current financial market conditions, the impact of implementing SFAS Nos. 138 and 133 is not expected to be material to the Company's 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 the euro and other 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 6. Exhibits and Reports on Form 8-K.

(a) Exhibits

Exhibit Number	Description
10.1	Contingent Stock Plan of the Company, as amended.
10.2	Form of Contingent Stock Purchase Agreement - Officer.
10.3	Form of Compensation Deferral Agreement.
27	Financial Data Schedule.

(b) Reports on Form 8-K

The Company did not file any reports on Form 8-K during the third 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: November 13, 2000

By s/ Jeffrey S. Warren

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

Exhibit 10.1

CONTINGENT STOCK PLAN

OF

SEALED AIR CORPORATION,

AS AMENDED

Section 1. Purpose. The purpose of the Contingent Stock Plan (the "Plan") of Sealed Air Corporation (the "Corporation") is to assist the Corporation and its subsidiaries in attracting and retaining employees of outstanding competence by providing an incentive that permits those employees responsible for the Corporation's growth to share directly in that growth and to further the identity of their interests with those of the stockholders of the Corporation.

Section 2. Administration. The Plan shall be administered by a committee (the "Committee") composed of not less than three persons chosen from time to time by the Board of Directors of the Corporation (the "Board") from among those directors of the Corporation who are not, and have not been for at least one year, employees of the Corporation or its subsidiaries. In addition to the powers granted to the Committee as elsewhere set forth in the Plan, and subject to the terms and conditions of the Plan, the Committee is authorized to interpret the Plan, to adopt and revise rules and regulations relating to the Plan and the conduct of the business of the Committee, and to make all determinations that it believes necessary or advisable for the operation and administration of the Plan. All decisions and determinations by the Committee with respect to the Plan shall be final, binding and conclusive upon all parties, including the Corporation, its stockholders and all employees of the Corporation and of its subsidiaries. If no Committee is appointed by the Board or if the Committee shall for any reason cease or become unable to act, the Board shall act as the Committee. No member of the Committee shall be liable for any action or determination made in good faith with respect to the Plan or any award ("Award") of a right to purchase shares of the $0.10 par value Common Stock of the Corporation (the "Common Stock") granted pursuant to the Plan.

Section 3. Stock Available. The stock subject to the Plan shall be such authorized but unissued or treasury shares of Common Stock as shall from time to time be determined by the Committee. The total amount of Common Stock that may be issued pursuant to the Plan is 2,500,000 shares, subject, however, to adjustment in accordance with the provisions of Section 15. In the event that any Common Stock issued pursuant to the Plan is reacquired by the Corporation upon the exercise of an option described in Section 8, the shares of Common Stock so acquired will again become available for issuance pursuant to the Plan.

Section 4. Eligibility. Each employee of the Corporation or any subsidiary of the Corporation, including officers, whom the Committee determines is in a position to make a significant contribution to the growth and success of the Corporation shall be eligible to participate under the Plan ("Employee"). An Employee may receive more than one Award under the Plan.

Section 5. Terms, Conditions and Form of Purchase Agreements. The Committee shall have exclusive jurisdiction, except as otherwise limited by the Plan, to grant all Awards, to select the Employees to be granted Awards, to condition the grant of Awards to specific Employees upon achievement of performance measures under any plan or program adopted by the Corporation, to determine the number of shares of Common Stock to be covered by an Award, to determine the time or times for the grant of Awards, to determine the Issue Price (as such term is defined in Section 7) of the shares of Common Stock that are the subject of an Award, to determine the duration of the Corporation's option described in Section 8, to prescribe the form or forms of agreement for the purchase of the Common Stock that is the subject of an Award ("Purchase Agreement"), to modify any such form of Purchase Agreement, and to have full authority with respect to all other matters relating to the Plan except those matters as are expressly reserved herein to the stockholders of the Corporation. The Committee shall inform the appropriate officers of the Corporation of its determinations, and such officers shall inform the Employee to whom an Award has been made of the grant of such Award. The Committee may authorize any officer of the Corporation to enter into Purchase Agreements on behalf of the Corporation and to take all other action necessary or desirable to effectuate the determinations of the Committee. Purchase Agreements, which need not be identical, shall be in writing and shall not contain provisions inconsistent with provisions of the Plan.

Section 6. Exercise of Right to Purchase Shares. An Employee who has been granted an Award may exercise his right to purchase shares of Common Stock during the 60 day period beginning immediately after the grant of the Award, provided that he is still an employee of the Corporation or of a subsidiary of the Corporation on the date of such exercise. In order to so exercise such right to purchase, an Employee shall give written notice to the Corporation of such election. The Issue Price of the shares to be issued shall be tendered in cash at the time such notice is given. No such right to purchase shares shall be transferable by an Employee to whom an Award has been granted.

Section 7. Issue Price of Common Stock. Prior to the issuance of Common Stock to an Employee pursuant to the Plan, the Employee shall pay to the

Corporation an amount of money per share ("Issue Price") to be determined by the Committee that shall take into consideration the value of the services performed and to be performed by the Employee, which amount shall not be less per share than the par value of the Common Stock nor more than ten percent (10%) of the fair market value per share thereof. For the purposes of the foregoing sentence, "fair market value per share" shall mean the last sales price of the Common Stock as reported on the consolidated transaction reporting system for New York Stock Exchange listed issues on the day the Committee made the Award or, if no sales occurred on such date, the last sales price on the consolidated transaction reporting system on the most recent prior day on which a sale occurred. If the Common Stock ceases to be listed on the New York Stock Exchange, Inc., fair market value per share shall be determined in such manner as shall be selected by the Committee. If the Issue Price (as determined by the Committee on the date of an Award) shall exceed ten per cent (10%) of the fair market value per share, the Issue Price shall be reduced to an amount that shall represent ten percent (10%) of the fair market value per share.

Section 8. Option of the Corporation to Reacquire Issued Stock. Unless a shorter period is specified by the Committee at the time an award is granted and except as provided below, for a period beginning on the date of the grant of an Award and ending on the third anniversary of such date or such later date as the Committee shall determine, any Common Stock issued pursuant to the Plan shall be subject to an option in favor of the Corporation to reacquire such Common Stock at a price per share equal to the Issue Price. Neither the shares of Common Stock issued pursuant to the Plan nor any interest therein shall be sold, transferred or encumbered until such option may no longer become exercisable. The option of the Corporation to reacquire such Common Stock shall become exercisable only upon the termination of employment of the Employee with the Corporation or any of its subsidiaries other than as a result of the Employee's death or permanent and total disability. The decision whether or not to exercise such option as to all or part of the shares subject thereto owned by an Employee shall be made by the Committee and communicated to the Chief Executive Officer or other appropriate officer of the Corporation who shall be authorized to take any and all action necessary to effectuate such decision.

Section 9. Exercise of Option to Reacquire Issued Stock. The option described in Section 8 shall be exercised in whole or part by the Corporation by its sending, if at all, no later than 120 days after the Employee's termination of employment written notice of such exercise to the Employee at the address specified by the Employee for such purpose, such notice also to set forth the address to which and the date on which the certificates, if any, representing the Common Stock in respect of which the option is being exercised, duly endorsed for transfer, should be sent. The date specified shall not be less than ten days nor more than thirty days from the date of such notice. Such notice shall be sent to the Employee by registered or certified mail, postage prepaid, or by any other delivery service that provides written confirmation of delivery. Such written notice may also be delivered in person to the Employee at any location, provided that such delivery occurs no later than 120 days after the Employee's termination of employment. The Employee or his successor in interest with respect to such shares shall have no further rights as a stockholder from and after the date so specified in such notice. If certificates are duly delivered in accordance with the written notice, the Corporation shall promptly send to the Employee its check in repayment of the Issue Price for such shares. The Corporation shall affix to such certificates any required stock transfer stamps. If certificates are not so delivered, the Corporation shall deposit the required amount of payment in an escrow account in the name of the Employee to be held therein until such certificates are delivered to the Corporation and the Corporation shall immediately advise its transfer agent of such action.

Section 10. Legend on Stock Certificates. All shares of Common Stock issued under the Plan shall, so long as the restrictions imposed by the Plan remain in effect, be represented by certificates, each of which shall bear a legend in substantially the following form:

> This certificate and the shares represented hereby are held subject to the terms of the Contingent Stock Plan of Sealed Air Corporation which Plan provides that the shares issued pursuant thereto are subject to an option in favor of Sealed Air Corporation to reacquire such shares at a price that may be significantly lower than their fair market value and that neither such shares nor any interest therein may be sold, transferred or encumbered until the expiration of such option. If such option is exercised, the holder of the shares represented by this certificate will have no further rights with respect to such shares and this certificate will be deemed void. A copy of such Plan is available for inspection at the executive offices of Sealed Air Corporation.

Upon the expiration of the Corporation's option to reacquire shares of Common Stock, an Employee may surrender to the Corporation the certificate or certificates representing such shares in exchange for a new certificate or certificates, free of the above legend, or for a statement from the Corporation representing such shares in book entry form free of such legend.

Section 11. Government and Other Regulations and Restrictions. The obligation of the Corporation to issue Common Stock upon execution of a Purchase Agreement shall be subject to all applicable laws, rules and regulations and to such approvals by governmental agencies as may be required. Shares of Common Stock acquired pursuant to the Plan shall not be sold, transferred or otherwise disposed of unless and until either (a) such shares shall have been registered by the Corporation under the Securities Act of 1933, as amended (the "Securities Act"), (b) the Corporation shall have received either a "no action" letter from the Securities and Exchange Commission or an opinion of counsel acceptable to the Corporation to the effect that such sale, transfer or other disposition of the shares may be effected without such registration or (c) such sale, transfer or disposition of the shares is made pursuant to Rule 144 under the Securities Act, as the same may from time to time be in effect, and the Corporation shall have received an opinion of counsel or other information acceptable to the Corporation to such effect. In the event that at the time a Purchase Agreement is executed there shall not be on file with the Securities and Exchange Commission an effective Registration Statement under the Securities Act covering the shares of Common Stock to be issued pursuant thereto the Employee will execute and deliver to the Corporation upon receipt by him of any such shares an undertaking in form and substance satisfactory to the Corporation that (i) it is his intention to acquire and hold such shares for investment and not for the resale or distribution thereof, (ii) he will comply with the Securities Act with respect to such shares, and (iii) he will indemnify the Corporation for any costs, liabilities and expenses that it may sustain by reason of any violation of the Securities Act occasioned by any act on his part with respect to such shares. The Corporation may require that any certificate or certificates evidencing shares issued pursuant to the Plan bear a restrictive legend intended to effect compliance with the Securities Act or any other applicable regulatory measures.

Section 12. Registration of Shares. The Corporation shall be under no obligation to register any shares of Common Stock under the Securities Act. However, a Purchase Agreement may make appropriate and reasonable provision for the registration of Common Stock acquired thereunder. The Corporation, at its election, may undertake to pay all fees and expenses of each such registration, other than an underwriter's commission, if any.

Section 13. No Rights in Common Stock. No Employee shall have any interest in or be entitled to any voting rights or dividends or other rights or privileges of stockholders of the Corporation with respect to any shares of Common Stock unless, and until, shares of Common Stock are actually issued to such Employee following execution of a Purchase Agreement and then only from the date the Employee becomes the record owner thereof.

Section 14. Subsidiaries. The subsidiaries of the Corporation referred to in the Plan are those corporations, joint ventures or other entities in which the Corporation owns, directly or indirectly, in the aggregate at least 50 percent of the voting power of the classes of stock of such entity entitled to vote and those partnerships, joint ventures and other entities in which the Corporation owns, directly or indirectly, a 50 percent or more interest in the capital account or earnings.

Section 15. Adjustments. In the event of changes in the Common Stock of the Corporation after the Effective Date by reason of any stock dividend, split-up, combination of shares, reclassification, recapitalization, merger, consolidation, reorganization, or liquidation: (a) the restrictions and the option provided in Section 8 and the requirement of a legend on stock certificates provided in Section 10 shall apply to any securities issued in connection with any such change in respect of stock that has been awarded under the Plan and (b) appropriate adjustments shall be made by the Committee as to (i) the number of shares to be delivered and the price per share to be paid by the Corporation upon the exercise, in whole or in part, of the option provided in Section 8, (ii) the number of shares to be delivered and the Issue Price where such change occurred after the date of the Award but before the date the stock covered by the Award is delivered and (iii) the number and class of shares available under the Plan in the aggregate.

Section 16. Change in Control. A "Change in Control" shall occur when (i) there occurs a reorganization, merger, consolidation, sale of all or substantially all the Corporation's assets, or other corporate transaction involving the Corporation (a "Corporate Transaction") and the stockholders of the Corporation immediately prior to such Corporate Transaction do not, immediately after the Corporate Transaction, beneficially own, in the aggregate, directly or indirectly, at least 70% of the combined voting power of the outstanding voting securities of the successor or resulting corporation or other entity resulting from such Corporate Transaction, where the term "beneficially own" shall be used as in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "Securities Exchange Act"), (ii) any "person" (as the term "person" is used in Sections 13(d) and 14(d) of the Securities Exchange Act) is or becomes the beneficial owner, directly or indirectly, of securities of the Corporation representing 30% or more of the combined voting power of the Corporation's then outstanding securities, (iii) as a result of any solicitation subject to Rule 14a-11 under the Securities Exchange Act (or any successor rule thereto) one or more persons not recommended by or opposed for election to the Board of Directors by one-third or more of the Continuing Directors of the Corporation then in office is or are elected a director of the Corporation, or (iv) the Corporation shall become subject for any reason to a voluntary or involuntary dissolution or liquidation. A "Continuing Director" shall be a director of the Corporation who is serving as such on the Effective Date and any person who is approved as a nominee or elected to the Board of Directors by a majority of Continuing Directors who are then members of the Board of Directors of the Corporation. Upon any Change in Control, as of the close of business at the principal executive office of the Corporation on the business day immediately preceding the date on which such event occurs, for purposes of the Plan and to the extent that the provisions of the Plan remain applicable to shares granted under the Plan, the option provided for in Section 8 of the Plan shall cease without further act to be exercisable with respect to any securities subject to an Award under the Plan, the restrictions provided for in Section 8 of the Plan shall without further act expire and cease to apply to any securities subject to an Award under the Plan, the requirement of a legend on stock certificates provided for in Section 10 of the Plan shall without further act expire and cease to apply to any securities subject to an Award under the Plan, and each Employee holding shares issued under the Plan shall thereupon have the right to receive an unlegended certificate as set forth in the last sentence of Section 10 of the Plan.

Section 17. Successors. The provisions of the Plan shall be binding upon and inure to the benefit of all successors of any person receiving Common Stock of the Corporation pursuant to the Plan, including, without limitation, the estate of such person and the executors, administrators or trustees thereof, the heirs and legatees of such person, and any receiver, trustee in bankruptcy or representative of creditors of such person.

Section 18. Indemnification of Committee Members. In addition to such other rights of indemnification as they may have as directors or as members of the Committee, the members of the Committee shall be indemnified by the Corporation against all costs and expenses reasonably incurred by them in connection with any action, suit or proceeding to which they or any of them may be party by reason of any action taken or failure to act under or in connection with the Plan, and against all amounts paid by them in settlement thereof (provided such settlement is approved by independent legal counsel selected by the Corporation) or paid by them in satisfaction of a judgment in any such action, suit or proceeding, except a judgment based upon a finding of bad faith, provided that upon institution of any such action, suit or proceeding, the Committee member desiring indemnification shall give the Corporation an opportunity, at its own expense, to conduct and defend the same.

Section 19. Corporation's Right to Terminate Employment. Nothing contained in the Plan or in any Purchase Agreement shall confer upon any Employee a right to continue in the employ of the Corporation or any of its subsidiaries or interfere in any way with the right of the Corporation or any of its subsidiaries to terminate the employment of any Employee at any time, whether with or without cause.

Section 20. Tax Withholding. Each Purchase Agreement incident to the Plan shall make appropriate provisions for the withholding of any federal, state or local taxes and any other charges that may be required by law to be withheld by reason of an Award, the issuance of Common Stock pursuant to the Plan or the reacquisition of such Common Stock by the Corporation.

Section 21. Action by Corporation. Neither the existence of the Plan nor the issuance of Common Stock pursuant thereto shall impair the right of the Corporation or its stockholders to make or effect any adjustments, recapitalizations or other change in the Common Stock referred to in Section 15, any change in the Corporation's business, any issuance of debt obligations or stock by the Corporation or any grant of options on stock of the Corporation.

Section 22. Reliance on Reports. Each member of the Committee shall be fully justified in relying or acting in good faith upon any reports or other information furnished in connection with the Plan by any person or persons. In no event shall any person who is or shall have been a member of the Committee be liable for any determination made or other action taken or any omission to act in reliance upon any such report or information or for any action taken or failure to act, if in good faith.

Section 23. Expenses. The expenses of administering the Plan shall be borne by the Corporation.

Section 24. Pronouns. Masculine pronouns and other words of masculine gender shall refer to both men and women.

Section 25. Termination and Amendment of the Plan. The Committee shall have complete power and authority to amend, suspend or terminate the Plan and, if suspended, reinstate any and all provisions of the Plan except that without further approval of the stockholders of the Corporation and except as otherwise provided in Section 15, (i) the number of shares available for issuance under the Plan either in the aggregate or to any one person shall not be increased and (ii) the minimum Issue Price shall not be decreased. Any Common Stock issued under the Plan with respect to which the period specified in or pursuant to Section 8 has not expired on or before the date of termination of the Plan shall remain subject to reacquisition by the Corporation pursuant to Section 8 until the expiration of such period.

Section 26. Effective Date. The Plan shall become effective on April 2, 1998 (the "Effective Date").

CONTINGENT STOCK PURCHASE AGREEMENT

AGREEMENT dated as of between SEALED AIR CORPORATION, a Delaware corporation (the "Corporation"), and (the "Employee").

The Employee is now an officer of the Corporation and has been selected by the Organization and Compensation Committee (the "Committee") of the Board of Directors of the Corporation as one who is in a position to make a significant contribution to the growth and success of the Corporation. Pursuant to the Contingent Stock Plan of Sealed Air Corporation (the "Plan"), the Corporation desires to provide an incentive to the Employee which will permit him to share directly in the growth of the Corporation and to further identify his interests with those of the stockholders of the Corporation.

NOW, THEREFORE, the Corporation and the Employee mutually agree as follows:

Section 1. Purchase and Sale of Stock

Subject to the terms and conditions hereinafter set forth, the Corporation hereby sells to the Employee and the Employee purchases from the Corporation * * shares of the $0.10 par value Common Stock of the Corporation ("Common Stock") for a purchase price of $1.00 per share (subject to adjustment pursuant to Section 7 of the Plan) (the "Issue Price"), receipt of which the Corporation hereby acknowledges. The Corporation will cause to be issued in the name of the Employee a certificate representing such shares of Common Stock within a reasonable time after execution of this Agreement.

Section 2. Representation

The Corporation represents that all shares of Common Stock issued pursuant to this Agreement will be duly authorized, validly issued, fully-paid and nonassessable.

Section 3. Repurchase Option and Period of Restriction

During the period beginning with the date of this Agreement and ending on the third anniversary of such date, and except as provided below, the Common Stock issued pursuant to this Agreement shall be subject to an option (the "Repurchase Option") in favor of the Corporation to reacquire such Common Stock at a price per share equal to the Issue Price. Neither the shares of Common Stock issued pursuant to this Agreement nor any interest therein shall be sold, transferred or encumbered until the Repurchase Option may no longer become exercisable. The Repurchase Option shall become exercisable only upon the termination of employment of the Employee with the Corporation or any of its subsidiaries other than as a result of the Employee's death or permanent and total disability.

Section 4. Exercise of the Repurchase Option

The Repurchase Option shall be exercised in whole or in part by the Corporation, if at all, by its sending written notice of such exercise to the Employee at the address specified in or pursuant to Section 10 within 120 days after the Employee's termination of employment. Such notice, which may be delivered in person or sent by registered or certified mail, postage prepaid, or by any other delivery service that provides written confirmation of delivery, shall also set forth the address to which and the date on which the certificates representing the Common Stock in respect of which the Repurchase Option is being exercised, duly endorsed for transfer, should be sent, unless such certificates are being held by the Corporation. The date specified shall not be less than ten days nor more than thirty days from the date of such notice. The Employee or his successor in interest with respect to such shares shall have no further rights as a stockholder from and after the date so specified in such notice and agrees that the Common Stock represented by such certificate shall be deemed canceled and returned to the treasury of the Corporation and that the Employee will have no further incidents of ownership, including the right to receive dividends or other distributions. If the certificates are duly delivered in accordance with the written notice, the Corporation shall promptly send to the Employee its check in the amount of the Issue Price for such shares. The Corporation shall affix to the certificates any required stock transfer stamps. If the certificates are not so delivered, the Corporation shall deposit the required amount of payment in an escrow account in the name of the Employee to be held therein until such certificates are delivered to the Corporation and the Corporation shall immediately advise its transfer agent of such action. In addition, if the certificates are not so delivered, the Employee shall repay to the Corporation any dividends or other distributions which may have become payable of record on or after the date on which the Employee was required to deliver the certificates to the Corporation and agrees to reimburse the Corporation all of its expenses (including attorneys' fees) incurred in connection with any steps the Corporation may take to cancel the certificates or to obtain the repayment of such dividends or other distributions, or both.

Section 5. Legend on Stock Certificates

Every certificate of Common Stock issued pursuant to this Agreement shall, so long as the restrictions described in Section 3 remain in effect, bear a legend in substantially the following form:

> This certificate and the shares represented hereby are held subject to the terms of the Contingent Stock Plan of Sealed Air Corporation which Plan provides that the shares issued pursuant thereto are subject to an option in favor of Sealed Air Corporation to reacquire such shares at a price which may be significantly lower than their fair market value and that neither such shares nor any interest therein may be sold, transferred or encumbered until the expiration of such option. If such option is exercised, the holder of the shares represented by this certificate will have no further rights with respect to such shares and this certificate will be deemed void. A copy of the Contingent Stock Plan is available for inspection at the executive offices of Sealed Air Corporation.

and shall have in effect a stop-transfer order with respect thereto. Upon expiration of the Repurchase Option, an Employee may surrender to the Corporation the certificate or certificates representing such shares in exchange for a new certificate or certificates, free of the above legend.

Section 6. Government and Other Regulations and Restrictions

The obligations of the Corporation to issue Common Stock upon execution of this Agreement shall be subject to all applicable laws, rules and regulations and to such approvals by governmental agencies as may be required. The Employee consents to the imprinting of the following legend on any certificate or certificates evidencing such shares and to the entry of a stop-transfer order with respect thereto in the records of the Corporation's transfer agent:

> The shares represented by this certificate may be sold, transferred or otherwise disposed of only if registered under the Securities Act of 1933, as amended, or if in the opinion of counsel to Sealed Air Corporation, an exemption from registration is available.

Section 7. Registration of Shares

The Corporation shall be under no obligation to register any shares of Common Stock under the Securities Act of 1933.

Section 8. No Rights in Common Stock

The Employee shall not have any interest in or be entitled to any voting rights or dividends or other rights or privileges of stockholders of the Corporation with respect to any shares of Common Stock issued pursuant to this Agreement until the shares of Common Stock are actually issued to the Employee and then only from the date the Employee becomes the record owner thereof.

Section 9. Injunctive Relief

In addition to any other rights or remedies available to the Corporation as a result of the breach of the Employee's obligations hereunder, the Corporation shall be entitled to enforcement of such obligations by an injunction or a decree of specific performance from a court with appropriate jurisdiction and, in the event that the Corporation is successful in any suit or proceeding brought or instituted by the Corporation to enforce any of the provisions of this Agreement or on account of any damages sustained by the Corporation by reason of the violation by the Employee of any of the terms and conditions of this Agreement to be performed by the Employee, the Employee agrees to pay to the Corporation all costs and expenses including attorneys' fees reasonably incurred by the Corporation.

Section 10. Notices

Any notice which either party hereto may be required or permitted to give to the other shall be in writing and, except as otherwise required herein, may be delivered personally or by mail to the Corporation at Park 80 East, Saddle Brook, New Jersey 07663, attention of the Secretary of the Corporation, or to the Employee at the address set forth below or at such other address as either party may designate by notice to the other.

Section 11. Subsidiaries

The subsidiaries of the Corporation referred to in this Agreement are those corporations, joint ventures or other entities in which the Corporation owns, directly or indirectly, in the aggregate at least 50 percent of the voting power of the classes of stock of such entity entitled to vote and those partnerships, joint ventures and other entities in which the Corporation owns, directly or indirectly, a 50% or more interest in the capital account or earnings.

Section 12. Adjustments

In the event of changes in the Common Stock of the Corporation after the date of this

Agreement by reason of any stock dividend, split-up, combination of shares, reclassification, recapitalization, merger, consolidation, reorganization, or liquidation: (a) the Repurchase Option and the restrictions described in Section 3 and the requirement of a legend on stock certificates as described in Sections 5 and 6 shall apply to any securities issued in connection with any such change in respect of Common Stock issued pursuant to this Agreement, and (b) appropriate adjustments shall be made by the Committee as to (i) the number of shares to be delivered and the price per share to be paid by the Corporation upon the exercise, in whole or in part, of the Repurchase Option, (ii) the number of shares to be delivered and the Issue Price where such change occurs after the date of this Agreement but before the date the stock covered by this Agreement is delivered, and (iii) the number and class of shares available under the Plan in the aggregate.

Section 13. Successors

The provisions of this Agreement shall be binding upon and inure to the benefit of all successors of the Employee, including, without limitation, his estate and the executors, administrators or trustees thereof, his heirs and legatees and any receiver, trustee in bankruptcy or representative of his creditors.

Section 14. Corporation's Right to Terminate Employment

Nothing contained in this Agreement shall confer upon the Employee a right to continue in the employ of the Corporation or any of its subsidiaries or interfere in any way with the right of the Corporation or any of its subsidiaries to terminate the employment of the Employee at any time, with or without cause.

Section 15. Payment of Withholding Tax

If, in the opinion of counsel for the Corporation, any federal, state or local taxes or any other charges may now or later be required by law to be withheld by the Corporation or one of its subsidiaries from the wages or salary of the Employee by reason of this Agreement or otherwise with respect to the Common Stock governed hereby, the Employee agrees to pay to the Corporation or such subsidiary, as the case may be, on five days written demand from the Corporation or such subsidiary an amount equal to such withholding tax or charge.

Section 16. Action by Corporation

Neither the existence of this Agreement nor the issuance of Common Stock pursuant hereto shall impair the right of the Corporation or its stockholders to make or effect any of the adjustments, recapitalizations or other changes in the Common Stock referred to in Section 12, any change in the Corporation's business, any issuance of debt obligations or stock by the Corporation or any grant of options with respect to stock of the Corporation.

Section 17. Interpretation

The Employee agrees that all questions of interpretation and administration of this Agreement shall be determined by the Committee in its sole discretion and such determination shall be final, binding and conclusive upon him. If the Committee is not acting, its functions shall be performed by the Board of Directors of the Corporation, and each reference in this Agreement to the Committee shall, in that event, be deemed to refer to the Board of Directors.

Section 18. Applicable Law

This Agreement shall be governed and construed in accordance with the laws of the State of Delaware.

Section 19. Terms and Conditions of Contingent Stock Plan of Sealed Air Corporation

The authority of the Corporation to enter into this Agreement and the issuance of shares of Common Stock pursuant hereto is derived exclusively from the Plan and from a resolution of the Committee granting the Employee the right to purchase shares of Common Stock pursuant to the Plan (the "Resolution"). In the event that any terms or conditions of this Agreement are in conflict with any terms or conditions of the Plan or of the Resolution, the terms and conditions of the Plan or Resolution shall control.

IN WITNESS WHEREOF, the Corporation has caused this Agreement to be duly executed under its corporate seal and the Employee has hereunto set his hand and seal, all as of the day and year first above written.

SEALED AIR CORPORATION

By

Chief Financial Officer

[Corporate Seal]

Attest:

- -----------------------------
Secretary

[L.S.]

Employee

Address of Employee:

Exhibit 10.3

SEALED AIR CORPORATION COMPENSATION DEFERRAL AGREEMENT

FOR CRYOVAC EMPLOYEES

THIS COMPENSATION DEFERRAL AGREEMENT (this "Agreement") is entered into as of __________________, by and between SEALED AIR CORPORATION, a Delaware corporation (the "Company"), and ____________________ ("Employee").

1. Statement of Purpose and Intent:

Prior to April 1, 1998, Employee had an account under the W.R. Grace & Co. Deferred Compensation Plan (the "Prior Grace Plan"), a non-qualified deferred compensation plan. Effective April 1, 1998, the Company ceased to sponsor the Prior Grace Plan as a result of a corporate re-organization and spin-off of certain business units. In order to avoid a taxable distribution from the Prior Grace Plan that would have occurred as a result of the corporate re-organization, the Company established and currently sponsors the Sealed Air Corporation Deferred Compensation Program for Cryovac Employees (the "Cryovac Plan") to hold and administer accounts of its employees transferred from the Prior Grace Plan. Effective January 1, 2001, the Company is terminating the Cryovac Plan and each participant in the Cryovac Plan will receive a distribution in the full amount of his or her Cryovac Plan account. The Company is giving each participant in the Cryovac Plan the opportunity, until September 30, 2000, to elect to continue to defer payment of his or her Cryovac Plan account by entering into a compensation deferral agreement with the Company. The purpose of this Agreement is to evidence Employee's decision to continue to defer payment of his or her Cryovac Plan account pursuant to the terms and conditions set forth herein. It is the intent of the Company that benefits under this Agreement shall not be taxable to Employee for income tax purposes until the time actually received by Employee. The provisions of this Agreement shall be construed and interpreted to effectuate such intent.

NOW, THEREFORE, in consideration of the premises and mutual covenants set forth herein, the parties hereto mutually agree as follows:

2. Definitions:

For purposes of this Agreement, the following terms shall have the following meanings:

(a) "Account" means the account established and maintained on the books of the Company to record Employee's interest under this Agreement attributable to amounts credited to Employee pursuant to paragraph 4(a) below, as adjusted from time to time pursuant to the terms of this Agreement.

(b) "Beneficiary(ies)" means the person(s) or entity(ies) designated by Employee under the Prior Grace Plan or the Cryovac Plan to receive any amounts payable following Employee's death. Employee's designation of a Beneficiary may be changed under this Agreement in accordance with procedures adopted by the Committee from time to time. If Employee fails to designate a Beneficiary or the designated Beneficiary fails to survive Employee, then the Beneficiary shall be Employee's estate.

(c) "Claim" means a claim for benefits under this Agreement.

(d) "Committee" means the Sealed Air Corporation Retirement Committee.

(e) "Company" means Sealed Air Corporation, a Delaware corporation, and any successor in interest thereto.

(f) "Prime Rate" means the average of the "prime rates" (as reported in The Wall Street Journal as the base rate on corporate loans posted by at least 75% of the nation's 30 largest banks) in effect on the first day of each month during each semiannual adjustment period (i.e., January 1 through June 30 and July 1 through December 31).

(g) "Retirement" means Employee's termination of employment with the Company and its subsidiaries on or after having attained age fifty-five (55).

3. Administration:

The Committee shall be responsible for administering this Agreement. The Committee shall have all of the powers necessary to enable it to properly carry out its duties under this Agreement. Not in limitation of the foregoing, the Committee shall have the power to construe and interpret this Agreement and to determine all questions that shall arise thereunder. The Committee shall have such other and further specified duties, powers, authority and discretion as are elsewhere in this Agreement either expressly or by necessary implication conferred upon it. The Committee may appoint such agents as it may deem necessary for the effective performance of its duties, and may delegate to such agents such powers and duties as the Committee may deem expedient or appropriate that are not inconsistent with the intent of this Agreement. The decision of the Committee upon all matters within its scope of authority shall be final and conclusive on all persons, except to the extent otherwise provided by law.

4. Operation:

(a) Establishment of Account. The Company shall establish and maintain on its books an Account for Employee. The Account shall be designated by Employee's name. The initial balance of the Account for Employee shall be established as of

January 1, 2001 in an amount equal to the balance in Employee's account under the Cryovac Plan as of December 31, 2000.

(b) Account Adjustments. The Account shall be adjusted semiannually on each June 30 and December 31 at a per annum rate equal to the greater of (i) the Prime Rate plus two (2) percentage points or (ii) one hundred twenty percent (120%) of the Prime Rate.

(c) Payment of Account.

(i) Termination of Employment Before Retirement. If Employee terminates employment with the Company prior to Retirement for any reason other than Employee's death (including, for example, as a result of Employee's long term disability), the balance in Employee's Account as of the last day of the month following the month in which such termination of employment occurs (the "Payment Date") shall be paid to Employee on or around the Payment Date in a single cash payment. For purposes of this subparagraph, the Account shall be adjusted for earnings from the date of the last adjustment under paragraph 4(b) above through the Payment Date, using for such purpose the adjustment rate that was in effect under paragraph 4(b) for the immediately preceding semi-annual adjustment period. Notwithstanding the foregoing, if Employee's employment is terminated other than due to the Employee's voluntary resignation or termination by the Company for "cause" (as determined by the Company in its reasonable discretion consistent with Company policies), any portion of Employee's Account attributable to deferral elections made under the Prior Grace Plan for 1989 or prior periods shall be paid in accordance with the method previously elected under the Prior Grace Plan.

(ii) Retirement; Age 70. In the event of Employee's Retirement, or in the event Employee attains age seventy (70) while still employed with the Company or any of its subsidiaries, Employee shall be paid the balance of Employee's Account in accordance with the method previously elected by Employee under the Prior Grace Plan or the Cryovac Plan. (The Prior Grace Plan permitted participants to elect lump sum payments or quarterly installments over a period selected by Employee of 2-10 years, 15 years or 20 years.) Payments shall begin as soon as practicable following Retirement or attainment of age seventy (70), as applicable. In addition, the Account shall be adjusted (A) from the last semi-annual adjustment date through the first payment date, using for such purpose the adjustment rate that was in effect under paragraph 4(b) for the immediately preceding semi-annual adjustment period, and (B) if installments have been elected, during the applicable payment period in a manner consistent with the provisions of paragraph 4(b) above.

(iii) Death. If Employee dies while in service and before commencement of benefits under this Agreement at age 70, then the Company shall pay Employee's Beneficiary an amount equal to the greater of (A) Employee's Account balance as of the date of death or (B) Employee's survivor benefit identified on Exhibit A attached hereto. (The amount of survivor benefit set forth on Exhibit A is not subject to adjustment pursuant to paragraph 4(b) above.) Such amount shall be paid in accordance with the method of payment that would have been applicable in the case of Employee's Retirement. If Employee dies after having commenced receiving installment payments, the remaining installments shall be paid to the Beneficiary as and when they would have otherwise been paid to Employee.

(iv) Change in Payment Method. Employee may change his or her payment method election applicable under paragraph 4(c)(ii) above by making the change on such forms, at such times and pursuant to such procedures as the Committee may establish from time to time; provided, however, that such change of election shall not become effective until the sixth (6th) month following the date such change of election is made.

(v) Unforeseeable Emergency. Prior to Employee's termination of employment with the Company, Employee may, in the Committee's sole discretion, receive a withdrawal from Employee's Account in the case of an "unforeseeable emergency". If Employee requests a payment pursuant to this paragraph, he or she shall have the burden of proof of establishing, to the Committee's satisfaction, the existence of such "unforeseeable emergency", and the amount of the payment needed to satisfy the same. In that regard, Employee shall provide the Committee with such financial data and information as the Committee may request. If the Committee determines that a payment should be made to Employee under this paragraph such payment shall be made within a reasonable time after the Committee's determination of the existence of such "unforeseeable emergency" and the amount of payment so needed. As used herein, the term "unforeseeable emergency" means a severe financial hardship to Employee resulting from a sudden and unexpected illness or accident of Employee or of a dependent of Employee, loss of Employee's property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of Employee. The circumstances that shall constitute an "unforeseeable emergency" shall depend upon the facts of each case, but, in any case, payment may not be made to the extent that such hardship is or may be relieved (i) through reimbursement or compensation by insurance or otherwise, or (ii) by liquidation of Employee's assets, to the extent the liquidation of such assets would not itself cause severe financial hardship. Examples of what are not considered to be "unforeseeable emergencies" include the need to send Employee's child to college or the purchase of a home. Withdrawals of amounts because of an "unforeseeable emergency" shall not exceed an amount reasonably needed to satisfy the emergency need.

(d) Other Payment Provisions. Any payment hereunder shall be subject to applicable payroll and withholding taxes. In the event any amount becomes payable under the provisions of this Agreement to Employee, a Beneficiary or other person who is a minor or an incompetent, whether or not declared incompetent by a court, such amount may be paid directly to the minor or incompetent person or to such person's fiduciary (or attorney-in-fact in the case of an incompetent) as the Committee, in its sole discretion, may decide, and the Committee shall not be liable to any person for any such decision or any payment pursuant thereto.

(e) Statements of Account. Employee shall receive an annual statement of Employee's Account balance.

5. Amendment, Modification and Termination of this Agreement:

The Chief Executive Officer or the Chief Financial Officer of the Company shall have the right and power at any time and from time to time to amend this Agreement in whole or in part and at any time to terminate this Agreement; provided, however, that no such amendment or termination shall reduce the amount actually credited to Employee's Account or Employee's survivor benefit under this Agreement on the date of such amendment or termination, or further defer the due dates for the payment of such amounts, without the consent of Employee; and further provided that no such amendment may be made that would adversely affect the rights or benefits of Employee under the Agreement without the consent of Employee.

6. Claims Procedures:

(a) General. In the event that Employee has a Claim under this Agreement, such Claim shall be made by Employee's filing a notice thereof with the Committee within ninety (90) days after Employee first has knowledge of such Claim. Once Employee has submitted a Claim to the Committee, Employee shall be afforded a reasonable opportunity to state Employee's position and to present evidence and other material relevant to the Claim to the Committee for its consideration in rendering its decision with respect thereto. The Committee shall render its decision in writing within ninety (90) days after the Claim is referred to it, unless special circumstances require an extension of such time within which to render such decision, in which event such decision shall be rendered no later than one hundred eighty (180) days after the Claim is referred to it. A copy of such written decision shall be furnished to Employee.

(b) Notice of Decision of Committee. If Employee's Claim is denied by the Committee, Employee shall be provided with written notice thereof, which notice shall set forth:

(i) the specific reason(s) for the denial;

(ii) specific reference to pertinent provision(s) of this Agreement upon which such denial is based;

(iii) a description of any additional material or information necessary for Employee to perfect such Claim and an explanation of why such material or information is necessary; and

(iv) an explanation of the procedure hereunder for review of such Claim;

all in a manner calculated to be understood by Employee.

(c) Review of Decision of Committee. Employee shall be afforded a reasonable opportunity for a full and fair review of the decision of the Committee denying the Claim. Such review shall be by the Committee. Such appeal shall be made within ninety (90) days after Employee received the written decision of the Committee and shall be made by the written request of Employee or Employee's duly authorized representative of the Committee. In the event of appeal, Employee or Employee's duly authorized representative may review pertinent documents and submit issues and comments in writing to the Committee. The Committee shall review the following:

(i) the initial proceedings of the Committee with respect to such Claim;

(ii) such issues and comments as were submitted in writing by Employee or Employee's duly authorized representative; and

(iii) such other material and information as the Committee, in its sole discretion, deems advisable for a full and fair review of the decision of the Committee.

The Committee may approve, disapprove or modify the decision of the Committee, in whole or in part, or may take such other action with respect to such appeal as it deems appropriate. The decision of the Committee with respect to such appeal shall be made promptly, and in no event later than sixty (60) days after receipt of such appeal, unless special circumstances require an extension of such time within which to render such decision, in which event such decision shall be rendered as soon as possible and in no event later than one hundred twenty (120) days following receipt of such appeal. The decision of the Committee shall be in writing and in a manner calculated to be understood by Employee and shall include specific reasons for such decision and set forth specific references to the pertinent provisions of this Agreement upon which such decision is based. Employee shall be furnished a copy of the written decision of the Committee. Such decision shall be final and conclusive upon all persons interested therein, except to the extent otherwise provided by applicable law.

7. Applicable Law:

This Agreement shall be construed, administered, regulated and governed in all respects under and by the laws of the United States to the extent applicable, and to the extent such laws are not applicable, by the laws of the state of New Jersey.

8. Miscellaneous:

Employee's rights and interests under this Agreement may not be assigned or transferred by Employee. This Agreement shall be an unsecured, unfunded arrangement. To the extent Employee acquires a right to receive payments from the Company under this Agreement, such right shall be no greater than the right of any unsecured general creditor of the Company. Nothing contained herein shall be deemed to create a trust of any kind or any fiduciary relationship between the Company and Employee. This Agreement shall be binding on the Company and any successor in interest of the Company.

[signature page follows]

IN WITNESS WHEREOF, the Company has caused this Agreement to be signed by its duly authorized officers and its corporate seal to be hereunto affixed, and Employee has hereunto set his hand, all as of the day and year first above written.

SEALED AIR CORPORATION

By: ______________________________________

Name: ________________________________

Title: ________________________________

"Company"

____

Name: ___________________________________

"Employee"

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

0001012100
SEALED AIR CORPORATION

9-MOS
DEC-31-2000
SEP-30-2000
6,251,000
0
512,152,000
20,817,000
298,629,000
871,714,000
1,983,571,000
965,293,000
3,989,601,000
608,381,000
884,695,000
1,535,809,000
0
8,427,000
668,696,000
3,989,601,000
2,194,990,000
2,194,990,000
1,429,594,000
1,429,594,000
421,251,000
0
44,093,000
300,052,000
136,524,000
163,528,000
0
0
0
163,528,000
1.50
1.36