UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-K

(Mark One)

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

For the fiscal year ended December 31, 2012

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 **(State or other jurisdiction of incorporation or organization)**	**65-0654331** **(I.R.S. Employer Identification Number)**
200 Riverfront Boulevard, **Elmwood Park, New Jersey** **(Address of principal executive offices)**	**07407-1033** **(Zip Code)**

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

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on Which Registered
Common Stock, par value $0.10 per share	**New York Stock Exchange**

Securities registered pursuant to Section 12(g) of the Act:
None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes ☐ No ☒

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 ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐ (Do not check if a smaller reporting company)	Smaller reporting company	☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of the last business day of the registrant's most recently completed second fiscal quarter, June 29, 2012, the aggregate market value of the registrant's common stock held by non-affiliates of the registrant was approximately $2,933,000,000, based on the closing sale price as reported on the New York Stock Exchange.

There were 194,595,896 shares of the registrant's common stock, par value $0.10 per share, issued and outstanding as of January 31, 2013.

DOCUMENTS INCORPORATED BY REFERENCE:

Portions of the registrant's definitive proxy statement for its 2013 Annual Meeting of Stockholders, to be held on May 16, 2013, are incorporated by reference into Part II and Part III of this Form 10-K.

Table of Contents

SEALED AIR CORPORATION AND SUBSIDIARIES

Table of Contents

PART I

Item 1.	Business	4
Item 1A.	Risk Factors	9
Item 1B.	Unresolved Staff Comments	18
Item 2.	Properties	18
Item 3.	Legal Proceedings	18
Item 4.	Mine Safety Disclosures	18
	Executive Officers of the Registrant	19

PART II

Item 5.	Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities	21
Item 6.	Selected Financial Data	23
Item 7.	Management’s Discussion and Analysis of Financial Condition and Results of Operations	24
Item 7A.	Quantitative and Qualitative Disclosures About Market Risk	41
Item 8.	Financial Statements and Supplementary Data	43
Item 9.	Changes in and Disagreements With Accountants on Accounting and Financial Disclosure	87
Item 9A.	Controls and Procedures	87
Item 9B.	Other Information	87

PART III

Item 10.	Directors, Executive Officers and Corporate Governance	88
Item 11.	Executive Compensation	88
Item 12.	Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	88
Item 13.	Certain Relationships and Related Transactions, and Director Independence	88
Item 14.	Principal Accounting Fees and Services	88

PART IV

Item 15.	Exhibits and Financial Statement Schedules	89
Signatures		94

Cautionary Notice Regarding Forward-Looking Statements

This report contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 concerning our business, consolidated financial condition and results of operations. All statements other than statements of historical facts included in this report regarding our strategies, prospects, financial condition, costs, plans and objectives are forward-looking statements. The U.S. Securities and Exchange Commission (“SEC”) encourages companies to disclose forward-looking statements so that investors can better understand a company’s future prospects and make informed investment decisions. Some of our statements in this report, in documents incorporated by reference into this report and in our future oral and written statements may be forward-looking. These statements reflect our beliefs and expectations as to future events and trends affecting our business, our consolidated financial condition and results of operations. These forward-looking statements are based upon our current expectations concerning future events and discuss, among other things, anticipated future financial performance and future business plans. Forward-looking statements are necessarily subject to risks and uncertainties, many of which are outside our control, that could cause actual results to differ materially from these statements. Forward-looking statements can be identified by such words as “anticipates,” “believes,” “plan,” “assumes,” “could,” “should,” “estimates,” “expects,” “intends,” “potential,” “seek,” “predict,” “may,” “will” and similar expressions. Examples of these forward-looking statements include projections regarding our financial performance such as those in the “Components of Change in Net Sales” and “Cost of Sales” sections of our Management’s Discussion and Analysis of Financial Condition and Results of Operations (“MD&A”).

The following are important factors that we believe could cause actual results to differ materially from those in our forward-looking statements: the implementation of our Settlement agreement regarding the various asbestos-related, fraudulent transfer, successor liability, and indemnification claims made against the Company arising from a 1998 transaction with W. R. Grace & Co.; global economic and political conditions; credit ratings; changes in raw material pricing and availability; changes in energy costs; competitive conditions and contract terms; currency translation and devaluation effects, including in Venezuela; the success of our financial growth, profitability, cash generation and manufacturing strategies and our cost reduction and productivity efforts; the effects of animal and food-related health issues; pandemics; consumer preferences; environmental matters; regulatory actions and legal matters; successful integration and the other information referenced below under Item 1A, “Risk Factors.” Except as required by the federal securities laws, we undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

Non-U.S. GAAP Information

In our MD&A, we present financial information in accordance with Generally Accepted Accounting Principles in the United States of America, (“U.S. GAAP”). In addition, we present financial information that does not conform to U.S. GAAP, which we refer to as non-U.S. GAAP, as our management believes it is useful to investors. In addition, non-U.S. GAAP measures are used by management to review and analyze our operating performance and, along with other data, as internal measures for setting annual budgets and forecasts, assessing financial performance, providing guidance and comparing our financial performance with our peers. The non-U.S. GAAP information has limitations as an analytical tool and should not be considered in isolation from or as a substitute for U.S. GAAP information. It does not purport to represent any similarly titled U.S. GAAP information and is not an indicator of our performance under U.S. GAAP. Further, non-U.S. GAAP financial measures that we present may not be comparable with similarly titled measures used by others. Investors are cautioned against placing undue reliance on these non-U.S. GAAP measures. Further, investors are urged to review and consider carefully the adjustments made by management to the most directly comparable U.S. GAAP financial measure to arrive at these non-U.S. GAAP financial measures.

Our management may assess our financial results, such as gross profit, operating profit and diluted net earnings per common share (“EPS”), both on a U.S. GAAP basis and on an adjusted non-U.S. GAAP basis. Examples of some other supplemental financial metrics our management will also use to assess our financial performance include Earnings before Interest Expense, Taxes, Depreciation and Amortization (“EBITDA”), Adjusted EBITDA and Adjusted EPS. These non-U.S. GAAP financial measures provide management with additional means to understand and evaluate the core operating results and trends in our ongoing business by eliminating certain one-time expenses and/or gains (which may not occur in each period presented) and other items that management believes might otherwise make comparisons of our ongoing business with prior periods and peers more difficult, obscure trends in ongoing operations or reduce management’s ability to make useful forecasts. Our non-U.S. GAAP financial measures may also be considered in calculations of our performance measures set by the Organization and Compensation Committee of our Board of Directors for purposes of determining incentive compensation.

The non-U.S. GAAP financial metrics mentioned above exclude items we consider unusual or special items and also exclude their related tax effects. We evaluate the unusual or special items on an individual basis. Our evaluation of whether to exclude an unusual or special item for purposes of determining our non-U.S. GAAP financial measures considers both the quantitative and qualitative aspects of the item, including, among other things (i) its nature, (ii) whether or not it relates to our ongoing business operations, and (iii) whether or not we expect it to occur as part of our normal business on a regular basis.

Another non-U.S GAAP financial metric we present is our core income tax provision and/or core tax rate. Our core taxes are measures of our U.S. GAAP reported effective tax rate, which is adjusted for the same items applicable to our core taxes that are excluded from our adjusted net earnings and adjusted EPS metrics. We consider our core taxes as an indicator of the taxes on our core business. The tax situation and effective tax rate of a specific country where the excluded or special items occur will determine the impact (positive or negative) on our core taxes.

In our “Highlights of Financial Performance,” “Net Sales by Segment Reporting Structure,” “Net Sales by Geographic Region” and in some of the discussions and tables that follow, we exclude the impact of foreign currency translation when presenting net sales information, which we define as “constant dollar.” Changes in net sales excluding the impact of foreign currency translation are non-U.S. GAAP financial measures. As a worldwide business, it is important that we take into account the effects of foreign currency translation when we view our results and plan our strategies. Nonetheless, we cannot directly control changes in foreign currency exchange rates. Consequently, when our management looks at net sales to measure the performance of our business, we typically exclude the impact of foreign currency translation from net sales. We also may exclude the impact of foreign currency translation when making incentive compensation determinations. As a result, our management believes that these presentations may be useful to investors.

PART I

Item 1. *Business*

Sealed Air Corporation, a corporation organized under the laws of Delaware, is a global leader in food safety and security, facility hygiene and product protection. We serve an array of end markets including food and beverage processing, food service, retail, health care and industrial, commercial and consumer applications. We have widely recognized and inventive brands such as Bubble Wrap® brand cushioning, Cryovac® brand food packaging solutions and Diversey® brand cleaning and hygiene solutions. Our focus is on achieving net sales growth through geographic expansion, new and expanded relationships with customers and demonstrating the strength of our sustainability value proposition.

Sealed Air was founded in 1960. We conduct substantially all of our business through three wholly-owned subsidiaries, Cryovac, Inc., Sealed Air Corporation (US) and Diversey, Inc. ("Diversey"). Throughout this Annual Report on Form 10-K, when we refer to "Sealed Air," the "Company," "we," "us" or "our," we are referring to Sealed Air Corporation and all of our subsidiaries, except where the context indicates otherwise. Please refer to Part II, Item 8, "Financial Statements and Supplementary Data" for financial information about the Company and its subsidiaries, which is incorporated herein by reference. Also, when we cross reference to a "Note," we are referring to our "Notes to Consolidated Financial Statements," unless the context indicates otherwise.

We are a leading global innovator in the applications we serve and we differentiate ourselves through our:

- extensive global reach, by which we leverage our strengths across our operations in 62 countries to reach customers in over 175 countries;
- approximately 25,000 employees representing industry-leading expertise in packaging design, sales, service and engineering, hygiene and sanitation solutions, and in food science;
- leading brands, such as our Bubble Wrap® brand cushioning, Jiffy® protective mailers, Instapak® foam-in-place systems, Cryovac® packaging technology, and Diversey® and TASKI® brand cleaning and hygiene solutions;
- technology leadership with an emphasis on proprietary technologies;
- total systems offering that includes specialty materials and formulations, equipment systems and services; and
- solid cash flow generation from premium solutions to meet our customers' needs, productivity improvements, working capital management and an asset-light business model.

In 2012, our operations generated approximately 65% of our revenue from outside the United States, including approximately 24% of our revenue from developing regions. These developing regions are Africa, Asia (excluding Japan and South Korea), Central and Eastern Europe, and Latin America.

Recent Events

Impairment of Goodwill and Other Intangible Assets

During 2012, we recorded non-cash charges for impairment of goodwill and other intangible assets totaling $1.9 billion. This impairment does not result in any future cash expenditures, impact liquidity, affect the ongoing business or financial performance of the Company, or impact compliance with our debt covenants. See Note 8, "Goodwill and Identifiable Intangible Assets," for further discussion of our goodwill and identifiable intangible assets.

New Segment Structure

During the fourth quarter of 2012, we began to operate under three new business divisions for our segment reporting structure: Food & Beverage, Institutional & Laundry and Protective Packaging, and an "Other" category, which includes our Medical Applications and New Venture Businesses. This new structure replaced our legacy seven business unit structure. See "Segments" below for further details of our segment structure.

Issuance of 6.50% Senior Notes due 2020

On November 28, 2012, we completed an offering of $425 million aggregate principal amount of 6.50% senior notes due 2020 (the "2020 Notes"). We used the net proceeds of the offering, along with cash on hand, to purchase all of our outstanding $400 million 5.625% Senior Notes due 2013 (the "2013 Notes") pursuant to a tender offer for an aggregate purchase price of $421 million plus accrued and unpaid interest. See Note 12, "Debt and Credit Facilities" for further details of our senior notes activities.

Sale of Diversey G.K.

On November 14, 2012, we completed the sale Diversey G.K. ("Diversey Japan"), an indirect subsidiary of Diversey, Inc. to an investment vehicle of The Carlyle Group ("Carlyle") for gross proceeds of $323 million, including certain purchase price adjustments. After transaction costs of $10 million, we used substantially all of the net proceeds of $313 million to prepay a portion of our term loans outstanding under our senior secured credit facilities. We recorded a pre-tax gain on the sale of $211 million ($179 million net of tax) which is included in net gain on sale of discontinued operations in the consolidated statement of operations for the year ended December 31, 2012.

The operating results of Diversey Japan were reclassified to discontinued operations, net of tax, on the consolidated statements of operations for the years ended December 31, 2012 and 2011, and the assets and liabilities of the Diversey Japan operations were reclassified to assets and liabilities held for sale as of December 31, 2011. See Note 3, "Divestiture," for details of our sale of Diversey Japan.

Amended Credit Facility

We amended and refinanced our credit facility to (a) reduce Term Loan B interest rates, (b) gain additional flexibility on financial covenant, and (c) amend certain other terms. See Note 12, "Debt and Credit Facilities," for further details of our amended credit facility.

Quarterly Cash Dividends

We declared and paid quarterly cash dividends of $0.13 per common share on March 16, 2012 to stockholders of record at the close of business on March 2, 2012, on June 15, 2012 to stockholders of record at the close of business on June 1, 2012, on September 14, 2012 to stockholders of record at the close of business on August 31, 2012 and on December 14, 2012 to stockholders of record at the close of business on November 30, 2012. We used available cash totaling $101 million to pay these quarterly cash dividends.

On February 14, 2013, our Board of Directors declared a quarterly cash dividend of $0.13 per common share payable on March 15, 2013 to stockholders of record at the close of business on March 1, 2013. The estimated amount of this dividend payment is $25 million based on 195 million shares of our common stock issued and outstanding as of January 31, 2013.

Table of Contents

Our Business Strategies

We seek to enhance our position as a leading global provider of innovative packaging and hygiene solutions that our customers use to improve safety, efficiency and sustainability within their operations by focusing on six strategic priorities:

1. **Maintaining and extending our technological leadership, expertise and our sustainability value proposition:**

   We continue to expand our presence in both existing and new end market applications by focusing on innovative products and solutions that bring measurable, sustainable value to our customers while also meeting the demands for cost and performance. Our solutions enhance topline growth for customers; reduce costs through operational efficiency, water reduction and waste prevention; and mitigate risks.

   As part of our SmartLife™ initiative, we look beyond the single product or service to consider the value chain where the solution is part of a broader lifecycle involving sourcing, distribution, use and even disposal. In addition, we will leverage the value our internal expertise brings to customers to generate new revenue streams and greater profitability.

2. **Better aligning ourselves with the right customers and markets:**

   As part of our ongoing business portfolio review, we are committed to identifying earlier and more definitively those customers and markets that offer us the best opportunity to deliver value added solutions and services that are sufficiently differentiated and valued in the marketplace. In addition, we are committed to leveraging our strengths to enhance our position with our food and beverage customers. By doing so, we improve access to a more secure food supply chain – one that is safer and more nutritious; more efficient and less wasteful.

3. **Accelerating our penetration and rate of growth in developing regions:**

   With an international focus and extensive geographic footprint aligned to our greatest growth opportunities, we will combine our local market knowledge with our broad portfolio and strengths in innovation and customer service to grow in developing regions. Urbanization, global trade, increased protein consumption and the ongoing conversion to safer and hygienically packaged foods and goods are key secular trends that underpin our confidence in our ability to grow rapidly in these parts of the world.

4. **Focusing on cash flow generation and improved return on assets:**

   We are focused on generating substantial operating cash flow from our existing business so that we can continue to invest in new products and technologies, deleverage our balance sheet, continue to pay a dividend, and support growth in our share price. We believe our ongoing process of critically analyzing our business portfolio and reallocating technical, human, and capital resources to the most promising market sectors from those sectors that are less strategic or have a lower level of financial performance, will enhance our free cash flow generation performance and result in a higher return on assets, thus improving shareholder value.

5. **Optimizing our cost base and operations to maximize profitability:**

   The size and scale of our global operations affords us a continuing opportunity to derive greater supply chain efficiencies by leveraging our purchasing power, optimizing our manufacturing and logistics footprint, improving our internal processes, and reducing complexity and cost. In addition to reducing the cost of our supply chain operations, we continue to focus on adapting the cost structure of our customer facing and back-office operations to the appropriate level required to adequately support our external customer base and run the business effectively.

6. **Developing our people:**

   We recognize that a core strength of our business is our people. Therefore, we will continue to invest in the development of key skills in our diverse workforce while improving our ability to attract and retain new employees when we identify gaps in the current workforce.

Segments

During the fourth quarter of 2012, we began to operate under three new business divisions for our segment reporting structure. This new structure replaced our legacy seven business unit structure. Additionally, we report our regional results using the following regions: North America, Europe, Latin America, AMAT ("Asia, Middle East, Africa and Turkey") and Japan/Australia/New Zealand.

Our new segment reporting structure, which we also refer to as "divisions," reflects the way management now makes operating decisions and manages the growth and profitability of the business. It also corresponds with management's current approach of allocating resources and assessing the performance of our segments. We report our segment in accordance with the provision of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 280, "Segment Reporting."

Our new reportable segments are:

1. Food & Beverage;
2. Institutional & Laundry; and
3. Protective Packaging.

Our Other category includes:

(a) Medical Applications; and

(b) New Ventures.

Additional financial information concerning our reportable segments appears in Note 5, "Segments."

Descriptions of the Reportable Segments and Other Category

Food & Beverage ("F&B") Segment

The F&B division combines Sealed Air's legacy Food Packaging and Food Solutions packaging businesses with Diversey's legacy Food & Beverage hygiene solutions business. This division focuses on providing processors, retailers and food service operators a broad range of integrated system solutions that improve the management of contamination

risk and facility hygiene during the food and beverage production process, extend product shelf life through packaging technologies, and improve merchandising, ease-of-use, and back-of-house preparation processes. Our systems are designed to be turn-key and reduce customers' total operating costs through improved operational efficiencies and reduced food waste, as well as lower water and energy use. As a result, processors are able to produce and deliver their products more cost-effectively, safely, efficiently, and with greater confidence through their supply chain with a trusted partner.

The business largely serves perishable food and beverage processors predominately in fresh and processed meats, dairy (solids and liquids) and beverages worldwide, and maintains a leading position in the applications it targets. Solutions are marketed under the Cryovac® and Diversey™ trademarks and under sub-brands such as Cryovac Grip & Tear®, Cryovac Mirabella®, Simple Steps®, Secure Check, AquaCheck and EnergyCheck.

Packaging solutions incorporate equipment systems that are frequently integrated into customers' operations, consumables such as advanced flexible films, absorbent materials and trays, and a variety of pre- and post-sale services. Packaging equipment systems can incorporate various options for loading, filling and dispensing, and will also accommodate certain retort and aseptic processing conditions. Equipment solutions supported include vacuum shrink bag systems, flow-vac, thermoforming, skin, tray/lid and vertical pouch packaging systems. Services include graphic design, printing, training, field quality assurance and remote diagnostics. Facility hygiene solutions include clean-in-place and open plant systems that integrate cleaning chemicals, lubricants, floor care equipment and cleaning tools. Also offered are a wide range of value-added services such as application and employee training and auditing of hygiene, water and energy management to improve the operational efficiency of customers' processes and their cleaning efficacy.

F&B focuses on providing comprehensive systems which protect our customers' products while adding value through increasing operational efficiency and reducing waste throughout the entire food and beverage supply chain. F&B will partner with customers to provide integrated packaging and hygiene solutions that will consistently deliver food safety, shelf life extension, total cost optimization and innovative packaging formats which will enable our customers to enhance their brands in the marketplace.

Institutional & Laundry ("I&L") Segment

The I&L division represents the broad offering of Diversey™-branded total integrated system solutions for facility hygiene, food safety and security in food service operations, and infection control to customers worldwide. The division is focused on serving five key institutional and industrial sectors globally, which include: food service operators, lodging and laundry establishments, facility management and building service contractors, retail outlets, and healthcare facilities.

I&L integrates cleaning chemicals, floor care equipment, cleaning tools, and a wide range of value-added services based on extensive expertise, including application and employee training, auditing of hygiene and appearance, food safety services, and water and energy management to improve the operational efficiency of customers' processes and mitigate risk by improving their cleaning methods and reducing the overall environmental footprint of commercial and industrial facilities. These solutions address kitchen hygiene, floor care, housekeeping and restroom care, and professional laundry. The range of Diversey-branded solutions includes fully integrated lines of products and dispensing systems for hard surface cleaning, disinfecting and sanitizing, hand washing, deodorizing, ware washing, hard surface and carpeted floor cleaning systems, cleaning tools and utensils, and fabric care for professional laundry applications that are comprised of detergents, stain removers, bleaches and a broad range of dispensing equipment for process control and management information systems.

I&L is focused on growth in developing regions, where increased urbanization and greater sanitation and hygiene requirements provide growth opportunities with regional and multinational customers across its five targeted market sectors. The business is also focused on expanding its market presence by increasing the measurable value its extensive expertise, integrated solutions and global footprint can provide for large corporate and international accounts.

Protective Packaging Segment

This division combines Sealed Air's legacy Protective Packaging, Shrink Packaging and the engineered foam portion of the legacy Specialty Materials businesses to provide customers a broad portfolio of protective packaging systems designed for use across a range of applications and industries globally. This division provides customers with a versatile range of protective packaging solutions to meet cushioning, void fill, positioning/block-and-bracing, surface protection, retail display, containment and dunnage needs. Solutions are marketed under industry-leading brands that include Bubble Wrap® and Air Cap® air cellular packaging, Cryovac® performance shrink films, Instapak® polyurethane foam packaging systems, Jiffy® mailers, and Korrvu® suspension and retention packaging and sustainable offers in PakNatural® Loose fill and Restore™ Mushroom Molded Shapes packaging. Solutions are sold globally and supported by a network of 30 ASTM-approved protective packaging design and testing centers, and one of the industry's largest sales and service team.

Today, Protective Packaging solutions are largely sold through business supply distribution that sells to business/industrial end-users representing over 400 SIC codes. Additionally, solutions are sold directly to fabricators, OEMs/contract manufacturers, e-commerce/fulfillment operations, and at retail centers, where Protective Packaging offers select products for consumer use.

Protective Packaging is focused on sustainability, growth in developing regions, advancements in material science, automation and user ease-of-use interface and features.

Other

We also focus on growth by utilizing our technologies in new market segments. This category includes our medical applications and new ventures businesses.

Medical Applications

The goal of our Medical Applications business is to provide solutions offering superior protection and reliability to the medical, pharmaceutical and medical device industries. We sell medical applications products directly to medical device manufacturers and pharmaceutical companies and to the contract packaging firms that supply them. Medical Applications is focused on growth in the medical device and pharmaceutical solutions packaging markets, utilizing the global brands of Nexcel® and Nelipak®. Our core product lines include customer designed rigid and flexible packaging materials for medical and drug delivery devices, specialty component films for ostomy and colostomy bags and PVC free film to package pharmaceutical solutions.

New Ventures

Our New Ventures business includes several development and innovative projects. These include technologies and solutions sourced from renewable materials, proprietary process technologies that have opportunity for application within our manufacturing processes and for future licensing, and equipment systems that offer an automated packaging service for high-volume fulfillment or pick-and-pack operators.

Outsourced Products

In addition to net sales from products produced in our facilities, we also sell products fabricated by other manufacturers, which we refer to as “outsourced products.” We have strategically opted to use third-party manufacturers for technically less complex products and selected equipment in order to offer customers a broader range of solutions. We have benefited from this strategy with increased net sales and operating profit requiring minimal capital expenditures.

During 2012, total outsourced products sales represented approximately 21% of total net sales, of which 34% related to our F&B division, 61% related to our I&L division and 5% related to our Protective Packaging division. During 2011, total outsourced products sales represented approximately 11% of total net sales in 2011, of which 47% related to our F&B division, 39% related to our I&L division and 14% related to our Protective Packaging division.

Global Operations

We operate through our subsidiaries and have a presence in the United States and the 61 other countries listed below, enabling us to distribute our products to our customers in over 175 countries.

Argentina	Czech Republic	India	Mexico	Portugal	Switzerland
Australia	Denmark	Indonesia	Morocco	Romania	Taiwan
Austria	Dominican Republic	Ireland	Netherlands	Russia	Thailand
Barbados	Egypt	Israel	New Zealand	Singapore	Turkey
Belgium	Finland	Italy	Nigeria	Slovakia	Ukraine
Brazil	France	Jamaica	Norway	Slovenia	United Arab Emirates
Canada	Germany	Japan	Pakistan	South Africa	United Kingdom
Chile	Greece	Kenya	Peru	South Korea	Uruguay
China	Guatemala	Luxembourg	Philippines	Spain	Venezuela
Colombia	Hungary	Malaysia	Poland	Sweden	Vietnam
Costa Rica					

In maintaining our foreign operations, we face risks inherent in these operations, such as currency fluctuations, inflation and political instability. Information on currency exchange risk appears in Part II, Item 7A of this Annual Report on Form 10-K, which information is incorporated herein by reference. Other risks attendant to our foreign operations are set forth in Part I, Item 1A. "Risk Factors," of this Annual Report on Form 10-K, which information is incorporated herein by reference. Information on the impact of currency exchange on our consolidated financial statements appears in Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations. Financial information showing net sales and total long-lived assets by geographic region for each of the three years ended December 31, 2012 appears in Note 4, "Segments," which information is incorporated herein by reference. We maintain programs to comply with the various laws, rules and regulations related to the protection of the environment that we may be subject to in the many countries in which we operate. See "Environmental Matters," below.

Employees

As of December 31, 2012, we had approximately 25,000 employees worldwide. Approximately 7,000 of these employees were in the U.S., with approximately 150 of these employees covered by collective bargaining agreements. Of the approximately 18,000 employees who were outside the U.S., approximately 5,800 were covered by collective bargaining agreements. Outside of the U.S., many of the covered employees are represented by works councils or industrial boards, as is customary in the jurisdictions in which they are employed. We believe that our employee relations are satisfactory.

Marketing, Distribution and Customers

At December 31, 2012, we employed approximately 8,400 sales, marketing and customer service personnel throughout the world who sell and market our products to and through a large number of distributors, fabricators, converters, e-commerce and mail order fulfillment firms, and contract packaging firms as well as directly to end-users such as food processors, foodservice businesses, supermarket retailers, lodging, retail, pharmaceutical companies, health care facilities, medical device manufacturers, and other manufacturers.

To support our F&B and New Ventures customers, we operate three Packforum® innovation and learning centers that are located in the U.S., France, and China. At Packforum® Centers, we assist customers in identifying the appropriate packaging materials and systems to meet their needs. We also offer ideation services, educational seminars, employee training and customized graphic design services to our customers.

To assist our marketing efforts for our Protective Packaging products and to provide specialized customer services, we operate 30 industrial Package Design Centers (PDC's) worldwide within our facilities. These PDC's are staffed with professional packaging engineers and outfitted with drop-testing and other equipment used to develop, test and validate cost-effective package designs to meet each protective packaging customer's needs.

To support our equipment systems and the marketing of our totals systems solutions, we provide field technical services to our customers worldwide. These services include system installation, integration and monitoring systems, repair and upgrade, operator training in the efficient use of our systems, qualification of various consumable and system combinations, and equipment layout and design.

For our medical application customers, we offer two cleanroom contract assembly and packaging facilities in two countries, as well as a packaging validation lab.

Our F&B applications are largely sold direct, while our most of our Protective Packaging products and a portion of our I&L products and solutions are sold through business supply distributors.

We have no material long-term contracts for the distribution of our products. In 2012, no customer or affiliated group of customers accounted for 10% or more of our consolidated net sales.

Seasonality

Historically, net sales in our F&B segment have tended to be slightly lower in the first quarter and slightly higher towards the end of the third quarter through the fourth quarter, due to holiday events. Net sales in our I&L segment have tended to be slightly lower in the first quarter, second quarter sales represent a modest seasonal increase due to higher occupancy rates in European lodging, and the third and fourth quarters of the year are relatively the same level as the second quarter. Net sales in our Protective Packaging segment have also tended to be slightly lower in the first quarter and higher in the mid-third quarter and through the fourth quarter due to the holiday shopping season. On a consolidated basis, there is little seasonality in the business, with net sales slightly lower in the first quarter and slightly higher towards the end of the third quarter through the fourth quarter. Our consolidated net earnings typically trend directionally the same as our net sales seasonality. Cash flow from operations has tended to be lower in the first quarter and higher in the fourth quarter, reflecting seasonality of sales and working capital changes, including the timing of certain annual incentive compensation payments.

Other factors may outweigh the effects of seasonal changes in our net earnings results including, but not limited to, changes in raw materials and other costs, foreign exchange rates, interest rates, taxes and the timing and amount of acquisition synergies and restructuring and other non-recurring charges.

[Table of Contents](#)

Competition

Competition for most of our packaging products is based primarily on packaging performance characteristics, service and price. There are also other companies producing competing products that are well-established. Since competition is also based upon innovations in packaging technology, we maintain ongoing research and development programs to enable us to maintain technological leadership. We invest approximately double the industry average on research and development as a percentage of net sales per year as compared with our packaging peers.

There are other manufacturers of F&B products, some of which are companies offering similar products that operate across regions and others that operate in a single region or single country. Competing manufacturers produce a wide variety of food packaging based on plastic, metals and other materials. We believe that we are one of the leading suppliers of (i) flexible food packaging materials and related systems in the principal geographic areas in which we offer those products, (ii) barrier trays for case-ready meat products in the principal geographic areas in which we offers those trays, and (iii) absorbent pads for food products to supermarkets and to meat and poultry processors in the United States.

Our F&B hygiene solutions and I&L solutions face a wide spectrum of competitors across each product category. Competition is both global and regional in scope and includes numerous small, local competitors with limited product portfolios and geographic reach. We compete globally on premium product offerings and application expertise, innovative product and dispensing equipment offerings, value-added solution delivery, and strong customer service and support. We differentiate our offerings from competitors by becoming the preferred partner to our customers, and by providing innovative, industry-leading products to make their facilities safer and healthier for both maintenance staff and building occupants. We believe our integrated solutions approach, which includes the supply of machines, tools, chemicals, processes and training to customers to drive productivity improvements, reduces risk of food safety events and improve infection control to reduce health care acquired infections, is a unique competitive strength. Additionally, the quality, ease of use and environmental profile of our products are unique and have helped support long-standing, profitable relationships with many top customers.

Our Protective Packaging products compete with similar products made by other manufacturers and with a number of other packaging materials that customers use to provide protection against damage to their products during shipment and storage. Among the competitive materials are various forms of paper packaging products, expanded plastics, corrugated die cuts, strapping, envelopes, reinforced bags, boxes and other containers, and various corrugated materials, as well as various types of molded foam plastics, fabricated foam plastics, mechanical shock mounts, and wood blocking and bracing systems. We believe that we are one of the leading suppliers of air cellular cushioning materials containing a barrier layer, inflatable packaging, suspension and retention packaging, shrink films for industrial and commercial applications, protective mailers, polyethylene foam and polyurethane foam packaging systems in the principal geographic areas in which we sell these products.

Competition for most of our Medical Applications products is based primarily on performance characteristics, service and price. Technical design capability is an additional competitive factor for the rigid packaging offered by the Medical Applications business.

Raw Materials and Sourcing

Suppliers provide raw materials, packaging components, equipment, accessories and contract manufactured goods. Our principal raw materials are polyolefin and other petrochemical-based resins and films, caustic soda, solvents, waxes, phosphates, surfactants, chelates, fragrances and paper and wood pulp products. These raw materials represent approximately 40% of our consolidated cost of sales. We also purchase corrugated materials, cores for rolls of products such as films and Bubble Wrap® brand cushioning, inks for printed materials, bag-in-the-box containers, bottles, drums, pails, totes, aerosol cans, caps, triggers, valves, and blowing agents used in the expansion of foam packaging products. In addition, we offer a wide variety of specialized packaging equipment, some of which we manufacture or have manufactured to our specifications, some of which we assemble and some of which we purchase from suppliers. Equipment and accessories include industrial and food packaging equipment, dilution-control warewashing and laundry equipment, floor care machines and items used in the maintenance of a facility such as air care dispensers, floor care applicators, microfiber mops and cloths, buckets, carts and other cleaning tools and utensils.

The vast majority of the raw materials required for the manufacture of our products and all components related to our equipment and accessories generally have been readily available on the open market, in most cases are available from several suppliers and are available in amounts sufficient to meet our manufacturing requirements. However, we have some sole-source suppliers, and the lack of availability of supplies could have a material negative impact on our consolidated financial condition or results of operations. Natural disasters such as hurricanes, as well as political instability and terrorist activities, may negatively impact the production or delivery capabilities of refineries and natural gas and petrochemical suppliers and suppliers of other raw materials. Due to by-product/co-product chemical relationships to the automotive and housing markets, several materials may become difficult to source. These factors could lead to increased prices for our raw materials, curtailment of supplies and allocation of raw materials by our suppliers. We source some materials used in our packaging products from materials recycled in our manufacturing operations or obtained through participation in recycling programs. Although we purchase some raw materials under long-term supply arrangements with third parties, these arrangements follow market forces and are in line with our overall global sourcing strategy, which seeks to balance the cost of acquisition and availability of supply.

We have a centralized supply chain organization, which includes the centralized management of procurement and logistic activities. Our objective is to leverage our global scale to achieve sourcing efficiencies and reduce our total delivered cost across all our regions. We do this while adhering to strategic performance metrics and stringent sourcing practices.

Research and Development Activities

We maintain a continuing effort to develop new products and improve our existing products and processes, including developing new packaging, non-packaging and chemical equipment and applications using our intellectual property. From time to time, we also acquire and commercialize new packaging and other products or techniques developed by others. Our research and development projects rely on our technical capabilities in the areas of food science, materials science, chemistry, package design and equipment engineering. Our research and development expense was $135 million in 2012, $105 million in 2011 and $88 million in 2010.

Our research and development activities are focused on end-use application. As a result, we operate:

- two food science laboratories located in the U.S. and Italy;
- 30 industrial Package Design Centers worldwide, which are located within our Protective Packaging facilities. These centers develop, test and validate cost-effective package designs;
- six research and development laboratories focused on the development of cleaning and sanitation formulations, which are located in the U.S., Germany, the Netherlands, Switzerland, India and Brazil;
- eight equipment design centers in the U.S., Germany, Switzerland and the U.K. that focus on equipment and parts design and innovation to support

the development of comprehensive systems solutions;

- two medical rigids packaging design centers in the U.S. and the Netherlands; and
- one medical device packaging validation laboratory in the Netherlands.

Patents and Trademarks

We are the owner or licensee of an aggregate of over 4,900 United States and foreign patents and patent applications, as well as an aggregate of over 9,300 United States and foreign trademark registrations and trademark applications that relate to many of our products, manufacturing processes and equipment. We believe that our patents and trademarks collectively provide a competitive advantage. As such, each year we continue to file, in the aggregate, an average of 320 United States and foreign patent applications and 325 United States and foreign trademark applications. None of our reportable segments is dependent upon any single patent or trademark alone. Rather, we believe that our success depends primarily on our sales and service, marketing, engineering and manufacturing skills and on our ongoing research and development efforts. We believe that the expiration or unenforceability of any of our patents, applications, licenses or trademark registrations would not be material to our business or consolidated financial condition.

Environmental, Health and Safety Matters

As a manufacturer, we are subject to various laws, rules and regulations in the countries, jurisdictions and localities in which we operate. These cover: the safe storage and use of raw materials and production chemicals; the release of materials into the environment; standards for the treatment, storage and disposal of solid and hazardous wastes; or otherwise relate to the protection of the environment. We review environmental, health and safety laws and regulations pertaining to our operations and believe that compliance with current environmental and workplace health and safety laws and regulations has not had a material effect on our capital expenditures or consolidated financial condition.

In some jurisdictions in which our packaging products are sold or used, laws and regulations have been adopted or proposed that seek to regulate, among other things, minimum levels of recycled or reprocessed content and, more generally, the sale or disposal of packaging materials. In addition, customer demand continues to evolve for packaging materials that incorporate renewable materials or that are otherwise viewed as being "environmentally sound." Our new venture activities, described above, include the development of packaging products from renewable resources. We maintain programs designed to comply with these laws and regulations, to monitor their evolution, and to meet this customer demand. One advantage inherent in many of our products is that thin, lightweight packaging solutions reduce waste and transportation costs in comparison to available alternatives. We continue to evaluate and implement new technologies in this area as they become available.

Various federal, state, local and foreign laws and regulations regulate some of our products and require us to register certain products and comply with specified requirements. In the United States, we must register our sanitizing and disinfecting products with the U.S. Environmental Protection Agency ("EPA"). We are also subject to various federal, state, local and foreign laws and regulations that regulate products manufactured and sold by us for controlling microbial growth on humans, animals and processed foods. In the United States, these requirements are generally administered by the U.S. Food and Drug Administration ("FDA"). To date, the cost of complying with product registration requirements and FDA compliance has not had a material adverse effect on our business, financial condition, results of operations or cash flows.

We also support our customers' interests in eliminating waste by offering or participating in collection programs for some of our products or product packaging and for materials used in some of our products. When possible, materials collected through these programs are reprocessed and either reused in our protective packaging operations or offered to other manufacturers for use in other products. In addition, gains that we have made in internal recycling programs have allowed us to improve our net raw material yield, thus mitigating the impact of resin costs, while lowering solid waste disposal costs and controlling environmental liability risks associated with waste disposal.

Our emphasis on environmental, health and safety compliance provides us with risk reduction opportunities and cost savings through asset protection and protection of employees. Our website, *www.sealedair.com,* contains additional detailed information about our corporate citizenship initiatives.

Available Information

Our Internet address is *www.sealedair.com.* We make available, free of charge, on or through our website at *www.sealedair.com*, our Annual Report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports that we file or furnish pursuant to Sections 13(a) or 15(d) of the Securities Exchange Act of 1934, or the Exchange Act, as soon as reasonably practicable after we electronically file these materials with, or furnish them to, the Securities and Exchange Commission.

Item 1A. ***Risk Factors***

Introduction

The risks described below should be carefully considered before making an investment decision. These are the most significant risk factors, but they are not the only risk factors that should be considered in making an investment decision. This Form 10-K also contains and may incorporate by reference forward-looking statements that involve risks and uncertainties. See the "Cautionary Notice Regarding Forward-Looking Statements," in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 of this Form 10-K. Our business, consolidated financial condition or results of operations could be materially adversely affected by any of these risks. The trading price of our securities could decline due to any of these risks, and investors in our securities may lose all or part of their investment.

Weakened global economic conditions have had and could continue to have an adverse effect on our consolidated financial condition and results of operations.

Weakened global economic conditions have had and may continue to have an adverse impact on our business in the form of lower net sales due to weakened demand, unfavorable changes in product price/mix, or lower profit margins. For example, the recent global economic downturn has adversely impacted some of our end-users and customers, such as food processors, distributors, supermarket retailers, hotels, restaurants, retail establishments, other retailers, business service contractors and e-commerce and mail order fulfillment firms, and other end-users that are particularly sensitive to business and consumer spending.

During economic downturns or recessions, there can be a heightened competition for sales and increased pressure to reduce selling prices as our customers may reduce their volume of purchases from us. If we lose significant sales volume or reduce selling prices significantly, then there could be a negative impact on our consolidated financial condition or results of operations, profitability and cash flows.

Also, reduced availability of credit may adversely affect the ability of some of our customers and suppliers to obtain funds for operations and capital expenditures. This could negatively impact our ability to obtain necessary supplies as well as our sales of materials and equipment to affected customers. This also could result in reduced or delayed collections of outstanding accounts receivable.

The global nature of our operations exposes us to numerous risks that could materially adversely affect our consolidated financial condition and results of operations.

We operate in 62 countries, and our products are distributed in those countries as well as in other parts of the world. A large portion of our manufacturing operations are located outside of the United States and a majority of our net sales are generated outside of the United States. Operations outside of the United States, particularly operations in developing regions, are subject to various risks that may not be present or as significant for our U.S. operations. Economic uncertainty in some of the geographic regions in which we operate, including developing regions, could result in the disruption of commerce and negatively impact cash flows from our operations in those areas.

Risks inherent in our international operations include:

- foreign currency exchange controls and tax rates;
- foreign currency exchange rate fluctuations, including devaluations;
- the potential for changes in regional and local economic conditions, including local inflationary pressures;
- restrictive governmental actions such as those on transfer or repatriation of funds and trade protection matters, including antidumping duties, tariffs, embargoes and prohibitions or restrictions on acquisitions or joint ventures;
- changes in laws and regulations, including the laws and policies of the United States affecting trade and foreign investment;
- the difficulty of enforcing agreements and collecting receivables through certain foreign legal systems;
- variations in protection of intellectual property and other legal rights;
- more expansive legal rights of foreign unions or works councils;
- changes in labor conditions and difficulties in staffing and managing international operations;
- social plans that prohibit or increase the cost of certain restructuring actions;
- the potential for nationalization of enterprises or facilities; and
- unsettled political conditions and possible terrorist attacks against U.S. or other interests.

In addition, there are potential tax inefficiencies and tax costs in repatriating funds from our non-U.S. subsidiaries.

These and other factors may have a material adverse effect on our international operations and, consequently, on our consolidated financial condition or results of operations.

If the Settlement agreement (as defined in Note 18, "Commitments and Contingencies") is not implemented, we will not be released from the various asbestos-related, fraudulent transfer, successor liability, and indemnification claims made against us arising from a 1998 transaction with Grace (as defined below). We do not control the timing of the cash payment required from us under the Settlement agreement. We are also a defendant in a number of asbestos-related actions in Canada arising from Grace's activities in Canada prior to the 1998 transaction.

On March 31, 1998, Sealed Air completed a multi-step transaction (the "Cryovac transaction") involving W.R. Grace & Co. ("Grace") which brought the Cryovac packaging business and the former Sealed Air's business under the common ownership of the Company. As part of that transaction, Grace and its subsidiaries retained all liabilities arising out of their operations before the Cryovac transaction (including asbestos-related liabilities), other than liabilities relating to Cryovac's operations, and agreed to indemnify the Company with respect to such retained liabilities. Since 2000, the Company has been served with a number of lawsuits alleging that, as a result of the Cryovac transaction, the Company is responsible for the alleged asbestos liabilities of Grace and its subsidiaries. While they vary, these suits all appear to allege that the transfer of the Cryovac business was a fraudulent transfer or gave rise to successor liability. On April 2, 2001, Grace and certain of its subsidiaries filed for Chapter 11 relief in the U.S. Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"). In connection with Grace's Chapter 11 case, the Bankruptcy Court issued orders dated May 3, 2001 and January 22, 2002, staying all asbestos actions against the Company. However, the official committees appointed to represent asbestos claimants in Grace's Chapter 11 case (the "Committees") received the court's permission to pursue fraudulent transfer and other claims against the Company and its subsidiary Cryovac, Inc. based upon the Cryovac transaction. This proceeding was brought in the U.S. District Court for the District of Delaware (the "District Court") (Adv. No. 02-02210).

On November 27, 2002, we reached an agreement in principle with the Committees to resolve the fraudulent transfer proceeding and all current and future asbestos-related claims made against us and our affiliates in connection with the Cryovac transaction. The Settlement agreement will also resolve the fraudulent transfer claims and successor liability claims, as well as indemnification claims by Fresenius Medical Care Holdings, Inc. and affiliated companies in connection with the Cryovac transaction. The parties to the agreement in principle signed the definitive Settlement agreement as of November 10, 2003 consistent with the terms of the agreement in principle. On June 27, 2005, the Bankruptcy Court signed an order approving the definitive Settlement agreement. Although Grace is not a party to the Settlement agreement, under the terms of the order, Grace is directed to comply with the Settlement agreement subject to limited exceptions. On September 19, 2008, Grace, the Official Committee of Asbestos Personal Injury Claimants, the Asbestos PI Future Claimants' Representative, and the Official Committee of Equity Security Holders (the "Equity Committee") filed, as co-proponents, a plan of reorganization (as filed and amended from time to time, the "PI Settlement Plan") and several exhibits and associated documents, including a disclosure statement, with the Bankruptcy Court. As filed, the PI Settlement Plan would provide for the establishment of two asbestos trusts under Section 524(g) of the United States Bankruptcy Code to which present and future asbestos-related claims would be channeled. The PI Settlement Plan also contemplates that the terms of our definitive Settlement agreement will be incorporated into the PI Settlement Plan and that we will pay the amount contemplated by that agreement.

On January 31, 2011, the Bankruptcy Court entered a memorandum opinion (the "Bankruptcy Court Opinion") overruling certain objections to the PI Settlement Plan. On the same date, the Bankruptcy Court entered an order regarding confirmation of the PI Settlement Plan (the "Bankruptcy Court Confirmation Order"). As entered on January 31, 2011, the Bankruptcy Court Confirmation Order contained recommended findings of fact and conclusions of law, and recommended that the District Court approve the Confirmation Order, and that the District Court confirm the PI Settlement Plan and issue a channeling injunction under Section 524(g) of the Bankruptcy Code. Thereafter, on February 15, 2011, the Bankruptcy Court issued an order clarifying the Bankruptcy Court Opinion and the Bankruptcy Court Confirmation Order (the "Clarifying Order"). Among other things, the Clarifying Order provided that any references in the Bankruptcy Court Opinion and the Bankruptcy Court Confirmation Order to a recommendation that the District Court confirm the PI Settlement Plan were thereby amended to make clear that the PI Settlement Plan was confirmed and that the Bankruptcy Court was requesting that the District Court issue and affirm the Confirmation Order including the injunction under Section 524(g) of the Bankruptcy Code. On March 11, 2011, the Bankruptcy Court entered an order granting in part and denying in part a motion to reconsider the Bankruptcy Court Opinion filed by BNSF Railway Company (the "March 11 Order"). Among other things, the March 11 Order amended the Bankruptcy Court Opinion to clarify certain matters relating to objections to the PI Settlement Plan filed by BNSF.

Various parties appealed or otherwise challenged the Bankruptcy Court Opinion and the Bankruptcy Court Confirmation Order, including without limitation with respect to issues relating to releases and injunctions contained in the PI Settlement Plan.

On January 30, 2012, the District Court issued a memorandum opinion (the "Original District Court Opinion") and confirmation order (the "Original District Court Confirmation Order") overruling all objections to the PI Settlement Plan and confirming the PI Settlement Plan in its entirety (including the issuance of the injunction under Section 524(g) of the Bankruptcy Code). On February 3, 2012, Garlock Sealing Technologies LLC ("Garlock") filed a motion (the "Garlock Reargument Motion") with the District Court requesting that the District Court grant reargument, rehearing, or otherwise amend the Original District Court Opinion and the Original District Court Confirmation Order insofar as they overruled Garlock's objections to the PI Settlement Plan. On February 13, 2012, the Company, Cryovac, and Fresenius Medical Care Holdings, Inc. filed a joint motion (the "Sealed Air/Fresenius Motion") with the District Court. The Sealed Air/Fresenius Motion did not seek to disturb confirmation of the PI Settlement Plan but requested that the District Court amend and clarify certain matters in the Original District Court Opinion and the Original District Court Confirmation Order. Also on February 13, 2012, Grace and the other proponents of the PI Settlement Plan filed a motion (the "Plan Proponents' Motion") with the District Court requesting certain of the same amendments and clarifications sought by the Sealed Air/Fresenius Motion. On February 27, 2012, certain asbestos claimants known as the Libby Claimants" filed a response to the Sealed Air/Fresenius Motion and the Plan Proponents' Motion (the "Libby Response"). The Libby Response did not oppose the Sealed Air/Fresenius Motion or the Plan Proponents' Motion but indicated, among other things, that: (a) the Libby Claimants had reached a settlement in principle of their objections to the PI Settlement Plan but that this settlement had not become effective and (b) the Libby Claimants reserved their rights with respect to the PI Settlement Plan pending the effectiveness of the Libby Claimants' settlement. On April 20, 2012, as part of a more global settlement, Grace filed a motion with the Bankruptcy Court seeking, among other things, approval of settlements with the Libby Claimants and BNSF. The settlements with the Libby Claimants and BNSF were approved by order of the Bankruptcy Court dated June 6, 2012. Thereafter, the appeals of the Libby Claimants and BNSF with respect to the PI Settlement Plan were dismissed by orders of the United States Court of Appeals for the Third Circuit (the "Third Circuit Court of Appeals") dated September 24, 2012 and October 4, 2012. The District Court held a hearing on May 8, 2012, to consider the Garlock Reargument Motion. On May 29, 2012, Anderson Memorial Hospital ("Anderson Memorial") filed a motion seeking relief from, and reconsideration of, the Original District Court Opinion and the Original District Court Confirmation Order (the "Anderson Relief Motion"). In the Anderson Relief Motion, Anderson Memorial argued that a May 18, 2012, decision by the Third Circuit Court of Appeals in a case called Wright v. Owens-Corning undermined the District Court's conclusion that (a) the PI Settlement Plan was feasible and (b) the asbestos property damage injunction and trust included in the PI Settlement Plan were appropriate. Objections to the Anderson Relief Motion were filed by Grace and the other proponents of the PI Settlement Plan, and by the representative of future asbestos property damage claimants appointed in the Grace bankruptcy proceedings. On June 11, 2012, the District Court entered a consolidated order (the "Consolidated Order") granting the Sealed Air/Fresenius Motion, the Plan Proponents' Motion, and the Garlock Reargument Motion, and providing for amendments to the Original District Court Opinion and the Original District Court Confirmation Order. Although the Consolidated Order granted the Garlock Reargument Motion, it did not constitute the District Court's agreement with Garlock's objections to the PI Settlement Plan, which the District Court continued to overrule. Also on June 11, 2012, the District Court entered an amended memorandum opinion (the "Amended District Court Opinion") and confirmation order (the "Amended District Court Confirmation Order") overruling all objections to the PI Settlement Plan, reflecting amendments described in the Consolidated Order, and confirming the PI Settlement Plan in its entirety (including the issuance of the injunction under Section 524(g) of the Bankruptcy Code). Thereafter, on July 23, 2012, the District Court issued a memorandum opinion and an order denying the Anderson Relief Motion. Parties have appealed the Amended District Court Opinion and the Amended District Court Confirmation Order to the Third Circuit Court of Appeals.

If it becomes effective, the PI Settlement Plan may implement the terms of the Settlement agreement, but there can be no assurance that this will be the case notwithstanding the confirmation of the PI Settlement Plan by the Bankruptcy Court and the District Court. The terms of the PI Settlement Plan remain subject to amendment. Moreover, the PI Settlement Plan is subject to the satisfaction of a number of conditions which are more fully set forth in the PI Settlement Plan and include, without limitation, the availability of exit financing and the approval of the PI Settlement Plan becoming final and no longer subject to appeal. Parties have appealed the Amended District Court Confirmation Order to the Third Circuit Court of Appeals or otherwise challenged the Amended District Court Opinion and the Amended District Court Confirmation Order. Matters relating to the PI Settlement Plan, the Bankruptcy and Amended District Court Opinions, and the Bankruptcy and Amended District Court Confirmation Orders may be subject to further appeal, challenge, and proceedings before the District Court, the Third Circuit Court of Appeals, or other courts. Parties have challenged various issues with respect to the PI Settlement Plan, the Bankruptcy and Amended District Court Opinions, or the Bankruptcy and Amended District Court Confirmation Orders, including, without limitation, issues relating to releases and injunctions contained in the PI Settlement Plan.

Although Grace publicly indicated its intent to seek to emerge from bankruptcy before the appeals are fully and finally resolved, it subsequently indicated that it was not able to receive the necessary consents and waivers to do so, including from the Company. Although Grace has in the past indicated that, with an appeals process before the Third Circuit Court of Appeals, its target date to emerge from bankruptcy was the fourth quarter of 2013, we cannot assure you that this timing for emergence is or will be correct or that the target date for Grace's emergence has not been or will not be revised. Consistent with our Settlement agreement, we are prepared to pay the Settlement amount directly to the asbestos trusts to be established under section 524(g) of the Bankruptcy Code once the conditions of the Settlement agreement are fully satisfied. Among those conditions is that approval of an appropriate Grace bankruptcy plan—containing all releases, injunctions, and protections required by the Settlement agreement—be final and not subject to any appeal. Given the pending appeals (which include, without limitation, challenges to the injunctions and releases in the PI Settlement Plan), the condition that approval of the PI Settlement Plan be final and not subject to any appeal has not been satisfied at this time. The Company has not waived this, or any other, condition of the Settlement agreement nor can there be any assurance that each of the parties whose consent or waiver is required for Grace to emerge from bankruptcy while the appeals are pending will provide such consent or waiver.

While the Bankruptcy Court and the District Court have confirmed the PI Settlement Plan, we do not know whether or when the Third Circuit Court of Appeals will affirm the Amended District Court Confirmation Order or the Amended District Court Opinion, whether or when the Bankruptcy and Amended District Court Opinions or the Bankruptcy and Amended District Court Confirmation Orders will become final and no longer subject to appeal, or whether or when a final plan of reorganization (whether the PI Settlement Plan or another plan of reorganization) will become effective. Assuming that a final plan of reorganization (whether the PI Settlement Plan or another plan of reorganization) is confirmed by the Bankruptcy Court and the District Court, and does become effective, we do not know whether the final plan of reorganization will be consistent with the terms of the Settlement agreement or if the other conditions to our obligation to pay the Settlement agreement amount will be met. If these conditions are not satisfied or not waived by us, we will not be obligated to pay the amount contemplated by the Settlement agreement. However, if we do not pay the Settlement agreement amount, we and our affiliates will not be released from the various claims against us. We will continue to review and monitor the progress of the Grace bankruptcy proceedings (including appeals and other proceedings relating to the PI Settlement Plan, the Bankruptcy and Amended District Court Opinions, and the Bankruptcy and Amended District Court Confirmation Orders), as well as any amendments or changes to the PI Settlement Plan or to the Bankruptcy and Amended District Court Opinions and Confirmation Orders, to verify compliance with the Settlement agreement.

If the Settlement agreement does not become effective, either because Grace fails to emerge from bankruptcy or because Grace does not emerge from bankruptcy with a plan of reorganization that is consistent with the terms of the Settlement agreement, then we and our affiliates will not be released from the various asbestos-related, fraudulent transfer, successor liability, and indemnification claims made against us and our affiliates noted above, and all of these claims would remain pending and would have to be resolved through other means, such as through agreement on alternative settlement terms or trials. In that case, we could face liabilities that are significantly different from our obligations under the Settlement agreement. We cannot estimate at this time what those differences or their magnitude may be. In the event these liabilities are materially larger than the current existing obligations, they could have a material adverse effect on our consolidated financial condition or results of operations.

Since November 2004, the Company and specified subsidiaries have been named as defendants in a number of cases, including a number of putative class actions, brought in Canada as a result of Grace's alleged marketing, manufacturing or distributing of asbestos or asbestos containing products in Canada prior to the Cryovac transaction in 1998. Grace has agreed to defend and indemnify us and our subsidiaries in these cases. The Canadian cases are currently stayed. A global settlement of these Canadian claims to be funded by Grace has been approved by the Canadian court, and the PI Settlement Plan provides for payment of these claims. We do not have any positive obligations under the Canadian settlement, but we are a beneficiary of the release of claims. The release in favor of the Grace parties (including us) will become operative upon the effective date of a plan of reorganization in Grace's United States Chapter 11 bankruptcy proceeding. As filed, the PI Settlement Plan contemplates that the claims released under the Canadian settlement will be subject to injunctions under Section 524(g) of the Bankruptcy Code. As indicated above, the Bankruptcy Court entered the Bankruptcy Court Confirmation Order on January 31, 2011 and the Clarifying Order on February 15, 2011 and the District Court entered the Original District Court Confirmation Order on January 30, 2012 and the Amended District Court Confirmation Order on June 11, 2012. The Canadian Court issued an Order on April 8, 2011 recognizing and giving full effect to the Bankruptcy Court's Confirmation Order in all provinces and territories of Canada in accordance with the Bankruptcy Court Confirmation Order's terms. Notwithstanding the foregoing, the PI Settlement Plan has not become effective, and we can give no assurance that the PI Settlement Plan (or any other plan of reorganization) will become effective. Assuming that a final plan of reorganization (whether the PI Settlement Plan or another plan of reorganization) is confirmed by the Bankruptcy Court and the District Court, and does become effective, if the final plan of reorganization does not incorporate the terms of the Canadian settlement or if the Canadian courts refuse to enforce the final plan of reorganization in the Canadian courts, and if in addition Grace is unwilling or unable to defend and indemnify us and our subsidiaries in these cases, then we could be required to pay substantial damages, which we cannot estimate at this time and which could have a material adverse effect on our consolidated financial condition or results of operations.

For further information concerning these matters, see Note 18, "Commitments and Contingencies".

We may not be able to generate sufficient cash to service all of our indebtedness and may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful.

Our ability to make scheduled payments on or refinance our debt obligations depends on our financial condition and operating performance, which are subject to prevailing economic and competitive conditions and to certain financial, business, legislative, regulatory and other factors beyond our control. We may be unable to maintain a level of cash flows from operating activities sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness.

If our cash flows and capital resources are insufficient to fund our debt service obligations, we could face substantial liquidity problems and could be forced to reduce or delay investments and capital expenditures or to dispose of material assets or operations, seek additional debt or equity capital or restructure or refinance our indebtedness. We may not be able to effect any such alternative measures on commercially reasonable terms or at all and, even if successful, those alternative actions may not allow us to meet our scheduled debt service obligations. The credit agreement governing the senior secured credit facilities, the indentures that govern our senior notes and the agreements covering our accounts receivable securitization program restrict our ability to dispose of assets and use the proceeds from those dispositions and may also restrict our ability to raise debt or equity capital to be used to repay other indebtedness when it becomes due. We may not be able to consummate those dispositions or to obtain proceeds in an amount sufficient to meet any debt service obligations then due.

In addition, we conduct a substantial portion of our operations through our subsidiaries, certain of which are not guarantors of our indebtedness. Accordingly, repayment of our indebtedness is dependent on the generation of cash flow by our subsidiaries and their ability to make such cash available to us, by dividend, debt repayment or otherwise. Unless they are guarantors of our indebtedness, our subsidiaries do not have any obligation to pay amounts due on indebtedness or to make funds available for that purpose. Our subsidiaries may not be able to, or may not be permitted to, make distributions to enable us to make payments in respect of our indebtedness. Each subsidiary is a distinct legal entity, and, under certain circumstances, legal and contractual restrictions may limit our ability to obtain cash from our subsidiaries. While the indenture governing certain of our senior notes, these notes and the credit agreement governing the senior secured credit facilities limit the ability of certain of our subsidiaries to incur consensual restrictions on their ability to pay dividends or make other intercompany payments to us, these limitations are subject to qualifications and exceptions. In the event that we do not receive distributions from our subsidiaries, we may be unable to make required principal and interest payments on our indebtedness.

Our inability to generate sufficient cash flows to satisfy our debt obligations, or to refinance our indebtedness on commercially reasonable terms or at all, would materially and adversely affect our financial position and results of operations.

If we cannot make scheduled payments on our debt, we will be in default, the lenders under the senior secured credit facilities could terminate their commitments to loan money, the lenders could foreclose against the assets securing their borrowings and we could be forced into bankruptcy or liquidation.

The terms of our credit agreement governing our senior secured credit facilities and the indentures governing our senior notes restrict our current and future operations, particularly our ability to respond to changes or to take certain actions.

The indentures governing our senior notes and the credit agreement governing our senior secured credit facilities contain a number of restrictive covenants that impose significant operating and financial restrictions on us and may limit our ability to engage in acts that may be in our long-term best interest, including restrictions on our ability to:

- incur additional indebtedness;
- pay dividends or make other distributions or repurchase or redeem capital stock;
- prepay, redeem or repurchase certain debt;
- make loans and investments;
- sell assets;
- incur liens;
- enter into transactions with affiliates;

- alter the businesses we conduct;
- enter into agreements restricting our subsidiaries' ability to pay dividends; and
- consolidate, merge or sell all or substantially all of our assets.

In addition, the restrictive covenants in the credit agreement governing our senior credit facilities require us to maintain a specified net leverage ratio. Our ability to meet this financial ratio can be affected by events beyond our control.

A breach of the covenants under the indenture governing our senior notes or under the credit agreement governing our senior secured credit facilities could result in an event of default under the applicable indebtedness. Such a default may allow the creditors to accelerate the related debt and may result in the acceleration of any other debt to which a cross-acceleration or cross-default provision applies. In addition, an event of default under the credit agreement governing our senior secured credit facilities would permit the lenders under our senior secured credit facilities to terminate all commitments to extend further credit under those facilities. Furthermore, if we were unable to repay the amounts due and payable under our senior secured credit facilities, those lenders could proceed against the collateral granted to them to secure that indebtedness. In the event our lenders or noteholders accelerate the repayment of our borrowings, we and our subsidiaries may not have sufficient assets to repay that indebtedness. As a result of these restrictions, we may be:

- limited in how we conduct our business;
- unable to respond to changing market conditions;
- unable to raise additional debt or equity financing to operate during general economic or business downturns or to repay other indebtedness when it becomes due; or
- unable to compete effectively or to take advantage of new business opportunities.

In addition, amounts available under our accounts receivable securitization program can be impacted by a number of factors, including but not limited to our credit ratings, accounts receivable balances, the creditworthiness of our customers and our receivables collection experience.

Our variable rate indebtedness subjects us to interest rate risk, which could cause our debt service obligations to increase significantly.

Borrowings under our senior secured credit facilities are at variable rates of interest and expose us to interest rate risk. If interest rates increase, our debt service obligations on the variable rate indebtedness will increase even though the amount borrowed remained the same, and our net income and cash flows, including cash available for servicing our indebtedness, will correspondingly decrease. As of December 31, 2012, we had $1.615 billion of borrowings under our senior secured credit facilities at variable interest rates. A 1/8% increase or decrease in the assumed interest rates on the senior secured credit facilities would result in a $1.1 million increase or a $1.1 million decrease in annual interest expense. In the future, we may enter into interest rate swaps that involve the exchange of floating for fixed rate interest payments in order to reduce interest rate volatility. However, we may not maintain interest rate swaps with respect to all of our variable rate indebtedness, and any swaps we enter into may not fully mitigate our interest rate risk.

Raw material pricing, availability and allocation by suppliers as well as energy-related costs may negatively impact our results of operations, including our profit margins.

We use petrochemical-based raw materials to manufacture many of our products. The prices for these raw materials are cyclical, and increases in market demand or fluctuations in the global trade for petrochemical- based raw materials and energy could increase our costs. In addition, the prices of many of the other key raw materials used in our businesses, such as caustic soda, solvents, waxes, phosphates, surfactants, polymers and resins, chelates and fragrances, are cyclical based on numerous supply and demand factors that are beyond our control. If we are unable to minimize the effects of increased raw material costs through sourcing, pricing or other actions, our business, consolidated financial condition or results of operations may be materially adversely affected. We also have some sole-source suppliers, and the lack of availability of supplies could have a material adverse effect on our consolidated financial condition or results of operations.

Natural disasters such as hurricanes, as well as political instability and terrorist activities, may negatively impact the production or delivery capabilities of refineries and natural gas and petrochemical suppliers and suppliers of other raw materials in the future. These factors could lead to increased prices for our raw materials, curtailment of supplies and allocation of raw materials by our suppliers, which could reduce revenues and profit margins and harm relations with our customers and which could have a material adverse effect on our consolidated financial condition or results of operations.

The full realization of our deferred tax assets, including primarily those related to the Settlement agreement, may be affected by a number of factors.

We have deferred tax assets related to the Settlement agreement, other accruals not yet deductible for tax purposes, foreign tax credits, U.S. and foreign net operating loss carry forwards and investment tax allowances, employee benefit items and other items. We have established valuation allowances to reduce those deferred tax assets to an amount that is more likely than not to be realized. Our ability to utilize these deferred tax assets depends in part upon our ability to generate future taxable income during the periods in which these temporary differences reverse or our ability to carryback any losses created by the deduction of these temporary differences. We expect to realize these assets over an extended period. If we are unable to generate sufficient future taxable income in the U.S. and certain foreign jurisdictions, or if there is a significant change in the time period within which the underlying temporary differences become taxable or deductible, we could be required to increase our valuation allowances against our deferred tax assets.

Our largest deferred tax asset relates to our Settlement agreement. The value of this net asset, which was $401 million at December 31, 2012, reflects our anticipated tax benefit from the cash portion of the Settlement agreement and related accrued interest and the fair market value of 18 million shares of our common stock at a post-split price of $17.86 per share, which was the price when the Settlement agreement was reached in 2002. We will not be able to realize this deferred tax asset and related potential cash tax benefits until we fund our obligation under the Settlement agreement. We intend to carry back a significant portion of the loss resulting from our deduction under the Settlement agreement. The efficiency of any amount carried back and the benefit therefrom, as well as the benefit from the amount carried forward, may depend upon, among other factors, the year when we fund the Settlement agreement. Our tax benefit may be significantly reduced resulting in an increased tax expense if we fund the Settlement agreement later than 2013. The timing of our funding, however, is subject to factors beyond our control. Other facts that will impact our tax benefit include the amount of cash we pay, our tax position and the applicable tax codes, our past and anticipated future earnings in the U.S., as well as the price of our common stock at the time we fund the Settlement agreement. For example, our tax benefit will be reduced, resulting in an increased tax expense, if the price of our common stock at the time of funding is less than $17.86 per share. Conversely, although our cash tax benefit will increase, any additional benefit resulting from an increased price per share will increase our paid in capital and not decrease our tax expense. These conditions could result in a significant increase in our effective tax rate and could have a material adverse effect on our consolidated results of operations in the periods in which these conditions occur. In addition, changes in statutory tax rates or other legislation or regulation may change our deferred tax assets or liability balances, with either favorable or unfavorable impacts on our effective tax rate.

[Table of Contents](#)

The effects of animal and food-related health issues such as bovine spongiform encephalopathy, also known as "mad cow" disease, foot-and-mouth disease and avian influenza or "bird-flu," as well as other health issues affecting the food industry, may lead to decreased revenues.

We manufacture and sell food packaging products, among other products. Various health issues affecting the food industry have in the past and may in the future have a negative effect on the sales of food packaging products. In recent years, occasional cases of "mad cow" disease have been confirmed and incidents of bird-flu have surfaced in various countries. Outbreaks of animal diseases may lead governments to restrict exports and imports of potentially affected animals and food products, leading to decreased demand for our products and possibly also to the culling or slaughter of significant numbers of the animal population otherwise intended for food supply. Also, consumers may change their eating habits as a result of perceived problems with certain types of food. These factors may lead to reduced sales of food businesses' products, which could have a material adverse effect on our consolidated financial condition or results of operations.

Demand for our products could be adversely affected by changes in consumer preferences.

Our sales depend heavily on the volumes of sales by our customers in the food processing and food service industries. Consumer preferences for food and packaging formats of prepackaged food can influence our sales, as can consumer preferences for fresh and unpackaged foods. Changes in consumer behavior, including changes in consumer preferences driven by various health-related concerns and perceptions, could negatively impact demand for our products.

The consolidation of customers may adversely affect our business, consolidated financial condition or results of operations.

Customers in the food service, food and beverage processing, building care, lodging, retail and health care sectors have been consolidating in recent years, and we believe this trend may continue. Such consolidation could have an adverse impact on the pricing of our products and services and our ability to retain customers, which could in turn adversely affect our business, consolidated financial condition or results of operations.

We experience competition in the markets for our products and services and in the geographic areas in which we operate.

Our packaging products compete with similar products made by other manufacturers and with a number of other types of materials or products. We compete on the basis of performance characteristics of our products, as well as service, price and innovations in technology. A number of competing domestic and foreign companies are well-established.

The market for our hygiene products is highly competitive. Our hygiene products businesses face significant competition from global, national, regional and local companies within some or all of its product lines in each sector that it serves. Barriers to entry and expansion in the institutional and industrial cleaning, sanitation and hygiene industry are low.

Our inability to maintain a competitive advantage could result in lower prices or lower sales volumes for our products, which would have an adverse impact on our consolidated financial condition or results of operations

Concerns about greenhouse gas ("GHG") emissions and climate change and the resulting governmental and market responses to these issues could increase costs that we incur and could otherwise affect our consolidated financial condition or results of operations.

Numerous legislative and regulatory initiatives have been enacted and proposed in response to concerns about GHG emissions and climate change. We are a manufacturing entity that utilizes petrochemical-based raw materials to produce many of our products, including plastic packaging materials. Increased environmental legislation or regulation could result in higher costs for us in the form of higher raw materials and freight and energy costs. We could also incur additional compliance costs for monitoring and reporting emissions and for maintaining permits. It is also possible that certain materials might cease to be permitted to be used in our processes.

Disruption and volatility of the financial and credit markets could affect our external liquidity sources.

Our principal sources of liquidity are accumulated cash and cash equivalents, short-term investments, cash flow from operations and amounts available under our lines of credit, including our senior secured credit facilities and our accounts receivable securitization program. We may be unable to refinance any of our indebtedness, including our senior notes and our senior secured credit facilities, on commercially reasonable terms or at all.

Additionally, conditions in financial markets could affect financial institutions with which we have relationships and could result in adverse effects on our ability to utilize fully our committed borrowing facilities. For example, a lender under the senior secured credit facilities may be unwilling or unable to fund a borrowing request, and we may not be able to replace such lender.

Strengthening of the U.S. dollar and other foreign currency exchange rate fluctuations could materially impact our consolidated financial condition or results of operations.

Approximately 65% of our net sales in 2012 were generated outside the United States. We translate sales and other results denominated in foreign currency into U.S. dollars for our consolidated financial statements. During periods of a strengthening U.S. dollar, our reported international sales and net earnings could be reduced because foreign currencies may translate into fewer U.S. dollars.

Also, while we often produce in the same geographic markets as our products are sold, expenses are more concentrated in the U.S. than sales, so that in a time of strengthening of the U.S. dollar, our profit margins could be reduced. While we use financial instruments to hedge certain foreign currency exposures, this does not insulate us completely from foreign currency effects and exposes us to counterparty credit risk for non-performance. See Note 13, "Derivatives and Hedging Activities".

We have recognized foreign exchange gains and losses related to the currency devaluations in Venezuela and its designation as a highly inflationary economy under U.S. GAAP. See Item 7a.A. Quantitative and Qualitative Disclosures About Market Risk—Foreign Exchange Rates—Venezuela."

In all jurisdictions in which we operate, we are also subject to laws and regulations that govern foreign investment, foreign trade and currency exchange transactions. These laws and regulations may limit our ability to repatriate cash as dividends or otherwise to the U.S. and may limit our ability to convert foreign currency cash flows into U.S. dollars.

Our annual effective income tax rate can change materially as a result of changes in our mix of U.S. and foreign earnings and other factors, including changes in tax laws and changes made by regulatory authorities.

Our overall effective income tax rate is equal to our total tax expense as a percentage of total earnings before tax. However, income tax expense and benefits are not recognized on a global basis but rather on a jurisdictional or legal entity basis. Losses in one jurisdiction may not be used to offset profits in other jurisdictions

and may cause an increase in our tax rate. Income tax provision changes in statutory tax rates and laws, as well as ongoing audits by domestic and international authorities, could affect the amount of income taxes and other taxes paid by us. For example, legislative proposals to change U.S. taxation of non-U.S. earnings

could increase our effective tax rate. Also, changes in the mix of earnings (or losses) between jurisdictions and assumptions used in the calculation of income taxes, among other factors, could have a significant effect on our overall effective income tax rate. In addition, our effective tax rate would increase if we were unable to generate sufficient future taxable income in certain jurisdictions, or if we were otherwise required to increase our valuation allowances against our deferred tax assets.

We are subject to taxation in multiple jurisdictions. As a result, any adverse development in the tax laws of any of these jurisdictions or any disagreement with our tax positions could have a material adverse effect on our business, consolidated financial condition or results of operations.

We are subject to taxation in, and to the tax laws and regulations of, multiple jurisdictions as a result of the international scope of our operations and our corporate and financing structure. We are also subject to transfer pricing laws with respect to our intercompany transactions, including those relating to the flow of funds among our companies. Adverse developments in these laws or regulations, or any change in position regarding the application, administration or interpretation thereof, in any applicable jurisdiction, could have a material adverse effect on our business, consolidated financial condition or results of our operations. In addition, the tax authorities in any applicable jurisdiction, including the United States, may disagree with the positions we have taken or intend to take regarding the tax treatment or characterization of any of our transactions. If any applicable tax authorities, including U.S. tax authorities, were to successfully challenge the tax treatment or characterization of any of our transactions, it could have a material adverse effect on our business, consolidated financial condition or results of our operations.

Our performance and prospects for future growth could be adversely affected if new products do not meet sales or margin expectations.

Our competitive advantage is due in part to our ability to develop and introduce new products in a timely manner at favorable margins. The development and introduction cycle of new products can be lengthy and involve high levels of investment. New products may not meet sales or margin expectations due to many factors, including our inability to (i) accurately predict demand, end-user preferences and evolving industry standards; (ii) resolve technical and technological challenges in a timely and cost-effective manner; or (iii) achieve manufacturing efficiencies.

A major loss of or disruption in our manufacturing and distribution operations or our information systems and telecommunication resources could adversely affect our business, consolidated financial condition or results of operations.

If we experienced a natural disaster, such as a hurricane, tornado, earthquake or other severe weather event, or a casualty loss from an event such as a fire or flood, at one of our larger strategic facilities or if such event affected a key supplier, our supply chain or our information systems and telecommunication resources, then there could be a material adverse effect on our consolidated financial condition or results of operations. We are dependent on internal and third party information technology networks and systems, including the Internet, to process, transmit and store electronic information. In particular, we depend on our information technology infrastructure for fulfilling and invoicing customer orders, applying cash receipts, and placing purchase orders with suppliers, making cash disbursements, and conducting digital marketing activities, data processing and electronic communications among business locations. We also depend on telecommunication systems for communications between company personnel and our customers and suppliers. Future system disruptions, security breaches or shutdowns could significantly disrupt our operations or result in lost or misappropriated information and may have a material adverse effect on our business, consolidated financial condition or results of operations.

We recorded a significant amount of additional goodwill and other identifiable intangible assets as a result of the acquisition of Diversey, and we may never realize the full carrying value of these assets.

As a result of the acquisition of Diversey, we recorded a significant amount of additional goodwill and other identifiable intangible assets, including customer relationships, trademarks and developed technologies.

We test goodwill and intangible assets with indefinite useful lives for possible impairment annually during the fourth quarter of each fiscal year or more frequently if events or changes in circumstances indicate that the asset might be impaired. Amortizable intangible assets are periodically reviewed for possible impairment whenever there is evidence that events or changes in circumstances indicate that the carrying value may not be recoverable. Impairment may result from, among other things, (i) a decrease in our expected net earnings; (ii) adverse equity market conditions; (iii) a decline in current market multiples; (iv) a decline in our common stock price; (v) a significant adverse change in legal factors or business climates; (vi) an adverse action or assessment by a regulator; (vii) heightened competition; (viii) strategic decisions made in response to economic or competitive conditions; or (ix) a more-likely-than-not expectation that a reporting unit or a significant portion of a reporting unit will be sold or disposed of. In the event that we determine that events or circumstances exist that indicate that the carrying value of goodwill or identifiable intangible assets may no longer be recoverable, we might have to recognize a non-cash impairment of goodwill or other identifiable intangible assets, which could have a material adverse effect on our consolidated financial condition or results of operations.

We recorded impairment charges related to goodwill and other intangible assets in 2012. See Note 8, “Goodwill and Identifiable Intangible Assets,” for further discussion.

Product liability claims or regulatory actions could adversely affect our financial results or harm our reputation or the value of our brands.

Claims for losses or injuries purportedly caused by some of our products arise in the ordinary course of our business. In addition to the risk of substantial monetary judgments, product liability claims or regulatory actions could result in negative publicity that could harm our reputation in the marketplace or adversely impact the value of our brands or our ability to sell our products in certain jurisdictions. We could also be required to recall possibly defective products, or voluntarily do so, which could result in adverse publicity and significant expenses. Although we maintain product liability insurance coverage, potential product liability claims could be excluded or exceed coverage limits under the terms of our insurance policies or could result in increased costs for such coverage.

The relationship with S.C. Johnson & Son, Inc. (“SCJ”) is important to our Institutional & Laundry segment, and any damage to this relationship could have a material adverse effect on this segment.

Diversey is party to various agreements with SCJ, including a brand license agreement (the “BLA”), a technology disclosure and license agreement, supply and manufacturing agreements and several leases. Under the BLA, Diversey is granted a license in specified territories to sell certain SCJ products and use specified trade names owned by SCJ in the institutional and industrial channels of trade and, subject to certain limitations, in specified channels of trade in which both our I&L segment and SCJ’s consumer business operate. SCJ and its affiliates supply products under the BLA. Sales of these products have historically been significant to our I&L segment. In addition, in some countries, our I&L segment depends on SCJ to produce or sell some of our products. The BLA purports to limit Diversey’s right to market products with non-SCJ brands that SCJ has not approved in certain channels of trade in specified countries. If we default under our agreements with SCJ and the agreements are terminated, SCJ fails to perform its obligations under these agreements, or our relationship with SCJ is otherwise damaged or severed, this could have a material adverse effect on our I&L segment, consolidated financial condition or results of operations

The relationship with Unilever PLC ("Unilever") is important to our Institutional & Laundry segment and any damage to this relationship could have a material adverse effect on this segment.

In connection with Diversey's acquisition of the DiverseyLever business Unilever in 2002, Diversey entered into various agreements with Unilever, including a license agreement and agency agreement. Pursuant to the license agreement, Unilever granted 31 Diversey subsidiaries a license to produce and sell professional size packs of Unilever's consumer brand cleaning products. In four countries (the United Kingdom, Ireland, Portugal and Brazil), the Diversey subsidiaries operate under an agency agreement with Unilever. In addition, Diversey also holds licenses to use some trademarks and technology of Unilever in the market for institutional and industrial cleaning, sanitation and hygiene products and related services. We believe that these agreements are significant to our Institutional & Laundry segment. If we default under our agreements with Unilever and the agreements are terminated, Unilever fails to perform its obligations under these agreements, or our relationship with Unilever is otherwise damaged or severed, this could have a material adverse effect on our Institutional & Laundry segment, consolidated financial condition or results of operations.

If we are unable to retain key employees and other personnel, our consolidated financial condition or results of operations may be adversely affected.

Our success depends largely on the efforts and abilities of our management team and other key personnel. Their experience and industry contacts significantly benefit us, and we need their expertise to execute our business strategies. If any of our senior management or other key personnel cease to work for us and we are unable to successfully replace any departing senior management or key personnel, our business, consolidated financial condition or results of operations may be materially adversely affected.

We could experience disruptions in operations and/or increased labor costs.

In Europe and Latin America, the majority of our employees are represented by either labor unions or workers councils and are covered by collective bargaining agreements that are generally renewable on an annual basis. As is the case with any negotiation, we may not be able to negotiate acceptable new collective bargaining agreements, which could result in strikes or work stoppages by affected workers. Renewal of collective bargaining agreements could also result in higher wages or benefits paid to union members. A disruption in operations or higher ongoing labor costs could materially affect our business.

We are subject to a variety of environmental and product registration laws that expose us to potential financial liability and increased operating costs.

Our operations are subject to a number of federal, state, local and foreign environmental, health and safety laws and regulations that govern, among other things, the manufacture of our products, the discharge of pollutants into the air, soil and water and the use, handling, transportation, storage and disposal of hazardous materials.

Many jurisdictions require us to have operating permits for our production and warehouse facilities and operations. Any failure to obtain, maintain or comply with the terms of these permits could result in fines or penalties, revocation or nonrenewal of our permits, or orders to cease certain operations, and may have a material adverse effect on our business, financial condition, results of operations and cash flows.

We generate, use and dispose of hazardous materials in our manufacturing processes. In the event our operations result in the release of hazardous materials into the environment, we may become responsible for the costs associated with the investigation and remediation of sites at which we have released pollutants, or sites where we have disposed or arranged for the disposal of hazardous wastes, even if we fully complied with environmental laws at the time of disposal. We have been, and may continue to be, responsible for the cost of remediation at some locations.

Some jurisdictions have laws and regulations that govern the registration and labeling of some of our products. We expect significant future environmental compliance obligations in our European operations as a result of a European Union ("EU") Directive "Registration, Evaluation, Authorization, and Restriction of Chemicals" (EU Directive No. 2006/1907) enacted on December 18, 2006. The directive imposes several requirements related to the identification and management of risks related to chemical substances manufactured or marketed in Europe. The EU has also recently enacted a "Classification, Packaging and Labeling" regulation. Other jurisdictions may impose similar requirements.

We cannot predict with reasonable certainty the future cost to us of environmental compliance, product registration, or environmental remediation. Environmental laws have become more stringent and complex over time. Our environmental costs and operating expenses will be subject to evolving regulatory requirements and will depend on the scope and timing of the effectiveness of requirements in these various jurisdictions. As a result of such requirements, we may be subject to an increased regulatory burden, and we expect significant future environmental compliance obligations in our operations. Increased compliance costs, increasing risks and penalties associated with violations, or our inability to market some of our products in certain jurisdictions may have a material adverse effect on our business, consolidated financial condition or results of operations.

The legacy Diversey business had tendered various environmental indemnification claims to Unilever pursuant to the Unilever Acquisition Agreement (as defined below).

Under a previous acquisition agreement between the legacy Diversey business and Unilever (the "Unilever Acquisition Agreement"), Unilever made warranties to Diversey with respect to the facilities formerly owned by Unilever. In addition, Unilever agreed to indemnify Diversey for specified types of environmental liabilities if the aggregate amount of damages meets various dollar thresholds, subject to a cap of $250 million in the aggregate. Diversey was required to notify Unilever of any environmental indemnification claims by May 3, 2008. Any environmental claims pending after this date, with respect to which Diversey has notified Unilever, remain subject to indemnification until remediation is completed in accordance with the Unilever Acquisition Agreement. If Diversey incurs damages or liabilities that do not meet the indemnity thresholds under the Unilever Acquisition Agreement, if Diversey failed to notify Unilever of an environmental indemnity claim within the period specified in the Unilever Acquisition Agreement or if the aggregate limits on indemnity payments under the Unilever Acquisition Agreement become applicable, Diversey would not be entitled to indemnity from Unilever for such non-qualifying claims and it would be required to bear the costs.

Diversey has previously tendered various environmental indemnification claims to Unilever in connection with former Unilever locations. Unilever has not indicated its agreement with Diversey's request for indemnification. We may file additional requests for reimbursement in the future in connection with pending indemnification claims. However, there can be no assurance that we will be able to recover any amounts relating to these indemnification claims from Unilever.

Our insurance policies may not cover all operating risks and a casualty loss beyond the limits of our coverage could adversely impact our business.

Our business is subject to operating hazards and risks relating to handling, storing, transporting and use of the products we sell. We maintain insurance policies in amounts and with coverage and deductibles that we believe are reasonable and prudent. Nevertheless, our insurance coverage may not be adequate to protect us from all liabilities and expenses that may arise from claims for personal injury or death or property damage arising in the ordinary course of business, and our current levels of insurance may not be maintained or available in the future at economical prices. If a significant liability claim is brought against us that is not

adequately covered by insurance, we may have to pay the claim with our own funds, which could have a material adverse effect on our business, consolidated financial condition or results of operations.

If we are not able to protect our trade secrets or maintain our trademarks, patents and other intellectual property, we may not be able to prevent competitors from developing similar products or from marketing their products in a manner that capitalizes on our trademarks, and this loss of a competitive advantage could decrease our profitability and liquidity.

Our ability to compete effectively with other companies depends, in part, on our ability to maintain the proprietary nature of our owned and licensed intellectual property. If we were unable to maintain the proprietary nature of our intellectual property and our significant current or proposed products, this loss of a competitive advantage could result in decreased sales or increased operating costs, either of which could have a material adverse effect on our business, consolidated financial condition or results of operations.

We rely on trade secrets to maintain our competitive position, including protecting the formulation and manufacturing techniques of many of our products. As such, we have not sought U.S. or international patent protection for some of our principal product formulas and manufacturing processes. Accordingly, we may not be able to prevent others from developing products that are similar to or competitive with our products.

We own a large number of patents and pending patent applications on our products, aspects thereof, methods of use and/or methods of manufacturing. There is a risk that our patents may not provide meaningful protection and patents may never be issued for our pending patent applications.

We own, or have licenses to use, all of the material trademark and trade name rights used in connection with the packaging, marketing and distribution of our major products both in the United States and in other countries where our products are principally sold. Trademark and trade name protection is important to our business. Although most of our trademarks are registered in the United States and in the foreign countries in which we operate, we may not be successful in asserting trademark or trade name protection. In addition, the laws of some foreign countries may not protect our intellectual property rights to the same extent as the laws of the U.S. The costs required to protect our trademarks and trade names may be substantial.

We cannot be certain that we will be able to assert these intellectual property rights successfully in the future or that they will not be invalidated, circumvented or challenged. Other parties may infringe on our intellectual property rights and may thereby dilute the value of our intellectual property in the marketplace. Third parties, including competitors, may assert intellectual property infringement or invalidity claims against us that could be upheld. Intellectual property litigation, which could result in substantial cost to and diversion of effort by us, may be necessary to protect our trade secrets or proprietary technology or for us to defend against claimed infringement of the rights of others and to determine the scope and validity of others' proprietary rights. We may not prevail in any such litigation, and if we are unsuccessful, we may not be able to obtain any necessary licenses on reasonable terms or at all.

Any failure by us to protect our trademarks and other intellectual property rights may have a material adverse effect on our business, consolidated financial condition or results of operations.

We may not successfully integrate the Diversey business.

We are continuing our integration of the Diversey business with our legacy business. We are required to devote significant management attention and resources to integrating the two businesses. Our failure to meet the challenges involved in successfully completing the integration of our operations could adversely affect our results of operations. Challenges involved in the integration include:

- integrating successfully each company's operations; and
- combining corporate cultures, maintaining employee morale and retaining key employees.

We may not successfully complete the integration of our operations in a timely manner and may have difficulty integrating the Diversey business. We may not achieve the synergy targets that we currently anticipate. We may experience disruptions in relationships with current and new employees, customers and suppliers.

We already have incurred and we may incur additional non-recurring costs associated with combining the operations of the two companies. Some of these costs may be higher than anticipated. We may also incur unanticipated costs, including costs to maintain employee morale, retain key employees and successfully integrate the Diversey business.

We have made certain assumptions relating to the acquisition of Diversey in our forecasts that may prove to be materially inaccurate.

We have made certain assumptions relating to the forecast level of cost savings, revenue synergies and associated costs of the acquisition of Diversey. Our assumptions relating to the forecast level of cost savings, revenue synergies and associated costs of the acquisition may be inaccurate based on the information available to us or as a result of the failure to realize the expected benefits of the acquisition, higher than expected integration costs, unknown liabilities and global economic and business conditions that may adversely affect the combined company following the completion of the acquisition.

Cyber risk and the failure to maintain the integrity of our operational or security systems or infrastructure, or those of third parties with which we do business, could have a material adverse effect on our business, financial condition and results of operations.

We are subject to an increasing number of information technology vulnerabilities, threats and targeted computer crimes which pose a risk to the security of our systems and networks and the confidentiality, availability and integrity of our data. Disruptions or failures in the physical infrastructure or operating systems that support our businesses and customers, or cyber attacks or security breaches of our networks or systems could result in the loss of customers and business opportunities, legal liability, regulatory fines, penalties or intervention, reputational damage, reimbursement or other compensatory costs, and additional compliance costs, any of which could materially adversely affect our business, financial condition and results of operations. While we attempt to mitigate these risks our systems, networks, products, solutions and services remain potentially vulnerable to advanced and persistent threats.

We also maintain and have access to sensitive, confidential or personal data or information in certain of our businesses that is subject to privacy and security laws, regulations and customer controls. Despite our efforts to protect such sensitive, confidential or personal data or information, our facilities and systems and those of our customers and third-party service providers may be vulnerable to security breaches, theft, misplaced or lost data, programming and/or human errors that could lead to the compromising of sensitive, confidential or personal data or information, improper use of our systems, software solutions or networks, unauthorized access, use, disclosure, modification or destruction of information, defective products, production downtimes and operational disruptions, which in turn could adversely affect our consolidated, financial condition and results of operations.

Item 1B. ***Unresolved Staff Comments***

None.

Item 2. ***Properties***

We manufacture products in 138 facilities, with 31 of those facilities serving more than one of our business segments and our Other category of products. The geographic dispersion of our manufacturing facilities is as follows:

Geographic Region	Number of Manufacturing Facilities
North America	53
Europe	37
Latin America	16
AMAT	20
Japan/Australia/New Zealand	12
Total	138

Manufacturing Facilities by Reportable Segment and Other

Food & Beverage: We produce F&B products in 57 manufacturing facilities, of which 16 are in North America, 16 in Europe, 9 in Latin America, 8 in AMAT and 8 in Japan/Australia/New Zealand.

Institutional & Laundry: We produce I&L products in 25 manufacturing facilities, of which 6 are in North America, 6 in Europe, 3 in Latin America, 8 in AMAT and 2 in Japan/Australia/New Zealand.

Protective Packaging: We produce Protective Packaging products in 78 manufacturing facilities, of which 35 are in North America, 21 in Europe, 7 in Latin America, 12 in AMAT and 3 in Japan/Australia/New Zealand.

Other: We produce Medical products in 9 manufacturing facilities, of which 3 are in North America, 4 in the Europe, 1 in Latin America and 1 in AMAT. We produce Other products in 4 manufacturing facilities, of which 3 are in North America and 1 in Europe.

Other Property Information

We own the large majority of our manufacturing facilities. Some of these facilities are subject to secured or other financing arrangements. We lease the balance of our manufacturing facilities, which are generally smaller sites. Our manufacturing facilities are usually located in general purpose buildings that house our specialized machinery for the manufacture of one or more products. Because of the relatively low density of our air cellular, polyethylene foam and protective mailer products, we realize significant freight savings by locating our manufacturing facilities for these products near our customers and distributors.

We also occupy facilities containing sales, distribution, technical, warehouse or administrative functions at a number of locations in the U.S. and in many foreign countries. Some of these facilities are located on the manufacturing sites that we own and some on those that we lease. Stand-alone facilities of these types are generally leased. Our global headquarters are located in a leased property in Elmwood Park, New Jersey. For a list of those countries outside of the United States where we have operations, see “Foreign Operations” above. Our website, *www.sealedair.com*, contains additional information about our worldwide business.

We believe that our manufacturing, warehouse, office and other facilities are well maintained, suitable for their purposes and adequate for our needs.

Item 3. ***Legal Proceedings***

The information set forth in Part II, Item 8 of this Annual Report on Form 10-K in Note 18, “Commitments and Contingencies,” under the caption “Cryovac Transaction Commitments and Contingencies” is incorporated herein by reference.

At December 31, 2012, we were a party to, or otherwise involved in, several federal, state and foreign environmental proceedings and private environmental claims for the cleanup of “Superfund” sites under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 and other sites. We may have potential liability for investigation and cleanup of some of these sites. It is our policy to accrue for environmental cleanup costs if it is probable that a liability has been incurred and if we can reasonably estimate an amount or range of costs associated with various alternative remediation strategies, without giving effect to any possible future insurance proceeds. As assessments and cleanups proceed, we review these liabilities periodically and adjust our reserves as additional information becomes available. At December 31, 2012, environmental related reserves were not material to our consolidated financial condition or results of operations. While it is often difficult to estimate potential liabilities and the future impact of environmental matters, based upon the information currently available to us and our experience in dealing with these matters, we believe that our potential future liability with respect to these sites is not material to our consolidated financial condition or results of operations.

We are also involved in various other legal actions incidental to our business. We believe, after consulting with counsel, that the disposition of these other legal proceedings and matters will not have a material effect on our consolidated financial condition or results of operations.

Item 4. ***Mine Safety Disclosures.***

Not applicable.

Executive Officers of the Registrant

The information appearing in the table below sets forth the current position or positions held by each of our executive officers, the officer's age as of January 31, 2013, the year in which the officer was first elected to the position currently held with us or with the former Sealed Air Corporation, now known as Sealed Air Corporation (US) and a wholly-owned subsidiary of the Company, and the year in which such person was first elected an officer.

All of our officers serve at the pleasure of the Board of Directors. We have employed all officers for more than five years except for Dr. Savoca, who was first elected an officer effective July 23, 2008, Mr. Chammas, who was first elected an officer effective December 16, 2010, Mr. Sagnak, who was first elected an officer effective January 3, 2012, Ms. Lowe, who was first elected an officer effective June 18, 2012, Mr. Peribere, who was first elected an officer effective September 1, 2012, Ms. De Mayo, who was first elected an officer effective December 20, 2012, Mr. Stiehl who was first elected an officer effective January 1, 2013, and Dr. Kadri, who was first elected an officer effective January 1, 2013.

Before joining us in July 2008, Dr. Savoca was Vice President, Technology, of the Specialty Polymers Group of Akzo Nobel, a manufacturer of paints, coatings and specialty chemicals from January 2008 through May 2008, and prior to that was Vice President, Technology, of National Starch and Chemical Company, a manufacturer of specialty chemicals and starches for use in industrial and commercial applications from January 2003 through December 2007. In January 2008, Akzo Nobel acquired National Starch and Chemical Company.

Before joining us in November 2010, Mr. Chammas was the Vice President, Worldwide Supply Chain, for the Wm. Wrigley Jr. Company, a confectionery company, from October 2008 through October 2010, and prior to that served in management positions of increasing responsibility in supply chain, operations and procurement with the Wm. Wrigley Jr. Company from January 2002 until October 2008.

Prior to joining the Company in October 2011 in connection with the Diversey acquisition, Mr. Sagnak was Regional President – Asia Pacific, Africa, Middle East, Turkey and the Caucasian/Asian Republics (APAT) of Diversey since December 2010. Prior to that, he held several positions at Diversey including Vice President Institutional & Laundry Sales & Service – Europe for over two years, Area Vice President – CEETAM (Central Eastern Europe Turkey Africa Middle East) from July 2006 to September 2008 and Managing Director of Turkey & Middle East for over 3 years prior to that. From September 1995 through March 2003, he served in numerous management positions for Diversey, most recently as Global Customer Development Director –Food Service from February 2000 until February 2003, and National Sales & Marketing Director – Turkey from September 1995 to January 2000. From January 1990 to September 1995 he held several management positions in Unilever Turkey, most recently as Group Product Manager – Dental from September 2002 to September 2005.

Prior to joining the Company in June 2012, Ms. Lowe was the President of Carlisle Food Service Products, a subsidiary of Carlisle Companies Incorporated, a global diversified manufacturing company from August 2011 through June 2012. Ms. Lowe has worked for Carlisle Companies Inc. for over ten years in a number of leadership positions including President of two business units, Vice President and Chief Financial Officer, and Treasurer.

Mr. Peribere worked at The Dow Chemical Company ("Dow") from 1977 through August 2012. Mr. Peribere served in multiple managerial roles with Dow, most recently as Executive Vice President of Dow and President and Chief Executive Officer, Dow Advanced Materials, a unit of Dow, from 2010 through August 2012. Mr. Peribere currently serves as a board member of BMO Financial Corporation. Mr. Peribere graduated with a degree in business economics and finance from the Institut D'Etudes Politiques in Paris, France.

Prior to joining the Company in December 2012, Ms. De Mayo was an Executive Vice President, Human Resources at Aptuit, Inc., a privately held services company providing drug development and discovery solutions to the pharmaceutical and biotech industry, from 2009 through 2012. Prior to that, Ms. De Mayo was the Vice President, Global Human Resources for Henry Schein, Inc., a global distributor of healthcare products and services to office-based practitioners, from 2005 until 2008.

Prior to joining the Company in January 2013, Mr. Stiehl was a Vice President of Finance and Controller of the Aerostructures business unit of United Technologies Corporation from July 2012 through November 2012. Mr. Stiehl worked at Goodrich Corporation from 2006 through 2012. Mr. Stiehl also served as Senior Audit Manager with Deloitte and has worked in various accounting and finance positions for over twenty-five years with increasing levels of responsibilities. Mr. Stiehl earned a Bachelor of Science in Business Administration from the University of Cincinnati and is a Certified Public Accountant.

Dr. Kadri was the General Manager of the Dow Advanced Materials Division, a specialty materials provider in the Middle East and Africa, and the Europe, Middle East and Africa Commercial Director for Dow Water & Process Solutions, the global leader in sustainable separation and purification technology, from January 2010 until December 2012. Dr. Kadri joined Dow in 2009 as a Marketing Director for Dow Coating Materials, following the acquisition of Rohm and Haas, where she served as a Marketing Director for the construction, the coatings and industrial division, since 2007.

Table of Contents

There are no family relationships among any of our officers or directors.

Name and Current Position	Age as of January 31, 2013	First Elected to Current Position*	First Elected an Officer*
Jerome A. Peribere President, Chief Executive Officer and Director	58	2012	2012
William V. Hickey Chairman and Director	68	2000	1980
Carol P. Lowe Senior Vice President and Chief Financial Officer	47	2012	2012
Emile Z. Chammas Senior Vice President	44	2010	2010
Jonathan B. Baker Vice President	59	1994	1994
Philip H. Cook Vice President	50	2012	2012
Mary A. Coventry Vice President	59	1994	1994
Carole M. De Mayo Vice President	56	2012	2012
Karl R. Deily Vice President	55	2006	2006
Jean-Marie Deméautis Vice President	62	2006	2006
J. Ryan Flanagan Vice President	49	2009	2009
Ilham Kadri Vice President	44	2013	2013
Warren J. Kudman Vice President	50	2009	2009
James P. Mix Vice President	61	1994	1994
Manuel Mondragón Vice President	63	1999	1999
Larry Pillote Vice President	58	2010	2010
Ruth Roper Vice President	58	2004	2004
Yagmar Sagnak Vice President	46	2012	2012
Ann C. Savoca Vice President	54	2008	2008
H. Katherine White Vice President, General Counsel and Secretary	67	2003	1996
Tod S. Christie Treasurer	54	1999	1999
William G. Stiehl Controller	51	2013	2013

* All persons listed in the table who were first elected officers before 1998 were executive officers of the former Sealed Air Corporation, now known as Sealed Air Corporation (US), prior to the Cryovac transaction in March 1998. Ms. White was first elected Vice President in 2003, first elected General Counsel in 1998, and first elected Secretary in 1996.

Table of Contents

Part II

Item 5. ***Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities***

Market Information

Our common stock is listed on the New York Stock Exchange under the trading symbol SEE. The table below shows the quarterly high and low closing sales prices of our common stock and cash dividends per share for 2012 and 2011.

2012	High	Low	Dividends
First Quarter	$21.04	$17.38	$ 0.13
Second Quarter	19.95	14.90	0.13
Third Quarter	16.67	13.11	0.13
Fourth Quarter	17.55	15.24	0.13

2011	High	Low	Dividends
First Quarter	$28.52	$25.15	$ 0.13
Second Quarter	26.90	21.89	0.13
Third Quarter	23.87	16.70	0.13
Fourth Quarter	18.72	15.61	0.13

As of January 31, 2013, there were approximately 5,580 holders of record of our common stock.

Dividends

Our Amended Credit Facility and the senior notes contain covenants that restrict our ability to declare or pay dividends. However, we do not believe these covenants are likely to materially limit the future payment of quarterly cash dividends on our common stock.

The following table shows our total cash dividends paid each year since we initiated quarterly cash dividend payments in 2006.

	Total Cash Dividends Paid (In millions)	Total Cash Dividends Paid per Common Share
2006	$ 48.6	$ 0.30
2007	64.6	0.40
2008	76.4	0.48
2009	75.7	0.48
2010	79.7	0.50
2011	87.4	0.52
2012	100.9	0.52
Total	$ 533.3	

On February 14, 2013, our Board of Directors declared a quarterly cash dividend of $0.13 per common share payable on March 15, 2013 to stockholders of record at the close of business on March 1, 2013. The estimated amount of this dividend payment is $25 million based on 195 million shares of our common stock issued and outstanding as of January 31, 2013.

The dividend payments discussed above are recorded as reductions to cash and cash equivalents and retained earnings on our consolidated balance sheets. From time to time, we may consider other means of returning value to our stockholders based on our consolidated financial condition and results of operations. There is no guarantee that our Board of Directors will declare any further dividends.

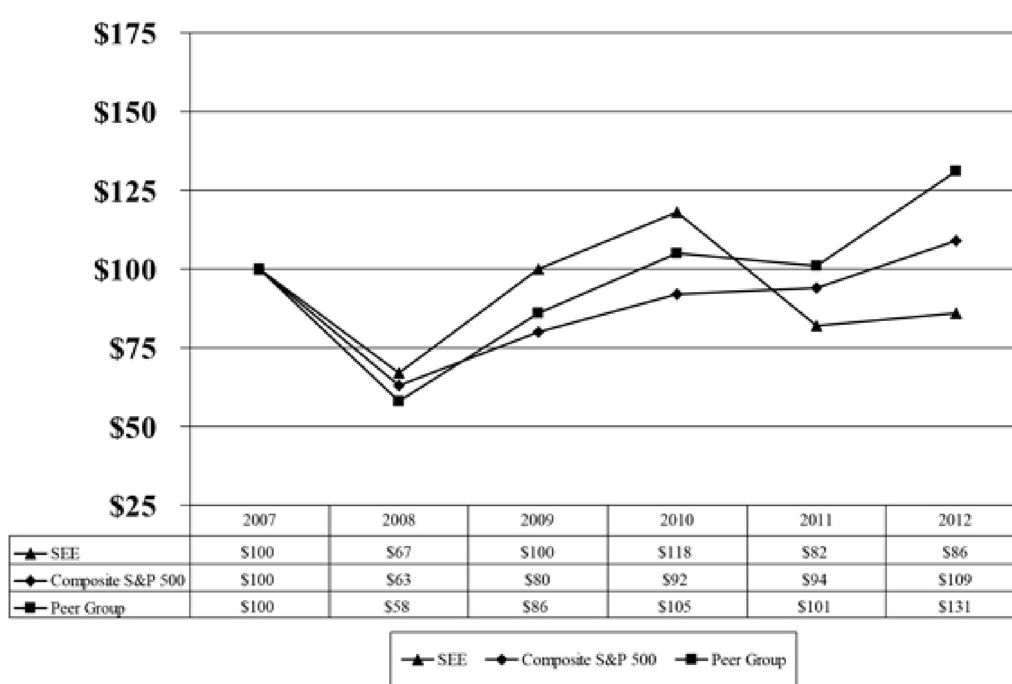
Common Stock Performance Comparisons

The following graph shows, for the five years ended December 31, 2012, the cumulative total return on an investment of $100 assumed to have been made on December 31, 2007 in our common stock. The graph compares this return ("SEE") with that of comparable investments assumed to have been made on the same date in: (a) the Standard & Poor's 500 Stock Index ("Composite S&P 500") and (b) a self-constructed peer group.

The peer group includes us and the following companies: Agrium Inc., Air Products & Chemicals, Inc.; Ashland Inc.; Avery Dennison Corporation; Ball Corporation; Bemis Company, Inc.; Celanese Corporation; Crown Holdings, Inc.; Eastman Chemical Company; Ecolab Inc.; Huntsman Corporation; MeadWestvaco Corporation; Monsanto Company; The Mosaic Company; Owens-Illinois, Inc.; PPG Industries, Inc.; Praxair, Inc.; The Sherwin-Williams Company; and Sonoco Products Co.

Total return for each assumed investment assumes the reinvestment of all dividends on December 31 of the year in which the dividends were paid.

5-Year Compound Annual Growth Rate
SEE: (-2.9%)
Composite S&P 500: (+1.7%)
Peer Group: (+5.6%)



	2007	2008	2009	2010	2011	2012
SEE	$100	$67	$100	$118	$82	$86
Composite S&P 500	$100	$63	$80	$92	$94	$109
Peer Group	$100	$58	$86	$105	$101	$131

Table of Contents

Issuer Purchases of Equity Securities

The table below sets forth the total number of shares of our common stock, par value $0.10 per share, that we repurchased in each month of the quarter ended December 31, 2012, the average price paid per share and the maximum number of shares that may yet be purchased under our publicly announced plans or programs.

Period	Total Number of Shares Purchased (1) (a)	Average Price Paid Per Share (b)	Total Number of Share Purchased As Part of Publicly Announced Plans or Programs (c)	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs (d)
Balance as of September 30, 2012	—	$ —	—	15,546,142
October 1, 2012 through October 31, 2012	16,241	—	—	15,546,142
November 1, 2012 through November 30, 2012	7,650	—	—	15,546,142
December 1, 2012 through December 31, 2012	8,040	—	—	15,546,142
Total	31,931	$ —	—	15,546,142

(1) We did not purchase any shares during the quarter ended December 31, 2012 pursuant to our publicly announced program (described below). We did acquire shares by means of (a) shares withheld from awards under our 2005 contingent stock plan pursuant to the provision thereof that permits tax withholding obligations or other legally required charges to be satisfied by having us withhold shares from an award under that plan and (b) shares reacquired pursuant to the forfeiture provision of our 2005 contingent stock plan. (See table below.) We report price calculations in column (b) in the table above only for shares purchased as part of our publicly announced program, when applicable, including commissions. For shares withheld for tax withholding obligations or other legally required charges, we withhold shares at a price equal to their fair market value. We do not make payments for shares reacquired by the Company pursuant to the forfeiture provision of the 2005 contingent stock plan as those shares are simply forfeited.

Period	Shares withheld for tax obligations and charges (a)	Average withholding price for shares in column "a" (b)	Forfeitures under 2005 Contingent Stock Plan (c)	Total (d)
October 2012	16,241	$ 16.04	—	16,241
November 2012	—	—	7,650	7,650
December 2012	540	16.13	7,500	8,040
Total	16,781	$ —	15,150	31,931

On August 9, 2007, we announced that our Board of Directors had approved a share repurchase program authorizing us to repurchase in the aggregate up to 20 million shares of our issued and outstanding common stock (described further under the caption, "Repurchases of Capital Stock," in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II Item 7 of this Annual Report on Form 10-K). This program has no set expiration date. This program replaced our prior share repurchase program, which we terminated at that time.

Item 6. ***Selected Financial Data***

	Year Ended December 31,				
	2012[1][2]	2011[1][2]	2010	2009	2008
	(In millions, except per common share data)				
Consolidated Statements of Operations Data[3]:					
Net sales	$ 7,648.1	$ 5,550.9	$4,490.1	$4,242.8	$4,843.5
Gross profit	2,544.3	1,600.3	1,252.8	1,218.5	1,236.6
Impairment of goodwill and other intangible assets	1,892.3	—	—	—	—
Operating (loss) profit	(1,417.1)	429.4	535.0	492.3	396.5
Loss on debt redemption	(36.9)	—	(38.5)	(3.4)	—
(Loss) earnings from continuing operations before income tax provision	(1,872.0)	198.0	343.4	329.9	222.3
Net (loss) earnings from continuing operations	(1,610.1)	138.5	255.9	244.3	179.9
Net earnings from discontinued operations	20.9	10.6	—	—	—
Net gain on sale of discontinued operations	178.9	—	—	—	—
Net (loss) earnings available to common stockholders	(1,410.3)	149.1	255.9	244.3	179.9
Basic and diluted net earnings per common share:					
Basic					
Continuing operations	$ (8.35)	$ 0.83	$ 1.61	$ 1.54	$ 1.13
Discontinued operations	1.04	0.06	—	—	—
Net (loss) earnings per common share—basic	$ (7.31)	$ 0.89	$ 1.61	$ 1.54	$ 1.13
Diluted					
Continuing operations	$ (8.35)	$ 0.75	$ 1.44	$ 1.35	$ 0.99
Discontinued operations	1.04	0.05	—	—	—
Net (loss) earnings per common share—diluted	$ (7.31)	$ 0.80	$ 1.44	$ 1.35	$ 0.99
Common stock dividends	$ 101.4	$ 88.7	$ 80.9	$ 77.5	$ 76.4
Consolidated Balance Sheets Data:					
Cash and cash equivalents	$ 679.6	$ 703.6	$ 675.6	$ 694.5	$ 128.9
Goodwill	3,191.4	4,209.6	1,945.9	1,948.7	1,938.1
Intangible assets, net	1,139.7	2,035.7	78.0	58.4	64.2
Total assets	9,437.2	11,432.0	5,399.4	5,420.1	4,986.0
Settlement agreement and related accrued interest	876.9	831.2	787.9	746.8	707.8
Long-term debt, less current portion[4]	4,540.8	4,966.7	1,399.2	1,626.3	1,289.9
Total stockholders' equity	1,444.3	2,952.4	2,401.6	2,200.3	1,925.6
Working capital (current assets less current liabilities)	888.8	844.0	592.3	639.6	50.5
Consolidated Cash Flows Data:					
Net cash provided by operating activities	$ 404.4	$ 372.2	$ 483.1	$ 552.0	$ 404.4
Net cash used in investing activities	(116.5)	(2,370.0)	(96.9)	(70.3)	(176.7)
Net cash (used in) provided by financing activities	(585.1)	2,016.4	(373.0)	90.3	(562.9)
Other Financial Data:					
Depreciation and amortization	$ 304.0	$ 186.7	$ 154.7	$ 154.5	$ 155.0
Share-based incentive compensation	16.9	25.0	30.6	38.8	16.5
Capital expenditures	124.4	123.5	87.6	80.3	180.7

(1) Includes the financial results of Diversey for the period beginning October 3, 2011. See Note 4, "Acquisition of Diversey Holdings, Inc.," for further information about the acquisition.

(2) Operating results for Diversey Japan were reclassified to discontinued operations for the periods beginning October 3, 2011 and related assets and liabilities were reclassified to assets and liabilities held for sale as of December 31, 2011. See Note 3, "Divestiture," for further information about the sale of Diversey Japan.

(3) See Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," for a discussion of the factors that contributed to our consolidated operating results for the three years ended December 31, 2012.

(4) See Note 12, "Debt and Credit Facilities," for a discussion of our outstanding debt and available lines of credit.

Item 7. ***Management's Discussion and Analysis of Financial Condition and Results of Operations***

The information in this MD&A should be read together with our consolidated financial statements and related notes set forth in Part II, Item 8, as well as the discussion included in Part I, Item 1A, "Risk Factors," of this Annual Report on Form 10-K. All amounts and percentages are approximate due to rounding and all dollars are in millions, except per share amounts.

During the fourth quarter of 2012, we completed the sale of Diversey Japan in November 2012, and, accordingly the operating results were reclassified to discontinued operations, net of tax, on the consolidated statements of operations for 2012 and 2011. Also, the assets and liabilities of the Diversey Japan operations were reclassified to assets and liabilities held for sale as of December 31, 2011. See Note 3, "Divestiture," for further details. All results included in this MD&A are presented on a continuing operations basis.

Also during the fourth quarter of 2012, we began to operate under a new business division structure for our segment reporting structure. All prior period segment results and discussions have been revised to conform to the new segment presentation. The results include the operating results of Diversey beginning October 3, 2011 (date of acquisition). All results prior to October 3, 2011 include historical Sealed Air results only. The changes to the segment structure have no effect on the historical consolidated results of operations of the Company.

Overview

We are a global leader in food safety and security, facility hygiene and product protection. We serve an array of end markets including food and beverage processing, food service, retail, health care and industrial, commercial and consumer applications. We have widely recognized and inventive brands such as Bubble Wrap® brand cushioning, Cryovac® brand food packaging solutions and Diversey® brand cleaning and hygiene solutions. Our focus is on achieving net sales growth through geographic expansion, new and expanded relationships with customers and demonstrating the strength of our sustainability value proposition.

As of December 31, 2012, we employed approximately 8,400 sales, marketing and customer service personnel throughout the world who sell and market our products to and through a large number of distributors, fabricators, converters, e-commerce and mail order fulfillment firms, and contract packaging firms as well as directly to end-users such as food processors, foodservice businesses, supermarket retailers, lodging, retail pharmaceutical companies, health care facilities, medical device manufacturers, and other manufacturers. We have no material long-term contracts for the distribution of our products. In 2012, no customer or affiliated group of customers accounted for 10% or more of our consolidated net sales.

Historically, net sales in our F&B segment have tended to be slightly lower in the first quarter and slightly higher towards the end of the third quarter through the fourth quarter, due to holiday events. Net sales in our I&L segment have tended to be slightly lower in the first quarter, second quarter sales represent a modest seasonal increase due to higher occupancy rates in European lodging, and the third and fourth quarters of the year are relatively the same level as the second quarter. Net sales in our Protective Packaging segment have also tended to be slightly lower in the first quarter and higher in the mid-third quarter and through the fourth quarter due to the holiday shopping season. On a consolidated basis, there is little seasonality in the business, with net sales slightly lower in the first quarter and slightly higher towards the end of the third quarter through the fourth quarter. Our consolidated net earnings typically trend directionally the same as our net sales seasonality. Cash flow from operations has tended to be lower in the first quarter and higher in the fourth quarter, reflecting seasonality of sales and working capital changes, including the timing of certain annual incentive compensation payments.

Other factors may outweigh the effects of seasonal changes in our net earnings results including, but not limited to, changes in raw materials and other costs, foreign exchange rates, interest rates, taxes and the timing and amount of acquisition synergies and restructuring and other non-recurring charges.

Competition for most of our packaging products is based primarily on packaging performance characteristics, service and price. Competition is also based upon innovations in packaging technology and, as a result, we maintain ongoing research and development programs to enable us to maintain technological leadership. Our Diversey solutions face a wide spectrum of competitors across each product category. Competition is both global and regional in scope and includes numerous small, local competitors with limited product portfolios and geographic reach. For more details, see "Competition" included in "Business," of Item 1, Part I.

Our net sales are sensitive to developments in our customers' business or market conditions, changes in the global economy, and the effects of foreign currency translation. Our costs can vary materially due to changes in input costs, including petrochemical-related costs (primarily resin costs), which are not within our control. Consequently, our management focuses on reducing those costs that we can control and using petrochemical-based and other raw materials as efficiently as possible. We also believe that our global presence helps to insulate us from localized changes in business conditions.

We manage our businesses to generate substantial operating cash flow. We believe that our operating cash flow will permit us to continue to spend on innovative research and development and to invest in our business by means of capital expenditures for property and equipment and acquisitions. Moreover, we expect that our ability to generate substantial operating cash flow should provide us with the flexibility to repay debt and to return capital to our stockholders.

2013 Outlook

We expect modest sales and Adjusted EBITDA growth, despite our significant exposure to European markets and a recent increase in raw material costs. We intend to take decisive actions to adjust pricing in product lines impacted by escalating raw material costs. As a result, we estimate 2013 net sales in the range of $7.7–7.9 billion, Adjusted EBITDA of $1.010 billion to $1.030 billion, and Adjusted EPS between $1.10 and $1.20. We also estimate free cash flow for 2013 of approximately $300 million to $350 million, which represents cash flow from operations, less capital expenditures. We expect a core effective tax rate in the range of 25% to 27% in 2013.

Adjusted EPS guidance excludes the payment of the Settlement agreement, as the exact timing of the settlement is unknown. Final payment of the Settlement agreement is expected to be accretive to Adjusted EPS by approximately $0.13 annually following the payment date under the assumption of using a substantial portion of cash on hand for the payment and ceasing to accrue interest on the settlement amount. Additionally, guidance excludes any non-operating gains or losses that may be recognized in 2013 due to currency fluctuations in Venezuela.

Table of Contents

Highlights of Financial Performance

Below are the highlights of our financial performance for the three years ended December 31, 2012.

	2012	2011	2010	2012 vs. 2011 % Change	2011 vs. 2010 % Change
Net sales	$ 7,648.1	$5,550.9	$4,490.1	38%	24%
Gross profit	$ 2,544.3	$1,600.3	$1,252.8	59%	28%
As a % of net sales	*33.3%*	*28.8%*	*27.9%*		
Impairment of goodwill and other intangible assets	$ 1,892.3	$ —	$ —	#	#
Operating (loss) profit	$(1,417.1)	$ 429.4	$ 535.0	#%	(20)%
As a % of total net sales	*(18.5)%*	*7.7%*	*11.9%*		
Net (loss) earnings from continuing operations	$(1,610.1)	$ 138.5	$ 255.9	#%	(45)%
Net earnings and gain on sale from discontinued operations	$ 199.8	$ 10.6	$ —	#%	#%
Net (loss) earnings available to common stockholders	$(1,410.3)	$ 149.1	$ 255.9	#%	(42)%
Net (loss) earnings available to common stockholders-diluted	$(1,410.3)	$ 148.3	$ 254.4	#%	(42)%
Net (loss) earnings per common share:					
Basic:					
Continuing operations	$ (8.35)	$ 0.83	$ 1.61	#%	(48)%
Discontinued operations	1.04	0.06	—	#%	#%
Net (loss) earnings per common share—basic	$ (7.31)	$ 0.89	$ 1.61	#%	(45)%
Diluted:					
Continuing operations	$ (8.35)	$ 0.75	$ 1.44	#%	(48)%
Discontinued operations	1.04	0.05	—	#%	#%
Net (loss) earnings per common share—diluted	$ (7.31)	$ 0.80	$ 1.44	#%	(44)%
Weighted average number of common shares outstanding:					
Basic	192.8	167.0	158.3	15%	5%
Diluted	192.8	185.4	176.7	4%	5%
Non-U.S. GAAP adjusted diluted net earnings per common share—continuing operations[1]	$ 0.95	$ 1.26	$ 1.60	(24)%	(22)%
Non-U.S. GAAP adjusted diluted net earnings per common share—discontinued operations[1]	0.95	0.05	—	#%	#%
Non-U.S. GAAP adjusted diluted net earnings per common share[1]	$ 1.90	$ 1.31	$ 1.60	45%	(18)%

# Denotes a variance greater than or equal to 100%, or not meaningful.

(1) See "Diluted Net Earnings per Common Share" for a reconciliation of our U.S. GAAP EPS to our non-U.S. GAAP adjusted EPS.

Diluted Net Earnings per Common Share

The following table presents a reconciliation of our U.S. GAAP EPS to non-U.S. GAAP adjusted EPS.

	Year Ended December 31,					
	2012 Net Earnings	Diluted EPS	2011[1] Net Earnings	Diluted EPS	2010[1] Net Earnings	Diluted EPS
U.S. GAAP net (loss) earnings and EPS from continuing operations	**$(1,610.1)**	**$(8.35)**	**$ 138.5**	**$ 0.75**	**$ 254.4**	**$ 1.44**
Adjusted net earnings and EPS impact of special items[2]	1,810.6	8.57	94.3	0.51	26.9	0.16
EPS impact of using weighted-average dilutive shares for adjusted EPS calculation[3]	—	0.73	—	—	—	—
Non-U.S. GAAP net earnings and EPS from continuing operations	**200.5**	**0.95**	**232.8**	**1.26**	**281.3**	**1.60**
Discontinued Operations	199.8	0.95	10.6	0.05	—	—
Non-U.S. GAAP adjusted net earnings and EPS	**$ 400.3**	**$ 1.90**	**$ 243.4**	**$ 1.31**	**$ 281.3**	**$ 1.60**

(1) Our 2011 and 2010 Adjusted EPS calculation has been revised to conform to our 2012 presentation. There was no material impact to our Adjusted EPS results due to this revision.

(2) Special items are certain one-time costs. For 2012, these items primarily included (i) impairment of goodwill and other intangible assets, (ii) restructuring charges and (iii) loss on debt redemption. For 2011, these items primarily include costs related to the acquisition and integration of Diversey and restructuring charges. In 2010, these items primarily include loss on debt redemption.

(3) Represents the impact of using diluted weighted average number of common shares outstanding (211.2 million shares in 2012) included in the non-U.S. GAAP adjusted EPS calculation in order to apply the dilutive impact on adjusted net earnings of 18 million shares from the assumed issuance of the Settlement agreement shares and non-vested restricted stock and restricted stock units. This impact occurs when U.S. GAAP net loss is reported and using dilutive shares is antidilutive.

See Note 21, "Net (Loss) Earnings Per Common Share," for details on the calculation of our U.S. GAAP basic and diluted EPS.

Our U.S. GAAP and non-U.S. GAAP income taxes are as follows:

	Year Ended December 31,					
	2012		2011		2010	
	(Benefit) Provision	Effective Tax Rate	(Benefit) Provision	Effective Tax Rate	(Benefit) Provision	Effective Tax Rate
U.S. GAAP	$(261.9)	14.0%	$ 59.5	30.0%	$ 87.5	25.5%
Non-U.S. GAAP (Core Taxes)	$ 70.7	26.1%	$ 94.4	30.9%	$ 102.0	26.6%

The discussions that follow provide further details about the material factors that contributed to the changes in our EPS for the three years ended December 31, 2012.

Table of Contents

Net Sales by Segment Reporting Structure

The following table presents net sales by our segment reporting structure:

	2012	2011	2010	2012 vs. 2011 % Change	2011 vs. 2010 % Change
Net sales:					
Food & Beverage	$3,739.6	$3,240.6	$2,858.5	15%	13%
As a % of total net sales	49%	58%	64%		
Institution & Laundry	2,131.5	534.0	—	#	#
As a % of total net sales	28%	10%	#%		
Protective Packaging	1,578.4	1,594.4	1,469.9	(1)	8
As a % of total net sales	21%	29%	33%		
Other	198.6	181.9	161.7	9	12
As a % of total net sales	2%	3%	3%		
Total	$7,648.1	$5,550.9	$4,490.1	38%	24%

\# Denotes a variance greater than or equal to 100%, or not meaningful.

Net Sales by Geographic Region

By geographic region, the components of the increase in net sales for 2012 compared with 2011 were as follows:

	North America	Europe	Latin America	AMAT	Japan/ Australia/New Zealand	Total
Change in Net Sales						
Volume-Units	$ 48.2	$ (21.1)	$ 38.8	$ 33.4	$ 2.3	$ 101.6
% change	1.9%	(1.3)%	7.1%	9.6%	0.4%	1.8%
Volume-Acquired businesses, net of (dispositions)	455.3	970.8	234.2	404.5	52.8	2,117.6
% change	*18.4%*	*59.2%*	*42.9%*	*#*	*9.7%*	*38.2%*
Product price/mix	0.8	0.3	33.2	(1.1)	(4.2)	29.0
% change	—	—	*6.1%*	*(0.3)%*	*(0.7)%*	*0.5%*
Foreign currency translation	(1.2)	(97.7)	(49.9)	(6.0)	3.8	(151.0)
% change	—	*(5.9)%*	*(9.1)%*	*(1.7)%*	*0.7%*	*(2.7)%*
Total	**$503.1**	**$852.3**	**$256.3**	**$430.8**	**$ 54.7**	**$2,097.2**
% change	20.3%	52.0%	47.0%	*#%*	10.1%	37.8%

\# Denotes a variance greater than or equal to 100%, or not meaningful.

By geographic region, the components of the increase in net sales for 2011 compared with 2010 were as follows:

	North America	Europe	Latin America	AMAT	Japan/ Australia/New Zealand	Total
Change in Net Sales						
Volume-Units	$ 4.1	$ 35.3	$ 6.2	$ 27.1	$ 4.6	$ 77.3
% change	*0.2%*	*3.0%*	*1.4%*	*13.7%*	*1.0%*	*1.7%*
Volume-Acquired businesses, net of (dispositions)	145.9	340.7	82.8	120.0	18.0	707.4
% change	*6.6%*	*29.1%*	*19.1%*	*60.7%*	*3.9%*	*15.8%*
Product price/mix	94.0	24.4	9.0	(12.2)	6.1	121.3
% change	*4.2%*	*2.1%*	*2.1%*	*(6.3)%*	*1.3%*	*2.7%*
Foreign currency translation	7.2	68.1	13.4	13.4	52.7	154.8
% change	*0.3%*	*5.8%*	*3.1%*	*6.8%*	*11.5%*	*3.4%*
Total	**$251.2**	**$468.5**	**$ 111.4**	**$148.3**	**$ 81.4**	**$1,060.8**
% change	*11.3%*	*40.0%*	*25.7%*	*75.0%*	*17.7%*	*23.6%*

\# Denotes a variance greater than or equal to 100%, or not meaningful.

Foreign Currency Translation Impact on Net Sales

As shown above, 65% of our consolidated net sales in 2012 were generated outside the U.S. Since we are a U.S. domiciled company, we translate our foreign currency-denominated net sales into U.S. dollars. Due to the changes in the value of foreign currencies relative to the U.S. dollar, translating our net sales from foreign currencies to U.S. dollars may result in a favorable or unfavorable impact. The most significant currencies that contributed to the translation of our net sales and our other consolidated financial results in 2012 were the euro, the British pound, the Australian dollar, the Brazilian real and the Canadian dollar.

We experienced an unfavorable impact from the translation of our foreign currency-denominated net sales of $151 million in 2012 compared with 2011. This was primarily due to the weakening of the U.S. dollar against the euro and Brazilian real.

In 2011, we experienced a favorable foreign currency translation impact on net sales of $155 million compared with 2010. Approximately $152 million of this favorable impact was experienced in the first nine months of 2011 as the U.S. dollar began to strengthen against most of the significant currencies that contribute to our net sales and other consolidated financial results.

Components of Change in Net Sales

The following tables present the components of change in net sales by our segment reporting structure for 2012 compared with 2011 and 2011 compared with 2010.

We also present the change in net sales excluding the impact of foreign currency translation, a non-U.S. GAAP measure, which we define as “constant dollar.” We believe using constant dollar measures aids in the comparability between periods as it eliminates the volatility of changes in foreign currency exchange rates.

2012 Compared with 2011	Food & Beverage		Institutional & Laundry		Protective Packaging		Other		Total Company	
Volume — Units	$ 51.1	1.6%	$ 2.9	0.5%	$ 21.5	1.4%	$ 26.1	14.3%	$ 101.6	1.8%
Volume — Acquired businesses, net of (dispositions)	516.7	15.9	1,598.6	#	—	—	2.3	1.3	2,117.6	38.2
Product price/mix[1]	22.5	0.7	8.8	1.7	(1.4)	(0.1)	(0.9)	(0.5)	29.0	0.5
Foreign currency translation	(91.1)	(2.8)	(13.0)	(2.4)	(36.1)	(2.3)	(10.8)	(5.9)	(151.0)	(2.7)
Total change (U.S. GAAP)	**$499.2**	**15.4%**	**$1,597.3**	**#%**	**$(16.0)**	**(1.0)%**	**$ 16.7**	**9.2%**	**$2,097.2**	**37.8%**
Impact of foreign currency translation	$ 91.1	2.8%	$ 13.0	2.4%	$ 36.1	2.3%	$ 10.8	5.9%	$ 151.0	2.7%
Total constant dollar change (Non-U.S. GAAP)	**$590.3**	**18.2%**	**$1,610.3**	**#%**	**$ 20.1**	**1.3%**	**$ 27.5**	**15.1%**	**$2,248.2**	**40.5%**

2011 Compared with 2010	Food & Beverage		Institutional & Laundry		Protective Packaging		Other		Total Company	
Volume — Units	$ 7.6	0.3%	$ —	—%	$ 55.5	3.8%	$14.0	8.6%	$ 77.1	1.7%
Volume — Acquired businesses, net of (dispositions)	172.5	6.0	534.0	#	1.0	0.1	—	—	707.5	15.8
Product price/mix[1]	96.6	3.4	—	—	25.4	1.7	(0.4)	(0.2)	121.6	2.7
Foreign currency translation	105.4	3.7	—	—	42.8	2.9	6.4	4.0	154.6	3.4
Total change (U.S. GAAP)	**$ 382.1**	**13.4%**	**$534.0**	**#%**	**$124.7**	**8.5%**	**$20.0**	**12.4%**	**$1,060.8**	**23.6%**
Impact of foreign currency translation	$(105.4)	(3.7)%	$ —	—%	$ (42.8)	(2.9)%	$ (6.4)	(4.0)%	$ (154.6)	(3.4)%
Total constant dollar change (Non-U.S. GAAP)	**$ 276.7**	**9.7%**	**$534.0**	**#%**	**$ 81.9**	**5.6%**	**$13.6**	**8.4%**	**$ 906.2**	**20.2%**

\# Denotes a variance greater than or equal to 100%, or not meaningful.

(1) Our product price/mix reported above includes the net impact of our pricing actions and rebates as well as the period-to-period change in the mix of products sold. Also included in our reported product price/mix is the net effect of some of our customers purchasing our products in non-U.S. dollar or euro denominated countries at selling prices denominated in U.S. dollars or euros. This primarily arises when we export products from the U.S. and euro-zone countries. The impact to our reported product price/mix of these purchases in other countries at selling prices denominated in U.S. dollars or euros was not material in the periods included in the table above.

The following net sales discussion is on a constant dollar basis.

Food & Beverage Segment Net Sales

2012 compared with 2011

The $590 million, or 18%, constant dollar increase in 2012 compared with 2011 was primarily due to:

- a $517 million incremental impact of net sales by the acquired businesses from the hygiene solutions business as a result of the acquisition of Diversey in the fourth quarter of 2011;
- favorable product price/mix in Latin America of $29 million, or 7%, primarily from the benefits of prior pricing actions that were implemented to offset rising raw materials costs and from formula-based contractual price adjustments in the packaging solutions business; and
- higher unit volumes in Latin America of $28 million, or 7%, due to increased customer production rates for fresh red meat in the packaging solutions business.

2011 compared with 2010

The $277 million, or 10%, constant dollar increase in 2011 compared with 2010 was primarily due to:

- a $173 million incremental impact of net sales by the acquired businesses from the hygiene solutions business as a result of the acquisition of Diversey in the fourth quarter of 2011;
- favorable product price/mix in the U.S. of $73 million, or 3%, from the benefits of pricing actions that were implemented to offset rising raw materials costs, as well as formula-based contractual price adjustments in the packaging solutions business; and
- higher unit volumes in Europe of $19 million, or 1%, from higher equipment sales and case-ready, ready meal and vertical pouch packaging products sales from existing and new customers.

These favorable drivers were partially offset by lower unit volumes in the Canada of $14 million, or 1%, primarily due to a customer loss in the packaging solutions business. This customer loss is not considered material to our consolidated net sales.

Institutional & Laundry Segment Net Sales

2012 compared with 2011

The $1,610 million constant dollar increase in net sales in 2012 compared with 2011 was primarily due to:

- a $1,599 million incremental impact of net sales by the acquired I&L business as a result of the acquisition of Diversey in the fourth quarter of 2011; and
- favorable product price/mix of $9 million, or 2% , primarily in Latin America and AMAT regions in the fourth quarter of 2012 compared with the same period of 2011.

These factors were partially offset by a decrease in unit volumes in Europe of $10 million, or 4%, reflecting a decline in consumer brands and lower equipment sales.

2011 compared with 2010

The $534 million constant dollar increase in net sales in 2011 compared with 2010 represents the acquisition of the I&L business as part of the acquisition of Diversey in the fourth quarter of 2011.

Protective Packaging Segment Net Sales

2012 compared with 2011

The $20 million, or 1%, constant dollar increase in net sales in 2012 compared with 2011 was primarily due to higher unit volumes in the U.S. of $25 million, or 3%, due to expanded market presence and strengths in solutions targeting e-commerce applications. This growth was partially offset by lower unit volumes in Europe of $11 million, or 3%, primarily due to lower customer demand reflecting the current economic challenges in the region.

2011 compared with 2010

The $82 million, or 6%, constant dollar increase in 2011 compared with 2010 was primarily due to:

- higher unit volumes in the U.S. of $27 million, or 3%, due to higher year-over-year industrial production rates, which in turn favorably affected the sales of our protective packaging products to existing customers in the order fulfillment space and our inflatable materials and equipment systems to new and existing customers in the e-commerce space;
- favorable product price/mix in the U.S. of $17 million, or 2%, and in Europe of $11 million, or 3%, due to the benefits of pricing actions that were implemented to offset rising raw materials costs.

Cost of Sales

Our primary input costs include raw materials such as polyolefin and other petrochemical-based resins and films, caustic soda, solvents, waxes, phosphates, surfactants, chelates, fragrances and paper and wood pulp products. These raw materials represent approximately one third of our cost of sales. Our other cost of sales inputs include direct and indirect labor, other raw materials and other input costs, including energy-related costs and transportation costs. The costs for our raw materials are impacted by the rise and fall in crude oil and natural gas prices, since they serve as feedstocks utilized in the production of our raw materials. The prices for these feedstocks have been particularly volatile in recent years as a result of changes in global demand. In addition, supply and demand imbalances of intermediate compounds such as benzene and supplier facility outages have impacted resin costs. Although changes in the prices of crude oil and natural gas are indicative of the variations in certain raw materials and energy-related costs, they are not perfect benchmarks. We continue to monitor changes in raw material and energy-related costs as they occur and take pricing actions as appropriate to lessen the impact of cost increases when they occur.

Cost of sales for the three years ended December 31, 2012 was as follows:

	2012	2011	2010	2012 vs. 2011 % Change	2011 vs. 2010 % Change
Cost of sales	$5,103.8	$3,950.6	$3,237.3	29%	22%
As a % of net sales	*67%*	*71%*	*72%*		

2012 compared with 2011

The $1.2 billion increase in cost of sales in 2012 compared with 2011 was primarily due to the incremental impact of costs of sales from acquired businesses of $1.2 billion from the food and beverage hygiene solutions and I&L businesses as a result of the acquisition of Diversey in the fourth quarter of 2011. Cost of sales for the year ended December 31, 2012 compared with 2011 was also impacted by favorable foreign currency translation of $111 million. Costs for raw materials and freight were $15 million lower in 2012 compared with 2011.

2011 compared with 2010

The $713 million increase in cost of sales in 2011 compared with 2010 was primarily due to:

- a $423 million incremental impact of costs of sales from acquired businesses from the food and beverage hygiene solutions and I&L businesses as a result of the acquisition of Diversey in the fourth quarter of 2011;
- higher raw materials costs of $125 million attributable to the increased average cost per pound of resin in 2011;
- an unfavorable impact of foreign currency translation of $115 million; and
- higher transportation and energy-related costs of $20 million.

Marketing, Administrative and Development Expenses

Marketing, administrative and development expenses for the three years ended December 31, 2012 are included in the table below. The amounts for 2011 and 2010 have been reclassified to conform to the 2012 presentation of these expenses as we now present the amortization of intangible assets acquired as a separate line item on our consolidated statements of operations.

Table of Contents

	2012	2011	2010	2012 vs. 2011 % Change	2011 vs. 2010 % Change
Marketing, administrative and development expenses	$1,785.2	$1,014.4	$699.0	76%	45%
As a % of net sales	*23%*	*18%*	*16%*		

2012 compared with 2011

The $771 million increase in marketing, administrative and development expenses in 2012 compared with 2011 was primarily due to a $796 million incremental impact of expenses from acquired businesses from the food and beverage hygiene solutions and I&L businesses as a result of the acquisition of Diversey in the fourth quarter of 2011, partially offset by the impact of favorable foreign currency translation of $27 million and a decrease in share-based compensation of $8 million primarily because we did not achieve some of our 2012 financial performance goals.

2011 compared with 2010

The $315 million increase in marketing, administrative and development expenses in 2011 compared with 2010 was primarily due to:

- a $275 million incremental impact of expenses from acquired businesses from the food and beverage hygiene solutions and I&L businesses as a result of the acquisition of Diversey in the fourth quarter of 2011;
- an unfavorable impact of foreign currency translation of $21 million;
- an increase in selling and marketing expenses of $15 million to support our sales growth; and
- higher development expenses of $3 million due to additional headcount and increase in project spending to support strategic growth programs.

These factors were partially offset by a decrease in share-based compensation of $6 million primarily because we did not achieve some of our 2011 financial performance goals.

Amortization Expense of Intangible Assets Acquired

Amortization expense of intangible assets acquired for the three years ended December 31, 2012 were as follows:

	2012	2011	2010
Amortization expense of intangible assets acquired	$134.0	$39.5	$11.2

The increase in 2012 compared with both 2011 and 2010 was due to the amortization of the intangible assets acquired in connection with the acquisition of Diversey in the fourth quarter of 2011.

Impairment of Goodwill and Other Intangible Assets

In 2012, we recorded a pre-tax non-cash impairment charge of $1,892.3 million of goodwill and other intangible assets. See Note 8, “Goodwill and Identifiable Intangible Assets,” for information of the events and circumstances that lead to this impairment.

Costs Related to the Acquisition and Integration of Diversey

We recorded transaction and integration costs directly related to the acquisition of Diversey of $7 million in 2012 and $65 million in 2011. The transaction related costs were $55 million and primarily consist of financing commitment, legal, regulatory and appraisal fees. The remainder of the costs in both periods were integration costs primarily consisting of consulting fees. As discussed above, we have excluded these costs from our adjusted EPS calculations. See Note 4, “Acquisition of Diversey Holdings, Inc.,” for further discussion of the acquisition.

Restructuring Activities

2011-2014 Integration and Optimization Program

In December 2011, we initiated a restructuring program associated with the integration of Diversey’s business following our acquisition of Diversey on October 3, 2011. The program primarily consists of (i) reduction in headcount, (ii) consolidation of facilities, and (iii) supply chain network optimization, and (iv) certain other capital expenditures. This program is expected to be completed by the end of 2014.

See Note 10, “Restructuring Activities,” for further discussion of the charges and liabilities associated with this program.

We estimate that we realized approximately $105 million of benefits from this program in 2012 from headcount reductions, elimination of redundant costs, plant consolidations and procurement and logistics savings. We anticipate realizing an incremental $90 million in benefits in 2013.

The actual timing of future costs and cash payments related to this program are subject to change due to a variety of factors that may cause a portion of the costs, spending and benefits to occur later expected. In addition, changes in foreign exchange rates may impact future costs, spending and benefits.

European Principal Company

In May 2011, before the acquisition of Diversey, Diversey’s management approved, subject to successful works council consultations, plans to reorganize its European operations to function under a centralized management and supply chain model. We completed the reorganization on May 3, 2012 and the EPC, based in the Netherlands, is now centrally managing Diversey’s European operations. Diversey’s European subsidiaries are executing sales and distribution locally, and local production companies are acting as toll manufacturers.

As part of the planning for this reorganization, we recognized associated costs of $12 million in 2012 and $4 million in 2011. These costs are included in marketing, administrative and development expenses in the consolidated statements of operations and in restructuring charges in 2011 related to termination benefits of $1 million.

[Table of Contents](#)

Global Manufacturing Strategy

We announced our global manufacturing strategy program in 2006 and completed the program in 2010. The goals of this multi-year program were to realign our manufacturing footprint to expand capacity in growing markets, to further improve our operating efficiencies, and to implement new technologies more effectively. Additionally, we optimized certain manufacturing platforms in North America and Europe into centers of excellence. By taking advantage of new technologies and streamlining production on a global scale, we have continued to enhance our profitable growth and our global leadership position and have produced meaningful benefits.

The capital expenditures, associated costs and related restructuring charges and the total amounts incurred since inception of this multi-year program are included in the table below.

	Year Ended December 31, 2010	Cumulative Through December 31, 2010
Capital expenditures	$ 3.3	$ 156.0
Associated costs	3.8	36.2
Restructuring and other charges	4.4	42.7

We estimate that we realized approximately $55 million in benefits in 2010, which were primarily realized in cost of sales.

European Facility Closure

In December 2010, we closed a small shrink packaging factory in Europe. We took this action based on our review of operating costs and technology levels in an effort to simplify our plant network and improve our operating efficiency. We recorded nominal associated costs and restructuring and other charges in 2011 and $7 million in 2010. The associated costs and restructuring and other charges related to the actions described above are considered special items and are excluded from our non-U.S. GAAP EPS calculations. See “Diluted Net Earnings Per Common Share” above for further details.

See Note 10, “Restructuring Activities,” for additional information on our recent restructuring activities.

Operating (Loss) Profit

Management evaluates the performance of each reportable segment based on its operating (loss) profit. Operating (loss) profit by our segment reporting structure for the three years ended December 31, 2012 was as follows:

	2012	2011	2010	2012 vs. 2011 % Change	2011 vs. 2010 % Change
Food & Beverage	$ (170.9)	$371.2	$361.9	#%	3%
As a % of Food & Beverage net sales	*(4.6)%*	*11.5%*	*12.7%*		
Institutional & Laundry	(1,278.4)	(14.8)	—	#	#
As a % of Institutional & Laundry net sales	*(60.0)%*	*(2.8)%*	*— %*		
Protective Packaging	207.5	201.7	185.1	3	9
As a % of Protective Packaging net sales	*13.1%*	*12.7%*	*12.6%*		
Other	(25.4)	(11.7)	(4.4)	#	#
As a % of Other net sales	*(12.8)%*	*(6.4)%*	*(2.7)%*		
Total segments and other	(1,267.2)	546.4	542.6	#	1
As a % of net sales	*(16.6)%*	*9.8%*	*12.1%*		
Costs related to the acquisition and integration of Diversey	7.4	64.8	—	(89)	#
Restructuring and other charges[(1)]	142.5	52.2	7.6	#	#
Total operating (loss) profit	$(1,417.1)	$429.4	$535.0	#%	(20)%
As a % of net sales	*(18.5)%*	*7.7%*	*11.9%*		

\# Denotes a variance greater than or equal to 100%, or not meaningful.

(1) Restructuring and other charges by our segment reporting structure were as follows:

	2012	2011	2010
Food & Beverage	$ 72.0	$13.1	$ 3.7
Institutional & Laundry	53.1	39.5	—
Protective Packaging	16.7	(0.4)	3.9
Other	0.7	—	—
Total	$142.5	$52.2	$ 7.6

See “Restructuring Activities” above for further discussion of restructuring activities.

Food & Beverage Segment Operating (Loss) Profit

2012 compared with 2011

2012 operating loss includes the non-cash impairment charge related to goodwill and other intangible assets of $543 million. See Note 8, “Goodwill and Identifiable Intangible Assets,” for further details. The pre-impairment operating profit remained flat in 2011 and 2012.

2011 compared with 2010

The increase in operating profit in 2011 compared with 2010 was primarily due to the net favorable impacts of the changes in net sales mentioned above, which was partially offset by higher raw materials costs, which we estimate to be $85 million higher in 2011 compared with 2010.

Institutional & Laundry Segment Operating (Loss) Profit

2012 compared with 2011

2012 operating loss includes the non-cash impairment charge related to goodwill and other intangible assets of $1.3 billion. See Note 8, "Goodwill and Identifiable Intangible Assets," for further details. The pre-impairment operating profit increased by $62 million in 2012 compared to 2011, which was a result of the increase in net sales described above and lower raw materials costs being partially offset by higher marketing and administration costs.

2011 compared with 2010

The increase in operating profit in 2011 compared with 2010 was due to the acquisition of Diversey in the fourth quarter of 2011.

Protective Packaging Segment Operating Profit

2012 compared with 2011

Operating profit remained flat in 2012 when compared to 2011.

2011 compared with 2010

The increase in operating profit in 2011 compared with the same periods in 2010 was primarily due to the net favorable impacts of the changes in net sales mentioned above. These factors were partially offset by higher raw materials costs, which we estimate to be $32 million higher in 2011 compared with 2010.

Other Operating (Loss) Profit

2012 compared with 2011

2012 operating loss includes the non-cash impairment charge of $22 million related to a decision to stop development work on a project included in our new venture business. See Note 8, "Goodwill and Identifiable Intangible Assets," for further details. A reduction in the pre-impairment operating loss in 2012 compared with 2011 was primarily due to lower development spending.

2011 compared with 2010

The decline in operating profit in 2011 compared with 2010 was primarily due to higher raw materials costs, which we estimate to be $8 million higher compared with 2010. Also contributing to the decline in operating profit were incremental expenses related to our new ventures. These factors were partially offset by the net favorable impacts of the increases in unit volumes mentioned above.

Interest Expense

Interest expense includes the stated interest rate on our outstanding debt, as well as the net impact of capitalized interest, the effects of interest rate swaps and the amortization of capitalized senior debt issuance costs, bond discounts, and terminated treasury locks.

Interest expense for the three years ended December 31, 2012 was as follows:

	2012	2011	2010	2012 vs. 2011 Change	2011 vs. 2010 Change
Interest expense on the amount payable for the Settlement agreement	$ 45.7	$ 43.3	$ 41.1	$ 2.4	$ 2.2
Interest expense on our various debt instruments:					
5.625% Senior Notes due July 2013[3]	19.2	20.7	21.9	(1.5)	(1.2)
12% Senior Notes due February 2014[1]	15.2	14.7	30.0	0.5	(15.3)
Term Loan A due October 2016[2]	35.8	10.4	—	25.4	10.4
7.875% Senior Notes due June 2017	33.3	33.1	33.0	0.2	0.1
Term Loan B due October 2018[2]	64.0	17.5	—	46.5	17.5
8.125% Senior Notes due September 2019[2]	62.3	15.1	—	47.2	15.1
8.375% Senior Notes due September 2021[2]	63.8	15.4	—	48.4	15.4
6.875% Senior Notes due July 2033	30.9	30.9	30.9	—	—
6.50% Senior Notes due December 2020[3]	2.5	—	—	2.5	—
Revolving Credit Facility[2]	4.1	1.3	—	2.8	1.3
Other interest expense	13.4	18.4	8.4	(5.0)	10.0
Less: capitalized interest	(5.5)	(4.2)	(3.7)	(1.3)	(0.5)
Total	$384.7	$216.6	$161.6	$168.1	$ 55.0

(1) We redeemed $150 million of these notes in December 2010. See "Loss on Debt Redemption" below.

(2) In connection with the acquisition of Diversey on October 3, 2011, we entered into the Credit Facility consisting of: (a) a $1.1 billion multicurrency Term Loan A Facility, (b) a $1.2 billion multicurrency Term Loan B Facility and (c) a $700 million Revolving Credit Facility. We also issued $750 million of 8.125% Senior Notes and $750 million of 8.375% Senior Notes. See Note 12, "Debt and Credit Facilities," for further details.

(3) On November 28, 2012, we issued $425 million of 6.50% Senior Notes. A portion of the proceeds from this offering was used to purchase $400 million of the 5.625% Senior Notes due July 2013 (the "5.625% Notes"). See Note 12, "Debt and Credit Facilities," and "Loss on Debt Redemption" below for further details.

Loss on Debt Redemption

In November 2012, we issued $425 million of 6.50% senior notes and used substantially all of the proceeds to retire the 5.625% senior notes due July 2013. We repurchased the 5.625% Notes at fair value. The aggregate repurchase price was $421 million, which included the principal amount of $400 million, a 3% premium of $13 million and accrued interest of $8 million. We recognized a total net pre-tax loss of $12 million, which included the premiums mentioned above, less a gain of $1 million on the termination of a related interest rate swap.

We amended and refinanced our credit facility to (a) reduce Term Loan B interest rates, (b) gain additional flexibility on financial covenant, and (c) amend certain other terms. As a result, we recognized a pretax loss of $16 million for the accelerated unamortized original issuance discounts of $9 million and the unamortized capitalized lender fees for $7 million. We also recorded new original issuance discount and non-lender fees for a total of $2 million, which are included in the carrying amount of the debt instruments. In addition, we recorded a pre-tax loss of $7 million of non-lender fees related to the transactions mentioned above.

See Note 12, "Debt and Credit Facilities" for details of our debt transactions.

In December 2010, we completed an early redemption of $150 million of the outstanding $300 million principal amount of our 12% Senior Notes due February 14, 2014. We redeemed the notes at 127% of the principal amount plus accrued interest. The aggregate redemption price was $196 million, including $5 million of accrued interest. We funded the redemption with available cash. We recorded a pre-tax loss of $41 million resulting from the 27% premium. We also recognized a gain of $2 million from the termination of a related interest rate swap. As a result, the total net pre-tax loss was $39 million, which equated to a $0.14 per common share decrease to our reported net earnings per common share.

Net Gains on Sale of Available-for-Sale Securities

In 2010, we sold our five auction rate security investments, representing our total holdings of these securities. These sales resulted in a pre-tax gain of $7 million ($4 million, net of taxes). Before we sold these investments, we recognized $1 million of pre-tax other-than-temporary impairment in 2010 due to the decline in estimated fair value of some of these investments.

Foreign Currency Exchange (Losses) Gains Related to Venezuelan Subsidiaries

Effective January 1, 2010, Venezuela was designated a highly inflationary economy. The foreign currency exchange gains and losses we recorded in 2012, 2011 and 2010 for our Venezuelan subsidiary were the result of two factors: 1) the significant changes in the exchange rates used to settle bolivar-denominated transactions and 2) the significant changes in the exchange rates used to remeasure our Venezuelan subsidiary's financial statements at the balance sheet date. We believe these gains and losses are attributable to the unstable foreign currency environment in Venezuela. See "Venezuela" in "Foreign Exchange Rates" of Item 7A, "Quantitative and Qualitative Disclosures About Market Risk," for further discussion on Venezuela.

Other Expense, Net

See Note 20, "Other Expense, net," for the components and discussion of other expense, net.

Income Taxes

Our loss before income taxes from continuing operations for 2012 was reduced by an income tax benefit of $262 million. Our effective income tax benefit rate for 2012 was 14% because our net loss resulted from an impairment charge, substantially all of which related to non-deductible goodwill, with no corresponding tax benefit. Our core tax rate for the year was 26%. Our tax provision for the year benefitted from earnings in jurisdictions with low tax rates and losses in jurisdictions, such as the U.S., with high tax rates, as well as favorable settlements of certain tax disputes totaling $12 million in 2012. The favorable factors were partially offset by losses in jurisdictions where we did not have any tax benefit due to the applicable tax rate or valuation allowances.

Our effective income tax rate from continuing operations was 30% for 2011 and 25% for 2010. As described below, the legacy-Diversey operations and the costs of the Diversey acquisition increased our 2011 effective tax rate. For 2011 and 2010, our effective income tax rate was lower than the statutory U.S. federal income tax rate of 35% primarily due to the lower net effective income tax rate on foreign earnings, as well as income tax benefits from tax credits and the domestic manufacturing deduction, partially offset by state income taxes and, in 2011, nondeductible expenses incurred in connection with the Diversey acquisition.

We expect an effective income tax rate in the range of 25% to 27% in 2013.

Our effective tax rate also depends on the realization of our deferred tax assets, net of our valuation allowances. We have deferred tax assets related to the Settlement agreement, other accruals not yet deductible for tax purposes, foreign tax credits, U.S. and foreign net operating loss carry forwards and investment tax allowances, employee benefit items, and other items. Our largest deferred tax asset relates to our Settlement agreement as described in Note 15, "Commitments and Contingencies."

We have established valuation allowances to reduce our deferred tax assets to an amount that is more likely than not to be realized. Our ability to utilize our deferred tax assets depends in part upon our ability to generate future taxable income during the periods in which these temporary differences reverse or our ability to carry back any losses created by the deduction of these temporary differences. We expect to realize these assets over an extended period. If we are unable to generate sufficient future taxable income in the U.S. and certain foreign jurisdictions, or if there is a significant change in the time period within which the underlying temporary differences become taxable or deductible, we could be required to increase our valuation allowances against our deferred tax assets. Conversely, if we have sufficient future taxable income in jurisdictions where we have valuation allowances, we may be able to reverse those valuation allowances. Our largest deferred tax asset relates to the Settlement agreement. We intend to carry back a significant portion of the loss resulting from our deduction under the Settlement agreement. Our tax benefit with respect thereto may be significantly reduced resulting in an increased tax expense if the funding of the Settlement agreement occurs later than 2013 or the price of our common stock at the time of funding of the Settlement agreement is less than $17.86 per share. These conditions could result in a significant increase in our effective tax rate and could have a material adverse effect on our consolidated results of operations in the periods in which these conditions occur. In addition, changes in statutory tax rates or other new legislation or regulation may change our deferred tax assets or liability balances, with either favorable or unfavorable impacts on our effective tax rate. See, "Material Commitments and Contingencies," below for further discussion.

See Note 17, "Income Taxes," for a reconciliation of the U.S. federal statutory rate to our effective tax rate, which also shows the major components of the year over year changes.

Liquidity and Capital Resources

The discussion that follows contains descriptions of:

- our material commitments and contingencies;
- our principal sources of liquidity;
- our outstanding indebtedness;
- our historical cash flows and changes in working capital;
- changes in our stockholders’ equity; and
- our derivative financial instruments.

Table of Contents

Material Commitments and Contingencies

Settlement Agreement and Related Costs

We recorded a pre-tax charge of $850 million in 2002, of which $513 million represents a cash payment that we are required to make (subject to the satisfaction of the terms and conditions of the Settlement agreement) upon the effectiveness of a plan of reorganization in the bankruptcy of W. R. Grace & Co. We did not use cash in any period with respect to this liability.

We currently expect to fund a substantial portion of this payment when it becomes due by using accumulated cash and cash equivalents with the remainder from our committed credit facilities. Our new Credit Facility is available for general corporate purposes, including the payment of the amounts required upon effectiveness of the Settlement agreement. See "Principal Sources of Liquidity" below. The cash payment of $513 million accrues interest at a 5.5% annual rate, which is compounded annually, from December 21, 2002 to the date of payment. This accrued interest was $364 million at December 31, 2012 and is recorded in Settlement agreement and related accrued interest on our consolidated balance sheet. The total liability on our consolidated balance sheet was $877 million at December 31, 2012. In addition, the Settlement agreement provides for the issuance of 18 million shares of our common stock. Since the impact of issuing these shares is dilutive to our EPS, under U.S. GAAP, they are included in our diluted weighted average number of common shares outstanding in our calculation of EPS if the impact of including these shares is dilutive. See Note 21, "Net (Loss) Earnings Per Common Share," for details of our calculation of EPS.

Tax benefits resulting from the anticipated funding of the Settlement agreement were recorded as a $401 million net deferred tax asset on our consolidated balance sheet as of December 31, 2012. This deferred tax asset reflects the cash portion of the Settlement agreement and related accrued interest and the value of the 18 million shares of our common stock at the post-split price of $17.86 per share, which was the price when the Settlement agreement was reached in 2002. We intend to carry back a significant portion of the loss resulting from our deduction under the Settlement agreement. The efficiency of any amount carried back and the benefit therefrom, as well as the benefit from the amount carried forward, may depend upon, among other factors, the year when we fund the Settlement agreement. Our tax benefit may be significantly reduced resulting in an increased tax expense if we fund the Settlement agreement later than 2013. The timing of our funding, however, is subject to factors beyond our control. Other facts that will impact our tax benefit include the amount of cash we pay, our tax position and the applicable tax codes, our past and anticipated future earnings in the U.S., as well as the price or our common stock at the time we fund the Settlement agreement. For example, our tax benefit will be reduced, resulting in an increased tax expense, if the price of our common stock at the time of funding is less than $17.86 per share. Conversely, although our cash tax benefit will increase, any additional benefit resulting from an increased price per share will increase our paid in capital and not decrease our tax expense.

If we are unable to generate sufficient U.S. taxable income we could be required to increase our valuation allowance against this deferred tax asset and we may not realize the full cash tax benefit relating to this asset. This could result in a significant increase in our effective tax rate and could have a material adverse effect on our consolidated results of operations in the periods in which these conditions occur. Changes in statutory tax rates or other new legislation or regulation may also change our deferred tax assets or liability balances, with either favorable or unfavorable impacts on our effective tax rate.

While the Bankruptcy Court and the District Court have confirmed the PI Settlement Plan, parties have appealed or otherwise challenged the PI Settlement Plan and the opinions and orders entered by the Bankruptcy Court and the District Court confirming the PI Settlement Plan. These matters may be subject to further appeal, challenge, and proceedings before the District Court, the Third Circuit Court of Appeals, or other courts. Parties have challenged various issues with respect to the PI Settlement Plan and the opinions and orders entered by the Bankruptcy Court and the District Court, including (without limitation) issues relating to releases and injunctions contained in the PI Settlement Plan. We will continue to review and monitor the progress of the Grace bankruptcy proceedings (including appeals and other proceedings relating to the PI Settlement Plan, the Bankruptcy and the Amended District Court Opinions, and the Bankruptcy and Amended District Court Confirmation Orders), as well as any amendments or changes to the PI Settlement Plan or to the Bankruptcy and the Amended District Court Opinions and Confirmation Orders, to verify compliance with the Settlement agreement. We do not know whether or when a final plan of reorganization (whether the PI Settlement Plan or another plan of reorganization) will become effective or whether the final plan will be consistent with the terms of the Settlement agreement.

As mentioned in "2013 Outlook" above, our full year 2013 diluted net earnings per common share guidance continues to exclude the payment under the Settlement agreement, as the timing is unknown. Payment under the Settlement agreement is expected to be accretive to our post-payment diluted net earnings per common share by approximately $0.13 annually. This range primarily represents the accretive impact on our net earnings from ceasing to accrue any future interest on the settlement amount following the payment.

The information set forth in Part II, Item 8 of this Annual Report on Form 10-K in Note 18, "Commitments and Contingencies," under the caption "Settlement Agreement and Related Costs" is incorporated herein by reference.

Cryovac Transaction Commitments and Contingencies

The information set forth in Part II, Item 8 of this Annual Report on Form 10-K in Note 18, "Commitments and Contingencies," under the caption "Cryovac Transaction Commitments and Contingencies" is incorporated herein by reference.

Contractual Obligations

The following table summarizes our principal contractual obligations and sets forth the amounts of required or contingently required cash outlays in 2013 and future years (amounts in millions):

	Payments Due by Years				
Contractual Obligations	Total	2013	2014-2015	2016-2017	Thereafter
Short-term borrowings	$ 39.2	$ 39.2	$ —	$ —	$ —
Current portion of long-term debt exclusive of debt discounts and lender fees	1.8	1.8	—	—	—
Long-term debt, exclusive of debt discounts and lender fees	4,589.4	—	633.8	814.4	3,141.2
Total debt[1]	4,630.4	41.0	633.8	814.4	3,141.2
Interest payments due on long-term debt[2]	2,233.7	290.8	539.5	481.5	921.9
Operating leases	229.8	68.9	85.8	39.5	35.6
Cash portion of the Settlement agreement and related accrued interest[3]	876.9	876.9	—	—	—
First quarter 2013 quarterly cash dividend declared	25.3	25.3	—	—	—
Other principal contractual obligations	313.8	172.8	102.9	26.1	12.0
Total contractual cash obligations	$8,309.9	$1,475.7	$1,362.0	$1,361.5	$4,110.7

Table of Contents

(1) These amounts include principal maturities (at face value) only. These amounts also include our contractual obligations under capital leases of $1.3 million in 2013, $1.8 million in 2014-2015 and $0.2 million in 2016-2017.

(2) Includes interest payments required under our senior notes issuances and Amended Credit Facility only. The interest payments included above for our Term Loan A and B were calculated using the following assumptions:

- interest rates based on stated rates based on LIBOR as of December 31, 2012;
- all non-U.S. dollar balances are converted using exchange rates as of December 31, 2012; and
- assumes obligations are repaid when due.

(3) This liability is reflected as a current liability due to the uncertainty of the timing of payment. Interest accrues on this amount at a rate of 5.5% per annum, compounded annually, until it becomes due and payable.

Current Portion of Long-Term Debt and Long-Term Debt — Represents the principal amount of the debt required to be repaid in each period.

Operating Leases — The contractual operating lease obligations listed in the table above represent estimated future minimum annual rental commitments primarily under non-cancelable real and personal property leases as of December 31, 2012.

Cash Portion of the Settlement Agreement — The Settlement agreement is described more fully in “Settlement Agreement and Related Costs,” of Note 18, “Commitments and Contingencies.”

Other Principal Contractual Obligations — Other principal contractual obligations include agreements to purchase an estimated amount of goods, including raw materials, or services, including energy, in the normal course of business. These obligations are enforceable and legally binding and specify all significant terms, including fixed or minimum quantities to be purchased, minimum or variable price provisions and the approximate timing of the purchase. The amounts included in the table above represent the minimum amounts we are obligated to pay under these agreements. We may purchase additional goods or services above the minimum requirements of these obligations and, as a result use additional cash.

Liability for Unrecognized Tax Benefits

At December 31, 2012, we had liabilities for unrecognized tax benefits and related interest and penalties of $257 million, most of which is included in other liabilities and the remaining balance as a reduction to current deferred tax assets on the consolidated balance sheet. At December 31, 2012, we cannot reasonably estimate the future period or periods of cash settlement of these liabilities. See Note 17, “Income Taxes,” for further discussion.

Off-Balance Sheet Arrangements

We have reviewed our off-balance sheet arrangements and have determined that none of those arrangements has a material current effect or is reasonably likely to have a material future effect on our consolidated financial statements, liquidity, capital expenditures or capital resources.

Income Tax Payments

We currently expect to pay between $95 million and $115 million in income taxes in 2013.

Contributions to Defined Benefit Pension Plans

We maintain defined benefit pension plans for some of our U.S. and our non-U.S. employees. We currently expect our contributions to these plans be approximately $30 million in 2013.

Environmental Matters

We are subject to loss contingencies resulting from environmental laws and regulations, and we accrue 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. We do not believe that it is reasonably possible that the liability in excess of the amounts that we have accrued for environmental matters will be material to our consolidated statements of operations, balance sheets or cash flows. We reassess environmental liabilities whenever circumstances become better defined or we can better estimate remediation efforts and their costs. We evaluate these liabilities 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 uncertainties) or new sites are assessed and costs can be reasonably estimated, we adjust the recorded accruals, as necessary. We believe that these exposures are not material to our consolidated financial condition and results of operations. We believe that we have adequately reserved for all probable and estimable environmental exposures.

Principal Sources of Liquidity

We require cash to fund our operating expenses, capital expenditures, interest, taxes and dividend payments and to pay our debt obligations and other long-term liabilities as they come due. Our principal sources of liquidity are cash flows from operations, accumulated cash and amounts available under our existing lines of credit described below, including the Amended Credit Facility, and our accounts receivable securitization program.

We believe that our current liquidity position and future cash flows from operations will enable us to fund our operations, including all of the items mentioned above, and the cash payment under the Settlement agreement should it become payable within the next 12 months.

See Note 12, “Debt and Credit Facilities,” for further details.

Cash and Cash Equivalents

The following table summarizes our accumulated cash and cash equivalents:

	December 31, 2012	December 31, 2011
Cash and cash equivalents	$ 679.6	$ 703.6

See “Analysis of Historical Cash Flows” below.

Lines of Credit

Effective November 14, 2012, we amended the Revolving Credit Facility. The Amended Revolving Credit Facility may be used for working capital needs and general corporate purposes, including the payment of the amounts required upon effectiveness of the Settlement agreement. We used our Amended Revolving Credit Facility in connection with the sale of Diversey Japan and the refinancing of Term Loan A in 2012. Interest paid for 2011 and 2012 under the original revolving credit facility and the Amended Revolving Credit Facility was insignificant. There were no amounts outstanding under the original revolving credit facility at December 31, 2011 and the Amended Revolving Credit Facility at December 31, 2012. See Note 12, “Debt and Credit Facilities,” for further details.

Accounts Receivable Securitization Program

At December 31, 2012, we had $112 million available to us under the program. We did not utilize this program in 2012 and 2011. See Note 9, “Accounts Receivable Securitization Program,” for information concerning this program.

Covenants

At December 31, 2012 and 2011, we were in compliance with our financial covenants and limitations, as discussed in “Covenants” of Note 12, “Debt and Credit Facilities.”

Debt Ratings

Our cost of capital and ability to obtain external financing may be affected by our debt ratings, which the credit rating agencies review periodically. Below is a table that details our credit ratings by the various types of debt by rating agency.

	Moody's Investor Services	Standard & Poor's
Corporate Rating	Ba3	BB-
Senior Unsecured Rating	B1	BB-
Senior Secured Credit Facility Rating	Ba1	BB
Outlook	Stable	Stable

These credit ratings are considered to be below investment grade. If our credit ratings are downgraded, there could be a negative impact on our ability to access capital markets and borrowing costs could increase. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the rating organization. Each rating should be evaluated independently of any other rating.

Outstanding Indebtedness

At December 31, 2012 and 2011, our total debt outstanding consisted of the amounts set forth in the following table.

	December 31, 2012	December 31, 2011
Short-term borrowings	$ 39.2	$ 34.5
Current portion of long-term debt	1.8	1.9
Total current debt	41.0	36.4
Total long-term debt, less current portion	4,540.8	4,966.7
Total debt	$4,581.8	$5,003.1

See Note 12, “Debt and Credit Facilities,” for further details.

Analysis of Historical Cash Flow

The following table shows the changes in our consolidated cash flows from continuing operations in the three years ended December 31, 2012.

	2012	2011	2010
Net cash provided by operating activities	$ 404.4	$ 372.2	$ 483.1
Net cash used in investing activities	(116.5)	(2,370.0)	(96.9)
Net cash (used in) provided by financing activities	(585.1)	2,016.4	(373.0)

Net Cash Provided by Operating Activities

2012

Net cash provided by continuing operating activities in 2012 was primarily attributable to net earnings adjusted to reconcile to net cash provided by operating activities of $419 million, which primarily included adjustments for depreciation and amortization, impairment of goodwill and other intangible assets, and share-based incentive compensation expenses. Net cash provided by changes in operating assets and liabilities resulted in a net cash use of $14 million in 2012.

2011

Net cash provided by continuing operating activities in 2011 was primarily attributable to net earnings adjusted to reconcile to net cash provided by operating activities of $387 million, which primarily included adjustments for depreciation and amortization, costs related to the acquisition of Diversey and share-based incentive compensation expenses. Net cash provided by changes in operating assets and liabilities resulted in a net spending of cash of $14 million in 2011.

Net Cash Used in Investing Activities

2012

In 2012, we used net cash of $117 million in investing activities, which was primarily due to capital expenditures of $124 million.

2011

In 2011, we used net cash of $2.4 billion in investing activities due to capital expenditures of $123 million and the acquisition of Diversey for $2.2 billion. See Note 4, “Acquisition of Diversey Holdings, Inc.” for further information.

We expect to continue to invest capital as we deem appropriate to expand our business, to maintain or replace depreciating property, plant and equipment, to acquire new manufacturing technology and to improve productivity and net sales growth. We expect total capital expenditures in 2013 to be approximately $160 million, which include capital expenditures of $10 million associated with the 2011-2014 Integration and Optimization Program. This projection is based upon our capital expenditure budget for 2013, the status of approved but not yet completed capital projects, anticipated future projects and historic spending trends.

Net Cash (Used in) Provided by Financing Activities

2012

Net cash used in financing activities was primarily due to the following:

- repurchase of $400 million on 5.625% Senior Notes due July 2013 for $421 million;
- prepayment of $185 million on Term Loan A;
- prepayment of $1.1 billion on Term Loan B; and
- payment of $101 million of quarterly dividends,

partially offset by:

- issuance of $425 million of 6.50% Senior Notes due December 2020.
- refinancing of $80 million of Term Loan A; and
- refinancing of $801 million on Term Loan B.

2011

Net cash provided by financing activities was primarily due to the following:

- net proceeds of $1.1 billion from Term Loan B;
- net proceeds of $946 million from Term Loan A;
- issuance of $750 million of 8.125% Senior Notes due September 2019;
- issuance of $750 million of 8.375% Senior Notes due September 2021; and
- changes in restricted cash of $263 million, which was used in connection with the acquisition of Diversey Holdings, Inc.

partially offset by:

- the repayment of existing indebtedness of Diversey of $1.6 billion, in connection with the acquisition of Diversey;
- the payment of our required 2011 and prepayment of our required 2012 Term Loan A Facility and Term Loan B Facility amortization payments totaling $97 million;
- the payment of quarterly dividends of $87 million;
- net payments of short-term borrowings of $7 million;
- payments of debt issuance costs of $51 million in connection with the financing of the acquisition of Diversey; and
- the acquisition of 0.5 million shares of common stock with a fair market value of $13 million that were withheld from employees to satisfy their minimum tax withholding obligations under our 2005 contingent stock plan.

Changes in Working Capital

	December 31, 2012	December 31, 2011	Increase
Working capital (current assets less current liabilities)	$ 888.8	$ 844.0	$ 44.8
Current ratio (current assets divided by current liabilities)	1.4x	1.3x	
Quick ratio (current assets, less inventories divided by current liabilities)	1.1x	1.0x	

The $45 million increase, or 5%, in working capital in the year ended December 31, 2012 was primarily due to the following factors:

- net cash provided by operating activities of $404 million; and
- net cash received from discontinued operations of $262 million, including the proceeds from the sale of Diversey Japan.

partially offset by:

- the payment of quarterly dividends of $101 million; and
- the payments of long-term debt net of proceeds of $453 million.

Changes in Stockholders’ Equity

The $1.5 billion, or 51%, decrease in stockholders’ equity in 2012 compared with 2011 was primarily due to the decrease in retained earnings of $1.5 billion, which reflects our net loss, including the impairment charge related to goodwill and other intangible assets of $1.6 billion, net of taxes. See Note 8, “Goodwill and Identifiable Intangible Assets,” for further details.

Table of Contents

Derivative Financial Instruments

Interest Rate Swaps

The information set forth in Part II, Item 8 of this Annual Report on Form 10-K in Note 12, "Derivatives and Hedging Activities," under the caption "Interest Rate Swaps" is incorporated herein by reference.

Foreign Currency Forward Contracts

At December 31, 2012, we were party to foreign currency forward contracts, which did not have a significant impact on our liquidity.

The information set forth in Part II, Item 8 of this Annual Report on Form 10-K in Note 12, "Derivatives and Hedging Activities," under the caption "Foreign Currency Forward Contracts" is incorporated herein by reference.

For further discussion about these contracts and other financial instruments, see Item 7A, "Quantitative and Qualitative Disclosures About Market Risk."

Recently Issued Statements of Financial Accounting Standards, Accounting Guidance and Disclosure Requirements

We are subject to numerous recently issued statements of financial accounting standards, accounting guidance and disclosure requirements. Note 2, "Summary of Significant Accounting Policies and Recently Issued Accounting Standards," which is contained in Part II, Item 8 of this Annual Report on Form 10-K, describes these new accounting standards and is incorporated herein by reference.

Critical Accounting Policies and Estimates

Our discussion and analysis of our consolidated financial condition and results of operations are based upon our consolidated financial statements, which are prepared in accordance with U.S. GAAP. The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent assets and liabilities.

Our estimates and assumptions are evaluated on an ongoing basis and are based on all available evidence, including historical experience and other factors believed to be reasonable under the circumstances. To derive these estimates and assumptions, management draws from those available sources that can best contribute to its efforts. These sources include our officers and other employees, outside consultants and legal counsel, experts and actuaries. In addition, we use internally generated reports and statistics, such as aging of accounts receivable, as well as outside sources such as government statistics, industry reports and third-party research studies. The results of these estimates and assumptions may form the basis of the carrying value of assets and liabilities and may not be readily apparent from other sources. Actual results may differ from estimates under conditions and circumstances different from those assumed, and any such differences may be material to our consolidated financial statements.

We believe the following accounting policies are critical to understanding our consolidated results of operations and affect the more significant judgments and estimates used in the preparation of our consolidated financial statements. The critical accounting policies discussed below should be read together with our significant accounting policies set forth in Note 2, "Summary of Significant Accounting Policies and Recently Issued Accounting Standards."

Accounts Receivable and Allowance for Doubtful Accounts

In the normal course of business, we extend credit to our customers if they satisfy pre-defined credit criteria. We maintain an accounts receivable allowance for estimated losses resulting from the failure of our customers to make required payments. An additional allowance may be required if the financial condition of our customers deteriorates. The allowance for doubtful accounts is maintained at a level that management assesses to be appropriate to absorb estimated losses in the accounts receivable portfolio. The allowance for doubtful accounts is reviewed quarterly, and changes to the allowance are made through the provision for bad debts, which is included in marketing, administrative and development expenses on our consolidated statements of operations. These changes may reflect changes in economic, business and market conditions. The allowance is increased by the provision for bad debts and decreased by the amount of charge-offs, net of recoveries.

The provision for bad debts charged against operating results is based on several factors including, but not limited to, a regular assessment of the collectability of specific customer balances, the length of time a receivable is past due and our historical experience with our customers. In circumstances where a specific customer's inability to meet its financial obligations is known, we record a specific provision for bad debt against amounts due thereby reducing the receivable to the amount we reasonably assess will be collected. If circumstances change, such as higher than expected defaults or an unexpected material adverse change in a major customer's ability to pay, our estimates of recoverability could be reduced by a material amount.

Fair Value Measurements of Financial Instruments

In determining fair value of financial instruments, we utilize valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible and consider counterparty credit risk in our assessment of fair value. We determine fair value of our financial instruments based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

- Level 1 Inputs: Unadjusted quoted prices in active markets for identical assets or liabilities accessible to the reporting entity at the measurement date.
- Level 2 Inputs: Other than quoted prices included in Level 1 inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.
- Level 3 Inputs: Unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at measurement date.

Our fair value measurements for our financial instruments are subjective and involve uncertainties and matters of significant judgment. Changes in assumptions could significantly affect our estimates. See Note 14, "Fair Value Measurements and Other Financial Instruments," for further details on our fair value measurements.

Commitments and Contingencies — Litigation

On an ongoing basis, we assess the potential liabilities and costs related to any lawsuits or claims brought against us. We accrue a liability when we believe a loss is probable and when the amount of loss can be reasonably estimated. Litigation proceedings are evaluated on a case-by-case basis considering the available information, including that received from internal and outside legal counsel, to assess potential outcomes. While it is typically very difficult to determine the timing and ultimate outcome of these actions, we use our best judgment to determine if it is probable that we will incur an expense related to the settlement or final adjudication of these matters and whether a reasonable estimation of the probable loss, if any, can be made. In assessing probable losses, we consider insurance recoveries, if any. We

expense legal costs, including those legal costs expected to be incurred in connection with a loss contingency, as incurred. We have in the past adjusted existing accruals as proceedings have continued, been settled or otherwise provided further information on which we could review the likelihood of outflows of resources and their measurability, and we expect to do so in future periods. Due to the inherent uncertainties related to the eventual outcome of litigation and potential insurance recovery, it is possible that disputed matters may be resolved for amounts materially different from any provisions or disclosures that we have previously made.

Impairment of Long-Lived Assets

For finite-lived intangible assets, such as customer relationships, contracts and intellectual property, and for other long-lived assets, such as property, plant and equipment, whenever impairment indicators are present, we perform a review for impairment. We calculate the undiscounted value of the projected cash flows associated with the asset, or asset group, and compare this estimated amount to the carrying amount. If the carrying amount is found to be greater, we record an impairment loss for the excess of book value over the fair value. In addition, in all cases of an impairment review, we re-evaluate the remaining useful lives of the assets and modify them as appropriate.

For indefinite – lived intangible assets, such as in-process research and development and trademarks and trade names, each year and whenever impairment indicators are present, we determine the fair value of the asset and record an impairment loss for the excess of book value over fair value, if any. In addition, in all cases of an impairment review other than for in-process research and development assets, we re-evaluate whether continuing to characterize the asset as indefinite –lived is appropriate.

Goodwill

Goodwill is reviewed for possible impairment at least annually on a reporting unit level during the fourth quarter of each year. A review of goodwill may be initiated before or after conducting the annual analysis if events or changes in circumstances indicate the carrying value of goodwill may no longer be recoverable.

A reporting unit is the operating segment unless, at businesses one level below that operating segment — the “component” level — discrete financial information is prepared and regularly reviewed by management, and the component has economic characteristics that are different from the economic characteristics of the other components of the operating segment, in which case the component is the reporting unit.

We use a fair value approach to test goodwill for impairment. We must recognize a non-cash impairment charge for the amount, if any, by which the carrying amount of goodwill exceeds its implied fair value. We derive an estimate of fair values for each of our reporting units using a combination of an income approach and appropriate market approaches, each based on an applicable weighting. We assess the applicable weighting based on such factors as current market conditions and the quality and reliability of the data. Absent an indication of fair value from a potential buyer or similar specific transactions, we believe that the use of these methods provides a reasonable estimate of a reporting unit’s fair value.

Fair value computed by these methods is arrived at using a number of factors, including projected future operating results, anticipated future cash flows, effective income tax rates, comparable marketplace data within a consistent industry grouping, and the cost of capital. There are inherent uncertainties, however, related to these factors and to our judgment in applying them to this analysis. Nonetheless, we believe that the combination of these methods provides a reasonable approach to estimate the fair value of our reporting units. Assumptions for sales, net earnings and cash flows for each reporting unit were consistent among these methods.

Income Approach Used to Determine Fair Values

The income approach is based upon the present value of expected cash flows. Expected cash flows are converted to present value using factors that consider the timing and risk of the future cash flows. The estimate of cash flows used is prepared on an unleveraged debt-free basis. We use a discount rate that reflects a market-derived weighted average cost of capital. We believe that this approach is appropriate because it provides a fair value estimate based upon the reporting unit’s expected long-term operating and cash flow performance. The projections are based upon our best estimates of projected economic and market conditions over the related period including growth rates, estimates of future expected changes in operating margins and cash expenditures. Other significant estimates and assumptions include terminal value long-term growth rates, provisions for income taxes, future capital expenditures and changes in future cashless, debt-free working capital.

Market Approaches Used to Determine Fair Values

Each year we consider various relevant market approaches that could be used to determine fair value.

The first market approach estimates the fair value of the reporting unit by applying multiples of operating performance measures to the reporting unit’s operating performance. These multiples are derived from comparable publicly-traded companies with similar investment characteristics to the reporting unit, and such comparables are reviewed and updated as needed annually. We believe that this approach is appropriate because it provides a fair value estimate using multiples from entities with operations and economic characteristics comparable to our reporting units and the Company. The second market approach is based on the publicly traded common stock of the Company, and the estimate of fair value of the reporting unit is based on the applicable multiples of the Company. The third market approach is based on recent mergers and acquisitions of comparable publicly-traded and privately-held companies in the our industries.

The key estimates and assumptions that are used to determine fair value under these market approaches include trailing and future 12-month operating performance results and the selection of the relevant multiples to be applied. Under the first and second market approaches, a control premium, or an amount that a buyer is usually willing to pay over the current market price of a publicly traded company, is applied to the calculated equity values to adjust the public trading value upward for a 100% ownership interest, where applicable.

See Note 8, “Goodwill and Identifiable Intangible Assets,” for details of our goodwill balance and the goodwill review performed in 2012 and other related information.

Pensions

For a number of our U.S. employees and our international employees, we maintain defined benefit pension plans. Under current accounting standards, we are required to make assumptions regarding the valuation of projected benefit obligations and the performance of plan assets for our defined benefit pension plans.

The projected benefit obligation and the net periodic benefit cost are based on third-party actuarial assumptions and estimates that are reviewed and approved by management on a plan-by-plan basis each fiscal year. The principal assumptions concern the discount rate used to measure the projected benefit obligation, the

expected future rate of return on plan assets and the expected rate of future compensation increases. We revise these assumptions based on an annual evaluation of long-term trends and market conditions that may have an impact on the cost of providing retirement benefits.

In determining the discount rate, we utilize market conditions and other data sources management considers reasonable based upon the profile of the remaining service life of eligible employees. The expected long-term rate of return on plan assets is determined by taking into consideration the weighted-average expected return on our asset allocation, asset return data, historical return data, and the economic environment. We believe these considerations provide the basis for reasonable assumptions of the expected long-term rate of return on plan assets. The rate of compensation increase is based on our long-term plans for such increases. The measurement date used to determine the benefit obligation and plan assets is December 31.

At December 31, 2012, the total projected benefit obligation for our U.S. pension plans was $210 million, and the total net periodic benefit cost for the year ended December 31, 2012 was $1 million. At December 31, 2012, the total projected benefit obligation for our international pension plans was $1.0 billion, and the total net periodic benefit cost for the year ended December 31, 2012 was $16 million.

In general, material changes to the principal assumptions could have a material impact on the costs and liabilities recognized on our consolidated financial statements. A 25 basis point change in the assumed discount rate and a 100 basis point change in the expected long-term rate of return on plan assets would have resulted in the following increases (decreases) in the projected benefit obligation at December 31, 2012 and the expected net periodic benefit cost for the year ended December 31, 2013 (in millions).

United States	25 Basis Point Increase	25 Basis Point Decrease
Discount Rate		
Effect on 2012 projected benefit obligation	$ (5.4)	$ 5.6
Effect on 2013 expected net periodic benefit cost	—	—
	100 Basis Point Increase	**100 Basis Point Decrease**
Return on Assets		
Effect on 2013 expected net periodic benefit cost	$ (1.7)	$ 1.7

International	25 Basis Point Increase	25 Basis Point Decrease
Discount Rate		
Effect on 2012 projected benefit obligation	$ (42.6)	$ 45.4
Effect on 2013 expected net periodic benefit cost	(1.9)	3.3
	100 Basis Point Increase	**100 Basis Point Decrease**
Return on Assets		
Effect on 2013 expected net periodic benefit cost	$ (8.1)	$ 8.1

Income Taxes

Estimates and judgments are required in the calculation of tax liabilities and in the determination of the recoverability of our deferred tax assets. Our deferred tax assets arise from net deductible temporary differences, tax benefit carry forwards and foreign tax credits. We evaluate whether our taxable earnings during the periods when the temporary differences giving rise to deferred tax assets become deductible or when tax benefit carry forwards may be utilized should be sufficient to realize the related future income tax benefits. For those jurisdictions where the expiration dates of tax benefit carry forwards or the projected taxable earnings indicate that realization is not likely, we provide a valuation allowance.

In assessing the need for a valuation allowance, we estimate future taxable earnings, with consideration for the feasibility of ongoing planning strategies and the realizability of tax benefit carry forwards and past operating results, to determine which deferred tax assets are more likely than not to be realized in the future. Changes to tax laws, statutory tax rates and future taxable earnings can have an impact on valuation allowances related to deferred tax assets. In the event that actual results differ from these estimates in future periods, we may need to adjust the valuation allowance, which could have a material impact on our consolidated financial statements.

In calculating our worldwide provision for income taxes, we also evaluate our tax positions for years where the statutes of limitations have not expired. Based on this review, we may establish reserves for additional taxes and interest that could be assessed upon examination by relevant tax authorities. We adjust these reserves to take into account changing facts and circumstances, including the results of tax audits and changes in tax law. If the payment of additional taxes and interest ultimately proves unnecessary or less than the amount of the reserve, the reversal of the reserves would result in tax benefits being recognized in the period when we determine the reserves are no longer necessary. If an estimate of tax reserves proves to be less than the ultimate assessment, a further charge to income tax provision would result. These adjustments to reserves and related expenses could materially affect our consolidated financial statements.

We recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the consolidated financial statements from such positions are measured based on the largest benefit that has a greater than fifty percent likelihood of being realized upon settlement with tax authorities. See Note 17, “Income Taxes,” for further discussion.

Summarized Quarterly Financial Information (Unaudited, in millions, except share data)[1][2]

2012	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Net sales	$1,845.4	$1,924.6	$ 1,900.3	$1,977.8
Gross profit	621.1	628.3	643.6	651.3
Net earnings (loss) from continuing operations	(8.4)	(20.7)	(1,238.3)	(342.7)
Net earnings from discontinued operations	2.4	7.0	5.9	184.5
Net (loss) earnings available to common stockholders	(6.0)	(13.7)	(1,232.4)	(158.2)
Basic net earnings (loss) per common share				
Continuing operations	$ (0.04)	$ (0.11)	$ (6.41)	$ (1.78)
Discontinued operations	0.01	0.04	0.03	0.95
Net earnings (loss) per common share—basic	$ (0.03)	$ (0.07)	$ (6.38)	$ (0.83)
Diluted net earnings per common share				
Continuing operations	$ (0.04)	$ (0.11)	$ (6.41)	$ (1.78)
Discontinued operations	0.01	0.04	0.03	0.95
Net earnings (loss) per common share—diluted	$ (0.03)	$ (0.07)	$ (6.38)	$ (0.83)

2011	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Net sales	$1,128.5	$1,212.6	$ 1,247.1	$1,962.8
Gross profit	309.0	324.3	335.7	631.4
Net earnings (loss) from continuing operations	59.7	65.0	73.7	(59.8)
Net earnings from discontinued operations	—	—	—	10.6
Net earnings (loss) available to common stockholders	59.7	65.0	73.7	(49.2)
Basic net earnings (loss) per common share				
Continuing operations	$ 0.37	$ 0.41	$ 0.46	$ (0.31)
Discontinued operations	—	—	—	0.06
Net earnings (loss) per common share—basic	$ 0.37	$ 0.41	$ 0.46	$ (0.25)
Diluted net earnings (loss) per common share				
Continuing operations	$ 0.34	$ 0.37	$ 0.41	$ (0.31)
Discontinued operations	—	—	—	0.06
Net earnings (loss) per common share—diluted	$ 0.34	$ 0.37	$ 0.41	$ (0.25)

(1) Includes the financial results of Diversey for the periods beginning October 3, 2011. See Note 4, "Acquisition of Diversey Holdings, Inc.," for further information about the acquisition and related transactions and the acquisition accounting.

(2) On November 14, 2012, we completed the sale of Diversey Japan. Operating results for Diversey Japan were reclassified to discontinued operations for the periods beginning October 3, 2011. See Note 3, "Divestiture," for further information about the sale.

Table of Contents

Item 7A. *Quantitative and Qualitative Disclosures About Market Risk*

We are exposed to market risk from changes in the conditions in the global financial markets, interest rates, foreign currency exchange rates and commodity prices and the creditworthiness of our customers and suppliers, which may adversely affect our consolidated financial condition and results of operations. We seek to minimize these risks through regular operating and financing activities and, when deemed appropriate, through the use of derivative financial instruments. We do not purchase, hold or sell derivative financial instruments for trading purposes.

Interest Rates

From time to time, we may use interest rate swaps, collars or options to manage our exposure to fluctuations in interest rates.

At December 31, 2012, we had no outstanding interest rate swaps, collars or options.

The information set forth in Item 8 of Part II of this Annual Report on Form 10-K in Note 13, “Derivatives and Hedging Activities,” under the caption “Interest Rate Swaps” is incorporated herein by reference.

See Note 14, “Fair Value Measurements and Other Financial Instruments,” for details of the methodology and inputs used to determine the fair value of our fixed rate debt. The fair value of our fixed rate debt varies with changes in interest rates. Generally, the fair value of fixed rate debt will increase as interest rates fall and decrease as interest rates rise. A hypothetical 10% increase in interest rates would result in a decrease of $110 million in the fair value of the total debt balance at December 31, 2012. These changes in the fair value of our fixed rate debt do not alter our obligations to repay the outstanding principal amount or any related interest of such debt.

Foreign Exchange Rates

Operations

As a large global organization, we face exposure to changes in foreign currency exchange rates. These exposures may change over time as business practices evolve and could materially impact our consolidated financial condition and results of operations in the future. See Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” above for the impacts foreign currency translation had on our operations.

Venezuela

Economic events in Venezuela have exposed us to heightened levels of foreign currency exchange risk.

Effective January 1, 2010, Venezuela was designated a highly inflationary economy under U.S. GAAP, and the U.S. dollar replaced the bolivar fuerte as the functional currency for our subsidiaries in Venezuela. Accordingly, all bolivar-denominated monetary assets and liabilities were re-measured into U.S. dollars using the then current exchange rate available to us, and any changes in the exchange rate were reflected in foreign currency exchange gains and losses related to our Venezuelan subsidiaries on the consolidated statement of operations.

As a result of the changes in the exchange rates upon settlement of bolivar-denominated transactions and upon the remeasurement of our Venezuelan subsidiaries’ financial statements, we recognized nominal net losses for the year ended December 31, 2012 and 2011 and net gains of $6 million for the year ended December 31, 2010.

For the year ended December 31, 2012, less than 1% of our consolidated net sales and $5 million of operating profit were derived from our businesses in Venezuela. As of December 31, 2012, we had net assets of $70 million in Venezuela, which primarily consisted of cash and cash equivalents of $31 million. Also, as of December 31, 2012, our Venezuelan subsidiaries had a negative cumulative translation adjustment balance of $46 million.

The potential future impact to our consolidated financial condition and results of operations for bolivar-denominated transactions will depend on our access to U.S. dollars and on the exchange rates in effect when we enter into, remeasure and settle transactions. Therefore, it is difficult to predict the future impact until each transaction settles at its applicable exchange rate or gets remeasured into U.S. dollars.

We used the official exchange rate at December 31, 2012 of 4.3 bolivars to the U.S. dollar to re-measure the assets and liabilities of our Venezuelan subsidiaries for U.S GAAP financial statement presentation. On February 8, 2013, the Venezuelan government announced a devaluation of the bolivar to an exchange rate of 6.3 bolivars to the U.S. dollar, an approximate 32% devaluation, which we estimate may result in a pre-tax loss of approximately $10 million to $15 million in the first quarter of 2013. This pre-tax loss, which would be included in other income and expense on our consolidated statements of operations is mainly due to the remeasurement of the cash balances held in bolivars. Continuing restrictions on the foreign currency exchange market could affect our Venezuelan operations’ ability to pay obligations denominated in U.S. dollars as well as our ability to benefit from those operations.

Foreign Currency Forward Contracts

We use foreign currency forward contracts to fix the amounts payable or receivable on some transactions denominated in foreign currencies. A hypothetical 10% adverse change in foreign exchange rates at December 31, 2012 would have caused us to pay approximately $87 million to terminate these contracts. Based on our overall foreign exchange exposure, we estimate this change would not materially affect our financial position and liquidity. The effect on our results of operations would be substantially offset by the impact of the hedged items.

Our foreign currency forward contracts are described in Note 13, “Derivatives and Hedging Activities,” which is contained in Part II, Item 8, and in “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Derivative Financial Instruments — Foreign Currency Forward Contracts,” contained in Part II, Item 7 of this Annual Report on Form 10-K, which information is incorporated herein by reference.

We may use other derivative instruments from time to time, such as foreign exchange options to manage exposure to changes in foreign exchange rates and interest rate and currency swaps related to certain financing transactions. These instruments can potentially limit foreign exchange exposure and limit or adjust interest rate exposure by swapping borrowings denominated in one currency for borrowings denominated in another currency. At December 31, 2012, we had no foreign exchange options or interest rate and currency swap agreements outstanding.

Outstanding Debt

Our outstanding debt is generally denominated in the functional currency of the borrower. We believe that this enables us to better match operating cash flows with debt service requirements and to better match the currency of assets and liabilities. The amount of outstanding debt denominated in a functional currency

other than the U.S. dollar was $429 million at December 31, 2012 and $633 million at December 31, 2011.

Customer Credit

We are exposed to credit risk from our customers. In the normal course of business we extend credit to our customers if they satisfy pre-defined credit criteria. We maintain an allowance for doubtful accounts for estimated losses resulting from the failure of our customers to make required payments. An additional allowance may be required if the financial condition of our customers deteriorates. The allowance for doubtful accounts is maintained at a level that management assesses to be appropriate to absorb estimated losses in the accounts receivable portfolio.

Our customers may default on their obligations to us due to bankruptcy, lack of liquidity, operational failure or other reasons. Our provision for bad debt expense was $14 million in 2012, $9 million in 2011 and $7 million in 2010. The allowance for doubtful accounts was $26 million at December 31, 2012 and $16 million at December 31, 2011.

Pensions

Recent market conditions have resulted in an unusually high degree of volatility and increased risks and short-term liquidity concerns associated with some of the plan assets held by our defined benefit pension plans, which have impacted the performance of some of the plan assets. Based upon the annual valuation of our defined benefit pension plans at December 31, 2012, we expect our net periodic benefit costs to be approximately $18 million in 2013. See Note 15, “Profit Sharing, Retirement Savings Plans and Defined Benefit Pension Plans,” for further details on our defined benefit pension plans.

Commodities

We use various commodity raw materials such as plastic resins and other chemicals and energy products such as electric power and natural gas in conjunction with our manufacturing processes. Generally, we acquire these components at market prices in the region in which they will be used and do not use financial instruments to hedge commodity prices. Moreover, we seek to maintain appropriate levels of commodity raw material inventories thus minimizing the expense and risks of carrying excess inventories. We do not typically purchase substantial quantities in advance of production requirements. As a result, we are exposed to market risks related to changes in commodity prices of these components.

[Table of Contents](#)

Item 8. ***Financial Statements and Supplementary Data***

The following consolidated financial statements and notes are filed as part of this report.

Sealed Air Corporation

	Page
Report of Independent Registered Public Accounting Firm	44
Financial Statements:	
Consolidated Balance Sheets — December 31, 2012 and 2011	45
Consolidated Statements of Operations for the Three Years Ended December 31, 2012	46
Consolidated Statements of Comprehensive (Loss) Income for the Three Years Ended December 31, 2012	47
Consolidated Statements of Stockholders' Equity for the Three Years Ended December 31, 2012	48
Consolidated Statements of Cash Flows for the Three Years Ended December 31, 2012	49
Notes to Consolidated Financial Statements	50
Note 1 Organization and Nature of Operations	50
Note 2 Summary of Significant Accounting Policies and Recently Issued Accounting Standards	50
Note 3 Divestiture	54
Note 4 Acquisition of Diversey Holdings, Inc.	55
Note 5 Segments	55
Note 6 Inventories	57
Note 7 Property and Equipment, net	57
Note 8 Goodwill and Identifiable Intangible Assets	57
Note 9 Accounts Receivable Securitization Program	59
Note 10 Restructuring Activities	59
Note 11 Other Liabilities	60
Note 12 Debt and Credit Facilities	60
Note 13 Derivatives and Hedging Activities	62
Note 14 Fair Value Measurements and Other Financial Instruments	65
Note 15 Profit Sharing, Retirement Savings Plans and Defined Benefit Pension Plans	66
Note 16 Other Post-Employment Benefits and Other Employee Benefit Plans	71
Note 17 Income Taxes	72
Note 18 Commitments and Contingencies	74
Note 19 Stockholders' Equity	79
Note 20 Other Expense, net	84
Note 21 Net (Loss) Earnings Per Common Share	85
Note 22 Related Party Transactions	86
Financial Statement Schedule:	
II — Valuation and Qualifying Accounts and Reserves for the Three Years Ended December 31, 2012	93

Table of Contents

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
Sealed Air Corporation:

We have audited the accompanying consolidated balance sheets of Sealed Air Corporation and subsidiaries as of December 31, 2012 and 2011, and the related consolidated statements of operations, stockholders' equity, cash flows and comprehensive (loss) income for each of the years in the three-year period ended December 31, 2012. In connection with our audits of the consolidated financial statements, we also have audited financial statement schedule II—valuation and qualifying accounts and reserves. We also have audited Sealed Air Corporation's internal control over financial reporting as of December 31, 2012, based on criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Sealed Air Corporation's management is responsible for these consolidated financial statements and financial statement schedule, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on these consolidated financial statements and financial statement schedule, and an opinion on the Company's internal control over financial reporting based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the consolidated financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Sealed Air Corporation and subsidiaries as of December 31, 2012 and 2011, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2012, in conformity with U.S. generally accepted accounting principles. Also in our opinion, the related financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein. Also in our opinion, Sealed Air Corporation maintained, in all material respects, effective internal control over financial reporting as of December 31, 2012, based on criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

/s/ KPMG LLP

Short Hills, New Jersey
March 1, 2013

SEALED AIR CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

	December 31, 2012	December 31, 2011
	(In millions, except share data)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 679.6	$ 703.6
Receivables, net of allowance for doubtful accounts of $25.9 in 2012 and $16.2 in 2011	1,326.0	1,314.2
Inventories	736.4	777.5
Deferred tax assets	393.0	156.2
Assets held for sale	—	279.0
Prepaid expenses and other current assets	87.4	119.7
Total current assets	3,222.4	3,350.2
Property and equipment, net	1,212.8	1,269.2
Goodwill	3,191.4	4,209.6
Intangible assets, net	1,139.7	2,035.7
Non-current deferred tax assets	255.8	112.3
Other assets, net	415.1	455.0
Total assets	$ 9,437.2	$ 11,432.0
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Short-term borrowings	$ 39.2	$ 34.5
Current portion of long-term debt	1.8	1.9
Accounts payable	483.8	554.9
Deferred tax liabilities	10.3	16.0
Settlement agreement and related accrued interest	876.9	831.2
Accrued restructuring costs	72.4	36.3
Liabilities held for sale	—	216.7
Other current liabilities	849.2	814.7
Total current liabilities	2,333.6	2,506.2
Long-term debt, less current portion	4,540.8	4,966.7
Non-current deferred tax liabilities	472.5	439.7
Other liabilities	646.0	567.0
Total liabilities	7,992.9	8,479.6
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, $0.10 par value per share, 50,000,000 shares authorized; no shares issued in 2012 and 2011	—	—
Common stock, $0.10 par value per share, 400,000,000 shares authorized; shares issued: 204,660,621 in 2012 and 202,528,616 in 2011; shares outstanding; 194,557,669 in 2012 and 192,062,185 in 2011	20.6	20.3
Common stock reserved for issuance related to Settlement agreement, $0.10 par value per share, 18,000,000 shares in 2012 and 2011	1.8	1.8
Additional paid-in capital	1,684.9	1,689.6
Retained earnings	254.8	1,766.5
Common stock in treasury, 10,102,952 shares in 2012 and 10,466,431 shares in 2011	(353.4)	(375.6)
Accumulated other comprehensive loss, net of taxes:		
Unrecognized pension items	(142.3)	(43.2)
Cumulative translation adjustment	(24.1)	(104.0)
Unrealized gain on derivative instruments	1.5	2.1
Total accumulated other comprehensive loss, net of taxes	(164.9)	(145.1)
Total parent company stockholders' equity	1,443.8	2,957.5
Noncontrolling interests	0.5	(5.1)
Total stockholders' equity	1,444.3	2,952.4
Total liabilities and stockholders' equity	$ 9,437.2	$ 11,432.0

See accompanying notes to consolidated financial statements.

Table of Contents

SEALED AIR CORPORATION AND SUBSIDIARIES

Consolidated Statements of Operations

	Year Ended December 31,		
	2012	2011	2010
	(In millions, except per share amounts)		
Net sales	$ 7,648.1	$5,550.9	$ 4,490.1
Cost of sales	5,103.8	3,950.6	3,237.3
Gross profit	2,544.3	1,600.3	1,252.8
Marketing, administrative and development expenses	1,785.2	1,014.4	699.0
Amortization expense of intangible assets acquired	134.0	39.5	11.2
Impairment of goodwill and other intangible assets	1,892.3	—	—
Costs related to the acquisition and integration of Diversey	7.4	64.8	—
Restructuring and other charges	142.5	52.2	7.6
Operating (loss) profit	(1,417.1)	429.4	535.0
Interest expense	(384.7)	(216.6)	(161.6)
Loss on debt redemption	(36.9)	—	(38.5)
Impairment of equity method investment	(23.5)	—	—
Foreign currency exchange (losses) gains related to Venezuelan subsidiaries	(0.4)	(0.3)	5.5
Net gains on sale (other-than-temporary impairment) of available-for-sale securities	—	—	5.9
Other expense, net	(9.4)	(14.5)	(2.9)
(Loss) earnings from continuing operations before income tax provision	(1,872.0)	198.0	343.4
Income tax (benefit) provision	(261.9)	59.5	87.5
Net (loss) earnings from continuing operations	(1,610.1)	138.5	255.9
Net earnings from discontinued operations	20.9	10.6	—
Net gain on sale of discontinued operations	178.9	—	—
Net (loss) earnings available to common stockholders	$(1,410.3)	$ 149.1	$ 255.9
Net (loss) earnings per common share:			
Basic			
Continuing operations	$ (8.35)	$ 0.83	$ 1.61
Discontinued operations	1.04	0.06	—
Net (loss) earnings per common share—basic	$ (7.31)	$ 0.89	$ 1.61
Diluted			
Continuing operations	$ (8.35)	$ 0.75	$ 1.44
Discontinued operations	1.04	0.05	—
Net (loss) earnings per common share—diluted	$ (7.31)	$ 0.80	$ 1.44
Dividends per common share	$ 0.52	$ 0.52	$ 0.50
Weighted average number of common shares outstanding:			
Basic	192.8	167.0	158.3
Diluted	192.8	185.4	176.7

See accompanying notes to consolidated financial statements.

Table of Contents

SEALED AIR CORPORATION AND SUBSIDIARIES

Consolidated Statements of Comprehensive (Loss) Income

	Year Ended December 31,		
	2012	2011	2010
	(In millions)		
Net (loss) earnings available to common stockholders	$(1,410.3)	$149.1	$255.9
Other comprehensive (loss) income, net of taxes:			
Recognition of deferred pension items, net of taxes of $23.0 in 2012, $1.0 in 2011 and $(1.8) in 2010	(99.1)	4.7	22.5
Unrealized losses on derivative instruments, net of taxes of $0.7 in 2012, $0.7 in 2011 and $0.4 in 2010	(0.6)	(1.4)	(0.6)
Unrealized losses on available-for-sale securities, reclassified to net earnings, net of taxes of $(2.6) in 2010	—	—	(4.4)
Foreign currency translation adjustments	79.9	(38.1)	(15.1)
Comprehensive (loss) income, net of income taxes	$(1,430.1)	$114.3	$258.3

See accompanying notes to consolidated financial statements.

Table of Contents

SEALED AIR CORPORATION AND SUBSIDIARIES

Consolidated Statements of Stockholders' Equity

	Common Stock	Common Stock Reserved for Issuance Related to the Settlement Agreement	Additional Paid-in Capital	Retained Earnings	Common Stock in Treasury	Accumulated Other Comprehensive Loss, Net of Taxes	Total Parent Company Stockholders' Equity	Non-Controlling Interests	Total Stockholders' Equity
					(In millions)				
Balance at December 31, 2009	$ 16.9	$ 1.8	$ 1,127.1	$ 1,531.1	$ (364.6)	$ (112.7)	$ 2,199.6	$ 0.7	$ 2,200.3
Effect of contingent stock transactions, net of taxes	0.1	—	28.3	—	(1.2)	—	27.2	—	27.2
Stock issued for share- based incentive compensation	—	—	(5.2)	—	12.9	—	7.7	—	7.7
Purchases of common stock	—	—	—	—	(9.8)	—	(9.8)	—	(9.8)
Recognition of deferred pension items, net of taxes	—	—	—	—	—	22.5	22.5	—	22.5
Foreign currency translation, net of taxes	—	—	—	—	—	(15.1)	(15.1)	—	(15.1)
Unrecognized loss on derivative instruments, net of taxes	—	—	—	—	—	(0.6)	(0.6)	—	(0.6)
Unrecognized losses on available-for-sale securities, net of taxes	—	—	—	—	—	(4.4)	(4.4)	—	(4.4)
Noncontrolling interests	—	—	2.5	—	—	—	2.5	(3.7)	(1.2)
Net earnings	—	—	—	255.9	—	—	255.9	—	255.9
Dividends on common stock	—	—	—	(80.9)	—	—	(80.9)	—	(80.9)
Balance at December 31, 2010	$ 17.0	$ 1.8	$ 1,152.7	$ 1,706.1	$ (362.7)	$ (110.3)	$ 2,404.6	$ (3.0)	$ 2,401.6
Effect of contingent stock transactions, net of taxes	0.1	—	27.4	—	(12.9)	—	14.6	—	14.6
Stock issued for share- based incentive compensation	—	—	0.7	—	—	—	0.7	—	0.7
Shares issued in connection with Diversey acquisition	3.2	—	509.7	—	—	—	512.9	—	512.9
Recognition of deferred pension items, net of taxes	—	—	—	—	—	4.7	4.7	—	4.7
Foreign currency translation, net of taxes	—	—	—	—	—	(38.1)	(38.1)	—	(38.1)
Unrecognized loss on derivative instruments, net of taxes	—	—	—	—	—	(1.4)	(1.4)	—	(1.4)
Noncontrolling interests	—	—	(0.9)	—	—	—	(0.9)	(2.1)	(3.0)
Net earnings	—	—	—	149.1	—	—	149.1	—	149.1
Dividends on common stock	—	—	—	(88.7)	—	—	(88.7)	—	(88.7)
Balance at December 31, 2011	$ 20.3	$ 1.8	$ 1,689.6	$ 1,766.5	$ (375.6)	$ (145.1)	$ 2,957.5	$ (5.1)	$ 2,952.4
Effect of contingent stock transactions, net of taxes	0.2	—	16.9	—	(10.6)	—	6.5	—	6.5
Stock issued for share- based incentive compensation	0.1	—	(13.3)	—	32.8	—	19.6	—	19.6
Recognition of deferred pension items, net of taxes	—	—	—	—	—	(99.1)	(99.1)	—	(99.1)
Foreign currency translation, net of taxes	—	—	—	—	—	79.9	79.9	—	79.9
Unrecognized loss on derivative instruments, net of taxes	—	—	—	—	—	(0.6)	(0.6)	—	(0.6)
Noncontrolling interests	—	—	(8.3)	—	—	—	(8.3)	5.6	(2.7)
Net loss	—	—	—	(1,410.3)	—	—	(1,410.3)	—	(1,410.3)
Dividends on common stock	—	—	—	(101.4)	—	—	(101.4)	—	(101.4)
Balance at December 31, 2012	$ 20.6	$ 1.8	$ 1,684.9	$ 254.8	$ (353.4)	$ (164.9)	$ 1,443.8	$ 0.5	$ 1,444.3

See accompanying notes to consolidated financial statements.

SEALED AIR CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows

	Year Ended December 31,		
	2012	2011	2010
		(In millions)	
Cash flows from operating activities from continuing operations:			
Net (loss) earnings available to common stockholders from continuing operations	$(1,610.1)	$ 138.5	$ 255.9
Adjustments to reconcile net (loss) earnings to net cash provided by operating activities from continuing operations:			
Impairment of goodwill and other intangible assets	1,892.3	—	—
Impairment of equity method investment and related debt	23.5	—	—
Depreciation and amortization	304.0	186.7	154.7
Share-based incentive compensation expense	16.9	25.0	30.6
Profit sharing expense	19.0	18.7	18.0
Costs related to the acquisition and integration of Diversey	7.4	64.8	—
Amortization of senior debt related items and other	15.0	4.9	1.7
Loss on debt redemption	36.9	—	38.5
Provisions for bad debt	16.8	8.6	6.4
Provisions for inventory obsolescence	15.6	9.2	2.1
Deferred taxes, net	(318.4)	(60.9)	(3.3)
Excess tax benefit from share-based incentive compensation	(0.4)	(2.6)	—
Net gain on disposals of property and equipment and other	0.3	(6.3)	(0.8)
Net gains on sale other-than-temporary impairment of available-for-sale securities	—	—	(5.9)
Changes in operating assets and liabilities, net of effects of businesses acquired:			
Changes in restricted cash	—	(6.3)	—
Receivables, net	(27.2)	(103.0)	(33.9)
Inventories	32.4	(12.9)	(19.4)
Other assets, net	10.2	45.1	16.3
Accounts payable	(83.8)	(28.2)	19.0
Other liabilities	54.0	90.9	3.2
Net cash provided by operating activities from continuing operations	404.4	372.2	483.1
Cash flows from investing activities from continuing operations:			
Capital expenditures for property and equipment	(124.4)	(123.5)	(87.6)
Acquisition of Diversey, net of cash and cash equivalents acquired	—	(1,983.7)	—
Investment in Diversey preferred stock	—	(262.9)	—
Other businesses acquired in purchase transactions, net of cash and cash equivalents acquired and equity investment	(2.6)	(12.0)	(24.1)
Proceeds from sale of available-for-sale securities	—	—	12.6
Proceeds from sales of property and equipment	7.8	10.4	4.2
Other investing activities	2.7	1.7	(2.0)
Net cash used in investing activities from continuing operations	(116.5)	(2,370.0)	(96.9)
Cash flows from financing activities from continuing operations:			
Changes in restricted cash	—	262.9	—
Payments of long-term debt	(1,759.1)	(1,753.6)	(276.1)
Proceeds from long-term debt, net	1,306.5	3,662.2	—
Dividends paid on common stock	(100.9)	(87.4)	(79.7)
Acquisition of common stock for tax withholding obligations under our 2005 contingent stock plan	(9.6)	(12.2)	—
Net proceeds from (payments of) short-term borrowings	7.2	(7.0)	(4.4)
Payments of debt issuance costs	(29.6)	(51.1)	—
Repurchases of common stock	—	—	(9.8)
Excess tax benefit from share-based incentive compensation	0.4	2.6	—
Other financing activities	—	—	(3.0)
Net cash (used in) provided by financing activities from continuing operations	(585.1)	2,016.4	(373.0)
Effect of foreign currency exchange rate changes on cash and cash equivalents	11.1	2.0	(32.1)
Net change in cash and cash equivalents from continuing operations	(286.1)	20.6	(18.9)
Net cash (used in) provided by operating activities from discontinued operations	(7.4)	7.2	—
Net cash provided by (used in) investing activities from discontinued operations	313.7	(7.1)	—
Net cash (used in) provided by financing activities from discontinued operations	(44.2)	7.3	—
Net change in cash and cash equivalents from discontinued operations	262.1	7.4	—
Cash and cash equivalents:			
Balance, beginning of period	$ 703.6	$ 675.6	$ 694.5
Net change during the period	(24.0)	28.0	(18.9)
Balance, end of period	$ 679.6	$ 703.6	$ 675.6
Supplemental Cash Flow Information:			
Interest payments, net of amounts capitalized	$ 323.0	$ 134.8	$ 128.7
Income tax payments	$ 109.7	$ 106.9	$ 86.6
Non-cash items:			
Non-cash items associated with the acquisition of Diversey:			
31.7 million shares of Sealed Air common stock issued in connection with the Diversey acquisition	$ —	$ 512.9	$ —
Fair value of Diversey preferred stock investment	$ —	$ 262.9	$ —

Fair-value-based measure of the portion of the SARs attributed to pre-acquisition service	$ —	$ 50.8	$ —
Other non-cash items:			
Transfers of shares of our common stock from Treasury as part of our 2011 and 2009 profit-sharing plan contributions	$ 18.7	$ —	$ 7.2
Net unrealized (losses) gains on available-for-sale securities	$ —	$ —	$ (7.0)

See accompanying notes to consolidated financial statements.

SEALED AIR CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements

Note 1 Organization and Nature of Operations

We are a global leader in food safety and security, facility hygiene and product protection. We serve an array of end markets including food and beverage processing, food service, retail, health care and industrial, commercial and consumer applications. We have widely recognized and inventive brands such as Bubble Wrap® brand cushioning, Cryovac® brand food packaging solutions and Diversey® brand cleaning and hygiene solutions.

Throughout this report, when we refer to "Sealed Air," the "Company," "we," "our," or "us," we are referring to Sealed Air Corporation and all of our subsidiaries, except where the context indicates otherwise.

During the fourth quarter of 2012, we began to operate under a new business divisions for our segment reporting structure. The new segment reporting structure consists of three global business divisions: Food & Beverage, Institutional & Laundry and Protective Packaging, and an "Other" category. See Note 5, "Segments," for further details of our segment structure. We conduct substantially all of our business through three wholly-owned subsidiaries, Cryovac, Inc., Sealed Air Corporation (US) and Diversey, Inc.

Note 2 Summary of Significant Accounting Policies and Recently Issued Accounting Standards

Summary of Significant Accounting Policies

Basis of Presentation

Our consolidated financial statements include all of the accounts of the Company and our subsidiaries. We have eliminated all significant intercompany transactions and balances in consolidation. All amounts are in millions, except per share amounts, and approximate due to rounding. Some prior period amounts have been reclassified to conform to the current year presentation. These reclassifications, individually and in the aggregate, had no impact on our consolidated financial condition, results of operations and cash flows.

The consolidated financial statements and information included in this Annual Report on Form 10-K ("Form 10-K") include the financial results of Diversey for the periods beginning October 3, 2011. The financial results included in this Form 10-K related to the acquisition method accounting for the Diversey transaction have been finalized. See Note 4, "Acquisition of Diversey Holdings, Inc.," for further information about the acquisition and related transactions and the acquisition accounting.

During the fourth quarter of 2012, we began to operate under three new business divisions for our segment reporting structure. This new structure replaced our legacy seven business unit structure. Our new segment reporting structure, which we also refer to as "divisions", reflects the way management now makes operating decisions and manages the growth and profitability of the business. It also corresponds with management's current approach of allocating resources and assessing the performance of our segments. We report our segment in accordance with the provision of Financial Accounting Standards Board Accounting Standards Codification Topic 280, "Segment Reporting."

The changes to our segment structure have no effect on the historical consolidated results of operations of the Company. Prior period segment results have been revised to the new segment presentation. The results below include the results of Diversey beginning of October 3, 2011 (date of acquisition). All results prior to October 3, 2011 include historical Sealed Air results only.

On November 14, 2012, we completed the sale of Diversey G.K. ("Diversey Japan") (an indirect subsidiary of Diversey, Inc.). The operating results for Diversey Japan were reclassified to discontinued operations, net of tax, on the consolidated statements of operations for the years ended December 31, 2011 and 2012, and the assets and liabilities of the Diversey Japan operations were reclassified to assets and liabilities held for sale as of December 31, 2011. Prior year disclosures in the Consolidated Statement of Cash Flows and the Notes to Consolidated Financial Statements have been revised accordingly. See Note 3, "Divestiture," for further information about the sale.

During the three months ended March 31, 2012, we identified a misclassification in our December 31, 2011 consolidated balance sheet included in our 2011 Annual Report on Form 10-K. This misclassification, which has been corrected on our December 31, 2011 consolidated balance sheet included in this Form 10-K, decreased our current deferred tax assets and non-current deferred tax liabilities by $65 million, decreasing our current deferred tax assets from $230 million to $165 million and decreasing our non-current deferred tax liabilities from $532 million to $467 million. These amounts have not been adjusted to reflect the divestiture of Diversey Japan. This misclassification had no impact on our net deferred tax liability balance at December 31, 2011 and it did not impact our consolidated statements of operations or cash flows. Accordingly, we do not consider this correction to be material to our consolidated financial condition or results of operations.

Use of Estimates

The preparation of our consolidated financial statements and related disclosures in conformity with U.S. GAAP requires our management to make estimates and assumptions that affect the reported amounts of assets and liabilities, including amounts recorded in connection with the acquisition of Diversey, the disclosure of contingent assets and liabilities at the date of the financial statements and revenue and expenses during the period reported. These estimates include, among other items, assessing the collectability of receivables, the use and recoverability of inventory, the estimation of fair value of financial instruments, assumptions used in the calculation of income taxes, useful lives and recoverability of tangible and goodwill and other intangible assets, assumptions used in our defined benefit pension plans, estimates related to self-insurance such as the aggregate liability for uninsured claims using historical experience, insurance and actuarial estimates and estimated trends in claim values, costs for incentive compensation and accruals for commitments and contingencies. We review these estimates and assumptions periodically using historical experience and other factors and reflect the effects of any revisions in the consolidated financial statements in the period we determine any revisions to be necessary. Actual results could differ from these estimates.

Financial Instruments

We may use financial instruments, such as cross currency swaps, interest rate swaps, caps and collars, U.S. Treasury lock agreements and foreign currency exchange forward contracts and options relating to our borrowing and trade activities. We may use these financial instruments from time to time to manage our exposure to fluctuations in interest rates and foreign currency exchange rates. We do not purchase, hold or sell derivative financial instruments for trading purposes. We face credit risk if the counterparties to these transactions are unable to perform their obligations. Our policy is to have counterparties to these contracts that are rated at least A- by Standard & Poor's and A3 by Moody's.

We report derivative instruments at fair value and establish criteria for designation and effectiveness of transactions entered into for hedging purposes. Before entering into any derivative transaction, we identify our specific financial risk, the appropriate hedging instrument to use to reduce this risk, and the correlation between the financial risk and the hedging instrument. We use purchase orders and historical data as the basis for determining the anticipated values of the transactions to be hedged. We do not enter into derivative transactions that do not have a high correlation with the underlying financial risk we are trying to reduce. We regularly review our hedge positions and the correlation between the transaction risks and the hedging instruments.

We account for derivative instruments as hedges of the related underlying risks if we designate these derivative instruments as hedges and the derivative instruments are effective as hedges of recognized assets or liabilities, forecasted transactions, unrecognized firm commitments or forecasted intercompany transactions.

We record gains and losses on derivatives qualifying as cash flow hedges in other comprehensive income, to the extent that hedges are effective and until the underlying transactions are recognized in the consolidated statements of operations, at which time we recognize the gains and losses in the consolidated statements of operations. We recognize gains and losses on qualifying fair value hedges and the related loss or gain on the hedged item attributable to the hedged risk in the consolidated statements of operations.

Our practice is to terminate derivative transactions if the underlying asset or liability matures or is sold or terminated, or if we determine the underlying forecasted transaction is no longer probable of occurring. Any deferred gains or losses associated with derivative instruments are recognized on the consolidated statements of operations over the period in which the income or expense on the underlying hedged transaction is recognized.

See Note 13, “Derivatives and Hedging Activities,” for further details.

Fair Value Measurements of Financial Instruments

In determining fair value of financial instruments, we utilize valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible and consider counterparty credit risk in our assessment of fair value. We determine fair value of our financial instruments based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

- *Level 1 Inputs:* Unadjusted quoted prices in active markets for identical assets or liabilities accessible to the reporting entity at the measurement date.
- *Level 2 Inputs:* Other than quoted prices included in Level 1 inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.
- *Level 3 Inputs:* Unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at measurement date.

Our fair value measurements for our financial instruments are subjective and involve uncertainties and matters of significant judgment. Changes in assumptions could significantly affect our estimates. See Note 14, “Fair Value Measurements and Other Financial Instruments,” for further details on our fair value measurements.

Foreign Currency Translation

In non-U.S. locations that are not considered highly inflationary, we translate the balance sheets at the end of period exchange rates with translation adjustments accumulated in stockholders’ equity on our consolidated balance sheets. We translate the statements of operations at the average exchange rates during the applicable period.

We translate assets and liabilities of our operations in countries with highly inflationary economies at the end of period exchange rates, except that nonmonetary asset and liability amounts are translated at historical exchange rates. In countries with highly inflationary economies, we translate items reflected in the statements of operations at average rates of exchange prevailing during the period, except that nonmonetary amounts are translated at historical exchange rates.

Commitments and Contingencies — Litigation

On an ongoing basis, we assess the potential liabilities related to any lawsuits or claims brought against us. While it is typically very difficult to determine the timing and ultimate outcome of these actions, we use our best judgment to determine if it is probable that we will incur an expense related to the settlement or final adjudication of these matters and whether a reasonable estimation of the probable loss, if any, can be made. In assessing probable losses, we make estimates of the amount of insurance recoveries, if any. We accrue a liability when we believe a loss is probable and the amount of loss can be reasonably estimated. Due to the inherent uncertainties related to the eventual outcome of litigation and potential insurance recovery, it is possible that disputed matters may be resolved for amounts materially different from any provisions or disclosures that we have previously made. We expense legal costs, including those legal costs expected to be incurred in connection with a loss contingency, as incurred.

Revenue Recognition

Our revenue earning activities primarily involve manufacturing and selling products, and we consider revenues to be earned when we have completed the process by which we are entitled to receive consideration. The following criteria are used for revenue recognition: persuasive evidence that an arrangement exists, shipment has occurred, selling price is fixed or determinable, and collection is reasonably assured.

Sales taxes collected from customers and remitted to governmental authorities are accounted for on a net basis and therefore are excluded from net sales on the consolidated statements of operations.

Charges for rebates and other allowances are recognized as a deduction from revenue on an accrual basis in the period in which the associated revenue is recorded. When we estimate our rebate accruals, we consider customer-specific contractual commitments including stated rebate rates and history of actual rebates paid. Our rebate accruals are reviewed at each reporting period and adjusted to reflect data available at that time. We adjust the accruals to reflect any differences between estimated and actual amounts. These adjustments impact the amount of net sales recognized by us in the period of adjustment. Charges for rebates and other allowances were approximately 12% of gross sales in 2012, 7% of gross sales in 2011 and less than 5% of gross sales in 2010.

Research and Development

We expense research and development costs as incurred. Research and development costs were $135 million in 2012, $105 million in 2011 and $88 million in 2010.

Share-Based Incentive Compensation

Our primary share-based employee incentive compensation program is the 2005 Contingent Stock Plan. See Note 19, “Stockholders’ Equity,” for further information on this plan.

We record share-based compensation awards exchanged for employee services at fair value on the date of grant and record the expense for these awards in marketing, administrative and development expense on our consolidated statement of operations over the requisite employee service period. Share-based incentive compensation expense includes an estimate for forfeitures and anticipated achievement levels and is generally recognized over the expected term of the award on a straight-line basis.

Environmental Expenditures

We expense or capitalize environmental expenditures that relate to ongoing business activities, as appropriate. We expense costs that relate to an existing condition caused by past operations and which do not contribute to current or future net sales. We record liabilities when we determine that environmental assessments or remediation expenditures are probable and that we can reasonably estimate the associated cost or a range of costs.

Income Taxes

We file a consolidated U.S. federal income tax return. Our non-U.S. subsidiaries file income tax returns in their respective local jurisdictions. We provide for U.S. income taxes on those portions of our foreign subsidiaries' accumulated earnings that we believe are not reinvested indefinitely in our businesses. It is not practicable to estimate the amount of tax that might be payable on the portion of those accumulated earnings that we believe are reinvested indefinitely.

We account for income taxes under the asset and liability method to provide for income taxes on all transactions recorded in the consolidated financial statements. We recognize deferred tax assets and liabilities for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and tax benefit carry forwards. We determine deferred tax assets and liabilities at the end of each period using enacted tax rates.

We recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such positions are measured based on the largest benefit that has a greater than fifty percent likelihood of being realized upon settlement with tax authorities. We recognize interest and penalties related to unrecognized tax benefits in income tax expense on our consolidated statements of operations.

See Note 17, "Income Taxes," for further discussion.

Cash and Cash Equivalents

We consider highly liquid investments with original maturities of three months or less at the date of purchase to be cash equivalents. Our policy is to invest cash in excess of short-term operating and debt service requirements in cash equivalents. Cash equivalents are stated at cost, which approximates fair value because of the short term maturity of the instruments. Our policy is to transact with counterparties that are rated at least A- by Standard & Poor's and A3 by Moody's. Some of our operations are located in countries that are rated below A- or A3. In this case, we try to minimize our risk by holding cash and cash equivalents at financial institutions with which we have existing global relationships whenever possible, diversifying counterparty exposures and minimizing the amount held by each counterparty and within the country in total.

Accounts Receivable Securitization

Three of our primary U.S. operating subsidiaries are parties to an accounts receivable securitization program under which they sell eligible U.S. accounts receivable to an indirectly wholly-owned subsidiary that was formed for the sole purpose of entering into this program. The wholly-owned subsidiary in turn may sell an undivided fractional ownership interest in these receivables to a participating bank or an issuer of commercial paper administered by the participating banks. The wholly-owned subsidiary retains the receivables it purchases from the three operating subsidiaries.

Effective January 1, 2010, under U.S. GAAP, our current program qualifies as a secured borrowing rather than the sale of an asset. Any future transfers of ownership interests of receivables under our receivables securitization program to the issuer of commercial paper or to the participating banks are no longer considered sales of receivables but are considered secured borrowings and will be recorded as liabilities on our consolidated balance sheet.

Receivables, Net

In the normal course of business, we extend credit to customers that satisfy pre-defined credit criteria. Accounts receivable, which are included in receivables, net, on the consolidated balance sheets, are net of allowances for doubtful accounts. We maintain accounts receivable allowances for estimated losses resulting from the failure of our customers to make required payments. An additional allowance may be required if the financial condition of our customers deteriorates.

Inventories

We determine the cost of our legacy Sealed Air U.S. inventories on a last-in, first-out or LIFO cost flow basis. The cost of our U.S. equipment inventories and the balance of our U.S. inventories and most non-U.S. inventories is determined on a first-in, first-out or FIFO cost flow basis. We state inventories at the lower of cost or market.

Property and Equipment, Net

We state property and equipment at cost, except for the fair value of acquired property and equipment and property and equipment that have been impaired, for which we reduce the carrying amount to the estimated fair value at the impairment date. We capitalize significant improvements and charge repairs and maintenance costs that do not extend the lives of the assets to expense as incurred. We remove the cost and accumulated depreciation of assets sold or otherwise disposed of from the accounts and recognize any resulting gain or loss upon the disposition of the assets.

We depreciate the cost of property and equipment over their estimated useful lives on a straight-line basis as follows: buildings — 20 to 40 years; machinery and equipment — 5 to 10 years; and other property and equipment — 2 to 10 years.

Goodwill and Identifiable Intangible Assets

Goodwill represents the excess of the aggregate of the following (1) consideration transferred, (2) the fair value of any noncontrolling interest in the acquiree and, (3) if the business combination is achieved in stages, the acquisition-date fair value of our previously held equity interest in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Identifiable intangible assets consist primarily of patents, licenses, trademarks, trade names, customer lists and relationships, non-compete agreements and technology based intangibles and other contractual agreements. We amortize finite lived identifiable intangible assets over the shorter of their stated or statutory duration or their estimated useful lives, generally ranging from 3 to 15 years, on a straight-line basis to their estimated residual values and periodically review them for impairment. Total identifiable intangible assets comprise 12% in 2012 and 18% in 2011 of our consolidated total assets. See Note 4, “Acquisition of Diversey Holdings, Inc.,” for further information on our acquired intangible assets.

We use the acquisition method of accounting for all business combinations and do not amortize goodwill or intangible assets with indefinite useful lives. Goodwill and intangible assets with indefinite useful lives are tested for possible impairment annually during the fourth quarter of each fiscal year or more frequently if events or changes in circumstances indicate that the asset might be impaired.

See Note 8, “Goodwill and Identifiable Intangible Assets,” for further discussion of our goodwill and identifiable intangible assets.

Long-Lived Assets

Impairment and Disposal of Long-Lived Assets

For definite lived intangible assets, such as customer relationships, contracts, intellectual property, and for other long-lived assets, such as property, plant and equipment, whenever impairment indicators are present, we perform a review for impairment. We calculate the undiscounted value of the projected cash flows associated with the asset, or asset group, and compare this estimated amount to the carrying amount. If the carrying amount is found to be greater, we record an impairment loss for the excess of book value over the fair value. In addition, in all cases of an impairment review, we re-evaluate the remaining useful lives of the assets and modify them, as appropriate.

For indefinite – lived intangible assets, such as in-process research and development and trademarks and trade names, each year and whenever impairment indicators are present, we determine the fair value of the asset and record an impairment loss for the excess of book value over the fair value, if any. In addition, in all cases of an impairment review other than for in-process research and development assets, we re-evaluate whether continuing to characterize the asset as indefinite –lived is appropriate. See Note 8, “Goodwill and Identifiable Intangible Assets.”

Conditional Asset Retirement Obligations

We recognize a liability for a conditional asset retirement obligation when incurred if the liability can be reasonably estimated. A conditional asset retirement obligation is a legal obligation to perform an asset retirement activity in which the timing and/or method of settlement are conditional on a future event that may or may not be within our control. In addition, we would record a corresponding amount by increasing the carrying amount of the related long-lived asset, which is depreciated over the useful life of such long-lived asset.

Self-Insurance

We retain the obligation for specified claims and losses related to property, casualty, workers’ compensation and employee benefit claims. We accrue for outstanding reported claims and claims that have been incurred but not reported based upon management’s estimates of the aggregate liability for retained losses using historical experience, insurance company estimates and the estimated trends in claim values. Our estimates include management’s and independent insurance companies’ assumptions regarding economic conditions, the frequency and severity of claims and claim development patterns and settlement practices. These estimates and assumptions are monitored and evaluated on a periodic basis by management and are adjusted when warranted by changing circumstances. Although management believes it has the ability to adequately project and record estimated claim payments, actual results could differ significantly from the recorded liabilities.

Pensions

For a number of our U.S. employees and our international employees, we maintain defined benefit pension plans. We are required to make assumptions regarding the valuation of projected benefit obligations and the performance of plan assets for our defined benefit pension plans.

We review and approve the assumptions made by our actuaries regarding the valuation of benefit obligations and performance of plan assets. The principal assumptions concern the discount rate used to measure future obligations, the expected future rate of return on plan assets, the expected rate of future compensation increases and various other actuarial assumptions. The measurement date used to determine benefit obligations and plan assets is December 31. In general, significant changes to these assumptions could have a material impact on the costs and liabilities recorded in our consolidated financial statements.

See Note 15, “Profit Sharing, Retirement Savings Plans and Defined Benefit Pension Plans,” for information about the combined company’s benefit plans.

Net Earnings per Common Share

Basic earnings per common share is calculated by dividing net earnings available to common stockholders by the weighted average number of common shares outstanding for the period. Non-vested share-based payment awards that contain non-forfeitable rights to dividends are treated as participating securities and therefore included in computing earnings per common share using the “two-class method”. The two-class method is an earnings allocation formula that calculates basic and diluted net earnings per common share for each class of common stock separately based on dividends declared and participation rights in undistributed earnings. The non-vested restricted stock issued under our 2005 Contingent Stock Plan are considered participating securities since these securities have non-forfeitable rights to dividends when we declare a dividend during the contractual vesting period of the share-based payment award and therefore included in our earnings allocation formula using the two-class method.

When calculating diluted net earnings per common share, the more dilutive effect of applying either of the following is presented: (a) the two-class method (described above) assuming that the participating security is not exercised or converted, or, (b) the treasury stock method for the participating security. Our diluted net earnings per common share for all periods presented were calculated using the two-class method since such method was more dilutive.

See Note 21, “Net (Loss) Earnings Per Common Share,” for further discussion.

Recently Issued Accounting Standards

Adopted in 2012

In May 2011, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2011-04. The amendments in this ASU generally represent clarifications of fair value measurement, but also include some instances where a particular principle or requirement for measuring fair value or disclosing information about fair value measurements has changed. This ASU results in common principles and requirements for measuring fair value and for disclosing information about fair value measurements. On January 1, 2012, we adopted these amendments on a prospective basis and there was no impact on our consolidated financial condition or results of operations.

In June 2011, the FASB issued ASU No. 2011-05, Presentation of Comprehensive Income, that became effective for us beginning January 1, 2012. This standard eliminates the option to report other comprehensive income and its components in the statement of changes in equity. The adoption of this guidance did not

impact our consolidated financial condition and results of operations.

In September 2011, the FASB issued ASU No. 2011-08, Testing Goodwill for Impairment, that became effective for us beginning January 1, 2012. The revised standard is intended to reduce the cost and complexity of the annual goodwill impairment test by providing entities an option to perform a qualitative assessment to determine whether further impairment testing is necessary. The adoption of this guidance did not impact our consolidated financial condition or results of operations.

[Table of Contents](#)

Pending in 2013

In October 2012, the FASB issued ASU 2012-04, Technical Corrections and Improvement, which makes certain technical corrections (i.e., relatively minor corrections and clarifications) and "conforming fair value amendments". The amendments affect various codification topics and apply to all reporting entities within the scope of those topics. This standard becomes effective for us upon issuance, except for amendments that are subject to transition guidance, which will be effective for fiscal periods beginning after December 15, 2012. We are currently evaluating the impact of this standard update on our consolidated financial statements.

In July 2012, the FASB issued ASU No. 2012-02, Testing Indefinite-Lived Intangible Assets for Impairment. This standard update, which amends the guidance on testing indefinite-lived intangible assets, other than goodwill, for impairment, provides companies with the option to first perform a qualitative assessment before performing the two-step quantitative impairment test. If the company determines, on the basis of qualitative factors, that the fair value of the indefinite-lived intangible asset is more likely than not to exceed its carrying amount, then the company would not need to perform the two-step quantitative impairment test. This standard does not revise the requirement to test indefinite-lived intangible assets annually for impairment. This standard becomes effective for annual and interim impairment tests performed for fiscal years beginning after September 15, 2012, with early adoption allowed. We do not expect the adoption of this standard will have an effect on our consolidated financial condition or results of operations.

In December 2011, the FASB issued ASU 2011-11, Disclosures about Offsetting Assets and Liabilities, which creates new disclosure requirements about the nature of an entity's rights of offset and related arrangements associated with its financial instruments and derivative instruments. Then in January 2013, the FASB issued ASU 2013-01, Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities, to further clarify the scope of the offsetting disclosures. The disclosure requirements are effective for annual reporting periods beginning on or after January 1, 2013, and interim periods therein, with retrospective application required. The new disclosures are designed to make financial statements that are prepared under U.S. GAAP more comparable to those prepared under International Financial Reporting Standards. We are currently evaluating the impact these standard updates on our consolidated financial statements.

In February 2013, the FASB issued ASU 2013-02, Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income, which requires an entity to provide information about the amounts reclassified out of accumulated other comprehensive income by component. In addition, a company is required to present either on the statement of operations or in the notes significant amounts reclassified out of accumulated other comprehensive income by the respective line items of net income. The disclosure requirements are effective for annual reporting periods beginning after December 15, 2012, prospectively. We are currently evaluating the impact of this standard update on our consolidated financial statements.

Note 3 Divestiture

On November 14, 2012, we completed the sale of Diversey G.K. ("Diversey Japan") (an indirect subsidiary of Diversey, Inc.) to an investment vehicle of The Carlyle Group ("Carlyle") for gross proceeds of $323 million, including certain purchase price adjustments. After transaction costs of $10 million, we used substantially of all the net proceeds of $313 million to prepay a portion of our term loans outstanding under our senior secured credit facilities (see Note 12, "Debt and Credit Facilities"). We recorded a pre-tax gain on the sale of $211 million ($179 million net of tax) which is included in net earnings in the consolidated statement of operations for the year ended December 31, 2012.

Diversey Japan was acquired as part of the acquisition of Diversey on October 3, 2011. See Note 4, "Acquisition of Diversey Holdings, Inc." The Diversey Japan business was part of the Company's Diversey reportable segment. In accordance with the applicable accounting guidance for the disposal of long-lived assets, the results of the Diversey Japan business are presented as discontinued operations, net of tax, in the consolidated statements of operations for the years ended December 31, 2012 and 2011 and Cash Flows and related disclosures and, as such, have been excluded from both continuing operations and segment results for all years presented. Assets and liabilities of the Diversey Japan business have been segregated as assets and liabilities held for sale in the consolidated balance sheet as of December 31, 2011.

Following is selected financial information included in net earnings from discontinued operations:

	Year Ended December 31, 2012	Year Ended December 31, 2011
Net sales	$ 273.5	$ 90.0
Operating profit	$ 34.1	$ 17.9
Earnings from discontinued operations before income tax provision	$ 33.0	$ 18.1
Income tax provision	12.1	7.5
Net earnings from discontinued operations	$ 20.9	$ 10.6
Gain on sale of discontinued operations before income tax provision	$ 210.8	$ —
Income tax provision on sale	31.9	—
Net gain on sale of discontinued operations	$ 178.9	$ —

The carrying value of the major classes of assets and liabilities for these discontinued operations were as follows:

	Year Ended December 31, 2011
Assets:	
Cash and cash equivalents	$ 19.2
Receivables, net	68.8
Inventories	20.6
Property and equipment, net	52.9
Goodwill	10.9
Intangible assets, net	69.4
Other assets, net	37.2
Assets held for sale	$ 279.0
Liabilities:	
Accounts payable	$ 64.1
Other liabilities	152.6
Liabilities held for sale	$ 216.7

In connection with the sale, the Company entered into several agreements to provide certain supply and transitional services to Diversey Japan after closing of the sale. While those agreements are expected to generate future revenues and cash flows for the Company, the estimated amounts and the Company's continuing involvement in Diversey operations in Japan are not expected to be significant to the Company as a whole.

Note 4 Acquisition of Diversey Holdings, Inc.

Description of Transaction

On October 3, 2011, we completed the acquisition of 100% of the outstanding stock of Diversey Holdings, Inc. Under the terms of the acquisition agreement, we paid in aggregate $2.1 billion in cash consideration and an aggregate of approximately 31.7 million shares of Sealed Air common stock to the shareholders of Diversey. We financed the payment of the cash consideration and related fees and expenses through (a) borrowings under our new Credit Facility, (b) proceeds from our issuance of the Notes and (c) cash on hand. In connection with the acquisition, we also used our new borrowings and cash on hand to retire $1.6 billion of existing indebtedness of Diversey. The new Credit Facility and Notes are described in Note 12, "Debt and Credit Facilities."

We acquired Diversey to position us to capture growth opportunities by developing end-to-end service-based solutions for the food processing and food service industries, to leverage combined research and development investments to develop broader growth initiatives in the food processing and food service industries and to improve access to under-developed markets and increase access to developing regions.

Summary Unaudited Pro Forma Financial Information

The following table presents unaudited supplemental pro forma financial information as if the acquisition of Diversey had occurred on January 1, 2010 for the periods presented below. The pro forma results provided below have been revised to reflect the discontinued operations of the Diversey Japan business as if it had occurred on January 1, 2010 for the periods presented below. The impact of this revision was not material to the results included below.

	Year Ended December 31, 2011	Year Ended December 31, 2010
Net sales	$ 7,785.0	$ 7,304.6
Operating profit	$ 596.0	$ 659.2
Net earnings from continuing operations	$ 106.1	$ 164.6
Weighted average number of common shares outstanding:		
Basic	190.8	190.0
Diluted	209.2	208.4
Net earnings per common share:		
Basic	$ 0.56	$ 0.87
Diluted	$ 0.51	$ 0.79

For the year ended December 31, 2011, material non-recurring pro forma adjustments include the removal of costs related to the acquisition of Diversey of $70 million, including $6 million of acquisition costs included in legacy Diversey's consolidated statement of operations for the nine months ended September 30, 2011, and the removal of the step-up in inventories, net, of $12 million.

For the year ended December 31, 2010, there were no material non-recurring pro forma adjustments.

Note 5 Segments

During the fourth quarter of 2012, we began to operate under three new business divisions for our segment reporting structure. This new structure replaced our legacy seven business unit structure.

We evaluate the performance of each reportable segment based on operating profit and other financial metrics, which includes allocations for such corporate expenses as business development, customer service, finance, information services, human resources and legal. It does not include restructuring and other charges or interest income and expense and any income or loss amounts recorded in other income (expense). We allocate all depreciation and amortization to our reportable segments and Other category consistent with the accounting policies of the Company.

The following tables show net sales, depreciation and amortization and operating (loss) profit by our new segment reporting structure:

	2012	2011	2010
Net sales			
Food & Beverage	$ 3,739.6	$3,240.6	$2,858.5
Institutional & Laundry	2,131.5	534.0	—
Protective Packaging	1,578.4	1,594.4	1,469.9
Other	198.6	181.9	161.7
Total	$ 7,648.1	$5,550.9	$4,490.1
Depreciation and amortization			
Food & Beverage	$ 142.2	$ 122.2	$ 120.3
Institutional & Laundry	127.3	35.1	—
Protective Packaging	38.3	44.1	53.4
Other	13.1	10.9	11.4
Total	$ 320.9	$ 212.3	$ 185.1
Operating (loss) profit			
Food & Beverage	$ (170.9)	$ 371.2	$ 361.9
Institutional & Laundry	(1,278.4)	(14.8)	—
Protective Packaging	207.5	201.7	185.1
Other	(25.4)	(11.7)	(4.4)
Total segments and other	(1,267.2)	546.4	542.6
Costs related to the acquisition and integration of Diversey	7.4	64.8	—
Restructuring and other charges[(1)]	142.5	52.2	7.6
Total	$(1,417.1)	$ 429.4	$ 535.0

(1) Restructuring and other charges by our segment reporting structure were as follows:

	2012	2011	2010
Food & Beverage	$ 72.0	$13.1	$ 3.7
Institutional & Laundry	53.1	39.5	—
Protective Packaging	16.7	(0.4)	3.8
Other	0.7	—	0.1
Total	$142.5	$52.2	$ 7.6

The restructuring and other charges in 2011 and 2012 primarily relate to the 2011-2014 Integration and Optimization Program. The restructuring and other charges in 2010 primarily relate to our global manufacturing strategy and our closure of a small factory in Europe. See Note 10, "Restructuring Activities," for further discussion.

Assets by Reportable Segments

The following table shows assets allocated by our segment reporting structure. Only assets which are identifiable by segment and reviewed by our chief operating decision maker by segment are allocated to the reportable segment assets, which are trade receivables, net, and finished goods inventories, net. All other assets are included in "Assets not allocated."

	December 31, 2012	December 31, 2011
Assets:		
Trade receivables, net, and finished goods inventories, net		
Food & Beverage	$ 811.9	$ 806.5
Institutional & Laundry	587.8	582.3
Protective Packaging	331.3	337.3
Other	37.0	35.0
Total segments and other	1,768.0	1,761.1
Assets not allocated		
Cash and cash equivalents	679.6	703.6
Property and equipment, net	1,212.8	1,269.2
Goodwill	3,191.4	4,209.6
Intangibles, net	1,139.7	2,035.7
Assets held for sale	—	279.0
Other	1,445.7	1,173.8
Total	$ 9,437.2	$ 11,432.0

Allocation of Goodwill and Identifiable Intangible Assets to Reportable Segments

Our management views goodwill and identifiable intangible assets as corporate assets, so we do not allocate their balances to the reportable segments. However, we are required to allocate their balances to each reporting unit to perform our annual impairment review, which we do during the fourth quarter of the year. In 2012, we determined that sufficient indicators existed to require an impairment review. See Note 8, "Goodwill and Identifiable Intangible Assets," for the allocation of goodwill and identifiable intangible assets and the changes in their balances in the year ended December 31, 2012 by our segment reporting structure, and the details of our impairment review.

Table of Contents

Geographic Information

	2012	2011	2010
Net sales[1]:			
United States	$2,713.2	$2,305.2	$2,081.6
Canada	267.7	172.6	145.0
Europe	2,492.2	1,639.9	1,171.4
Latin America	802.0	545.7	434.3
AMAT	776.8	346.0	197.7
Japan/Australia/New Zealand	596.2	541.5	460.1
Total	$7,648.1	$5,550.9	$4,490.1
Total long-lived assets[1][2]:			
United States	$3,006.4	$4,558.1	
Canada	105.8	48.0	
Europe	1,686.5	1,989.8	
Latin America	262.0	387.9	
AMAT	699.8	815.8	
Japan/Australia/New Zealand	198.5	169.9	
Total	$5,959.0	$7,969.5	

(1) Net sales attributed to the geographic areas represent net sales to external customers. No non-U.S. country had net sales in excess of 10% of consolidated net sales or long-lived assets in excess of 10% of consolidated long-lived assets at December 31, 2012 and 2011.

(2) Total long-lived assets are total assets excluding total current assets and deferred tax assets.

Note 6 Inventories

The following table details our inventories and the reduction of certain inventories to a LIFO basis:

	December 31,	
	2012	2011
Inventories (at FIFO, which approximates replacement value):		
Raw materials	$128.4	$150.8
Work in process	117.0	121.0
Finished goods	542.4	559.0
Subtotal (at FIFO)	787.8	830.8
Reduction of certain inventories to LIFO basis	(51.4)	(53.3)
Total	$736.4	$777.5

We determine the value of our legacy Sealed Air non-equipment U.S. inventories by the last-in, first-out or LIFO inventory method. U.S. inventories determined by the LIFO method were $104 million at December 31, 2012 and $121 million at December 31, 2011.

Note 7 Property and Equipment, net

The following table details our property and equipment, net, at December 31, 2012 and 2011.

	December 31,	
	2012	2011
Land and improvements	$ 142.5	$ 139.4
Buildings	715.4	702.3
Machinery and equipment	2,548.9	2,460.7
Other property and equipment	154.2	151.6
Construction-in-progress	85.7	103.9
	3,646.7	3,557.9
Accumulated depreciation and amortization	(2,433.9)	(2,288.7)
Property and equipment, net	$ 1,212.8	$ 1,269.2

The following table details our interest cost capitalized and depreciation and amortization expense for property and equipment for the three years ended December 31, 2012.

	December 31,		
	2012	2011	2010
Interest cost capitalized	$ 5.5	$ 4.2	$ 3.7
Depreciation and amortization expense for property and equipment	170.0	147.2	143.5

Note 8 Goodwill and Identifiable Intangible Assets

Goodwill

We review goodwill for impairment on a reporting unit basis annually during the fourth quarter of each year and whenever events or changes in circumstances indicate the carrying value of goodwill may not be recoverable. The goodwill impairment test involves a two-step process. In step one, we compare the fair value of each of our reporting units to its carrying value, including the goodwill allocated to the reporting unit. If the fair value of the reporting unit exceeds its carrying value, there is no indication of impairment and no further testing is required. If the fair value of the reporting unit is less than the carrying value, we must perform step two of the impairment test to measure the amount of impairment loss, if any. In the step two, the reporting unit's fair value is allocated to all of the assets and liabilities of the reporting unit, including any unrecognized intangible assets, in a hypothetical analysis that calculates the implied fair value of goodwill in the same manner as if the reporting unit was being acquired in a business combination. If the implied fair value of the reporting unit's goodwill is less than the carrying value, the difference is recorded as an impairment loss.

Third Quarter 2012 Interim Impairment Test

During the third quarter of 2012, we determined that sufficient indicators of potential impairment existed to require an interim goodwill impairment analysis for certain of our legacy-Diversey reporting units (North America, Europe and Latin America) included in the legacy-Diversey segment. These indicators included the recent business performance of those reporting units, combined with the long-term market conditions and business trends within the underlying regions. We estimated the fair value of these reporting units using a weighting of fair values derived from an income and market approach. Under the income approach, we determine the fair value of a reporting unit based on the present value of estimated future cash flows. Cash flow projections are based on management's estimates of revenue growth rates and operating margins, taking into consideration industry and market conditions. The discount rate used is based on a weighted average cost of capital adjusted for the relevant risk associated with the characteristics of the business and the projected cash flows. The market approach estimates fair value based on market multiples of revenue and earnings derived from comparable publicly traded companies with similar operating and investment characteristics as the reporting unit. Based on the results of the step one impairment test, the fair value of the reporting units was substantially lower than the carrying value for those reporting units (regions mentioned above). As a result, we recorded an estimated $1.1 billion goodwill impairment charge in the three months ended September 30, 2012, which is included in impairment of goodwill and other intangible assets in the consolidated statements of operations. At the time, the charge was included in the legacy-Diversey segment.

In addition, during the third quarter of 2012 and prior to performing the step one impairment test, we considered the same indicators of potential impairment noted above as related to the indefinite lived assets of those reporting units. When indicators of impairment are present, we determine the fair value of the indefinite lived assets and compare them to their carrying values. We estimate the fair value of these assets using a relief from royalty method under an income approach. The key assumptions for this method are a revenue projections, an royalty rate as determined by management in consultations with valuation experts, and a discount rate, established as discussed above. Based on our analysis, the fair values of an indefinite lived tradename was lower than its carrying value. As a result, we recorded a pre-tax impairment charge of $189 million associated with the Diversey tradename in the three months ended September 30, 2012, which is included in impairment of goodwill and other intangible assets in the consolidated statements of operations. At the time, the charge was included in the legacy-Diversey segment.

During the fourth quarter of 2012, we concluded step two of our interim impairment test for the legacy-Diversey reporting units noted above. This process resulted in the reduction of the estimated pre-tax goodwill impairment charge by $326 million. The reduction of the third quarter charge was due to the fair value of certain definite lived assets being less than their carrying value. While the discounted cash flows determined during the step one impairment review were less than the carrying value, the asset groups' undiscounted cash flows associated with those reporting units were in excess of the carrying values, as such there was no impairment of those reporting units' definite lived intangibles and long lived assets.

2012 Annual Impairment Test

During the fourth quarter of 2012, we completed step one of our annual goodwill impairment test for our legacy Sealed Air reporting units and Diversey's Asia Pacific, Africa and Turkey ("APAT") reporting unit. We concluded that the fair values of these reporting units were above their carrying values and, therefore, for these reporting units there was no indication of impairment.

New Reporting Units

In the fourth quarter of 2012, we began to operate under the new reporting structure, which resulted in a change in the composition of our reporting units. In connection with the new structure, (i) legacy-Diversey was divided into two reporting units, Hygiene Solutions (included in the Food & Beverage segment) and Institutional & Laundry (its own segment). In addition, we combined (i) Sealed Air's legacy Food Packaging and Food Solutions into new Packaging Solutions reporting unit (included in the Food & Beverage segment), and (ii) Sealed Air's legacy Protective Packaging, Shrink Packaging and Specialty Foam business of the former Specialty Materials reporting units into the new Protective Packaging Segment (its own segment).

Fourth Quarter 2012 Interim Impairment Test

At the end of the fourth quarter of 2012, based on the operating results under our new reporting structure, we determined that sufficient indicators of potential impairment existed to require an interim goodwill impairment analysis for our I&L and Hygiene Solutions reporting units. These indicators included the recent business performance of those reporting units as compared to the projections developed during the third quarter 2012 interim impairment review. We performed steps one and two of the impairment test for each of these two reporting units using the same approach as noted above.

Prior to performing the step one interim impairment test, we first evaluated the indefinite lived intangible assets allocated to the I&L and Hygiene Solutions reporting units. On an annual basis, or when indicators of impairment are present, we determine the fair value of the indefinite lived assets and compare them to their carrying values. We estimate the fair value of these assets using a relief from royalty method under an income approach. Based on our analysis, the fair values of certain indefinite lived trademarks were lower than their carrying values. As a result, we recorded a pre-tax impairment charge of $441 million in the fourth quarter of 2012, which is included in impairment of goodwill and other intangible assets in the consolidated statements of operations and reflected in the F&B ($140 million) and I&L ($301 million) segments.

We also evaluated the recoverability of long lived assets of these reporting units. When indicators of impairment are present, we test definite lived and long lived assets for recoverability by comparing the carrying value of an asset group to their undiscounted cash flows. We considered the lower than expected revenue and profitability levels over a sustained period of time, and downward revisions to our cash flow forecasts for a portion of these reporting units to be indicators of impairment for their long-lived assets. Based on the results of the recoverability test, we determined that the carrying value of certain asset groups of the Hygiene Solutions reporting unit were higher than their undiscounted cash flow. We then looked at specific long-lived assets in those asset groups and determined that the carrying value of the customer relationships intangible assets exceeded their fair value. We estimated the fair value of those assets, primarily using the excess earnings method under an income approach. The key assumptions for this method are a projection of future revenue and profitability as determined by management, the expected survivorship and discount rate, established as discussed above. As a result, we recorded a pre-tax impairment charge of $149 million in the fourth quarter of 2012, which is included in the impairment of goodwill and other intangible assets in the consolidated statement of operations and reflected in the F&B segment.

We also completed steps one and two of the interim goodwill impairment test for these reporting units. As a result, in the fourth quarter of 2012, we recorded an additional goodwill impairment charge for the Hygiene Solutions reporting unit of $174 million and $97 million for the I&L reporting unit, which is included in impairment of goodwill and other intangible assets in the consolidated statements of operations.

Allocation of Goodwill to Reporting Units

Due to the changes in our segment reporting structure during the fourth quarter of 2012, we reassigned goodwill to our new reporting units using a relative fair value approach. Goodwill of the F&B segment combines goodwill of two reporting units: Packaging Solutions, which includes former legacy Sealed Air's Food Packaging and Food Solutions packaging reporting units, and Hygiene Solutions, which was previously reported in the legacy-Diversey segment. Goodwill of the I&L segment also includes a portion of the goodwill previously reported in the legacy-Diversey segment. Goodwill of the Protective Packaging segment combines goodwill of the former legacy Sealed Air's Protective Packaging and Shrink Packaging reporting units and the specialty foam business of the former Specialty Materials reporting unit. The goodwill of the Other category is represented by the goodwill of the Medical Applications reporting unit. The following table shows our goodwill balances by our new segment reporting structure:

	Carrying Value at December 31, 2011	Purchase Price Adjustments (1)	Impact of Foreign Currency Translation	Goodwill Impairment	Carrying Value at December 31, 2012
Food & Beverage	$ 833.7	$ 3.3	$ 0.7	$ (208.0)	$ 629.7
Institutional & Laundry	1,958.6	34.3	33.2	(883.0)	1,143.1
Protective Packaging	1,369.9	—	2.8	—	1,372.7
Other category	47.4	(1.6)	0.1	—	45.9
Total	$ 4,209.6	$ 36.0	$ 36.8	$ (1,091.0)	$ 3,191.4

(1) Purchase price adjustments primarily relate to the Diversey acquisition reflecting changes in estimates during the measurement period primarily related to certain legal contingencies that existed as of the acquisition date of October 3, 2011. These adjustments are not considered material to the carrying amount of goodwill or the other offsetting balance sheet line items and these adjustments had no impact to our consolidated statement of operations in 2012. Therefore, we did not revise our previously reported consolidated financial statements for these adjustments.

The excess of estimated fair values over carrying value, including goodwill and after any impairment charges, for each of our reporting units that had goodwill as of the annual impairment test or the fourth quarter 2012 interim impairment test were the following:

Reporting Unit	% by Which Estimated Fair value exceeds Carrying Value
Food & Beverage – Packaging Solutions	172%
Food & Beverage – Hygiene Solutions	8%
Institutional & Laundry	(12)%
Protective Packaging	33%
Medical Applications	194%

Although we recorded a goodwill impairment charge in 2012, our Hygiene Solutions and Institutional and Laundry reporting units remain at risk for impairment. The fair value of our Institutional and Laundry reporting unit remains below its carrying value because of the reduction in fair value of certain definite lived intangible assets within the reporting unit. The asset groups that contain those definite lived intangible assets continue to have undiscounted cash flows in excess of their carrying value.

The future occurrence of a potential indicator of additional impairment, such as a decrease in expected net earnings, adverse equity market conditions, a decline in current market multiples, a decline in our common stock price, a significant adverse change in legal factors or business climates, an adverse action or assessment by a regulator, unanticipated competition, strategic decisions made in response to economic or competitive conditions, or a more-likely-than-not expectation that a reporting unit or a significant portion of a reporting unit will be sold or disposed of, could require an interim assessment for some or all of the reporting units before the next required annual assessment. In the event of significant adverse changes of the nature described above, we might have to recognize an additional non-cash impairment of goodwill, which could have a material adverse effect on our consolidated financial condition and results of operations.

Identifiable Intangible Assets

The following tables summarize our identifiable intangible assets with definite and indefinite useful lives:

	December 31,2012				December 31, 2011		
	Gross Carrying Value	Accumulated Amortization	Impairment	Net	Gross Carrying Value	Accumulated Amortization	Net
Customer relationships	$ 978.1	$ (112.7)	(148.9)(1)	$ 716.5	$ 960.2	$ (36.6)	$ 923.6
Trademarks and trade names	882.3	(0.9)	(630.2)(1)	251.2	882.3	(0.8)	881.5
Technology	243.5	(79.1)	(22.2)(2)	142.2	229.9	(33.4)	196.5
Contracts	44.6	(14.8)	—	29.8	40.2	(6.1)	34.1
Total	$2,148.5	$ (207.5)	$ (801.3)	$1,139.7	$2,112.6	$ (76.9)	$2,035.7

(1) During the third quarter of 2012, we determined that sufficient indicators existed to require an interim impairment review of our Diversey tradename. Based on our analysis, the fair value of this intangible was lower than the carrying value, which resulted in a pre-tax impairment charge of $189 million. In addition, during the fourth quarter of 2012, we completed our annual impairment test for other indefinite lived intangibles and we performed an interim impairment review of our customer relationships and trademarks and trade names. As a result, we recorded a total impairment charge of $779 million which is included in impairment of goodwill and other intangible assets on the consolidated statements of operations in the year ended December 31, 2012.

(2) During the fourth quarter of 2012, we made a decision to suspend certain development efforts and abandon future product development work on a project included in our other category. As a result, we recorded an impairment of $22.2 million ($13.7 million, net of taxes), which is included in impairment of goodwill and other intangible assets on the consolidated statements of operations in the year ended December 31, 2012.

The intangible assets include $251 million of trademarks and trade names that we have determined to have indefinite useful lives, acquired in connection with the acquisition of Diversey.

The following table shows the remaining estimated future amortization expense at December 31, 2012.

2013	$ 111.3
2014	111.6
2015	85.6
2016	83.9
2017	81.4
Thereafter	414.8

Total	$888.6

The remaining weighted average useful life of our finite-lived intangible assets was 10.4 years as of December 31, 2012.

Table of Contents

Note 9 Accounts Receivable Securitization Program

We and a group of our U.S. subsidiaries maintain an accounts receivable securitization program with two banks and issuers of commercial paper administered by these banks. As of December 31, 2012, the maximum purchase limit for receivable interests was $125 million, subject to the availability limits described below.

The amounts available from time to time under the program may be less than $125 million due to a number of factors, including but not limited to our credit ratings, trade receivable balances, the creditworthiness of our customers and our receivables collection experience. During 2012, the level of eligible assets available under the program was lower than $125 million primarily due to our current credit ratings. As a result, the amount available to us under the program was $112 million at December 31, 2012. Although we do not believe that these restrictive provisions presently materially restrict our operations, if an additional event occurs that triggers one of these restrictive provisions, we could experience a further decline in the amounts available to us under the program or termination of the program.

As of December 31, 2012 and 2011, we had no amounts outstanding under this program, and we did not utilize this program during 2012.

The overall program is scheduled to expire in September 2013. In addition, the program includes a bank financing commitment that must be renewed annually. The bank financing commitment was renewed in September 2012.

Under limited circumstances, the banks and the issuers of commercial paper can end purchases of receivables interests before the above dates. A failure to comply with debt leverage or various other ratios related to our receivables collection experience could result in termination of the receivables program. We were in compliance with these ratios at December 31, 2012 and 2011.

In February 2013, we entered into a European accounts receivable securitization program with two banks. The maximum purchase limit for receivable interests is €95 million, ($125 million USD equivalent) subject to availability limits, and the program is scheduled to expire in February 2014. The terms and provisions of this program are similar to our U.S. program. As of March 1, 2013, the amount available under this program was €40 million ($52 million USD equivalent).

Note 10 Restructuring Activities

The following table details our restructuring activities:

	2012				2011			
	2011-2014 Integration and Optimization Program	EPC	Other	Total	2011-2014 Integration and Optimization Program	EPC	Other	Total
Restructuring charges	$ 144.9	$ (1.3)	$(1.1)	$142.5	$ 52.2	$1.0	$(1.0)	$52.2
Other associated costs	22.2	12.1	—	34.3	—	4.0	—	4.0
Total	$ 167.1	$10.8	$(1.1)	$176.8	$ 52.2	$5.0	$(1.0)	$56.2

2011-2014 Integration and Optimization Program

In December 2011, we initiated a restructuring program associated with the integration of Diversey's business following our acquisition of Diversey on October 3, 2011. The program primarily consists of (i) reduction in headcount, (ii) consolidation of facilities, and (iii) supply chain network optimization, and (iv) certain other capital expenditures. This program is expected to be completed by the end of 2014.

Restructuring Charges

The restructuring charges include mainly termination and benefits costs of which $9 million related to cash-settled stock appreciation rights that were previously issued to Diversey employees as a portion of the total consideration for the acquisition of Diversey. See Note 19, "Stockholders' Equity," for further details of these awards.

The restructuring accrual, spending and other activity for the year ended December 31, 2012 and the current and non-current accrual balance remaining at December 31, 2012 were as follows:

Current and non-current restructuring accrual at December 31, 2011	$ 23.7
Additional accrual and accrual adjustments	144.9
Cash payments during 2012	(81.4)
Effect of changes in foreign currency exchange rates	1.0
Current and non-current restructuring accrual at December 31, 2012	$ 88.2

Cumulative cash payments made in connection with this program through December 31, 2012 were $110 million. We expect to pay $71 million of the accrual balance remaining at December 31, 2012 within the next twelve months. This amount is included in other current liabilities on the consolidated balance sheet at December 31, 2012. The majority of the remaining accrual of $17 million is expected to be paid out in 2014 and 2015. This amount is included in other liabilities on the consolidated balance sheet at December 31, 2012.

Other Associated Costs

The other associated costs in 2012 include asset impairment charges of $12 million and professional and consulting fees of $6 million and other costs for $4 million. Asset impairment charges include (i) a $4 million charge related to a facility closure in the U.S., reported in cost of sales in our Food & Beverage segment, and (ii) an $8 million charge related to a planned facility closure in France, reported in cost of sales in our I&L segment.

Other Capital Expenditures

Other capital expenditures were $14 million in 2012 and none in 2011. Other capital expenditures are mainly related to purchases for equipment for facility and supply chain network.

Table of Contents

European Principal Company ("EPC")

In May 2011, before our acquisition of Diversey, Diversey management approved, subject to successful works council consultations, plans to reorganize its European operations to function under a centralized management and supply chain model. We completed the reorganization on May 3, 2012 and the EPC, based in the Netherlands, is now centrally managing Diversey's European operations. Diversey's European subsidiaries are executing sales and distribution locally, and local production companies are acting as toll manufacturers.

Costs incurred as part of the EPC included (i) restructuring charges for severance and termination benefits and (ii) other associated costs, reported as part of marketing, administrative and development expenses in our Consolidated Statements of Operations.

Note 11 Other Liabilities

The following tables detail our other current liabilities and other liabilities at December 31, 2012 and 2011:

	December 31,	
	2012	2011
Other current liabilities:		
Accrued salaries, wages and related costs	$264.8	$269.2
Accrued operating expenses	320.1	229.2
Income taxes payable	23.8	60.8
Accrued customer volume rebates	167.4	180.1
Accrued interest	63.4	65.6
Accrued employee benefit liability	9.7	9.8
Total	$849.2	$814.7

	December 31,	
	2012	2011
Other liabilities:		
Accrued employee benefit liability	$292.6	$226.2
Other postretirement liability	77.3	68.9
Other various liabilities	276.1	271.9
Total	$646.0	$567.0

Note 12 Debt and Credit Facilities

Our total debt outstanding consisted of the amounts set forth on the following table:

	December 31, 2012	December 31, 2011
Short-term borrowings	$ 39.2	$ 34.5
Current portion of long-term debt	1.8	1.9
Total current debt	41.0	36.4
5.625% Senior Notes due July 2013, less unamortized discount of $0.3 in 2011[(1)(2)]	—	401.0
12% Senior Notes due February 2014[(1)]	153.4	156.3
Term Loan A Facility due October 2016, less unamortized lender fees of $15.4 in 2012 and $21.7 in 2011[(3)]	843.9	945.7
7.875% Senior Notes due June 2017, less unamortized discount of $5.5 in 2012 and $6.5 in 2011	394.5	393.5
Term Loan B Facility due October 2018, less unamortized lender fees of $10.7 in 2012 and $21.3 in 2011, and unamortized discount of $15.6 in 2012 and $26.5 in 2011[(3)]	771.6	1,118.8
8.125% Senior Notes due September 2019	750.0	750.0
6.50% Senior Notes due December 2020	425.0	—
8.375% Senior Notes due September 2021	750.0	750.0
6.875% Senior Notes due July 2033, less unamortized discount of $1.4 in 2012 and $1.4 in 2011	448.6	448.6
Other	3.8	2.8
Total long-term debt, less current portion	4,540.8	4,966.7
Total debt[(4)]	$ 4,581.8	$ 5,003.1

(1) Amount includes adjustments due to interest rate swaps. See "Interest Rate Swaps," of Note 13, "Derivatives and Hedging Activities," for further discussion.

(2) During 2012, we purchased all of our outstanding $400 million 5.625% Senior Notes due 2013. See below for further discussion.

(3) In 2012, we prepaid $95 million of euro and U.S. dollar denominated portions of the original Term Loan A. In addition, we prepaid $1.1 billion and refinanced the remaining principal amount of $801 million of the euro and U.S dollar denominated portions of the original Term Loan B at 99.75% of the face value. Also, in connection with the sale of Diversey Japan, we prepaid $90 million and refinanced the remaining principal amount of $80 million of the Japanese yen denominated balances owed under the original Term Loan A. See below for further discussion.

(4) The weighted average interest rate on our outstanding debt was 6.4% as of December 31, 2012 and 6.2% as of December 31, 2011.

Senior Notes

2012 Activity

In November 2012, we issued $425 million of 6.50% Senior Notes and used substantially all of the proceeds to retire the 5.625% senior notes due July 2013. The aggregate repurchase price was $421 million, which included the principal amount of $400 million, a 3% premium of $13 million and accrued interest of $8 million. As a result, we recognized a net pre-tax loss of $12 million, which included the premium mentioned above, less a gain of $1 million on the termination of a related interest rate swap. The loss on debt redemption is included on our consolidated statements of operations.

The 6.50% senior notes due 2020 and their related guarantees were offered only to qualified institutional buyers under Rule 144A of the Securities Act of 1933, as amended (the "Securities Act"), and to non-U.S. persons in transactions outside the U.S. under Regulation S of the Securities Act. These notes have not been registered under the Securities Act, and, unless so registered, may not be offered or sold in the U.S. absent registration or an applicable exemption form, or in a transaction not subject to, the registration requirements of the Securities Act and other applicable securities laws.

2011 Activity

On October 3, 2011, we completed an offering of $750 million aggregate principal amount of 8.125% senior notes due 2019 and $750 million aggregate principal amount of 8.375% senior notes due 2021. These notes were sold to investors at 100.0% of their aggregate principal amount, and interest is payable on the notes on March 15 and September 15 of each year, commencing March 15, 2012.

These notes and their related guarantees were offered only to qualified institutional buyers under Rule 144A of the Securities Act, and to non-U.S. persons in transactions outside the United States under Regulation S of the Securities Act. These notes have not been registered under the Securities Act, and, unless so registered, may not be offered or sold in the United States absent registration or an applicable exemption form, or in a transaction not subject to, the registration requirements of the Securities Act and other applicable securities laws.

Credit Facility

2012 Activity

Amended Credit Facility

In connection with the sale of Diversey Japan (see Note 3, "Divestiture"), and the repayment of existing indebtedness of the Company and to provide for ongoing liquidity requirements, on November 14, 2012, we entered into an amended senior secured credit facility (the "Amended Credit Facility"). The Amended Credit Facility consists of: (a) a multicurrency Term Loan A facility denominated in U.S. dollars, Canadian dollars, euros and Japanese yen, ("Amended Term Loan A Facility"), (b) a multicurrency Term Loan B facility denominated in U.S. dollars and euros ("Amended Term Loan B Facility") and (c) a $700 million revolving credit facility available in U.S. dollars, Canadian dollars, euros, and Australian dollars ("Amended Revolving Credit Facility"). Our obligations under the Amended Credit Facility have been guaranteed by certain of Sealed Air's subsidiaries and secured by pledges of certain assets and the capital stock of certain subsidiaries.

The Amended Term Loan A Facility and the Amended Revolving Credit Facility each have a five-year term and bear interest at either LIBOR or the base rate (or an equivalent rate in the relevant currency) plus 250 basis points (bps) per annum in the case of LIBOR loans and 150 bps per annum in the case of base rate loans, provided that the interest rates shall be decreased to 225 bps and 125 bps, respectively, upon achievement of a specified leverage ratio. The Amended Term Loan B Facility has a seven-year term. The U.S. dollar-denominated tranche bears interest at either LIBOR or the base rate plus 300 bps per annum in the case of LIBOR loans and 200 bps per annum in the case of base rate loans, and the euro-denominated tranche bears interest at either EURIBOR or the base rate plus 350 bps per annum in the case of EURIBOR loans and 250 bps per annum in the case of base rate loans. LIBOR and EURIBOR are subject to a 1.0% floor under the Amended Term Loan B Facility.

In connection with the sale of Diversey Japan, we prepaid $90 million and refinanced the remaining principal amount of $80 million of Japanese yen denominated balances owned of the original Term Loan A. As a result, we accelerated $1 million of original unamortized lender fees included as a reduction of the pre-tax gain on the sale of Diversey Japan. We also carried forward $1 million of unamortized lender fees in the carrying amount of the debt instrument. Incremental lender fees and non-lender fees related to the transactions mentioned above were insignificant. These non-lender fees are included in other assets on our consolidated balance sheet. We prepaid $95 million of euro and U.S. dollar denominated portions of the original Term Loan A for other Sealed Air companies.

We prepaid $1.1 billion and refinanced the remaining principal amount of $801 million of the euro and U.S. dollars denominated portions of the original Term Loan B at 99.75% of the face value for other Sealed Air companies. As a result, we accelerated unamortized original issuance discounts of $9 million and unamortized lender fees of $7 million, which are included in loss on debt redemption on our consolidated statements of operations. We also recorded new original issuance discount and non-lender fees for a total of $2 million, which are included in the carrying amount of the debt instruments. In addition, we recorded $7 million of non-lender fees related to the transactions mentioned above. Those fees are included in loss on debt redemption on our consolidated statements of operations.

The amortization expense of the original issuance discount and lender and non-lender fees is calculated using the effective interest rate method over the lives of the respective debt instruments. Total amortization expense in 2012 related to the debt instruments above was $23 million and is included in interest expense on our consolidated statements of operations.

The Amended Credit Facility provides for customary events of default, including failure to pay principal or interest when due, failure to comply with covenants, materially false representation or warranty made by the Company, certain insolvency or receivership events and a change in control. For certain events of default, the commitments of the lenders will be automatically terminated, and all outstanding obligations under the Amended Credit Facility may be declared immediately due and payable.

The Amended Revolving Credit Facility may be used for working capital needs and general corporate purposes, including the payment of the amounts required upon effectiveness of the Settlement agreement (defined below in Note 18, "Commitments and Contingencies"). We used our Amended Revolving Facility for a short time period in connection with the sale of Diversey Japan. Interest paid for the year ended December 31, 2012 under the Amended Revolving Credit Facility was insignificant. There were no amounts outstanding under the Amended Credit Facility at December 31, 2012.

2011 Activity

Original Credit Facility

In connection with the funding of the cash consideration for the acquisition and the repayment of existing indebtedness of Diversey and to provide for ongoing liquidity requirements, on October 3, 2011, we entered into a senior secured credit facility (the "Credit Facility"). The Credit Facility consists of: (a) a multicurrency Term Loan A facility denominated in U.S. dollars, Canadian dollars, euros and Japanese yen, ("Term Loan A Facility"), (b) a multicurrency Term Loan B Facility and (c) a $700 million revolving facility available in U.S. dollars, Canadian dollars, euros and Australian dollars ("Revolving Credit Facility"). Our obligations under the Credit Facility have been guaranteed by certain of Sealed Air's subsidiaries and secured by pledges of certain assets and the capital stock of certain of our subsidiaries. In connection with entering into the Credit Facility, we terminated our former global credit facility and European credit facility.

The U.S. dollar denominated tranche of the Term Loan B Facility was sold to investors at 98% of its principal amount, and the euro-denominated tranche of the Term Loan B Facility was sold to investors at 97% of its principal amount. As a result, we recorded $28 million of original issuance discounts, which were included in the carrying amount of the Term Loan B Facility prior to its refinancing in 2012. We also recorded $48 million of lender fees related to the transactions mentioned above. These fees are also included in the carrying amount of the respective debt instruments. In addition, we recorded $51 million of non-lender fees related to the transactions mentioned above. Those fees were included in other assets on our consolidated balance sheet.

Table of Contents

The amortization expense of the original issuance discount and lender and non-lender fees is calculated using the effective interest rate method over the lives of the respective debt instruments. Total amortization expense in 2011 related to the debt instruments above was $7 million and is included in interest expense on our consolidated statements of operations.

Lines of Credit

The following table summarizes our available lines of credit and committed and uncommitted lines of credit, including the Revolving Credit Facility discussed above, and the amounts available under our accounts receivable securitization program. We are not subject to any material compensating balance requirements in connection with our lines of credit.

	December 31, 2012	December 31, 2011
Used lines of credit	$ 39.2	$ 34.5
Unused lines of credit	989.5	1,028.7
Total available lines of credit	$ 1,028.7	$ 1,063.2
Available lines of credit — committed	$ 700.5	$ 703.9
Available lines of credit — uncommitted	328.2	359.3
Total available lines of credit	$ 1,028.7	$ 1,063.2
Accounts receivable securitization program — committed(1)	$ 112.0	$ 92.0

(1) See Note 9, "Accounts Receivable Securitization Program," for further details of this program.

Other Lines of Credit

Substantially all our short-term borrowings of $39 million at December 31, 2012 and $35 million at December 31, 2011 were outstanding under lines of credit available to several of our foreign subsidiaries. The following table details our other lines of credit.

	December 31, 2012	December 31, 2011
Available lines of credit	$ 328.3	$ 359.3
Unused lines of credit	289.0	328.7
Weighted average interest rate	10.2%	10.1%

Covenants

Each issue of our outstanding senior notes imposes limitations on our operations and those of specified subsidiaries. The Amended Credit Facility contains customary affirmative and negative covenants for credit facilities of this type, including limitations on our indebtedness, liens, investments, restricted payments, mergers and acquisitions, dispositions of assets, transactions with affiliates, amendment of documents and sale leasebacks, and a covenant specifying a maximum permitted ratio of Consolidated Net Debt to Consolidated EBITDA (as defined in the Credit Facility). We were in compliance with the above financial covenants and limitations at December 31, 2012 and 2011.

Debt Maturities

The following table summarizes the scheduled annual maturities for the next five years and thereafter of our long-term debt, including the current portion of long-term debt. This schedule excludes debt discounts, interest rate swaps and lender fees.

2013	$ 1.8
2014	304.0
2015	329.8
2016	406.2
2017	408.2
Thereafter	3,141.2
Total	$4,591.2

Note 13 Derivatives and Hedging Activities

We report all derivative instruments on our consolidated balance sheets at fair value and establish criteria for designation and effectiveness of transactions entered into for hedging purposes.

As a large global organization, we face exposure to market risks, such as fluctuations in foreign currency exchange rates and interest rates. To manage the volatility relating to these exposures, we enter into various derivative instruments from time to time under our risk management policies. We designate derivative instruments as hedges on a transaction basis to support hedge accounting. The changes in fair value of these hedging instruments offset in part or in whole corresponding changes in the fair value or cash flows of the underlying exposures being hedged. We assess the initial and ongoing effectiveness of our hedging relationships in accordance with our policy. We do not purchase, hold or sell derivative financial instruments for trading purposes. Our practice is to terminate derivative transactions if the underlying asset or liability matures or is sold or terminated, or if we determine the underlying forecasted transaction is no longer probable of occurring.

Foreign Currency Forward Contracts Not Designated as Hedges

Our subsidiaries have foreign currency exchange exposure from buying and selling in currencies other than their functional currencies. The primary purposes of our foreign currency hedging activities are to manage the potential changes in value associated with the amounts receivable or payable on transactions denominated in foreign currencies and to minimize the impact of the changes in foreign currencies related to foreign currency denominated interest-bearing intercompany loans and receivables and payables. The changes in fair value of these derivative contracts are recognized in other expense, net, on our consolidated statements of operations and are largely offset by the remeasurement of the underlying foreign currency denominated items indicated above. These contracts have original maturities of less than 12 months.

The estimated fair value of these derivative contracts, which represents the estimated net balance that would be paid or that would be received by us in the event of their termination, based on the then current foreign currency exchange rates, was a net current liability of $25 million at December 31, 2012 and was a net current asset of $15 million at December 31, 2011.

Foreign Currency Forward Contracts Designated as Cash Flow Hedges

The primary purposes of our cash flow hedging activities are to manage the potential changes in value associated with the amounts receivable or payable on equipment and raw material purchases that are denominated in foreign currencies in order to minimize the impact of the changes in foreign currencies. We record gains and losses on foreign currency forward contracts qualifying as cash flow hedges in other comprehensive income to the extent that these hedges are effective and until we recognize the underlying transactions in net earnings, at which time we recognize these gains and losses in other expense, net, on our consolidated statements of operations.

Net unrealized after tax gains (losses) related to these contracts that were included in other comprehensive income for the years ended December 31, 2012 and 2011 were immaterial. The unrealized amounts in other comprehensive income will fluctuate based on changes in the fair value of open contracts during each reporting period.

Interest Rate Swaps

From time to time, we may use interest rate swaps to manage our mix of fixed and floating interest rates on our outstanding indebtedness.

In the third quarter of 2012, we terminated the swaps linked to the 12% Senior Notes, although the 12% Senior Notes remained outstanding. We received cash of $2 million resulting from the gain on the termination of the swaps, which is being amortized over the remaining life of the 12% Senior Notes. At December 31, 2012, we had no interest rate swaps outstanding.

In the fourth quarter of 2011, we terminated or offset interest rate swaps on our 5.625% Senior Notes and a portion of our 12% Senior Notes. As a result, we received cash of $7 million related to these terminations and recognized a reduction of interest expense of $1 million and an increase of $6 million in the carrying amount of our 12% Senior Notes and our 5.625% Senior Notes, which is being amortized over the remaining maturities of these notes and included in interest expense on our consolidated statements of operations.

At December 31, 2011, we recorded a mark-to-market adjustment to record an increase of $2 million in the carrying amount of our 12% Senior Notes due to changes in interest rates and an offsetting increase to other assets at December 31, 2011 to record the fair value of the remaining outstanding interest rate swaps. There was no ineffective portion of the hedges recognized in earnings during the period.

As a result of our interest rate swap agreements, interest expense was reduced by $1 million in 2012 and $3 million in 2011.

Other Derivative Instruments

We may use other derivative instruments from time to time, such as foreign exchange options to manage exposure to foreign exchange rates and interest rate and currency swaps related to access to international financing transactions. These instruments can potentially limit foreign exchange exposure by swapping borrowings denominated in one currency for borrowings denominated in another currency. At December 31, 2012 and 2011, we had no foreign exchange options or interest rate and currency swap agreements outstanding.

See Note 14, “Fair Value Measurements and Other Financial Instruments,” for a discussion of the inputs and valuation techniques used to determine the fair value of our outstanding derivative instruments.

Fair Value of Derivative Instruments

The following table details the fair value of our derivative instruments included on our consolidated balance sheets.

	Fair Value of Asset Derivatives(1)		Fair Value of (Liability) Derivatives(1)	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
Derivatives designated as hedging instruments:				
Foreign currency forward contracts (cash flow hedges)	$ 0.5	$ 0.5	$ (0.8)	$ (0.5)
Interest rate swaps (fair value hedges)	—	2.1	—	—
Derivatives not designated as hedging instruments:				
Foreign currency forward contracts	4.9	18.0	(29.6)	(3.0)
Total	$ 5.4	$ 20.6	$ (30.4)	$ (3.5)

(1) Asset derivatives are included in other assets and liability derivatives were included in other liabilities.

The following table details the effect of our derivative instruments on our consolidated statements of operations.

	Amount of Gain (Loss) Recognized in Earnings on Derivatives(1) Year Ended December 31,	
	2012	2011
Derivatives designated as hedging instruments:		
Interest rate swaps	$ —	$ 4.1
Foreign currency forward contracts(2)	—	0.4
Derivatives not designated as hedging instruments:		
Foreign currency forward contracts(2)	4.6	5.3
Total	$ 4.6	$ 9.8

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(1) Amounts recognized on the foreign currency forward contracts were included in other expense, net. Amounts recognized on the interest rate swaps were included in interest expense.

(2) The net gains and (losses) included above were substantially offset by the net (losses) and gains resulting from the remeasurement of the underlying foreign currency denominated items, which are included in other expense, net, on the consolidated statement of operations. The underlying foreign currency denominated items include third party and intercompany receivables and payables and interest-bearing intercompany loans. See “Foreign Currency Forward Contracts Not Designated as Hedges” above for further information.

Note 14 Fair Value Measurements and Other Financial Instruments

Fair Value Measurements

The fair value of our financial instruments, using the fair value hierarchy under U.S. GAAP detailed in “Fair Value Measurements,” of Note 2, “Summary of Significant Accounting Policies and Recently Issued Accounting Standards,” are included in the table below.

December 31, 2012	Total Fair Value	Level 1	Level 2	Level 3
Cash equivalents	$ 210.0	$ —	$210.0	$ —
Derivative financial instruments net liability:				
Foreign currency forward contracts	$ 25.0	$ —	$ 25.0	$ —

December 31, 2011	Total Fair Value	Level 1	Level 2	Level 3
Cash equivalents	$ 148.9	$ —	$148.9	$ —
Derivative financial instrument net asset:				
Interest rate swaps	$ 2.1	$ —	$ 2.1	$ —
Foreign currency forward contracts	$ 15.0	$ —	$ 15.0	$ —

Cash Equivalents

Our cash equivalents at December 31, 2012 consisted of commercial paper and time deposits (fair value determined using Level 2 inputs). Our cash equivalents at December 31, 2011 consisted of commercial paper and money market accounts (fair value determined using Level 2 inputs). Since these are short-term highly liquid investments with original maturities of three months or less at the date of purchase, they present negligible risk of changes in fair value due to changes in interest rates.

Derivative Financial Instruments

Our foreign currency forward contracts are recorded at fair value on our consolidated balance sheets using an income approach valuation technique based on observable market inputs (Level 2).

Observable market inputs used in the calculation of the fair value of foreign currency forward contracts include foreign currency spot and forward rates obtained from an independent third party market data provider. In addition, other pricing data quoted by various banks and foreign currency dealers involving identical or comparable instruments are included.

Our interest rate swaps are recorded at fair value on our consolidated balance sheet using an income approach valuation technique based on observable market inputs (Level 2). Observable market inputs used in the calculation of the fair value of interest rate swaps include pricing data from counterparties to these swaps, and a comparison is made to other market data including U.S. Treasury yields and swap spreads involving identical or comparable derivative instruments.

Counterparties to these foreign currency forward contracts and interest rate swaps are rated at BBB or higher by Standard & Poor’s and Baa2 or higher by Moody’s. Credit ratings on some of our counterparties may change during the term of our financial instruments. We closely monitor our counterparties’ credit ratings and if necessary, will make any appropriate changes to our financial instruments. The fair value generally reflects the estimated amounts that we would receive or pay to terminate the contracts at the reporting date.

Other Financial Instruments

The following financial instruments are recorded at fair value or at amounts that approximate fair value: (1) receivables, net, (2) certain other current assets, (3) accounts payable and (4) other current liabilities. The carrying amounts reported on our consolidated balance sheets for the above financial instruments closely approximate their fair value due to the short-term nature of these assets and liabilities.

Other liabilities that are recorded at carrying value on our consolidated balance sheets include our senior notes. We utilize a market approach to calculate the fair value of our senior notes. Due to their limited investor base and the face value of some of our senior notes, they may not be actively traded on the date we calculate their fair value. Therefore, we may utilize prices and other relevant information generated by market transactions involving similar securities, reflecting U.S. Treasury yields to calculate the yield to maturity and the price on some of our senior notes. These inputs are provided by an independent third party and are considered to be Level 2 inputs.

We derive our fair value estimates of our various other debt instruments by evaluating the nature and terms of each instrument, considering prevailing economic and market conditions, and examining the cost of similar debt offered at the balance sheet date. We also incorporated our credit default swap rates and currency specific swap rates in the valuation of each debt instrument, as applicable.

These estimates are subjective and involve uncertainties and matters of significant judgment, and therefore we cannot determine them with precision. Changes in assumptions could significantly affect our estimates.

The table below shows the carrying amounts and estimated fair values of our total debt:

	December 31, 2012		December 31, 2011	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
5.625% Senior Notes due July 2013[1]	$ —	$ —	$ 401.0	$ 414.1
12% Senior Notes due February 2014[1]	153.4	172.0	156.3	179.8
Term Loan A Facility due October 2016[2]	843.9	843.9	945.7	945.7
7.875% Senior Notes due June 2017	394.5	424.8	393.5	426.0
Term Loan B Facility due October 2018[2]	771.6	771.6	1,118.8	1,118.8
8.125% Senior Notes due September 2019	750.0	846.8	750.0	824.5
6.50% Senior Notes due December 2020	425.0	463.1	—	—
8.375% Senior Notes due September 2021	750.0	858.5	750.0	826.9
6.875% Senior Notes due July 2033	448.6	421.7	448.6	389.3
Other foreign loans	44.2	44.0	37.8	37.4
Other domestic loans	0.6	0.6	1.4	1.3
Total debt	$4,581.8	$4,847.0	$5,003.1	$5,163.8

(1) The carrying value and fair value of such debt include adjustments due to interest rate swaps. See Note 13, "Derivatives and Hedging Activities."
(2) Includes non-U.S. dollar tranches.

As of December 31, 2012, we did not have any non–financial assets and liabilities that were carried at fair value on a recurring basis in the consolidated financial statements or for which a fair value measurement was required at December 31, 2012. Included among our non-financial assets and liabilities that are not required to be measured at fair value on a recurring basis are inventories, net property and equipment, goodwill and intangible assets.

Credit and Market Risk

Financial instruments, including derivatives, expose us to counterparty credit risk for nonperformance and to market risk related to changes in interest or currency exchange rates. We manage our exposure to counterparty credit risk through specific minimum credit standards, establishing credit limits, diversification of counterparties, and procedures to monitor concentrations of credit risk.

We do not expect any of our counterparties in derivative transactions to fail to perform as it is our policy to have counterparties to these contracts that are rated at least BBB or higher by Standard & Poor's and Baa2 or higher by Moody's. Nevertheless, there is a risk that our exposure to losses arising out of derivative contracts could be material if the counterparties to these agreements fail to perform their obligations. We will replace counterparties if a credit downgrade is deemed to increase our risk to unacceptable levels.

We regularly monitor the impact of market risk on the fair value and cash flows of our derivative and other financial instruments considering reasonably possible changes in interest and currency exchange rates and restrict the use of derivative financial instruments to hedging activities. We do not use derivative financial instruments for trading or other speculative purposes and do not use leveraged derivative financial instruments.

We continually monitor the creditworthiness of our diverse base of customers to which we grant credit terms in the normal course of business and generally do not require collateral. We consider the concentrations of credit risk associated with our trade accounts receivable to be commercially reasonable and believe that such concentrations do not leave us vulnerable to significant risks of near-term severe adverse impacts. The terms and conditions of our credit sales are designed to mitigate concentrations of credit risk with any single customer. Our sales are not materially dependent on a single customer or a small group of customers.

Note 15 Profit Sharing, Retirement Savings Plans and Defined Benefit Pension Plans

Profit Sharing and Retirement Savings Plans

Legacy Sealed Air has a qualified non-contributory profit sharing plan covering most of its U.S. employees. Contributions to this plan, which are made at the discretion of our Board of Directors, may be made in cash, shares of our common stock, or in a combination of cash and shares of our common stock. We also maintain qualified contributory retirement savings plans in which most of our U.S. employees are eligible to participate. The qualified contributory retirement savings plans generally provide for our contributions in cash based upon the amount contributed to the plans by the participants.

Our contributions to or provisions for the profit sharing plan and retirement savings plans are charged to operations and amounted to $33 million in 2012, $32 million in 2011 and $27 million in 2010. No shares of our common stock were contributed in 2012 and 2011, while 0.3 million shares were contributed in 2010 as part of our contribution to the profit sharing plan. These shares were issued out of treasury stock.

We have various international defined contribution benefit plans which cover certain employees. We have expanded use of these plans in select countries where they have been used to supplement or replace defined benefit plans.

Defined Benefit Pension Plans

We recognize the funded status of each defined pension benefit plan measured as the difference between the fair value of plan assets and the projected benefit obligations of the employee benefit plans on the consolidated balance sheet, with a corresponding adjustment to accumulated other comprehensive loss, net of taxes. Each overfunded plan is recognized as an asset and each underfunded plan is recognized as a liability on our consolidated balance sheets. Subsequent changes in the funded status are recognized in unrecognized pension items, a component of accumulated other comprehensive loss, that is included in total stockholders' equity. The amount of unamortized pension items is recorded net of tax. The measurement date used by us to determine projected benefit obligations and plan assets is December 31.

United States

A number of our U.S. employees, including some employees who are covered by collective bargaining agreements, participate in defined benefit pension plans. The following table presents our funded status for 2012 and 2011 for our U.S. pension plans. The measurement date for the defined benefit pension plans presented below is December 31 of each period.

Table of Contents

	2012	2011
Change in benefit obligation:		
Projected benefit obligation at beginning of period	$212.1	$ 54.8
Service cost	1.2	1.1
Interest cost	9.3	4.8
Actuarial loss	6.4	10.2
Benefits paid	(8.2)	(9.3)
Settlement/curtailment	(10.7)	—
Acquisition of Diversey	—	150.5
Projected benefit obligation at end of period	$210.1	$212.1
Change in plan assets:		
Fair value of plan assets at beginning of period	$171.2	$ 40.8
Actual gain on plan assets	22.0	7.5
Employer contributions	3.3	4.4
Benefits paid	(8.2)	(9.3)
Settlement/curtailment	(10.7)	—
Acquisition of Diversey	—	127.8
Fair value of plan assets at end of period	177.6	171.2
Underfunded status at end of year	$ (32.5)	$ (40.9)

Amounts included on the consolidated balance sheets consisted of other liabilities of $33 million in 2012 and $41 million in 2011.

The following table shows the components of our net periodic benefit cost for the three years ended December 31, 2012, for our U.S. pension plans charged to operations:

	2012	2011	2010
Components of net periodic benefit cost:			
Service cost	$ 1.2	$ 1.1	$ 1.0
Interest cost	9.3	4.8	2.8
Expected return on plan assets	(11.2)	(5.1)	(2.7)
Amortization of net prior service cost	0.2	0.2	0.3
Amortization of net actuarial loss	1.8	1.3	1.2
Net periodic benefit cost	$ 1.3	$ 2.3	$ 2.6

The amounts in accumulated other comprehensive loss, net of taxes, that have not yet been recognized as components of net periodic benefit cost at December 31, 2012, are:

Unrecognized prior service costs	$ 0.3
Unrecognized net actuarial loss	18.5
Total	$18.8

Changes in plan assets and benefit obligations recognized in other comprehensive loss in 2012 were as follows:

Current year actuarial loss	$(3.5)
Amortization of actuarial loss	(1.8)
Amortization of prior service cost	(0.2)
Total recognized in other comprehensive loss	$(5.5)

The amounts in accumulated other comprehensive loss that are expected to be recognized as components of net periodic benefit cost during 2013 are as follows:

Unrecognized prior service costs	$0.2
Unrecognized net actuarial loss	2.3
Total	$2.5

Information for plans with accumulated benefit obligations in excess of plan assets as of December 31, 2012 is as follows:

Accumulated benefit obligation	$205.9
Fair value of plan assets	177.5

Actuarial Assumptions

Weighted average assumptions used to determine benefit obligations at December 31, 2012 and 2011 were as follows:

	2012	2011
Discount rate	3.8%	4.6%
Rate of compensation increase	3.5	3.5

Weighted average assumptions used to determine net periodic benefit cost for the three years ended December 31, 2012 were as follows:

	2012	2011	2010
Discount rate	4.6%	4.9%	5.5%
Expected long-term rate of return	6.7	6.7	7.3
Rate of compensation increase	3.5	3.5	3.5

Estimated Future Benefit Payments

We expect the following estimated future benefit payments, which reflect expected future service as appropriate, to be paid in the years indicated below:

Year	Amount
2013	$ 13.7
2014	11.0
2015	10.5
2016	12.9
2017	12.2
Thereafter	60.5
Total	$120.8

We expect to contribute less than $1 million of cash to our U.S. defined benefit plans in 2013.

Plan Assets

We review the expected long-term rate of return on plan assets annually, taking into consideration our asset allocation, historical returns, and the current economic environment.

Our long-term objectives for plan investments are to ensure that (a) there is an adequate level of assets to support benefit obligations to participants over the life of the plans, (b) there is sufficient liquidity in plan assets to cover current benefit obligations, and (c) there is a high level of investment return consistent with a prudent level of investment risk. The investment strategy is focused on a long-term total return in excess of a pure fixed income strategy with short-term volatility less than that of a pure equity strategy. To accomplish this objective, we cause assets to be invested in a balanced and diversified mix of equity and fixed income investments. The target asset allocation will typically be 40-50% in equity securities, with a maximum equity allocation of 70%, and 50-60% in fixed income securities, with a minimum fixed income allocation of 30% including cash.

The fair values of our U.S. pension plan assets, by asset category and by the level of fair values at December 31, 2012, are as follows:

	2012				2011			
Asset Category	Total Fair Value	Level 1	Level 2	Level 3	Total Fair Value	Level 1	Level 2	Level 3
Cash and cash equivalents[1]	$ 2.7	$ —	$ 2.7	$ —	$ 4.2	$ —	$ 4.2	$ —
Fixed income funds [2]	96.2	—	96.2	—	96.4	—	96.4	—
Equity funds [3]	72.2	—	72.2	—	64.8	—	64.8	—
Other [4]	6.5	—	0.2	6.3	5.8	—	0.1	5.7
Total	$ 177.6	$ —	$171.3	$ 6.3	$ 171.2	$ —	$165.5	$ 5.7

(1) Short-term investment fund that invests in a collective trust that holds short-term highly liquid investments with principal preservation and daily liquidity as its primary objectives. Investments are primarily comprised of certificates of deposit, U.S. government treasuries, commercial paper, and time deposits.

(2) A diversified portfolio of publicly traded government bonds, corporate bonds, and mortgage-backed securities. There are no restrictions on these investments and they are valued at the net asset value of the shares held at year end, which are supported by the value of the underlying securities and by the unit prices of actual purchase and sale transactions occurring as of or close to the financial statement date.

(3) A diversified portfolio of publicly traded domestic and international common stock. There are no restrictions on these investments, and they are valued at the net asset value of the shares held at year end, which are supported by the values of the underlying securities and by the unit prices of actual purchase and sale transactions occurring as of or close to the financial statement date.

(4) More than 90% is invested in real estate funds with less than $0.5 million invested in alternative investments such as private equity funds, hedge funds and commodities.

The following table shows the activity of our plan assets, which are measured at fair value using Level 3 inputs:

Balance at December 31, 2011	$ 5.7
Gains on assets sold during year	1.0
Losses on assets still held at end of year	(0.2)
Purchases, sales, issuance and settlements	(0.2)
Balance at December 31, 2012	$ 6.3

Table of Contents

International

Some of our non-U.S. employees participate in defined benefit pension plans in their respective countries. The following table presents our funded status for 2012 and 2011 for our non-U.S. pension plans. The measurement date for the defined benefit pension plans presented below is December 31 of each period:

	2012	2011
Change in benefit obligation:		
Projected benefit obligation at beginning of period	$ 847.9	$ 285.9
Service cost	15.3	8.6
Interest cost	38.2	22.8
Actuarial gain loss	158.0	24.3
Settlement/curtailment	(6.8)	(6.9)
Benefits paid	(37.5)	(19.3)
Employee contributions	4.2	2.3
Other	(0.7)	3.0
Foreign exchange impact	18.2	(3.3)
Acquisition	—	530.5
Projected benefit obligation at end of period	$1,036.8	$ 847.9
Change in plan assets:		
Fair value of plan assets at beginning of period	$ 719.6	$ 218.3
Actual gain on plan assets	70.6	31.7
Employer contributions	41.3	22.1
Employee contributions	4.2	2.3
Benefits paid	(37.5)	(19.3)
Settlement/curtailment	(6.5)	(7.0)
Other	(1.1)	4.1
Foreign exchange impact	15.0	(2.2)
Acquisition/(divestiture)	—	469.6
Fair value of plan assets at end of period	805.6	719.6
Underfunded status at end of year	$ (231.2)	$(128.3)

Amounts included on the consolidated balance sheets consisted of:

	2012	2011
Other assets	$ 33.4	$ 62.3
Other current liabilities	(4.5)	(5.1)
Other liabilities	(260.1)	(185.5)
Net amount recognized	$(231.2)	$(128.3)

The following table shows the components of our net periodic benefit cost for the three years ended December 31, 2012 for our non-U.S. pension plans charged to operations:

	2012	2011	2010
Components of net periodic benefit cost:			
Service cost	$ 15.3	$ 8.6	$ 5.5
Interest cost	38.2	22.8	15.5
Expected return on plan assets	(42.3)	(21.5)	(13.0)
Amortization of net prior service cost	0.1	0.1	0.1
Amortization of net actuarial loss	5.0	4.2	7.8
Net periodic benefit cost	$ 16.3	$ 14.2	$ 15.9

The amounts in accumulated other comprehensive loss, net of taxes, that have not yet been recognized as components of net periodic benefit cost at December 31, 2012 are:

Unrecognized prior service costs	$ 0.4
Unrecognized net actuarial loss	188.4
Total	$188.8

Changes in plan assets and benefit obligations recognized in other comprehensive loss in 2012 were as follows:

Current year actuarial loss	$129.5
Amortization of actuarial loss	(5.0)
Amortization of prior service cost	(0.1)
Settlement/curtailment loss	(1.7)
Other	(0.2)
Effects of changes in foreign currency exchange rates	3.8
Total recognized in other comprehensive loss	$126.3

Table of Contents

The amounts in accumulated other comprehensive loss that are expected to be recognized as components of net periodic benefit cost during 2013 are as follows:

Unrecognized prior service costs	$—
Unrecognized net actuarial loss	8.2
Total	$ 8.2

Information for plans with accumulated benefit obligations in excess of plan assets as of December 31, 2012 is as follows:

Accumulated benefit obligation	$575.2
Fair value of plan assets	356.2

Actuarial Assumptions

Weighted average assumptions used to determine benefit obligations at December 31, 2012 and 2011 were as follows:

	2012	2011
Discount rate	3.7%	4.3%
Rate of compensation increase	2.8	2.8

Weighted average assumptions used to determine net periodic benefit cost for the three years ended December 31, 2012 were as follows:

	2012	2011	2010
Discount rate	4.3%	4.6%	5.6%
Expected long-term rate of return	5.9	5.8	6.8
Rate of compensation increase	2.8	2.9	3.9

Estimated Future Benefit Payments

We expect the following estimated future benefit payments, which reflect expected future service as appropriate, to be paid in the years indicated:

Year	Amount
2013	$ 37.2
2014	35.3
2015	40.3
2016	37.9
2017	39.4
Thereafter	224.9
Total	$415.0

We expect to contribute approximately $29 million of cash to our non-U.S. defined benefit plans in 2013.

Plan Assets

We review the expected long-term rate of return on plan assets annually, taking into consideration our asset allocation, historical returns, and the current economic environment.

Our long-term objectives for plan investments are to ensure that (a) there is an adequate level of assets to support benefit obligations to participants over the life of the plans, (b) there is sufficient liquidity in plan assets to cover current benefit obligations, and (c) there is a high level of investment return consistent with a prudent level of investment risk. The investment strategy is focused on a long-term total return in excess of a pure fixed income strategy with short-term volatility less than that of a pure equity strategy. To accomplish this objective, we cause assets to be invested primarily in a diversified mix of equity and fixed income investments.

The fair values of our non-U.S. pension plan assets, by asset category and by the level of fair values are as follows:

	December 31, 2012				December 31, 2011			
Asset Category	Total Fair Value	Level 1	Level 2	Level 3	Total Fair Value	Level 1	Level 2	Level 3
Cash and cash equivalents(1)	$ 7.6	$ 5.8	$ 1.8	$ —	$ 14.7	$ 8.2	$ 6.5	$ —
Fixed income funds(2)	404.2	—	404.2	—	360.8	—	360.8	—
Equity funds(3)	290.0	—	290.0	—	249.0	—	249.0	—
Insurance asset(4)	21.6	—	—	21.6	15.4	—	—	15.4
Other(5)	82.2	—	20.4	61.8	79.7	—	48.8	30.9
Total	$ 805.6	$ 5.8	$750.2	$83.4	$ 719.6	$ 8.2	$665.1	$46.3

(1) Short-term investment fund that invests in a collective trust that holds short-term highly liquid investments with principal preservation and daily liquidity as its primary objectives. Investments are primarily comprised of certificates of deposit, government securities, commercial paper, and time deposits.

(2) Fixed income funds that invest in a diversified portfolio primarily consisting of publicly traded government bonds, corporate bonds and mortgage-backed securities. There are no restrictions on these investments, and they are valued at the net asset value of shares held at year end.

(3) Equity funds that invest in a diversified portfolio of publicly traded domestic and international common stock, with an emphasis in European equities. There are no restrictions on these investments, and they are valued at the net asset value of shares held at year end.

(4) Represents a guaranteed insurance contract for one of our European plans. This plan asset includes company and employee contributions and accumulated interest income at a guaranteed stated interest rate and provides for benefit payments and plan expenses.

(5) The majority of these assets are invested in real estate funds and other alternative investments.

Table of Contents

The following table shows the activity of our plan assets, which are measured at fair value using Level 3 inputs.

Balance at December 31, 2011	$46.3
Gains on assets still held at end of year	5.3
Purchases, sales, issuance and settlements	1.3
Transfers into Level 3, net	30.5
Balance at December 31, 2012	$83.4

Note 16 Other Post-Employment Benefits and Other Employee Benefit Plans

Other Postretirement Benefit Plans – Legacy Diversey

In addition to providing pension benefits, we provide for a portion of healthcare, dental, vision and life insurance benefits for certain retired legacy Diversey employees, primarily in North America. Covered employees retiring on or after attaining age 50 and who have rendered at least ten years of service are entitled to post-retirement healthcare, dental and life insurance benefits. These benefits are subject to deductibles, co-payment provisions and other limitations.

Contributions made by us, net of Medicare Part D subsidies received in the U.S., are reported below as benefits paid. We may change the benefits at any time. We have elected to amortize the transition obligation over a 20-year period. The status of these plans, including a reconciliation of benefit obligations, a reconciliation of plan assets and the funded status of the plans, follows:

	Year Ended December 31,	
	2012	2011
Change in benefit obligations:		
Benefit obligation at beginning of period	$ 71.1	$ —
Service cost	1.0	0.3
Interest cost	3.3	0.8
Plan participants' contributions	—	—
Actuarial loss	9.2	3.9
Benefits paid	(4.4)	(1.2)
Loss due to exchange rate movements	0.1	0.1
Acquisition of Diversey	—	81.2
Plan amendments	(0.4)	(14.0)
Benefit obligation at end of period	$ 79.9	$ 71.1
Change in plan assets:		
Fair value of plan assets at beginning of period	$ —	$ —
Employer contribution	4.4	1.2
Plan participants' contribution	—	—
Benefits paid	(4.4)	(1.2)
Fair value of plan assets at end of period	$ —	$ —
Net amount recognized:		
Underfunded status	$(79.9)	$(71.1)
Net amount recognized in consolidated balance sheets consists of:		
Current liability	(5.2)	(4.7)
Noncurrent liability	(74.7)	(66.4)
Net amount recognized	$(79.9)	$(71.1)
Amounts recognized in accumulated other comprehensive income consist of:		
Net actuarial loss	13.2	3.9
Prior service credit	(13.4)	(13.9)
Total	$ (0.2)	$(10.0)

The accumulated post-retirement benefit obligations were determined using a weighted-average discount rate of 3.8% at December 31, 2012 and 4.6% at December 31, 2011. The components of net periodic benefit cost for the two years ended December 31, 2012:

	2012	2011
Service cost	$ 1.0	$ 0.3
Interest cost	3.3	0.8
Amortization of net loss	—	—
Amortization of prior service credit	(0.9)	(0.1)
Curtailments, settlements and special termination benefits	—	—
Net periodic benefit cost	$ 3.4	$ 1.0

The amounts in accumulated other comprehensive (loss) income at December 31, 2012 that are expected to be recognized as components of net periodic benefit cost during the next fiscal year are as follows:

Actuarial loss	$ 0.3
Prior service (credit)	(1.0)
Transition (asset) obligation	—

Other Postretirement Benefit Plans – Legacy Sealed Air

We generally do not offer our employees postretirement benefits other than programs that are required by the foreign countries in which we operate. In the U.S., we offer a postretirement healthcare program that is fully funded by the participating retired employees, except as noted below. These programs are not material to our consolidated financial condition and results of operations.

Healthcare Cost Trend Rates

For the year ended December 31, 2012, healthcare cost trend rates were assumed to be 4.0% for Belgian plans, 7.5% for U.S. plans in 2013 and decreasing to 5.0% by 2018, and 7.5% for Canadian plans in 2013 decreasing to 5.0% by 2018. The assumed healthcare cost trend rate has an effect on the amounts reported for the healthcare plans. A one percentage point change on assumed healthcare cost trend rates would have the following effect for the year ended December 31, 2012:

	1% Increase	1% Decrease
Effect on total of service and interest cost components	$ 0.1	$ (0.1)
Effect on post-retirement benefit obligation	2.3	(2.6)

The amortization of any prior service cost is determined using a straight-line amortization of the cost over the average remaining service period of employees expected to receive benefits under the plan.

Expected post-retirement benefits (net of Medicare Part D subsidies) for each of the next five years and succeeding five years are as follows:

Year	Amount
2013	$ 5.3
2014	5.3
2015	5.2
2016	5.1
2017	5.1
Thereafter	25.6
Total	$ 51.6

Note 17 Income Taxes

The components of (loss) earnings from continuing operations before income tax provision were as follows:

	2012	2011	2010
Domestic	$(1,422.2)	$ (73.6)	$ 84.0
Foreign	(449.8)	271.6	259.4
Total	$(1,872.0)	$198.0	$343.4

The components of the income tax (benefit) provision were as follows:

	2012	2011	2010
Current tax expense:			
Federal	$ (6.8)	$ 37.0	$22.1
State and local	(6.2)	5.9	5.6
Foreign	69.5	77.5	63.1
Total current	56.5	120.4	90.8
Deferred tax (benefit) expense:			
Federal	(231.2)	(54.4)	2.1
State and local	(24.8)	(5.3)	(2.1)
Foreign	(62.4)	(1.2)	(3.3)
Total deferred tax benefit	(318.4)	(60.9)	(3.3)
Total (benefit) provision	$(261.9)	$ 59.5	$87.5

Deferred tax assets (liabilities) consist of the following:

	December 31,	
	2012	2011
Settlement agreement and related accrued interest[1]	$ 442.3	$ 383.8
Restructuring reserves	8.7	10.8
Accruals not yet deductible for tax purposes	74.1	67.5
Net operating loss carry forwards	132.6	124.5
Foreign, federal and state credits and investment tax allowances	53.2	130.2
Employee benefit items	129.7	125.9
Other	13.2	0.3
Gross deferred tax assets	853.8	843.0

Valuation allowance	(200.0)	(219.1)
Total deferred tax assets	653.8	623.9
Depreciation and amortization	(68.1)	(72.3)
Unremitted foreign earnings	(135.2)	(149.8)
Intangibles	(274.5)	(573.3)
Other	(10.0)	(15.7)
Total deferred tax liabilities	(487.8)	(811.1)
Net deferred tax assets (liabilities)	$ 166.0	$(187.2)

(1) This deferred tax asset reflects the cash portion of the Settlement agreement and related accrued interest and the fair market value of 18 million shares of our common stock at a post-split price of $17.86 per share based on the price when the Settlement agreement was reached in 2002. However, the value of this deferred tax asset will depend on the price of our common stock at the time it is issued under the Settlement agreement. See Note 18, "Commitments and Contingencies," for further discussion.

In assessing the need for a valuation allowance, we estimate future taxable earnings, with consideration for the feasibility of ongoing planning strategies and the realizability of tax benefit carry forwards and past operating results, to determine which deferred tax assets are more likely than not to be realized in the future. Changes to tax laws, statutory tax rates and future taxable earnings can have an impact on valuation allowances related to deferred tax assets.

The increase in net deferred tax assets (a change from a net deferred tax liability) is primarily attributable to the impairment of certain indefinite lived intangibles, primarily trademarks, related to the acquisition of Diversey. We also decreased our unrecognized benefits with respect to our deferred tax asset for the Settlement agreement (increasing our net asset) and this increase was largely offset by increases in our valuation allowance. We also used a significant amount of foreign tax credits in connection with our sale of Diversey Japan, which decrease was also largely offset by a decrease in our valuation allowance. We had losses in the U.S. and various other foreign jurisdictions and increased our valuation allowance with respect to our net operating loss carry forwards at various foreign subsidiaries.

Based upon anticipated future results, we have concluded that it is more likely than not that we will realize the $654 million balance of deferred tax assets at December 31, 2012, net of the valuation allowance of $200 million. The valuation allowance primarily relates to the uncertainty of utilizing the following deferred tax assets: $408 million of foreign net operating loss carryforwards, or $70 million on a tax-effected basis, $31 million of foreign and federal tax credits and investment allowances, $1.0 billion of state net operating loss carry forwards, or $43 million on a tax-effected basis, $14 million of state tax credits and $41 million of benefits with respect to the Settlement agreement. For the year ended December 31, 2012, the valuation allowance decreased by $19 million, due to the use of foreign tax credits in connection with the sale of Diversey Japan, offset by an increase with respect to foreign net operating losses and our allowance with respect to the Settlement agreement. For the year ended December 31, 2011, the valuation allowance increased by $176 million primarily due to $162 million related to the acquisition of Diversey, $3 million that was charged to the income tax provision and $11 million resulting from a net increase to deferred tax assets with a 100% valuation allowance. For the year ended December 31, 2010, the valuation allowance decreased by $4 million, which reduced the income tax provision.

As of December 31, 2012, we have foreign net operating loss carryforwards totaling $408 million that expire during the following calendar years (in millions): 2013 - $8; 2014 - $6; 2015 - $18; 2016 - $15; 2017 - $14; 2018 and beyond - $98; and no expiration - $249. The state net operating loss carryforwards totaling $1.0 billion expire in various amounts over one to 20 years.

As of December 31, 2012, we have foreign and federal foreign tax credit carryforwards and investment allowances totaling $39 million that expire during the following calendar years (in millions): 2013 - $1; 2017 - $1; 2018 and beyond - $22; and no expiration - $15. The state tax credit carryforwards, totaling $14 million, expire in various amounts over one to 20 years.

Net deferred income taxes (credited) charged to stockholders' equity were $(25) million in 2012, $6 million in 2011 and $(5) million in 2010.

The U.S. federal statutory corporate tax rate reconciles to our effective income tax rate as follows:

	2012	2011	2010
Statutory U.S. federal tax rate	35.0%	35.0%	35.0%
State income taxes, net of federal tax benefit	(0.7)	0.4	0.6
Foreign earnings taxed at lower effective rates	(0.6)	(7.5)	(9.2)
Nondeductible acquisition costs	—	2.7	—
U.S. domestic manufacturing deduction	—	(2.6)	(1.1)
Impairment	(20.2)		
Net change in unrecognized tax benefits	2.0	0.4	—
Other	(1.5)	1.6	0.2
Effective income tax rate	14.0%	30.0%	25.5%

Unrecognized Tax Benefits

We are providing the following disclosures related to our unrecognized tax benefits and the effect on our effective income tax rate if recognized:

	Gross	Net
Unrecognized tax benefits at January 1, 2012	$254.5	$246.7
Additions relating to the acquisition of Diversey	15.5	12.5
Additions for tax positions of current year	23.5	23.5
Additions for tax positions of prior years	2.9	2.5
Reductions for tax positions of prior years	(63.2)	(55.7)
Unrecognized tax benefits at December 31, 2012	$233.2	$229.5

In 2012, we reduced our unrecognized tax benefit by $56 million, primarily with respect to the Settlement agreement. The reduction with respect to our Settlement Agreement is a result of a reassessment of our unrecognized tax benefit position primarily due to our tax situation in the United States following the Diversey acquisition. Substantially all of this reduction was offset by required increases in our valuation allowances so that the net change did not have a material effect on our operating results or financial position.

If the unrecognized tax benefits at December 31, 2012 were recognized, our income tax provision would decrease by $187 million, resulting in a substantially lower effective tax rate. It is reasonably possible that within the next 12 months our unrecognized tax benefit position will decrease by approximately $46 million, including the recognition of a portion of the unrecognized tax benefits relating to the Settlement agreement. As described in Note 18, "Commitments and Contingencies," in 2012 the courts have taken various actions with respect to the PI Settlement Plan and we do not know whether or when a final plan of reorganization will become effective.

We recognize interest and penalties related to unrecognized tax benefits in income tax provision on the consolidated statements of operations. We had a liability of approximately $32 million (of which $15 million represents penalties) at January 1, 2012 and a liability of $28 million (of which $14 million represents penalties) at December 31, 2012 for the payment of interest and penalties (before any tax benefit). In 2012, interest and penalties of $3 million (gross) ($3 million (net)) were recognized in connection with the related tax accruals for uncertainties in prior years. In addition, interest and penalties of $9 million (gross) ($7 million (net)) were reversed in connection with the related tax accruals for uncertainties in prior years.

Income Tax Returns

The Internal Revenue Service (the "Service") has concluded its examination of the legacy Sealed Air U.S. federal income tax returns for all years through 2006. Examination of legacy Diversey U.S. federal income tax returns has also been substantially completed through 2006, but the Service could challenge the Diversey U.S. income tax losses carried forward to subsequent periods. The Service is currently auditing the 2007 and 2010 consolidated U.S. federal income tax returns of legacy Sealed Air and the 2009 and 2010 consolidated U.S. federal income tax returns of legacy Diversey.

State income tax returns are generally subject to examination for a period of three to five years after their filing date. We have various state income tax returns in the process of examination.

Income tax returns in foreign jurisdictions have statutes of limitations generally ranging from three to five years after their filing date and except where still under examination or where we are litigating, we have generally concluded all other income tax matters globally for years through 2005. Our foreign income tax returns are under examination in various jurisdictions in which we conduct business and we are litigating certain issues in several jurisdictions.

Note 18 Commitments and Contingencies

Cryovac Transaction Commitments and Contingencies

Settlement Agreement and Related Costs

On November 27, 2002, we reached an agreement in principle with the Committees appointed to represent asbestos claimants in the bankruptcy case of W. R. Grace & Co., known as Grace, to resolve all current and future asbestos-related claims made against the Company and our affiliates in connection with the Cryovac transaction described below (as memorialized by the parties in the Settlement agreement and as approved by the Bankruptcy Court, the "Settlement agreement"). The Settlement agreement will also resolve the fraudulent transfer claims and successor liability claims, as well as indemnification claims by Fresenius Medical Care Holdings, Inc. and affiliated companies, in connection with the Cryovac transaction. On December 3, 2002, our Board of Directors approved the agreement in principle. We received notice that both of the Committees had approved the agreement in principle as of December 5, 2002. The parties subsequently signed the definitive Settlement agreement as of November 10, 2003 consistent with the terms of the agreement in principle. For a description of the Cryovac transaction, asbestos-related claims and the parties involved, see "Cryovac Transaction,", "Discussion of Cryovac Transaction Commitments and Contingencies," "Fresenius Claims," "Canadian Claims" and "Additional Matters Related to the Cryovac Transaction" below.

We recorded a pre-tax charge of approximately $850 million as a result of the Settlement agreement on our consolidated statement of operations for the year ended December 31, 2002. The charge consisted of the following items:

- a charge of $513 million covering a cash payment that we will be required to make under the Settlement agreement upon the effectiveness of an appropriate plan of reorganization in the Grace bankruptcy. Because we cannot predict when a plan of reorganization may become effective, we recorded this liability as a current liability on our consolidated balance sheet at December 31, 2002. Under the terms of the Settlement agreement, this amount accrues interest at a 5.5% annual rate from December 21, 2002 to the date of payment. We have recorded this interest in interest expense on our consolidated statements of operations and in Settlement agreement and related accrued interest on our consolidated balance sheets. The accrued interest, which is compounded annually, was $364 million at December 31, 2012 and $319 million at December 31, 2011.
- a non-cash charge of $322 million representing the fair market value at the date we recorded the charge of nine million shares of Sealed Air common stock that we expect to issue under the Settlement agreement upon the effectiveness of an appropriate plan of reorganization in the Grace bankruptcy, which was adjusted to eighteen million shares due to our two-for-one stock split in March 2007. These shares are subject to customary anti-dilution provisions that adjust for the effects of stock splits, stock dividends and other events affecting our common stock. The fair market value of our common stock was $35.72 per pre-split share ($17.86 post-split) as of the close of business on December 5, 2002. We recorded this amount on our consolidated balance sheet at December 31, 2002 as follows: $0.9 million representing the aggregate par value of these shares of common stock reserved for issuance related to the Settlement agreement, and the remaining $321 million, representing the excess of the aggregate fair market value over the aggregate par value of these common shares, in additional paid-in capital.
- $16 million of legal and related fees as of December 31, 2002.

Cryovac Transaction

On March 31, 1998, we completed a multi-step transaction that brought the Cryovac packaging business and the former Sealed Air Corporation's business under the common ownership of the Company. These businesses operate as subsidiaries of the Company, and the Company acts as a holding company. As part of that transaction, the parties separated the Cryovac packaging business, which previously had been held by various direct and indirect subsidiaries of the Company, from the remaining businesses previously held by the Company. The parties then arranged for the contribution of these remaining businesses to a company now known as W. R. Grace & Co., and the Company distributed the Grace shares to the Company's stockholders. As a result, W. R. Grace & Co. became a separate publicly owned company. The Company recapitalized its outstanding shares of common stock into a new common stock and a new convertible preferred stock. A subsidiary of the Company then merged into the former Sealed Air Corporation, which became a subsidiary of the Company and changed its name to Sealed Air Corporation (US).

Discussion of Cryovac Transaction Commitments and Contingencies

In connection with the Cryovac transaction, Grace and its subsidiaries retained all liabilities arising out of their operations before the Cryovac transaction, whether accruing or occurring before or after the Cryovac transaction, other than liabilities arising from or relating to Cryovac's operations. Among the liabilities

retained by Grace are liabilities relating to asbestos-containing products previously manufactured or sold by Grace's subsidiaries prior to the Cryovac transaction, including its

primary U.S. operating subsidiary, W. R. Grace & Co.-Conn., which has operated for decades and has been a subsidiary of Grace since the Cryovac transaction. The Cryovac transaction agreements provided that, should any claimant seek to hold the Company or any of its subsidiaries responsible for liabilities retained by Grace or its subsidiaries, including the asbestos-related liabilities, Grace and its subsidiaries would indemnify and defend us.

Since the beginning of 2000, we have been served with a number of lawsuits alleging that, as a result of the Cryovac transaction, we are responsible for alleged asbestos liabilities of Grace and its subsidiaries, some of which were also named as co-defendants in some of these actions. Among these lawsuits are several purported class actions and a number of personal injury lawsuits. Some plaintiffs seek damages for personal injury or wrongful death, while others seek medical monitoring, environmental remediation or remedies related to an attic insulation product. Neither the former Sealed Air Corporation nor Cryovac, Inc. ever produced or sold any of the asbestos-containing materials that are the subjects of these cases. None of these cases has reached resolution through judgment, settlement or otherwise. As discussed below, Grace's Chapter 11 bankruptcy proceeding has stayed all of these cases.

While the allegations in these actions directed to us vary, these actions all appear to allege that the transfer of the Cryovac business as part of the Cryovac transaction was a fraudulent transfer or gave rise to successor liability. Under a theory of successor liability, plaintiffs with claims against Grace and its subsidiaries may attempt to hold us liable for liabilities that arose with respect to activities conducted prior to the Cryovac transaction by W. R. Grace & Co. — Conn. or other Grace subsidiaries. A transfer would be a fraudulent transfer if the transferor received less than reasonably equivalent value and the transferor was insolvent or was rendered insolvent by the transfer, was engaged or was about to engage in a business for which its assets constitute unreasonably small capital, or intended to incur or believed that it would incur debts beyond its ability to pay as they mature. A transfer may also be fraudulent if it was made with actual intent to hinder, delay or defraud creditors. If a court found any transfers in connection with the Cryovac transaction to be fraudulent transfers, we could be required to return the property or its value to the transferor or could be required to fund liabilities of Grace or its subsidiaries for the benefit of their creditors, including asbestos claimants. We have reached an agreement in principle and subsequently signed the Settlement agreement, described below, that is expected to resolve all these claims.

In the Joint Proxy Statement furnished to their respective stockholders in connection with the Cryovac transaction, both parties to the transaction stated that it was their belief that Grace and its subsidiaries were adequately capitalized and would be adequately capitalized after the Cryovac transaction and that none of the transfers contemplated to occur in the Cryovac transaction would be a fraudulent transfer. They also stated their belief that the Cryovac transaction complied with other relevant laws. However, if a court applying the relevant legal standards had reached conclusions adverse to us, these determinations could have had a materially adverse effect on our consolidated financial condition and results of operations.

On April 2, 2001, Grace and a number of its subsidiaries filed petitions for reorganization under Chapter 11 of the U.S. Bankruptcy Code in the U.S. Bankruptcy Court in the District of Delaware (the "Bankruptcy Court"). Grace stated that the filing was made in response to a sharply increasing number of asbestos claims since 1999.

In connection with its Chapter 11 filing, Grace filed an application with the Bankruptcy Court seeking to stay, among others, all actions brought against the Company and specified subsidiaries related to alleged asbestos liabilities of Grace and its subsidiaries or alleging fraudulent transfer claims. The court issued an order dated May 3, 2001, which was modified on January 22, 2002, under which the court stayed all the filed or pending asbestos actions against us and, upon filing and service on us, all future asbestos actions. No further proceedings involving us can occur in the actions that have been stayed except upon further order of the Bankruptcy Court.

Committees appointed to represent asbestos claimants in Grace's bankruptcy case received the court's permission to pursue fraudulent transfer and other claims against the Company and its subsidiary Cryovac, Inc., and against Fresenius, as discussed below. The claims against Fresenius are based upon a 1996 transaction between Fresenius and W. R. Grace & Co. — Conn. Fresenius is not affiliated with us. In March 2002, the court ordered that the issues of the solvency of Grace following the Cryovac transaction and whether Grace received reasonably equivalent value in the Cryovac transaction would be tried on behalf of all of Grace's creditors. This proceeding was brought in the U.S. District Court for the District of Delaware (the "District Court") (Adv. No. 02-02210).

In June 2002, the court permitted the U.S. government to intervene as a plaintiff in the fraudulent transfer proceeding, so that the U.S. government could pursue allegations that environmental remediation expenses were underestimated or omitted in the solvency analyses of Grace conducted at the time of the Cryovac transaction. The court also permitted Grace, which asserted that the Cryovac transaction was not a fraudulent transfer, to intervene in the proceeding. In July 2002, the court issued an interim ruling on the legal standards to be applied in the trial, holding, among other things, that, subject to specified limitations, post-1998 claims should be considered in the solvency analysis of Grace. We believe that only claims and liabilities that were known, or reasonably should have been known, at the time of the 1998 Cryovac transaction should be considered under the applicable standard.

With the fraudulent transfer trial set to commence on December 9, 2002, on November 27, 2002, we reached an agreement in principle with the Committees prosecuting the claims against the Company and Cryovac, Inc., to resolve all current and future asbestos-related claims arising from the Cryovac transaction. On the same day, the court entered an order confirming that the parties had reached an amicable resolution of the disputes among the parties and that counsel for us and the Committees had agreed and bound the parties to the terms of the agreement in principle. As discussed above, the agreement in principle called for payment of nine million shares of our common stock and $513 million in cash, plus interest on the cash payment at a 5.5% annual rate starting on December 21, 2002 and ending on the effective date of an appropriate plan of reorganization in the Grace bankruptcy, when we are required to make the payment. These shares are subject to customary anti-dilution provisions that adjust for the effects of stock splits, stock dividends and other events affecting our common stock, and as a result, the number of shares of our common stock that we will issue increased to eighteen million shares upon the two-for-one stock split in March 2007. On December 3, 2002, the Company's Board of Directors approved the agreement in principle. We received notice that both of the Committees had approved the agreement in principle as of December 5, 2002. The parties subsequently signed the definitive Settlement agreement as of November 10, 2003 consistent with the terms of the agreement in principle. On November 26, 2003, the parties jointly presented the definitive Settlement agreement to the District Court for approval. On Grace's motion to the District Court, that court transferred the motion to approve the Settlement agreement to the Bankruptcy Court for disposition.

On June 27, 2005, the Bankruptcy Court signed an order approving the Settlement agreement. Although Grace is not a party to the Settlement agreement, under the terms of the order, Grace is directed to comply with the Settlement agreement subject to limited exceptions. The order also provides that the Court will retain jurisdiction over any dispute involving the interpretation or enforcement of the terms and provisions of the Settlement agreement. We expect that the Settlement agreement will become effective upon Grace's emergence from bankruptcy pursuant to a plan of reorganization that is consistent with the terms of the Settlement agreement.

On June 8, 2004, we filed a motion with the District Court, where the fraudulent transfer trial was pending, requesting that the court vacate the July 2002 interim ruling on the legal standards to be applied relating to the fraudulent transfer claims against us. We were not challenging the Settlement agreement. The motion was filed as a protective measure in the event that the Settlement agreement is ultimately not approved or implemented; however, we still expect that the Settlement agreement will become effective upon Grace's emergence from bankruptcy with a plan of reorganization that is consistent with the terms of the Settlement agreement.

On July 11, 2005, the Bankruptcy Court entered an order closing the proceeding brought in 2002 by the committees appointed to represent asbestos claimants in the Grace bankruptcy proceeding against us without prejudice to our right to reopen the matter and renew in our sole discretion our motion to vacate the July 2002 interim ruling on the legal standards to be applied relating to the fraudulent transfer claims against us.

As a condition to our obligation to make the payments required by the Settlement agreement, any final plan of reorganization must be consistent with the terms of the Settlement agreement, including provisions for the trusts and releases referred to below and for an injunction barring the prosecution of any asbestos-related claims against us. The Settlement agreement provides that, upon the effective date of the final plan of reorganization and payment of the shares and cash, all present and

future asbestos-related claims against us that arise from alleged asbestos liabilities of Grace and its affiliates (including former affiliates that became our affiliates through the Cryovac transaction) will be channeled to and become the responsibility of one or more trusts to be established under Section 524(g) of the Bankruptcy Code as part of a final plan of reorganization in the Grace bankruptcy. The Settlement agreement will also resolve all fraudulent transfer claims against us arising from the Cryovac transaction as well as the Fresenius claims described below. The Settlement agreement provides that we will receive releases of all those claims upon payment. Under the agreement, we cannot seek indemnity from Grace for our payments required by the Settlement agreement. The order approving the Settlement agreement also provides that the stay of proceedings involving us described above will continue through the effective date of the final plan of reorganization, after which, upon implementation of the Settlement agreement, we will be released from the liabilities asserted in those proceedings and their continued prosecution against us will be enjoined.

In January 2005, Grace filed a proposed plan of reorganization (the “Grace Plan”) with the Bankruptcy Court. There were a number of objections filed. The Official Committee of Asbestos Personal Injury Claimants (the “ACC”) and the Asbestos PI Future Claimants’ Representative (the “PI FCR”) filed their proposed plan of reorganization (the “Claimants’ Plan”) with the Bankruptcy Court in November 2007. On April 7, 2008, Grace issued a press release announcing that Grace, the ACC, the PI FCR, and the Official Committee of Equity Security Holders (the “Equity Committee”) had reached an agreement in principle to settle all present and future asbestos-related personal injury claims against Grace (the “PI Settlement”) and disclosed a term sheet outlining certain terms of the PI Settlement and for a contemplated plan of reorganization that would incorporate the PI Settlement (as filed and amended from time to time, the “PI Settlement Plan”).

On September 19, 2008, Grace, the ACC, the PI FCR, and the Equity Committee filed, as co-proponents, the PI Settlement Plan and several exhibits and associated documents, including a disclosure statement (as filed and amended from time to time, the “PI Settlement Disclosure Statement”), with the Bankruptcy Court. Amended versions of the PI Settlement Plan and the PI Settlement Disclosure Statement have been filed with the Bankruptcy Court from time to time. The PI Settlement Plan, which supersedes each of the Grace Plan and the Claimants’ Plan, remains pending and has not become effective. The committee representing general unsecured creditors and the Official Committee of Asbestos Property Damage Claimants are not co-proponents of the PI Settlement Plan. As filed, the PI Settlement Plan would provide for the establishment of two asbestos trusts under Section 524(g) of the United States Bankruptcy Code to which present and future asbestos-related claims would be channeled. The PI Settlement Plan also contemplates that the terms of the Settlement agreement will be incorporated into the PI Settlement Plan and that we will pay the amount contemplated by the Settlement agreement. On March 9, 2009, the Bankruptcy Court entered an order approving the PI Settlement Disclosure Statement (the “DS Order”) as containing adequate information and authorizing Grace to solicit votes to accept or reject the PI Settlement Plan, all as more fully described in the order. The DS Order did not constitute the Bankruptcy Court’s confirmation of the PI Settlement Plan, approval of the merits of the PI Settlement Plan, or endorsement of the PI Settlement Plan. In connection with the plan voting process in the Grace bankruptcy case, we voted in favor of the PI Settlement Plan that was before the Bankruptcy Court. We will continue to review any amendments to the PI Settlement Plan on an ongoing basis to verify compliance with the Settlement agreement.

On June 8, 2009, a senior manager with the voting agent appointed in the Grace bankruptcy case filed a declaration with the Bankruptcy Court certifying the voting results with respect to the PI Settlement Plan. This declaration was amended on August 5, 2009 (as amended, the “Voting Declaration”). According to the Voting Declaration, with respect to each class of claims designated as impaired by Grace, the PI Settlement Plan was approved by holders of at least two-thirds in amount and more than one-half in number (or for classes voting for purposes of Section 524(g) of the Bankruptcy Code, at least 75% in number) of voted claims. The Voting Declaration also discusses the voting results with respect to holders of general unsecured claims (“GUCs”) against Grace, whose votes were provisionally solicited and counted subject to a determination by the Bankruptcy Court of whether GUCs are impaired (and, thus, entitled to vote) or, as Grace contends, unimpaired (and, thus, not entitled to vote). According to the Voting Declaration, more than one half of voting holders of GUCs voted to accept the PI Settlement Plan, but the provisional vote did not obtain the requisite two-thirds dollar amount to be deemed an accepting class in the event that GUCs are determined to be impaired. To the extent that GUCs are determined to be an impaired non-accepting class, Grace and the other plan proponents have indicated that they would nevertheless seek confirmation of the PI Settlement Plan under the “cram down” provisions contained in Section 1129(b) of the Bankruptcy Code.

On January 31, 2011, the Bankruptcy Court entered a memorandum opinion (as amended, the “Bankruptcy Court Opinion”) overruling certain objections to the PI Settlement Plan and finding, among other things, that GUCs are not impaired under the PI Settlement Plan. On the same date, the Bankruptcy Court entered an order regarding confirmation of the PI Settlement Plan (as amended, the “Bankruptcy Court Confirmation Order”). As entered on January 31, 2011, the Bankruptcy Court Confirmation Order contained recommended findings of fact and conclusions of law, and recommended that the District Court approve the Bankruptcy Court Confirmation Order, and that the District Court confirm the PI Settlement Plan and issue a channeling injunction under Section 524(g) of the Bankruptcy Code. Thereafter, on February 15, 2011, the Bankruptcy Court issued an order clarifying the Bankruptcy Court Opinion and the Bankruptcy Court Confirmation Order (the “Clarifying Order”). Among other things, the Clarifying Order provided that any references in the Bankruptcy Court Opinion and the Bankruptcy Court Confirmation Order to a recommendation that the District Court confirm the PI Settlement Plan were thereby amended to make clear that the PI Settlement Plan was confirmed and that the Bankruptcy Court was requesting that the District Court issue and affirm the Bankruptcy Court Confirmation Order including the injunction under Section 524(g) of the Bankruptcy Code. On March 11, 2011, the Bankruptcy Court entered an order granting in part and denying in part a motion to reconsider the Bankruptcy Court Opinion filed by BNSF Railway Company (the “March 11 Order”). Among other things, the March 11 Order amended the Bankruptcy Court Opinion to clarify certain matters relating to objections to the PI Settlement Plan filed by BNSF.

Various parties appealed or otherwise challenged the Bankruptcy Court Opinion and the Bankruptcy Court Confirmation Order, including without limitation with respect to issues relating to releases and injunctions contained in the PI Settlement Plan. On June 28 and 29, 2011, the District Court heard oral arguments in connection with appeals of the Bankruptcy Court Opinion and the Bankruptcy Court Confirmation Order.

On January 30, 2012, the District Court issued a memorandum opinion (the “Original District Court Opinion”) and confirmation order (the “Original District Court Confirmation Order”) overruling all objections to the PI Settlement Plan and confirming the PI Settlement Plan in its entirety (including the issuance of the injunction under Section 524(g) of the Bankruptcy Code). On February 3, 2012, Garlock Sealing Technologies LLC (“Garlock”) filed a motion (the “Garlock Reargument Motion”) with the District Court requesting that the District Court grant reargument, rehearing, or otherwise amend the Original District Court Opinion and the Original District Court Confirmation Order insofar as they overruled Garlock’s objections to the PI Settlement Plan. On February 13, 2012, the Company, Cryovac, and Fresenius Medical Care Holdings, Inc. filed a joint motion (the “Sealed Air/Fresenius Motion”) with the District Court. The Sealed Air/Fresenius Motion did not seek to disturb confirmation of the PI Settlement Plan but requested that the District Court amend and clarify certain matters in the Original District Court Opinion and

the Original District Court Confirmation Order. Also on February 13, 2012, Grace and the other proponents of the PI Settlement Plan filed a motion (the “Plan Proponents’ Motion”) with the District Court requesting certain of the same amendments and clarifications sought by the Sealed Air/Fresenius Motion. On February 27, 2012, certain asbestos claimants known as the “Libby Claimants” filed a response to the Sealed Air/Fresenius Motion and the Plan Proponents’ Motion (the “Libby Response”). The Libby Response did not oppose the Sealed Air/Fresenius Motion or the Plan Proponents’ Motion but indicated, among other things, that: (a) the Libby Claimants had reached a settlement in principle of their objections to the PI Settlement Plan but that this settlement had not become

effective and (b) the Libby Claimants reserved their rights with respect to the PI Settlement Plan pending the effectiveness of the Libby Claimants' settlement. On April 20, 2012, as part of a more global settlement, Grace filed a motion with the Bankruptcy Court seeking, among other things, approval of settlements with the Libby Claimants and BNSF. The settlements with the Libby Claimants and BNSF were approved by order of the Bankruptcy Court dated June 6, 2012. Thereafter, the appeals of the Libby Claimants and BNSF with respect to the PI Settlement Plan were dismissed by orders of the United States Court of Appeals for the Third Circuit (the "Third Circuit Court of Appeals") dated September 24, 2012 and October 4, 2012. The District Court held a hearing on May 8, 2012, to consider the Garlock Reargument Motion. On May 29, 2012, Anderson Memorial Hospital ("Anderson Memorial") filed a motion seeking relief from, and reconsideration of, the Original District Court Opinion

and the Original District Court Confirmation Order (the “Anderson Relief Motion”). In the Anderson Relief Motion, Anderson Memorial argued that a May 18, 2012, decision by the Third Circuit Court of Appeals in a case called Wright v. Owens-Corning undermined the District Court’s conclusion that (a) the PI Settlement Plan was feasible and (b) the asbestos property damage injunction and trust included in the PI Settlement Plan were appropriate. Objections to the Anderson Relief Motion were filed by Grace and the other proponents of the PI Settlement Plan, and by the representative of future asbestos property damage claimants appointed in the Grace bankruptcy proceedings. On June 11, 2012, the District Court entered a consolidated order (the “Consolidated Order”) granting the Sealed Air/Fresenius Motion, the Plan Proponents’ Motion, and the Garlock Reargument Motion, and providing for amendments to the Original District Court Opinion and the Original District Court Confirmation Order. Although the Consolidated Order granted the Garlock Reargument Motion, it did not constitute the District Court’s agreement with Garlock’s objections to the PI Settlement Plan, which the District Court continued to overrule. Also on June 11, 2012, the District Court entered an amended memorandum opinion (the “Amended District Court Opinion”) and confirmation order (the “Amended District Court Confirmation Order”) overruling all objections to the PI Settlement Plan, reflecting amendments described in the Consolidated Order, and confirming the PI Settlement Plan in its entirety (including the issuance of the injunction under Section 524(g) of the Bankruptcy Code). Thereafter, on July 23, 2012, the District Court issued a memorandum opinion and an order denying the Anderson Relief Motion.

Parties have appealed the Amended District Court Opinion and the Amended District Court Confirmation Order to the Third Circuit Court of Appeals. Parties have filed briefs in connection with the appeals but the Third Circuit Court of Appeals has not scheduled any hearing for oral argument with respect to the appeals and it is uncertain whether any such hearing will be scheduled or, if scheduled, the timing for such a hearing. Although Grace publicly indicated its intent to seek to emerge from bankruptcy before the appeals are fully and finally resolved, it subsequently indicated that it was not able to receive the necessary consents and waivers to do so, including from the Company. Although Grace has in the past indicated that, with an appeals process before the Third Circuit Court of Appeals, its target date to emerge from bankruptcy was the fourth quarter of 2013, we cannot assure you that this timing for emergence is or will be correct or that the target date for Grace’s emergence has not been or will not be revised.

Consistent with our Settlement agreement, we are prepared to pay the Settlement amount directly to the asbestos trusts to be established under section 524(g) of the Bankruptcy Code once the conditions of the Settlement agreement are fully satisfied. Among those conditions is that approval of an appropriate Grace bankruptcy plan – containing all releases, injunctions, and protections required by the Settlement agreement – be final and not subject to any appeal. Given the pending appeals (which include, without limitation, challenges to the injunctions and releases in the PI Settlement Plan), the condition that approval of the PI Settlement Plan be final and not subject to any appeal has not been satisfied at this time. The Company has not waived this or any other condition of the Settlement agreement nor can there be any assurance that each of the parties whose consent or waiver is required for Grace to emerge from bankruptcy while the appeals are pending will provide such consent or waiver. Although we are optimistic that, if it were to become effective, the PI Settlement Plan would implement the terms of the Settlement agreement, we can give no assurance that this will be the case notwithstanding the confirmation of the PI Settlement Plan by the Bankruptcy Court and the District Court. The terms of the PI Settlement Plan remain subject to amendment. Moreover, the PI Settlement Plan is subject to the satisfaction of a number of conditions which are more fully set forth in the PI Settlement Plan and include, without limitation, the availability of exit financing and the approval of the PI Settlement Plan becoming final and no longer subject to appeal. As noted, parties have appealed the Amended District Court Confirmation Order to the Third Circuit Court of Appeals or have otherwise challenged the Amended District Court Opinion and the Amended District Court Confirmation Order. Matters relating to the PI Settlement Plan, the Bankruptcy and Amended District Court Opinions, and the Bankruptcy and Amended District Court Confirmation Orders may be subject to further appeal, challenge, and proceedings before the District Court, the Third Circuit Court of Appeals, or other courts. Parties have challenged various issues with respect to the PI Settlement Plan, the Bankruptcy and Amended District Court Opinions, or the Bankruptcy and Amended District Court Confirmation Orders, including, without limitation, issues relating to releases and injunctions contained in the PI Settlement Plan.

While the Bankruptcy Court and the District Court have confirmed the PI Settlement Plan, we do not know whether or when the Third Circuit Court of Appeals will affirm the Amended District Court Confirmation Order or the Amended District Court Opinion, whether or when the Bankruptcy and Amended District Court Opinions or the Bankruptcy and Amended District Court Confirmation Orders will become final and no longer subject to appeal, or whether or when a final plan of reorganization (whether the PI Settlement Plan or another plan of reorganization) will become effective. Assuming that a final plan of reorganization (whether the PI Settlement Plan or another plan of reorganization) is confirmed by the Bankruptcy Court and the District Court, and does become effective, we do not know whether the final plan of reorganization will be consistent with the terms of the Settlement agreement or if the other conditions to our obligation to pay the Settlement agreement amount will be met. If these conditions are not satisfied or not waived by us, we will not be obligated to pay the amount contemplated by the Settlement agreement. However, if we do not pay the Settlement agreement amount, we will not be released from the various asbestos related, fraudulent transfer, successor liability, and indemnification claims made against us and all of these claims would remain pending and would have to be resolved through other means, such as through agreement on alternative settlement terms or trials. In that case, we could face liabilities that are significantly different from our obligations under the Settlement agreement. We cannot estimate at this time what those differences or their magnitude may be. In the event these liabilities are materially larger than the current existing obligations, they could have a material adverse effect on our consolidated financial condition and results of operations. We will continue to review and monitor the progress of the Grace bankruptcy proceedings (including appeals and other proceedings relating to the PI Settlement Plan, the Bankruptcy and Amended District Court Opinions, and the Bankruptcy and Amended District Court Confirmation Orders), as well as any amendments or changes to the PI Settlement Plan or to Bankruptcy and Amended District Court Opinions and Confirmation Orders, to verify compliance with the Settlement agreement.

Fresenius Claims

In January 2002, we filed a declaratory judgment action against Fresenius Medical Care Holdings, Inc., its parent, Fresenius AG, a German company, and specified affiliates in New York State court asking the court to resolve a contract dispute between the parties. The Fresenius parties contended that we were obligated to indemnify them for liabilities that they might incur as a result of the 1996 Fresenius transaction mentioned above. The Fresenius parties’ contention was based on

their interpretation of the agreements between them and W. R. Grace & Co. — Conn. in connection with the 1996 Fresenius transaction. In February 2002, the Fresenius parties announced that they had accrued a charge of $172 million for these potential liabilities, which included pre-transaction tax liabilities of Grace and the costs of defense of litigation arising from Grace’s Chapter 11 filing. We believe that we were not responsible to indemnify the Fresenius parties under the 1996 agreements and filed the action to proceed to a resolution of the Fresenius parties’ claims. In April 2002, the Fresenius parties filed a motion to dismiss the action and for entry of declaratory relief in its favor. We opposed the motion, and in July 2003, the court denied the motion without prejudice in view of the November 27, 2002 agreement in principle referred to above. As noted above, under the Settlement agreement, we and the Fresenius parties will exchange mutual releases, which will release us from any and all claims related to the 1996 Fresenius transaction.

Canadian Claims

In November 2004, the Company’s Canadian subsidiary Sealed Air (Canada) Co./Cie learned that it had been named a defendant in the case of *Thundersky v. The Attorney General of Canada, et al.* (File No. CI04-01-39818), pending in the Manitoba Court of Queen’s Bench. Grace and W. R. Grace & Co. — Conn. are also

named as defendants. The plaintiff brought the claim as a putative class proceeding and seeks recovery for alleged injuries suffered by any Canadian resident, other than in the course of employment, as a result of Grace's marketing, selling, processing, manufacturing, distributing and/or delivering asbestos or asbestos-containing products in Canada prior to the Cryovac Transaction. A plaintiff filed another proceeding in January 2005 in the Manitoba Court of Queen's Bench naming the Company and specified subsidiaries as defendants. The latter proceeding, *Her Majesty the Queen in Right of the Province of Manitoba v. The Attorney General of Canada, et al.* (File No. CI05-01-41069), seeks the recovery of the cost of insured health services allegedly provided by the Government of Manitoba to the members

of the class of plaintiffs in the *Thundersky* proceeding. In October 2005, we learned that six additional putative class proceedings had been brought in various provincial and federal courts in Canada seeking recovery from the Company and its subsidiaries Cryovac, Inc. and Sealed Air (Canada) Co./Cie, as well as other defendants including W. R. Grace & Co. and W. R. Grace & Co. — Conn., for alleged injuries suffered by any Canadian resident, other than in the course of employment (except with respect to one of these six claims), as a result of Grace's marketing, selling, manufacturing, processing, distributing and/or delivering asbestos or asbestos-containing products in Canada prior to the Cryovac transaction. Grace and W. R. Grace & Co. — Conn. have agreed to defend, indemnify and hold harmless the Company and its affiliates in respect of any liability and expense, including legal fees and costs, in these actions.

In April 2001, Grace Canada, Inc. had obtained an order of the Superior Court of Justice, Commercial List, Toronto (the "Canadian Court"), recognizing the Chapter 11 actions in the United States of America involving Grace Canada, Inc.'s U.S. parent corporation and other affiliates of Grace Canada, Inc., and enjoining all new actions and staying all current proceedings against Grace Canada, Inc. related to asbestos under the Companies' Creditors Arrangement Act. That order has been renewed repeatedly. In November 2005, upon motion by Grace Canada, Inc., the Canadian Court ordered an extension of the injunction and stay to actions involving asbestos against the Company and its Canadian affiliate and the Attorney General of Canada, which had the effect of staying all of the Canadian actions referred to above. The parties finalized a global settlement of these Canadian actions (except for claims against the Canadian government). That settlement, which has subsequently been amended (the "Canadian Settlement"), will be entirely funded by Grace. The Canadian Court issued an Order on December 13, 2009 approving the Canadian Settlement. We do not have any positive obligations under the Canadian Settlement, but we are a beneficiary of the release of claims. The release in favor of the Grace parties (including us) will become operative upon the effective date of a plan of reorganization in Grace's United States Chapter 11 bankruptcy proceeding. As filed, the PI Settlement Plan contemplates that the claims released under the Canadian Settlement will be subject to injunctions under Section 524(g) of the Bankruptcy Code. As indicated above, the Bankruptcy Court entered the Bankruptcy Court Confirmation Order on January 31, 2011 and the Clarifying Order on February 15, 2011 and the District Court entered the Original District Court Confirmation Order on January 30, 2012 and the Amended District Court Confirmation Order on June 11, 2012. The Canadian Court issued an Order on April 8, 2011 recognizing and giving full effect to the Bankruptcy Court's Confirmation Order in all provinces and territories of Canada in accordance with the Bankruptcy Court Confirmation Order's terms. Notwithstanding the foregoing, the PI Settlement Plan has not become effective, and we can give no assurance that the PI Settlement Plan (or any other plan of reorganization) will become effective. Assuming that a final plan of reorganization (whether the PI Settlement Plan or another plan of reorganization) does become effective, if the final plan of reorganization does not incorporate the terms of the Canadian Settlement or if the Canadian courts refuse to enforce the final plan of reorganization in the Canadian courts, and if in addition Grace is unwilling or unable to defend and indemnify the Company and its subsidiaries in these cases, then we could be required to pay substantial damages, which we cannot estimate at this time and which could have a material adverse effect on our consolidated financial condition and results of operations.

Additional Matters Related to the Cryovac Transaction

In view of Grace's Chapter 11 filing, we may receive additional claims asserting that we are liable for obligations that Grace had agreed to retain in the Cryovac transaction and for which we may be contingently liable. To date, we are not aware of any material claims having been asserted or threatened against us.

Final determinations and accountings under the Cryovac transaction agreements with respect to matters pertaining to the transaction had not been completed at the time of Grace's Chapter 11 filing in 2001. We have filed claims in the bankruptcy proceeding that reflect the costs and liabilities that we have incurred or may incur that Grace and its affiliates agreed to retain or that are subject to indemnification by Grace and its affiliates under the Cryovac transaction agreements, other than payments to be made under the Settlement agreement. Grace has alleged that we are responsible for specified amounts under the Cryovac transaction agreements. Subject to the terms of the Settlement agreement, amounts for which we may be liable to Grace may be used to offset the liabilities of Grace and its affiliates to us. We intend to seek indemnification by Grace and its affiliates to the extent permissible under law, the Settlement agreement, and the Cryovac transaction agreements. Except to the extent of any potential setoff or similar claim, we expect that our claims will be as an unsecured creditor of Grace. Since portions of our claims against Grace and its affiliates are contingent or unliquidated, we cannot determine the amount of our claims, the extent to which these claims may be reduced by setoff, how much of the claims may be allowed, or the amount of our recovery on these claims, if any, in the bankruptcy proceeding.

Environmental Matters

We are subject to loss contingencies resulting from environmental laws and regulations, and we accrue 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 are not reduced by potential insurance recoveries, if any. We do not believe that it is reasonably possible that our liability in excess of the amounts that we have accrued for environmental matters will be material to our consolidated financial condition or results of operations. Environmental liabilities are reassessed whenever circumstances become better defined or remediation efforts and their costs can be better estimated.

We evaluate these liabilities 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 uncertainties) or new sites are assessed and costs can be reasonably estimated, we adjust the recorded accruals, as necessary. We believe that these exposures are not material to our consolidated financial condition or results of operations. We believe that we have adequately reserved for all probable and estimable environmental exposures.

Guarantees and Indemnification Obligations

We are a party to many contracts containing guarantees and indemnification obligations. These contracts primarily consist of:

- product warranties with respect to certain products sold to customers in the ordinary course of business. These warranties typically provide that products will conform to specifications. Sealed Air generally does not establish a liability for product warranty based on a percentage of sales or other formula. Sealed Air accrues a warranty liability on a transaction-specific basis depending on the individual facts and circumstances related to each sale. Both the liability and annual expense related to product warranties are immaterial to our consolidated financial position and results of operations, and
- licenses of intellectual property by us to third parties in which we have agreed to indemnify the licensee against third party infringement claims.

Other Principal Contractual Obligations

At December 31, 2012, we had other principal contractual obligations, which included agreements to purchase an estimated amount of goods, including raw materials, or services in the normal course of business, aggregating to approximately $314 million. The estimated future cash outlays are as follows:

Year	Amount
2013	$172.8

2014	71.0
2015	31.9
2016	15.3
2017	10.8
Thereafter	12.0
Total	$313.8

Leases

We are obligated under the terms of various leases covering primarily warehouse and office facilities and production equipment, as well as smaller manufacturing sites that we occupy. We account for the majority of our leases as operating leases, which may include purchase or renewal options. At December 31, 2012, estimated future minimum annual rental commitments under non-cancelable real and personal property leases were as follows:

Year	Amount
2013	$ 68.9
2014	51.1
2015	34.7
2016	22.3
2017	17.2
Thereafter	35.6
Total	$229.8

Net rental expense was $84 million in 2012, $52 million in 2011 and $35 million in 2010.

Note 19 Stockholders' Equity

Dividends

The following table shows our total cash dividends paid in the three years ended December 31, 2012:

	Total Cash Dividends Paid	Total Cash Dividends Paid per Common Share
2010	$ 79.7	$ 0.50
2011	87.4	0.52
2012	100.9	0.52
Total	$ 268.0	

On February 14, 2013, our Board of Directors declared a quarterly cash dividend of $0.13 per common share payable on March 15, 2013 to stockholders of record at the close of business on March 1, 2013. The estimated amount of this dividend payment is $25 million based on 195 million shares of our common stock issued and outstanding as of January 31, 2013.

The dividend payments discussed above are recorded as reductions to cash and cash equivalents and retained earnings on our consolidated balance sheets. Our new Credit Facility and the Notes contain covenants that restrict our ability to declare or pay dividends. However, we do not believe these covenants are likely to materially limit the future payment of quarterly cash dividends on our common stock. From time to time, we may consider other means of returning value to our stockholders based on our consolidated financial condition and results of operations. There is no guarantee that our Board of Directors will declare any further dividends.

Common Stock

The following is a summary of changes during the three years ended December 31, 2012 in shares of our common stock:

	2012	2011	2010
Changes in common stock:			
Number of shares, beginning of year	202,528,616	169,272,636	168,749,681
Shares issued as part of the consideration for the Diversey acquisition	—	31,699,946	—
Shares awarded for 2009 Three-Year PSU awards	1,155,018	—	—
Shares awarded for 2009 Two-Year PSU awards	—	1,114,139	—
Restricted stock shares issued for new awards under the 2005 Contingent Stock Plan	703,620	308,650	403,360
Shares granted and issued under the Directors Stock Plan	37,824	18,630	12,500
Restricted stock shares issued for SLO awards	135,343	24,515	12,895
Shares issued for vested restricted stock units	100,200	90,100	94,200
Number of shares issued, end of year	204,660,621	202,528,616	169,272,636
Changes in common stock in treasury:			
Number of shares held, beginning of year	10,466,431	9,967,129	9,811,507
Purchase of shares during the period	—	—	429,458
Profit sharing contribution partially paid in stock	(930,089)	—	(346,362)
Restricted stock, withheld or forfeited	566,610	499,302	72,526
Number of shares held, end of year	10,102,952	10,466,431	9,967,129

Stock Appreciation Rights ("SARS")

In connection with the acquisition of Diversey, Sealed Air exchanged Diversey's cash-settled stock appreciation rights and stock options that were unvested as of May 31, 2011 and unexercised at October 3, 2011 into cash-settled stock appreciation rights based on Sealed Air common stock. At December 31, 2012, the weighted average remaining vesting life of outstanding SARs was one year.

Since these SARs are settled in cash, the amount of the related future expense will fluctuate based on the forfeiture activity and the changes in the assumptions used in a Black-Scholes valuation model which include Sealed Air's stock price, risk-free interest rates, expected volatility and a dividend yield. In addition, once vested, the related expense will continue to fluctuate due to the changes in the assumptions used in the Black-Scholes valuation model for any SARs that are not exercised until their respective expiration dates, the last of which is currently in March 2021.

We recognized compensation expense of $19 million in the year ended December 31, 2012 related to SARs that were granted to Diversey employees who remained employees as of December 31, 2012. These amounts were based on the assumptions mentioned above and are included in marketing, administrative and development expenses on our consolidated statements of operations. Cash payments due to the exercise of these SARs in the year ended December 31, 2012 were $24 million. As of December 31, 2012, the remaining liability for these SARs was $41 million and is included in other liabilities on our consolidated balance sheet.

In addition to the amounts discussed above, was the recognition of restructuring expense of $9 million in the year ended December 31, 2012 for SARs that were part of the termination and benefit costs for Diversey employees under the 2011 – 2014 Integration & Optimization Program. This expense was included in restructuring and other charges on our consolidated statements of operations. Cash payments upon the exercise of these SARs were $19 million in the year ended December 31, 2012. The remaining liability for SARs included in the restructuring program was $1 million as of December 31, 2012.

2005 Contingent Stock Plan

The 2005 Contingent Stock Plan is our sole long-term equity compensation program for officers and employees. The 2005 Contingent Stock Plan provides for awards of equity-based compensation, including restricted stock, restricted stock units, performance share units and cash awards measured by share price, to our executive officers and other key employees, as well as U.S.-based key consultants. During the three years ended December 31, 2012, under the 2005 Contingent Stock Plan, we granted restricted stock, restricted stock units and cash awards, in addition to the SLO and PSU awards described below. An employee or consultant selected by the Organization and Compensation Committee of our Board of Directors to receive an award may accept the award during the period specified by us, provided the participant's relationship to us has not changed.

Awards made under the 2005 Contingent Stock Plan are restricted as to disposition by the holders for a period of at least three years after award, except for SLO and PSU awards, which are described below. In the event of termination of employment of a participant before lapse of the restriction, the awards under the 2005 Contingent Stock Plan are forfeited on the date of termination unless (i) the termination results from the participant's death or permanent and total disability, or (ii) the Compensation Committee affirmatively determines not to seek forfeiture of the award in whole or in part. The forfeiture provision of the 2005 Contingent Stock Plan expires upon vesting of the awards, except that these provisions of the 2005 Contingent Stock Plan lapse sooner upon certain terminations of employment following a change in control.

For both restricted stock awards and units, we record compensation expense in marketing, administrative and development expenses on the consolidated statements of operations with a corresponding credit to additional paid-in capital within stockholders' equity based on the fair value of our common stock at the award grant date. For cash awards, we record a liability that is reflected in other liabilities on the consolidated balance sheets and record compensation expense based on the fair value of the award at the end of each reporting period. The amount of the liability for cash awards is remeasured at each reporting period based on the then current stock price and the effects of the stock price changes are recognized as compensation expense. At December 31, 2012, the liability related to cash awards was $0.8 million.

Under our executive compensation program, we have the ability to grant to our executive officers and a small number of other key executives (1) stock leverage opportunity awards, known as SLO awards, as part of our annual incentive plan and (2) annual performance share unit awards, known as PSU awards, as part of our long term incentive program. Our executive officers and other key executives may also receive awards of restricted stock or restricted stock units from time to time.

The following tables show the details of the non-vested awards under the 2005 Contingent Stock Plan, excluding SLO and PSU awards:

Non-vested Restricted Stock Shares Awards	2012	Weighted-Average per Share Market Value on Grant Date
Number of non-vested restricted stock shares, beginning of year	1,183,660	$ 20.45
Restricted stock shares issued for new awards during the year	703,620	17.27
Restricted stock shares vested during the year	(458,750)	18.23
Restricted stock shares forfeited during the year	(41,700)	22.89
Number of non-vested restricted stock shares, end of year	1,386,830	$ 20.08

The non-vested restricted stock shares included above had a weighted-average remaining contractual life of approximately 1.7 years at December 31, 2012.

Non-vested Restricted Stock Units Awards	2012	Weighted-Average per Share Market Value on Grant Date
Number of non-vested restricted stock units, beginning of year	342,000	$ 21.17
Restricted stock units issued for new awards during the year	191,700	16.95
Restricted stock units vested during the year	(100,700)	18.08
Restricted stock units forfeited during the year	(12,200)	19.98
Number of non-vested restricted stock units, end of year	420,800	$ 20.23

The non-vested restricted stock units included above had a weighted-average remaining contractual life of approximately 1.7 years at December 31, 2012.

Non-vested Cash Awards	2012
Number of non-vested cash awards, beginning of year	58,050
Cash awards issued for new awards during the year	91,480
Cash awards vested during the year	(9,850)
Cash awards forfeited during the year	(8,000)
Number of non-vested cash awards, end of year	131,680

The non-vested cash awards included above had a weighted-average remaining contractual life of approximately 2.0 years at December 31, 2012.

The 2005 Contingent Stock Plan permits withholding of taxes and other charges that may be required by law to be paid attributable to awards by withholding a portion of the shares attributable to such awards.

Table of Contents

A summary of the changes in common shares available for awards under the 2005 Contingent Stock Plan follows:

	2012[1]	2011[1]	2010[1]
Number of shares available, beginning of year	7,909,064	4,997,297	5,578,005
Additional restricted stock shares available due to 2011 amendment to the 2005 Contingent Stock Plan	—	4,000,000	—
Restricted stock shares issued for new awards	(703,620)	(308,650)	(403,360)
Restricted stock units awarded	(191,700)	(133,650)	(115,150)
Restricted stock shares issued for SLO awards	(3,788)	(6,080)	(12,895)
Restricted stock units awarded for SLO awards	(6,795)	(28,516)	(134,329)
Shares issued for 2009 Two-year PSU awards	—	(1,114,139)	—
Shares issued for 2009 Three-year PSU awards	(1,155,018)	—	—
Restricted stock shares forfeited	41,700	41,400	19,133
Restricted stock units forfeited	12,200	3,500	12,500
Shares withheld for taxes	524,910	457,902	53,393
Number of shares available, end of year	6,426,953	7,909,064	4,997,297
Weighted average per share market value of awards on grant date	$ 17.19	$ 24.93	$ 21.46

(1) The SLO and PSU awards are discussed below.

Directors Stock Plan

Non-cash compensation included on the consolidated statements of stockholders' equity includes expense associated with shares issued to non-employee directors in the form of awards under our 2002 Stock Plan for Non-Employee Directors, which our stockholders approved at the 2002 annual meeting. In May 2011, our stockholders approved an amendment to the 2002 Directors Stock Plan increasing the number of shares of common stock reserved for issuance under the plan by 0.2 million shares to a total of 0.4 million shares.

The 2002 Directors Stock Plan provides for annual grants of shares to non-employee directors, and interim grants of shares to eligible directors elected at times other than at an annual meeting, as all or part of the annual or interim retainer fees for non-employee directors. During 2002, we adopted a plan that permits non-employee directors to elect to defer all or part of their annual retainer until the non-employee director retires from the Board of Directors. The non-employee director can elect to defer the portion of the annual retainer payable in shares of stock. If a non-employee director makes this election, the non-employee director may also elect to defer the portion, if any, of the annual retainer payable in cash. Cash dividends on deferred shares are credited to the non-employee director's deferred cash account on the applicable dividend payment date. We record the excess of fair value over the price at which shares are issued under this plan in marketing, administrative and development expenses on the consolidated statements of operations, and this expense was $1 million in 2012, $0.7 million in 2011 and $0.5 million in 2010.

A summary of the changes in shares available for the 2002 Directors Stock Plan follows:

	2012	2011	2010
Number of shares available, beginning of year	223,156	49,548	74,120
Additional shares available due to 2011 amendment to the Directors Stock Plan	—	200,000	—
Shares granted and issued	(34,697)	(18,630)	(12,500)
Shares granted and deferred	(27,060)	(7,762)	(12,072)
Number of shares available, end of year	161,399	223,156	49,548
Weighted average per share market value of stock on grant date	$ 16.26	$ 25.77	$ 21.72

Other Common Stock Issuances

We have historically issued shares of our common stock under our 2005 Contingent Stock Plan to selected U.S.-based consultants as compensation under consulting agreements for research and development projects. We record the cost associated with these issuances on a straight-line basis based on each of the issuances' vesting schedule. Amortization expense related to these issuances was immaterial in each of the three years ended December 31, 2012.

Share-based Incentive Compensation

We record share-based incentive compensation expense in marketing, administrative and development expenses on our consolidated statements of operations with a corresponding credit to additional paid-in capital within stockholders' equity based on the fair value of the share-based incentive compensation awards at the date of grant. We recognize an expense or credit reflecting the straight-line recognition, net of estimated forfeitures, of the expected cost of the program. For the various PSU awards programs described below, the cumulative amount accrued to date is adjusted up or down to the extent the expected performance against the targets has improved or worsened.

These share-based incentive compensation programs are described in more detail below.

The table below shows our total share-based incentive compensation expense:

	2012	2011	2010
2012 Three-year PSU Awards	$ 1.9	$ —	$ —
2011 Three-year PSU Awards	1.7	3.0	—
2010 Three-year PSU Awards	0.9	6.0	3.0
2009 Two-year PSU Awards	—	(0.7)	10.4
2009 Three-year PSU Awards	—	7.4	7.0
2012 President & COO Four-year Incentive Compensation[1]	0.2	—	—
SLO Awards	0.7	0.3	1.0
Other long-term share-based incentive compensation programs	11.5	9.0	9.2
Total share-based incentive compensation expense[2]	$16.9	$25.0	$30.6

Associated tax benefits recognized	$ 6.2	$ 9.3	$11.3

(1) The amount includes only the two initial equity awards. See below for further detail.

(2) The amounts do not include the expense related to our U.S. profit sharing contributions made in the form of our common stock as such these contributions are not considered share-based incentive compensation.

The following table shows the estimated amount of total share-based incentive compensation expense expected to be recognized on a straight-line basis over the remaining respective vesting periods by program at December 31, 2012:

	2013	2014	2015	Total
2012 Three-year PSU Awards	$ 2.2	$ 2.2	$—	$ 4.4
2012 President & COO Four-year Incentive Compensation	0.6	0.4	0.3	1.3
2011 Three-year PSU Awards	2.3	—	—	2.3
SLO Awards	0.2	—	—	0.2
Other long-term share-based incentive compensation programs	10.4	6.6	2.5	19.5
Total share-based incentive compensation expense(1)	$15.7	$ 9.2	$ 2.8	$27.7

(1) The amounts do not include the expense related to our U.S. profit sharing contributions made in the form of our common stock as such these contributions are not considered share-based incentive compensation.

The discussion that follows provides further details of our share-based incentive compensation programs.

PSU Awards

As part of our long term incentive program adopted in 2008, during the first 90 days of each year, the Organization and Compensation Committee of our Board of Directors, or Compensation Committee, has approved PSU awards for our executive officers and other selected key executives, which include for each officer or executive a target number of shares of common stock and performance goals and measures that will determine the percentage of the target award that is earned following the end of the performance period. Following the end of the performance period, participants will also receive a cash payment in the amount of the dividends (without interest) that would have been paid during the performance period on the number of shares that they have earned. As of December 31, 2012, we have accrued $1.2 million for these dividends in other current liabilities on our consolidated balance sheet.

2012 Three-year PSU Awards

In March 2012, the Compensation Committee approved awards with a three-year performance period beginning January 1, 2012 for the named executive officers other than Mr. Hickey and for other officers and key executives. Mr. Hickey's 2012 Compensation is discussed below under "2012 Chief Executive Officer Incentive Compensation." The Compensation Committee established principal performance goals, which are (1) three-year average return on invested capital ("ROIC") weighted at 50%, (2) constant dollar growth of net trade sales weighted at 25% and (3) relative total shareholder return ("TSR") weighted at 25%. An additional goal is a 2014 safety result of a total recordable incident rate (a workplace safety indicator) ("TRIR") of 0.90 or better, excluding facilities acquired during the performance period.

The targeted number of shares of common stock that can be earned is 546,689 shares for these 2012 PSU awards (406,534 shares granted on March 27, 2012 and 140,155 shares granted to Jerome A. Peribere on September 1, 2012, as discussed below). The total number of shares to be issued for these awards can range from zero to 200% of the target number of shares depending on the level of achievement of the performance goals and measures, plus or minus 54,669 additional shares at the discretion of the Compensation Committee. These performance goals are outlined in further detail in the Proxy Statement for our 2012 Annual Meeting of Stockholders.

The expenses included in the tables above were calculated using a grant date common stock share price of $19.72 per share for the awards granted on March 27, 2012 ($14.27 for the award granted on September 1, 2012) for the three year average ROIC goal and net trade sales goal (these are considered performance conditions) and the Monte Carlo valuation of $23.40 per share for the awards granted on March 27, 2012 ($12.57 for the award granted on September 1, 2012) for the TSR goal (this is considered a market condition). The expense calculation is based on management's estimate as of December 31, 2012 of the level of probable achievement of the performance goals and measures, which was determined to be below the target level, or 67% achievement (183,141 shares, net of forfeitures), for the ROIC goal and below the threshold for minimum payment, or 0% achievement (0 shares), for the net trade sales growth goal. The TSR portion of the plan is expensed at 100% (136,672 shares, net of forfeitures) of the grant date fair value as required by US GAAP.

2011 Three-year PSU Awards

In March 2011, the Compensation Committee approved awards with a three-year performance period beginning January 1, 2011. The Compensation Committee established principal performance goals, which are (1) three-year cumulative volume growth of net trade sales and (2) three-year average ROIC. These performance goals are outlined in further detail in the Proxy Statement for our 2011 Annual Meeting of Stockholders. The targeted number of shares of common stock that can be earned is 378,477 shares for these 2011 PSU awards. If the threshold level is achieved for either of the two performance goals, then the number of shares earned for each participant can be increased (if the additional goal mentioned below is achieved) or decreased (if the additional goal mentioned below is not achieved) by up to 10% of the target level at the discretion of the Compensation Committee, or an aggregate of 37,848 shares for all participants. The additional goal is a 2013 safety result of a TRIR (a workplace safety indicator) of 1.20 or better, excluding facilities acquired during the performance period.

The total number of shares to be issued for these awards can range from zero to 200% of the target number of shares depending on the level of achievement of the performance goals and measures, plus or minus the 37,848 additional discretionary shares mentioned above.

The expenses included in the table above were calculated using a grant date common stock share price of $26.18 per share on March 11, 2011 and is based on management's estimate as of December 31, 2012 of the level of probable achievement of the performance goals, which was determined to be below the target level, or 84% achievement (158,960 shares, net of forfeitures), for the ROIC goal and below the target level, or 58% achievement (109,758 shares, net of forfeitures), for the volume goal.

2010 Three-year PSU Awards

In February 2013, we issued 472,865 shares of common stock for the 2010 three-year PSU awards. These awards were based on the achievement of the performance goals above the target level, or 116.5% achievement, in the three-year performance period of 2010 through 2012. We concurrently acquired 172,204

of these shares of common stock as withholding from employees to satisfy their minimum tax withholding obligations, as provided for in our 2005 contingent stock plan above.

2009 Three-year PSU Awards

In February 2012, we issued 1,155,018 shares of common stock for the 2009 three-year PSU awards. These awards were based on the achievement of the performance goals at the maximum level, or 200% achievement, in the three-year performance period of 2009 through 2011. We concurrently acquired 414,210 of these shares of common stock as withholding from employees to satisfy their minimum tax withholding obligations, as provided for in our 2005 contingent stock plan. These acquired shares are held in common stock in treasury at a fair market value of $9 million.

2009 Two-year PSU Awards

In February 2011, we issued 1,114,139 shares of common stock for the 2009 two-year PSU awards. These awards were based on the achievement of the performance goals at the maximum level, or 200% achievement, in the two-year performance period of 2009 through 2010. We concurrently acquired 408,751 of these shares of common stock as withholding from employees to satisfy their minimum tax withholding obligations, as provided for in our 2005 contingent stock plan. These acquired shares are held in common stock in treasury at a fair market value on the date acquired of $12 million.

2012 Chief Executive Officer ("CEO") Incentive Compensation

On March 27, 2012, the Compensation Committee approved the recommendation of William V. Hickey, our former Chief Executive Officer, to place a substantial portion of his compensation at risk by reducing his base salary to $100,000 in 2012 and granting him most of his 2012 compensation as long-term incentive pay in the form of an equity award tied to the achievement of financial goals related to the success of the Diversey transaction. The Compensation Committee determined that Mr. Hickey would not participate in the annual incentive and long-term incentive programs applicable to the Company's other executive officers. Instead, Mr. Hickey was granted a special award of performance share units.

The primary metrics for Mr. Hickey's performance share units award are 2012 consolidated adjusted EBITDA, weighted at 70%, and 2012 net debt reduction from operations, weighted at 30%. These performance goals and other details are outlined further in the Proxy Statement for our 2012 Annual Meeting of Stockholders.

Since management's estimate as of December 31, 2012 of the level of probable achievement of both performance goals were determined to be below the threshold for minimum payment, or 0% achievement (0 shares) for both the adjusted EBITDA and net debt reduction goals, no expense was recorded for 2012.

2012 President and Chief Operating Officer (COO) Four-year Incentive Compensation

On September 1, 2012, Jerome A. Peribere started with the Company as President and Chief Operating Officer. Under the terms of his agreement, he was granted equity awards which included the following: (1) initial equity awards under the Company's 2005 Contingent Stock Plan, which included two awards of performance share units under which he could earn up to 350,000 shares of common stock based on the Company's performance, (2) restricted stock under the Company's 2005 Contingent Stock Plan of which 50,000 shares were issued on his start date and 25,000 shares are expected to be issued on his first anniversary of his start date and (3) an award under the Company's 2012 Three-year PSU Award with a target award of 140,155 units. The awards are described in further detail in Mr. Peribere's employment agreement filed with the SEC as an exhibit with the Company's Current Report on Form 8-K dated August 27, 2012.

For the awards (excluding the portions of the PSU awards related to the TSR goal) that are discussed above, the estimated amount of future share-based incentive compensation expense will fluctuate based on: (1) the expected level of achievement of the respective goals and measures considered probable in future quarters, which impacts the number of shares that could be issued; and (2) the future price of our common stock, which impacts the expense related to additional discretionary shares. Since the TSR metric is considered a market condition, the portion of the compensation expense related to the TSR metric will be recognized regardless of whether the market condition is satisfied provided that the requisite service has been provided.

Stock Leverage Opportunity Awards

Before the start of each performance year, each of our executive officers and other selected key executives is eligible to elect to receive all or a portion of his or her annual cash bonus for that year, in increments of 25% of the annual bonus, as an award of restricted stock or restricted stock units under the 2005 contingent stock plan in lieu of cash. The portion provided as an equity award may be given a premium to be determined by the Compensation Committee each year and will be rounded up to the nearest whole share. The stock price used in the calculation of the number of shares will be the closing sale price of our common stock on the New York Stock Exchange on the first trading day of the performance year. The award will be granted following the end of the performance year and after determination by the Compensation Committee of the amount of the annual bonus award for each executive officer and other selected key executive who has elected to take all or a portion of his or her annual bonus as an equity award, but no later than the March 15 following the end of the performance year.

The equity award will be made in the form of an award of restricted stock or restricted stock units that will vest on the second anniversary of the grant date or earlier in the event of death, disability or retirement from employment with us, and the shares subject to the award will not be transferable by the recipient until the later of vesting or the second anniversary of the grant date. If the recipient ceases to be employed by us before vesting, then the shares will be forfeited, except for certain circumstances following a change in control. The award will be made in the form of restricted stock unless the award would be taxable to the recipient before the shares become transferable by the recipient, in which case the award will be made in the form of restricted stock units. Recipients who hold SLO awards in the form of restricted stock receive dividends. Recipients who hold SLO awards in the form of restricted stock units receive a cash payment in the amount of the dividends (without interest) on the shares they have earned at about the same time that shares are issued to them following the period of restriction. As of December 31, 2012, we have accrued for these dividends in other current liabilities on our consolidated balance sheet and the amount was immaterial.

The Compensation Committee set the SLO award premium at 25% for the years ending December 31, 2012 and 2011. The 2012 SLO target awards comprise an aggregate of 73,698 restricted stock shares and restricted stock units as of December 31, 2012. The 2011 SLO awards that were issued on March 9, 2012 comprised an aggregate of 11,212 restricted stock shares and restricted stock units.

We record compensation expense for these awards in marketing, administrative and development expenses on the consolidated statement of operations with a corresponding credit to additional paid-in capital within stockholders' equity, based on the fair value of the awards at the end of each reporting period, which reflects the effects of stock price changes.

For the year ended December 31, 2012, compensation expense related to the 2012 SLO awards was recognized based on the extent to which the performance goals and measures for our 2012 annual cash bonuses were considered probable of achievement at December 31, 2012. This expense is being recognized over a fifteen month period on a straight-line basis since a majority of the awards will vest at grant date, which will be no later than March 15, 2013, due to the retirement eligibility provision.

For the year ended December 31, 2011, compensation expense related to the 2011 SLO awards was recognized based on the extent to which the performance goals and measures for our 2011 annual cash bonuses were considered probable of achievement at December 31, 2011. This expense was recognized over a fifteen month period on a straight-line basis since a majority of the awards vested at grant date, which was March 9, 2012, due to the retirement eligibility provision.

For the year ended December 31, 2010, compensation expense related to the 2010 SLO awards was recognized based on the extent to which the performance goals and measures for our 2010 annual cash bonuses were considered probable of achievement at December 31, 2010. This expense was recognized over a fifteen month period on a straight-line basis since a majority of the awards vested at grant date, which was March 13, 2011, due to the retirement eligibility provision.

Note 20 Other Expense, net

The following table provides details of other expense, net:

	2012	2011	2010
Interest and dividend income	$ 12.0	$ 9.0	$ 8.1
Net foreign exchange transaction losses[1]	(13.4)	(20.2)	(5.9)
Settlement agreement and related costs	(0.7)	(0.9)	(0.6)
Noncontrolling interests	2.6	3.2	2.3
Costs associated with our accounts receivable securitization program	(0.7)	(0.7)	(0.8)
Gain on sale of a North American facility	—	3.9	—
Other, net	(9.2)	(8.8)	(6.0)
Other expense, net	$ (9.4)	$(14.5)	$(2.9)

(1) The non-cash losses in 2011 includes gains and losses from foreign currency forward contracts entered into to hedge certain intercompany loans, as well as gains and losses on the remeasurement of intercompany loans.

Impairment of Equity Method Investment

In September 2007, we established a joint venture that supports our Food & Beverage segment. We account for the joint venture under the equity method of accounting with our proportionate share of net income or losses included in other expense, net, on the consolidated statements of operations.

During the first half of 2012, the joint venture performed below expectations, resulting in reduced cash flow and increasing debt obligations. Due to these events, we evaluated our equity method investment for impairment. During the three months ended June 30, 2012, based on reviewing undiscounted cash flow information, we determined that the fair value of our investment was less than its carrying value and that this impairment was other-than-temporary.

In connection with the establishment of the joint venture in 2007, we issued a guarantee in support of an uncommitted credit facility agreement that was entered into by the joint venture. Under the terms of the guarantee, if the joint venture were to default under the terms of the credit facility, the lender would be entitled to seek payment of the amounts due under the credit facility from us. However, as a result of the impairment, we have included the guarantee liability in other current liabilities on the consolidated balance sheet as of December 31, 2012 as we believe it is probable that we will need to perform under this guarantee. As of December 31, 2012, the joint venture has performed its obligations under the terms of the credit facility and the debt holders have not requested that we perform under the terms of the guarantee.

As a result, in the second quarter of 2012 we recognized other-than-temporary impairment of $26 million ($18 million, net of taxes, or $0.09 per diluted share). This impairment consisted of the recognition of a current liability for the guarantee of the uncommitted credit facility mentioned above of $20 million and a $4 million write-down of the carrying value of the investment to zero at June 30, 2012. We also recorded provisions for bad debt on receivables due from the joint venture to the Company of $2 million, which is included in marketing, administrative and development expenses and impacted our Food & Beverage segment. We have no additional obligations to support the operations of the joint venture in the future.

Note 21 Net (Loss) Earnings per Common Share

The following table sets forth the calculation of basic and diluted net earnings per common share under the two-class method for the three years ended December 31, 2012 in millions, except per share data:

	2012	2011	2010
Basic Net (Loss) Earnings Per Common Share:			
Numerator			
Net (loss) earnings available to common stockholders	$(1,410.3)	$149.1	$255.9
Distributed and allocated undistributed net (loss) earnings to non-vested restricted stockholders	(0.5)	(0.9)	(1.6)
Distributed and allocated undistributed net (loss) earnings to common stockholders	(1,410.8)	148.2	254.3
Distributed net (loss) earnings — dividends paid to common stockholders	(100.4)	(86.8)	(79.2)
Allocation of undistributed net (loss) earnings to common stockholders	**$(1,511.2)**	**$ 61.4**	**$175.1**
Denominator[1]			
Weighted average number of common shares outstanding — basic	192.8	167.0	158.3
Basic net (loss) earnings per common share:			
Distributed net (loss) earnings to common stockholders	$ 0.52	$ 0.52	$ 0.50
Allocated undistributed net (loss) earnings to common stockholders	(7.83)	0.37	1.11
Basic net (loss) earnings per common share:	**$ (7.31)**	**$ 0.89**	**$ 1.61**
Diluted Net (Loss) Earnings Per Common Share:			
Numerator			
Distributed and allocated undistributed net (loss) earnings to common stockholders	$(1,410.8)	$148.2	$254.3
Add: Allocated undistributed net (loss) earnings to non-vested restricted stockholders	—	0.4	1.1
Less: Undistributed net (loss) earnings reallocated to non-vested restricted stockholders	—	(0.3)	(1.0)
Net (loss) earnings available to common stockholders — diluted	**$(1,410.8)**	**$148.3**	**$254.4**
Denominator[1][2]			
Weighted average number of common shares outstanding — basic	192.8	167.0	158.3
Effect of assumed issuance of Settlement agreement shares	—	18.0	18.0
Effect of non-vested restricted stock units	—	0.4	0.4
Weighted average number of common shares outstanding — diluted	192.8	185.4	176.7
Diluted net (loss) earnings per common share	**$ (7.31)**	**$ 0.80**	**$ 1.44**

(1) Includes the weighted-average share impact in 2012 of 31.7 million shares issued as part of the total consideration paid in connection with the acquisition of Diversey on October 3, 2011.

(2) Provides for the following items if their inclusion is dilutive: (i) the effect of assumed issuance of 18 million shares of common stock reserved for the Settlement agreement as defined and (ii) the effect of non-vested restricted stock and restricted stock units using the treasury stock method. In calculating diluted net (loss) earnings per common share for 2012, our diluted weighted average number of common shares outstanding excludes the effect of the items mentioned above as the effect was anti-dilutive.

PSU Awards

Since the PSU awards discussed in Note 19, “Stockholders’ Equity,” are contingently issuable shares that are based on a condition other than earnings or market price, these shares will be included in the diluted weighted average number of common shares outstanding when they have met the performance conditions as of these dates. The shares for the 2009 three-year PSU awards and the shares for the 2010 three-year PSU awards are included in the diluted weighted average number of common shares outstanding for the year ended December 31, 2011 because the target levels of their respective performance conditions were met as of December 31, 2011. The shares for the 2011 three-year PSU awards are not included in the diluted weighted average number of common shares outstanding for the year ended December 31, 2011 because they have not met the target levels of their performance conditions as of that date. However, in 2012, unvested PSU awards that have met the performance conditions as of December 31, 2012 have not been included in the diluted weighted average number of common shares outstanding for the year ended December 31, 2012 as the effect was anti-dilutive.

SLO Awards

The shares or units associated with the 2012 SLO awards are considered contingently issuable shares and therefore are not included in the basic or diluted weighted average number of common shares outstanding for the year ended December 31, 2012. These shares or units, discussed in Note 19, “Stockholders’ Equity,” will not be included in the common shares outstanding until the final determination of the amount of annual incentive compensation is made in the first quarter of 2013. Once this determination is made, the shares or units will be included in the basic weighted average number of common shares outstanding if the employee is retirement eligible or in the diluted weighted average number of common shares outstanding regardless of whether the employee is retirement eligible if the impact to diluted net earnings per common share is dilutive. The numbers of shares or units associated with SLO awards for the years ended December 31, 2012, 2011 and 2010 were nominal and have not been included in the diluted weighted average number of common shares outstanding for the year ended December 31, 2012 as the effect was anti-dilutive.

Note 22 Related Party Transactions

As a result of the acquisition of Diversey, as of October 3, 2011, indirect or direct owners of SCJ owned approximately 8% of our outstanding shares of our common stock. These owners sold their holdings of our common stock during November 2012 and therefore our transactions with SCJ are considered related party transactions until November 2012.

The primary related party transactions with SCJ consist of purchases of some raw materials and products. Total inventory purchased from SCJ was $32 million in the ten months ended October 31, 2012 and $11 million in the fourth quarter of 2011. In addition, we lease some facilities from SCJ. Charges for these services and leases totaled $4 million in the ten months ended October 31, 2012 and $3 million in the fourth quarter of 2011. We license the use of certain trade names, house marks and brand names from SCJ. Payments to SCJ under the license agreements governing the names and marks totaled $5 million in the ten months ended October 31, 2012 and $1 million in the fourth quarter of 2011. The SCJ related party receivable and payable were not material to our consolidated balance sheets at December 31, 2012 and 2011.

Item 9. *Changes in and Disagreements With Accountants on Accounting and Financial Disclosure*

None.

Item 9A. *Controls and Procedures*

Disclosure Controls and Procedures

We maintain disclosure controls and procedures, as defined in Rule 13a-15 under the Securities Exchange Act of 1934, as amended, that are designed to ensure that information required to be disclosed in our reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and that our employees accumulate this information and communicate it to our management, including our Chief Executive Officer (our principal executive officer) and our Chief Financial Officer (our principal financial officer), as appropriate, to allow timely decisions regarding the required disclosure. In designing and evaluating the disclosure controls and procedures, our management recognizes that any controls and procedures, no matter how well designed and operated, can provide only "reasonable assurance" of achieving the desired control objectives, and management necessarily must apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Evaluation of Disclosure Controls and Procedures

As of the end of the period covered by this report, we carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures under Rule 13a-15. Our management, including our Chief Executive Officer and Chief Financial Officer, supervised and participated in this evaluation. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective at the "reasonable assurance" level.

Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as such term is defined in Rule 13a-15(f) under the Exchange Act. Management evaluated, with the participation of our Chief Executive Officer and Chief Financial Officer, the effectiveness, as of the end of our 2012 fiscal year, of our internal control over financial reporting. The suitable recognized control framework on which management's evaluation of our internal control over financial reporting is based is the Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission, known as COSO. Based upon that evaluation under the COSO framework, our management concluded that our internal control over financial reporting as of the end of our 2012 fiscal year was effective at the "reasonable assurance" level.

Our internal control over financial reporting as of December 31, 2012 has been audited by KPMG LLP, an independent registered public accounting firm, as stated in their report included in this Annual Report on Form 10-K, which expresses an unqualified opinion on the effectiveness of our internal control over financial reporting as of December 31, 2012.

Item 9B. *Other Information*

None.

PART III

Item 10. *Directors, Executive Officers and Corporate Governance*

Part of the information required in response to this Item is set forth in Part I of this Annual Report on Form 10-K under the caption “Executive Officers of the Registrant,” and the balance will be included in our Proxy Statement for our 2013 Annual Meeting of Stockholders under the captions “Election of Directors — Information Concerning Nominees” and “Section 16(a) Beneficial Ownership Reporting Compliance,” except as set forth below. All such information is incorporated herein by reference.

We have adopted a Code of Conduct applicable to all of our directors, officers and employees and a supplemental Code of Ethics for Senior Financial Executives applicable to our Chief Executive Officer, Chief Financial Officer, Controller, Treasurer, and all other employees performing similar functions for us. The Code of Conduct and the Code of Ethics for Senior Financial Executives are posted on our website at *www.sealedair.com*. We will post any amendments to the Code of Conduct and the Code of Ethics for Senior Financial Executives on our website. We will also post any waivers applicable to any of our directors or officers, including the senior financial officers listed above, from provisions of the Code of Conduct or the Code of Ethics for Senior Financial Executives on our website.

Our Board of Directors has adopted Corporate Governance Guidelines and charters for its three standing committees, the Audit Committee, the Nominating and Corporate Governance Committee, and the Compensation Committee. Copies of the Corporate Governance Guidelines and the charters are posted on our website at *www.sealedair.com*.

Our Audit Committee comprises directors Hank Brown, who serves as chair, Michael Chu, Lawrence R. Codey, Patrick Duff and Kenneth P. Manning. Our Board of Directors has determined that each of the five members of the Audit Committee is an audit committee financial expert in accordance with the standards of the SEC and that each is independent, as defined in the listing standards of the New York Stock Exchange applicable to us and as determined by the Board of Directors.

Item 11. *Executive Compensation*

The information required in response to this Item will be set forth in our Proxy Statement for our 2013 Annual Meeting of Stockholders under the captions “Director Compensation,” “Executive Compensation,” “Compensation Committee Interlocks and Insider Participation” and “Compensation Risks.” Such information is incorporated herein by reference.

Item 12. *Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters*

Information required in response to this Item will be set forth in our Proxy Statement for our 2013 Annual Meeting of Stockholders under the captions “Equity Compensation Plan Information” and “Voting Securities.” Such information is incorporated herein by reference.

Item 13. *Certain Relationships and Related Transactions, and Director Independence*

The information required in response to this Item will be set forth in our Proxy Statement for our 2013 Annual Meeting of Stockholders under the captions “Independence of Directors” and “Certain Relationships and Related Person Transactions.” Such information is incorporated herein by reference.

Item 14. *Principal Accounting Fees and Services*

The information required in response to this Item will be included in our Proxy Statement for our 2013 Annual Meeting of Stockholders under the captions “Principal Independent Auditor Fees” and “Audit Committee Pre-Approval Policies and Procedures.” Such information is incorporated herein by reference.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) Documents filed as a part of this Annual Report on Form 10-K:

(1) Financial Statements

See Index to Consolidated Financial Statements and Schedule of this Annual Report on Form 10-K.

(2) Financial Statement Schedule

See Schedule II — Valuation and Qualifying Accounts and Reserves — Years Ended December 31, 2012, 2011 and 2010 of this Annual Report on Form 10-K.

(3) Exhibits

Exhibit Number	Description
2.1	Distribution Agreement dated as of March 30, 1998 among the Company, W. R. Grace & Co. — Conn., and W. R. Grace & Co. (Exhibit 2.2 to the Company's Current Report on Form 8-K, Date of Report March 31, 1998, File No. 1-12139, is incorporated herein by reference.)
2.2	Agreement and Plan of Merger, dated as of May 31, 2011, by and among Sealed Air Corporation, Solution Acquisition Corp. and Diversey Holdings, Inc. (the schedules and exhibits have been omitted pursuant to Item 601(b)(2) of Regulation S-K; a copy of any omitted schedule will be furnished supplementally to the Securities and Exchange Commission upon request). (Exhibit 2.1 to the Company's Current Report on Form 8-K, Date of Report May 31, 2011, File No. 1-12139, is incorporated herein by reference.)
3.1	Unofficial Composite Amended and Restated Certificate of Incorporation of the Company as currently in effect. (Exhibit 3.1 to the Company's Registration Statement on Form S-3, Registration No. 333-108544, is incorporated herein by reference.)
3.2	Amended and Restated By-Laws of the Company as currently in effect. (Exhibit 3.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2012, File No. 1-12139, is incorporated herein by reference.)
4.1	Indenture, dated as of February 6, 2009, of the Company, as Issuer, to U.S. Bank, National Association, as Trustee, regarding 12% Senior Notes Due 2014. (Exhibit 4.1 to the Company's Current Report on Form 8-K, Date of Report February 6, 2009, File No. 1-12139, is incorporated herein by reference.)
4.2	Form of Indenture between the Registrant and U.S. Bank, National Association, as Trustee. (Exhibit 4.2 to the Company's Registration Statement on Form S-3, Registration No. 333-157851, is incorporated herein by reference.)
4.3	Indenture, dated as of June 18, 2009, of the Company, as Issuer, to U.S. Bank, National Association, as Trustee, regarding the Company's 7.875% Senior Notes Due 2017. (Exhibit 4.1 to the Company's Current Report on Form 8-K, Date of Report June 12, 2009, File No. 1-12139, is incorporated herein by reference.)
4.4	Indenture, dated as of October 3, 2011, among Sealed Air, the Guarantors named therein and HSBC Bank USA, National Association, as Trustee, governing the 8.125% Senior Notes Due 2019 and 8.375% Senior Notes Due 2021. (Exhibit 4.1 to the Company's Current Report on Form 8-K, Date of Report October 3, 2011, File No. 1-12139, is incorporated herein by reference.)
4.5	Form of 8.125% Senior Note due 2019. (Exhibit 4.2 to the Company's Current Report on Form 8-K, Date of Report October 3, 2011, File No. 1-12139, is incorporated herein by reference.)
4.6	Form of 8.375% Senior Note due 2021. (Exhibit 4.3 to the Company's Current Report on Form 8-K, Date of Report October 3, 2011, File No. 1-12139, is incorporated herein by reference.)
10.1	Employee Benefits Allocation Agreement dated as of March 30, 1998 among the Company, W. R. Grace & Co. — Conn. and W. R. Grace & Co. (Exhibit 10.1 to the Company's Current Report on Form 8-K, Date of Report March 31, 1998, File No. 1-12139, is incorporated herein by reference.)
10.2	Tax Sharing Agreement dated as of March 30, 1998 by and among the Company, W. R. Grace & Co. — Conn. and W. R. Grace & Co. (Exhibit 10.2 to the Company's Current Report on Form 8-K, Date of Report March 31, 1998, File No. 1-12139, is incorporated herein by reference.)

10.3	Agreement in Principle, dated November 27, 2002, by and among the Official Committee of Asbestos Personal Injury Claimants, the Official Committee of Asbestos Property Damage Claimants, the Company, and the Company's subsidiary, Cryovac, Inc. (Exhibit 10.22 to the Company's Annual Report on Form 10-K for the year ended December 31, 2002, File No. 1-12139, is incorporated herein by reference.)
10.4	Settlement Agreement and Release, dated November 10, 2003, by and among the Official Committee of Asbestos Personal Injury Claimants, the Official Committee of Asbestos Property Damage Claimants, the Company, and the Company's subsidiary, Cryovac, Inc. (Exhibit 10.1 to the Company's Amendment No. 3 to its Registration Statement on Form S-3, Registration No. 333-108544, is incorporated herein by reference.)
10.5	Restricted Stock Plan for Non-Employee Directors of the Company. (Annex E to the Company's Proxy Statement for the 1998 Annual Meeting of Stockholders, File No. 1-12139, is incorporated herein by reference.)*
10.6	Sealed Air Corporation 2002 Stock Plan for Non-Employee Directors, effective May 17, 2002. (Annex A to the Company's Proxy Statement for the 2002 Annual Meeting of Stockholders, File No. 1-12139, is incorporated herein by reference.)*
10.7	Amendment dated April 15, 2004, to the Restricted Stock Plan for Non-Employee Directors of the Company. (Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2004, File No. 1-12139, is incorporated herein by reference.)*
10.8	Sealed Air Corporation 2002 Stock Plan for Non-Employee Directors, as amended February 19, 2009. (Exhibit 10.13 to the Company's Annual Report on Form 10-K for the year ended December 31, 2008, File No. 1-12139, is incorporated herein by reference.)*
10.9	Sealed Air Corporation 2002 Stock Plan for Non-Employee Directors, as amended December 16, 2009. (Exhibit 10.16 to the Company's Annual Report on Form 10-K for the year ended December 31, 2009, File No. 1-12139, is incorporated herein by reference.)*
10.10	Sealed Air Corporation 2002 Stock Plan for Non-Employee Directors, as amended April 13, 2010. (Exhibit 10.7 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2010, File No. 1-12139, is incorporated herein by reference.)*
10.11	Sealed Air Corporation Deferred Compensation Plan for Directors. (Exhibit 10.21 to the Company's Annual Report on Form 10-K for the year ended December 31, 2001, File No. 1-12139, is incorporated herein by reference.)*
10.12	Sealed Air Corporation Deferred Compensation Plan for Directors. (Exhibit 10.8 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2010, File No. 1-12139, is incorporated herein by reference.)*
10.13	Form of Restricted Stock Purchase Agreement. (Exhibit 4.4 to the Company's Registration Statement on Form S-8, Registration No. 333-59195, is incorporated herein by reference.)*
10.14	Form of Stock Purchase Agreement for use in connection with the Company's 2002 Stock Plan for Non-Employee Directors. (Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2002, File No. 1-12139, is incorporated herein by reference.)*
10.15	Fees to be paid to the Company's Non-Employee Directors — 2010. (Exhibit 10.21 to the Company's Annual Report on Form 10-K for the year ended December 31, 2009, File No. 1-12139, is incorporated herein by reference.)*
10.16	Fees to be paid to the Company's Non-Employee Directors — 2011. (Exhibit 10.48 to the Company's Annual Report on Form 10-K for the year ended December 31, 2010, File No. 1-12139, is incorporated herein by reference.)*
10.17	Fees to be paid to the Company's Non-Employee Directors — 2012. (Exhibit 10.18 to the Company's Annual Report on Form10-K for the year ended December 31, 2011, File No. 1-12139, is incorporated herein by reference.)*
10.18	Fees to be paid to the Company's Non-Employee Directors — 2013.*
10.19	2005 Contingent Stock Plan of Sealed Air Corporation, as amended February 19, 2009. (Exhibit 10.20 to the Company's Annual Report on Form 10-K for the year ended December 31, 2008, File No. 1-12139, is incorporated herein by reference.)*
10.20	2005 Contingent Stock Plan of the Company, as amended effective May 18, 2011 (Annex D to the Company's Proxy Statement for the 2011 Annual Meeting of Stockholders, File No. 1-12139, is incorporated herein by reference)*
10.21	Sealed Air Corporation Annual Incentive Plan, adopted February 19, 2008 (Exhibit 10.1 to the Company's Current Report on Form 8-K, Date of Report February 19, 2008, File No. 1-12139, is incorporated herein by reference.)*
10.22	Performance-Based Compensation Program of the Company, as amended effective May 20, 2008. (Annex E to the Company's Proxy Statement for the 2008 Annual Meeting of Stockholders, File No. 1-12139, is incorporated herein by reference.)*
10.23	Performance-Based Compensation Program of the Company, as amended February 18, 2010. (Exhibit 10.3 to the Company's Current Report on Form 8-K, Date of Report February 18, 2010, File No. 1-12139, is incorporated herein by reference.)*
10.24	Sealed Air Corporation Policy on Recoupment of Incentive Compensation from Executives in the Event of Certain Restatements, approved March 20, 2008. (Exhibit 10.1 to the Company's Current Report on Form 8-K, Date of Report March 20, 2008, File No. 1-12139, is incorporated herein by reference.)*
10.25	Sealed Air Corporation Policy on Recoupment of Incentive Compensation from Executives in the Event of Certain Restatements, as amended February 18, 2010. (Exhibit 10.2 to the Company's Current Report on Form 8-K, Date of Report February 18, 2010, File No. 1-12139, is incorporated herein by reference.)*
10.26	Form of Restricted Stock Agreement under amended 2005 Contingent Stock Plan of Sealed Air Corporation. (Exhibit 4.4 to the Company's Registration Statement on Form S-8, Registration No. 333-152909, is incorporated herein by reference.)*

10.27	Form of Restricted Stock Unit Agreement under amended 2005 Contingent Stock Plan of Sealed Air Corporation. (Exhibit 4.5 to the Company's Registration Statement on Form S-8, Registration No. 333-152909, is incorporated herein by reference.)*
10.28	Form of Restricted Stock Agreement, approved December 18, 2008, for awards pursuant to the Stock Leverage Opportunity provision of the Company's annual incentive plan. (Exhibit 10.1 to the Company's Current Report on Form 8-K, Date of Report December 18, 2008, File No. 1-12139, is incorporated herein by reference.)*
10.29	Form of Restricted Stock Unit Agreement, approved December 18, 2008, for awards pursuant to the Stock Leverage Opportunity provision of the Company's annual incentive plan. (Exhibit 10.2 to the Company's Current Report on Form 8-K, Date of Report December 18, 2008, File No. 1-12139, is incorporated herein by reference.)*
10.30	Form of Restricted Stock Unit Agreement, approved February 14, 2013, for awards pursuant to the Stock Leverage Opportunity provision of the Company's annual incentive plan. *
10.31	Form of Restricted Stock Agreement, as amended, under the amended 2005 Contingent Stock Plan of Sealed Air Corporation. (Exhibit 10.3 to the Company's Current Report on Form 8-K, Date of Report December 18, 2008, File No. 1-12139, is incorporated herein by reference.)*
10.32	Form of Restricted Stock Unit Agreement, as amended, under the amended 2005 Contingent Stock Plan of Sealed Air Corporation. (Exhibit 10.4 to the Company's Current Report on Form 8-K, Date of Report December 18, 2008, File No. 1-12139, is incorporated herein by reference.)*
10.33	Form of Non-Compete and Confidentiality Agreement for exempt U.S. employees, substantially as executed by Emile Z. Chammas, Senior Vice President, of the Company. (Exhibit 10.29 to the Company's Annual Report on Form 10-K for the year ended December 31, 2005, File No. 1-12139, is incorporated herein by reference.)*
10.34	Form of Sealed Air Corporation Performance Share Units Award Grant 2010-2012. (Exhibit 10.1 to the Company's Current Report on Form 8-K, Date of Report April 14, 2010, File No. 1-12139, is incorporated herein by reference.)*
10.35	Form of Sealed Air Corporation Performance Share Units Award Grant 2011-2013 (Exhibit 10.1 to the Company's Current Report on Form 8-K, Date of Report April 7, 2011, File No. 1-12139, is incorporated herein by reference.)*
10.36	Form of Sealed Air Corporation Performance Share Units Award Grant 2012-2014 (Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2012, File No. 1-12139, is incorporated herein by reference.)*
10.37	Form of Sealed Air Corporation Performance Share Units Award Grant 2012 to the Chief Executive Officer (Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2012, File No. 1-12139, is incorporated herein by reference.)*
10.38	Commitment Letter, dated as of May 31, 2011, by and among Sealed Air Corporation and Citigroup Global Markets Inc. (Exhibit 10.1 to the Company's Current Report on Form 8-K, Date of Report May 31, 2011, File No. 1-12139, is incorporated herein by reference.)
10.39	Amended and Restated Commitment Letter, dated as of June 17, 2011, by and among Sealed Air Corporation, Citigroup Global Markets Inc., Bank of America, N.A., Merrill Lynch, Pierce, Fenner & Smith Incorporated, BNP Paribas, BNP Paribas Securities Corp., The Royal Bank of Scotland plc and RBS Securities Inc. (Exhibit 10.1 to the Company's Current Report on Form 8-K, Date of Report June 17, 2011, File No. 1-12139, is incorporated herein by reference.)
10.40	Purchase Agreement, dated as of September 16, 2011, by and among the Company, as issuer, and Citigroup Global Markets Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated, for themselves and the other initial purchasers named therein, regarding Sealed Air Corporation's 8.125% Senior Notes Due 2019 and 8.375% Senior Notes Due 2021 (Exhibit 10.1 to the Company's Current Report on Form 8-K, Date of Report September 16, 2011, File No. 1-12139, is incorporated herein by reference.)
10.41	Syndicated Facility Agreement, dated as of October 3, 2011, by and among Sealed Air, certain subsidiaries of Sealed Air party thereto, the lenders party thereto, Citibank, N.A., as agent and the other agents party thereto. (Exhibit 10.1 to the Company's Current Report on Form 8-K, Date of Report October 3, 2011, File No. 1-12139, is incorporated herein by reference.)
10.42	Series A Preferred Stock Purchase Agreement, dated as of October 3, 2011, by and among Diversey Holdings, Inc., Sealed Air and Solution Acquisition Corp. (Exhibit 10.1 to the Company's Current Report on Form 8-K, Date of Report October 3, 2011, File No. 1-12139, is incorporated herein by reference.)
10.43	Employment Agreement, dated August 29, 2012 between Jerome A. Peribere and the Company, as supplemented on October 11, 2012. *
10.44	Equity Interest Purchase Agreement, dated as of October 30, 2012, by and between Sealed Air Corporation, Sealed Air Netherlands Holdings V B.V., and DC Co., Ltd., as amended on November 9, 2012, and further amended November 14, 2012.
10.45	Restatement Agreement, dated November 15, 2012, by and among Sealed Air Corporation and certain subsidiaries of Sealed Air Corporation party thereto, the lenders party thereto, Citibank, N.A., as agent and other agents party thereto. (Exhibit 10.1 to the Company's Current Report on Form 8-K, Date of Report November 13, 2012, File No. 1-12139, is incorporated herein by reference.)
10.46	Amended and Restated Syndicated Facility Agreement, dated November 15, 2012, by and among Sealed Air Corporation and certain subsidiaries of Sealed Air Corporation party thereto, the lenders party thereto, Citibank, N.A., as agent and other agents party thereto. (Exhibit 10.2 to the Company's Current Report on Form 8-K, Date of Report November 13, 2012, File No. 1-12139, is incorporated herein by reference.)
10.47	Employment Arrangement between H. Katherine White and the Company.*

12.1	Computation of Ratio of Earnings to Fixed Charges.
21	Subsidiaries of the Company.
23.1	Consent of KPMG LLP.
31.1	Certification of Jerome A. Peribere, President and Chief Executive Officer of the Company, pursuant to Rule 13a-14(a), dated March 1, 2013.
31.2	Certification of Carol P. Lowe, Senior Vice President and Chief Financial Officer of the Company, pursuant to Rule 13a-14(a), dated March 1, 2013.
32	Certification of Jerome A. Peribere, President and Chief Executive Officer of the Company, and Carol P. Lowe, Senior Vice President and Chief Financial Officer of the Company, pursuant to 18 U.S.C. § 1350, dated March 1, 2013.
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema
101.CAL	XBRL Taxonomy Extension Calculation Linkbase
101.LAB	XBRL Taxonomy Extension Label Linkbase
101.PRE	XBRL Taxonomy Extension Presentation Linkbase
101.DEF	XBRL Taxonomy Extension Definition Linkbase

* Compensatory plan or arrangement of management required to be filed as an exhibit to this report on Form 10-K.

In accordance with Rule 406T of Regulation S-T, the XBRL related information in Exhibit 101 shall not be deemed to be “filed” for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section, and shall not be deemed to be “filed” or part of any registration statement or other document filed for purposes of Sections 11 or 12 of the Securities Act or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

In lieu of filing certain instruments with respect to long-term debt of the kind described in Item 601(b)(4)(iii) of Regulation S-K, the Company agrees to furnish a copy of such instruments to the SEC upon request.

Schedule

SEALED AIR CORPORATION AND SUBSIDIARIES

SCHEDULE II

Valuation and Qualifying Accounts and Reserves
Years Ended December 31, 2012, 2011 and 2010

Description	Balance at Beginning of Year	Charged to Costs and Expenses	Deductions	Foreign Currency Translation and Other	Balance at End of Year
			(in millions of dollars)		
Year ended December 31, 2012:					
Allowance for doubtful accounts	$ 16.2	$ 14.3	$ (7.8)[1]	$ 3.2	$ 25.9
Inventory obsolescence reserve	$ 23.5	$ 14.0	$ (14.1)[2]	$ 4.4	$ 27.8
Year ended December 31, 2011:					
Allowance for doubtful accounts	$ 17.0	$ 8.9	$ (8.3)[1]	$ (1.4)	$ 16.2
Inventory obsolescence reserve	$ 22.7	$ 9.5	$ (7.9)[2]	$ (0.8)	$ 23.5
Year ended December 31, 2010:					
Allowance for doubtful accounts	$ 17.5	$ 6.9	$ (6.5)[1]	$ (0.9)	$ 17.0
Inventory obsolescence reserve	$ 26.6	$ 2.1	$ (6.5)[2]	$ 0.5	$ 22.7

(1) Primarily accounts receivable balances written off, net of recoveries.
(2) Primarily items removed from inventory.

Table of Contents

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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
(Registrant)

By: /S/ JEROME A. PERIBERE
Jerome A. Peribere
President and Chief Executive Officer

Date: March 1, 2013

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated:

	Signature	Title	Date
By:	/s/ JEROME A. PERIBERE Jerome A. Peribere	President, Chief Executive Officer and Director (Principal Executive Officer)	March 1, 2013
By:	/s/ CAROL P. LOWE Carol P. Lowe	Senior Vice President and Chief Financial Officer (Principal Financial Officer)	March 1, 2013
By:	/s/ WILLIAM G. STIEHL William G. Stiehl	Controller (Principal Accounting Officer)	March 1, 2013
By:	/s/ HANK BROWN Hank Brown	Director	March 1, 2013
By:	/s/ MICHAEL CHU Michael Chu	Director	March 1, 2013
By:	/s/ LAWRENCE R. CODEY Lawrence R. Codey	Director	March 1, 2013
By:	/s/ PATRICK DUFF Patrick Duff	Director	March 1, 2013
By:	/s/ T. J. DERMOT DUNPHY T. J. Dermot Dunphy	Director	March 1, 2013
By:	/s/ WILLIAM V. HICKEY William V. Hickey	Director, Chairman of the Board of Directors	March 1, 2013
By:	/s/ JACQUELINE B. KOSECOFF Jacqueline B. Kosecoff	Director	March 1, 2013
By:	/s/ KENNETH P. MANNING Kenneth P. Manning	Director	March 1, 2013
By:	/s/ WILLIAM J. MARINO William J. Marino	Director	March 1, 2013
By:	/s/ RICHARD L.WAMBOLD Richard L. Wambold	Director	March 1, 2013
By:	/s/ JERRY R. WHITAKER Jerry R. Whitaker	Director	March 1, 2013

Exhibit 10.18

Fees to be Paid to the Non-Employee Directors

of

Sealed Air Corporation (the "Corporation")

2013

Members of the Board of Directors who are not officers or employees of the Corporation or any subsidiary of the Corporation ("non-employee directors") shall be paid the following directors' fees in cash, payable quarterly in arrears on or about the first day of the succeeding calendar quarter, which fees shall be in addition to retainers payable to non-employee directors under the Sealed Air Corporation 2002 Stock Plan for Non-Employee Directors:

(i) for each non-employee director who is designated as chair of the Audit Committee, a fee of Six Thousand Two Hundred Fifty Dollars ($6,250) per calendar quarter for serving as chair, and for each other member of the Audit Committee, a fee of Two Thousand Five Hundred Dollars ($2,500) per calendar quarter for serving as a member;

(ii) for each non-employee director who is designated as chair of the Nominating and Corporate Governance Committee, a fee of Three Thousand Seven Hundred Fifty Dollars ($3,750) per calendar quarter for serving as chair, and for each other member of the Nominating and Corporate Governance Committee, a fee of One Thousand Eight Hundred Seventy Five Dollars ($1,875) per calendar quarter for serving as a member;

(iii) for each non-employee director who is designated as chair of the Organization and Compensation Committee, a fee of Five Thousand Dollars ($5,000) per calendar quarter for serving as chair, and for each other member of the Organization and Compensation Committee, a fee of Two Thousand Five Hundred Dollars ($2,500) per calendar quarter for serving as a member;

(iv) a fee of Seven Thousand Five Hundred Dollars ($7,500) per calendar quarter for serving as lead director, or Six Thousand Two Hundred Fifty Dollars ($6,250) per calendar quarter for serving as such and as chair of a standing committee during the same quarter;

(v) a fee of Two Thousand Dollars ($2,000) per day for special assignments undertaken by a non-employee director at the request of the Board or any committee of the Board or for attending a director education program; and

(vi) meeting fees as approved by the Board of Directors for non-employee directors who serve on any special committee or for attendance at special meetings of the Board of Directors or a committee of the Board of Directors in the event of a major transaction, etc.

The amount of the Annual Retainer (as defined in the Sealed Air Corporation 2002 Stock Plan for Non-Employee Directors) to be paid to Non-Employee Directors of the Corporation who are elected at the

2013 Annual Meeting of Stockholders is $90,000 payable in shares of Common Stock plus $75,000 payable in cash unless the Non-Employee Director elects payment of the cash portion in shares of Common Stock.

Under the Sealed Air Corporation Deferred Compensation Plan for Directors, a non-employee director may elect to defer all or part of his or her Annual Retainer until the director retires from the Board. None of the other fees mentioned above is eligible to be deferred.

Exhibit 10.30

RESTRICTED STOCK UNIT AGREEMENT

(Stock Leverage Opportunity Award)

AGREEMENT dated as of March 9, 2012 between SEALED AIR CORPORATION, a Delaware corporation (the "Corporation"), and (the "Employee").

The Employee is now in the employ of the Corporation or one of its Subsidiaries and was selected by the Organization and Compensation Committee (the "Committee") of the Board of Directors of the Corporation to be given a leveraged opportunity to receive an award of Restricted Stock or Restricted Stock Units under the 2005 Contingent Stock Plan of Sealed Air Corporation pursuant to the Stock Leverage Opportunity (SLO) provision of the Corporation's Annual Incentive Plan for the 2011 calendar year. This award of Restricted Stock Units is made based on the portion of the Employee's annual bonus award for 2011 elected by the Employee to be received as such under the SLO provision of the Annual Incentive Plan, the amount of the Employee's annual bonus award for 2011 as approved by the Committee, and the 25% premium applicable to such award that was approved by the Committee.

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

Section 1. Grant of Restricted Stock Units

Subject to the terms, conditions and restrictions set forth elsewhere in this Agreement, the Corporation hereby grants to the Employee a grant of * * Restricted Stock Units. The Restricted Stock Units are granted under the 2005 Contingent Stock Plan of Sealed Air Corporation (as amended and in effect from time to time, the "Plan"), and the grant is subject to the provisions of the Plan, which is made a part of this Agreement, as well as to the provisions of this Agreement. All capitalized terms have the meanings set forth in the Plan unless otherwise specifically provided in this Agreement.

Section 2. Period of Restriction and Forfeiture of Restricted Stock Units

The Period of Restriction applicable to the Restricted Stock Units granted under this Agreement begins on the date of this Agreement and ends on the second anniversary of that date, except that the Period of Restriction shall end earlier upon termination of employment following a Change in Control in the circumstances described in Section 7 (iii) of the Plan. During the Period of Restriction, the Restricted Stock Units granted under this Agreement shall be forfeited on the Date of Termination of the Employee with the Corporation or any of its Subsidiaries other than as a result of the Employee's death, Disability or Retirement. No later than 90 days following the Date of Termination, the Committee may determine not to seek forfeiture of all or part of the Restricted Stock Units and to permit the Restricted Stock Units to vest immediately (in whole or in part) or to continue to vest during the remainder of the original Period of Restriction subject to satisfaction of conditions specified by the Committee. Until the end of the applicable Period of Restriction or the earlier occurrence of the Employee's death, Disability or Retirement, neither the Restricted Stock Units nor any interest in this Agreement or the shares of Common Stock to be issued upon vesting of the Restricted Stock Units shall be sold, transferred, pledged or encumbered. "Retirement" for the purpose of this Agreement shall mean termination of Employee status after five or more years of employment with the Corporation and its Subsidiaries and as of the Retirement date the number of years of employment plus the age of the Employee equals 70 or more, *provided* that Retirement shall not include termination of employment by the Corporation or any of its Subsidiaries for Cause.

Section 3. Effect of Forfeiture

The Employee shall have no further rights with respect to Restricted Stock Units that are forfeited from and after the date of forfeiture, including no further right to have shares of Common Stock issued or to receive dividend equivalents with respect to such Restricted Stock Units.

Section 4. Issuance of Shares of Common Stock Upon Vesting

At the end of the Period of Restriction or at the earlier occurrence of the Employee's death, Disability or Retirement, provided that the Restricted Stock Units have not been forfeited previously, the Corporation shall issue and deliver to the Employee (or to the Employee's estate, in the event of the Employee's death) either a certificate or certificates or a statement in book entry form representing one share of Common Stock for each Restricted Stock Unit that has vested. Shares will be issued as soon as administratively practicable after the Period of Restriction has ended, generally within 30 days.

Section 5. Ownership Rights

During the Period of Restriction, the Employee shall not be entitled to voting rights with respect to the Restricted Stock Units covered by this Agreement, nor to the right to receive cash dividends. The Committee has agreed that, on or about the date that shares of Common Stock are issued to the Employee under Section 4 above, the Corporation shall make a payment of dividend equivalents to the Employee in cash equal to the aggregate amount of cash dividends (without interest) that would have been paid to the Employee prior to the date of issuance if such shares had been issued to the Employee on the date of this Agreement, *provided* that the amount of the dividend equivalents payment will be adjusted appropriately if any of the transactions noted in Section 9 have occurred prior to issuance of the shares.

Section 6. Securities and Other Regulations

The Corporation shall not be required to deliver any shares of Common Stock upon vesting of any Restricted Stock Units or to take any other action until the requirements of any federal, state or foreign securities law, rules or regulations or other applicable laws or rules (including the rules of any securities exchange) as may be determined by the Corporation to be applicable are satisfied.

Section 7. Registration of Shares

The Corporation shall be under no obligation to register any shares of Common Stock issued or to be issued with respect to the Restricted Stock Units covered by this Agreement under the Securities Act of 1933.

Section 8. No Rights in Common Stock

Following vesting and except as provided in Section 5, 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 to be issued with respect to the Restricted Stock Units granted under this Agreement until such 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. Adjustments

In the event of changes in corporate capitalization, such as a stock dividend, split-up, combination of shares, or reclassification, or a corporate transaction, such as a merger, consolidation, separation, including a spin-off, or other distribution of stock or property of the Corporation, any reorganization, or any partial or complete liquidation of the Corporation after the date of this Agreement and before shares of Common Stock are issued with respect to the Restricted Stock Units covered by this Agreement, appropriate adjustments shall be made by the Committee as to the number and class of shares that may be issued under the Plan and in the number and class of and/or price of shares subject to outstanding grants made under the Plan, including the Restricted Stock Units covered by this Agreement, as may be determined to be appropriate and equitable by the Committee, in its sole discretion, to prevent dilution or enlargement of rights.

Section 10. Action by Corporation

Neither the existence of this Agreement nor the grant of Restricted Stock Units under this Agreement 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 9, 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 11. 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, whether with or without cause.

Section 12. Not a Contract of Employment; No Acquired Rights

Neither the Plan nor this Agreement shall be deemed to be a contract of employment between the Corporation or any of its Subsidiaries and the Employee. The grant of Restricted Stock Units and the right to acquire shares of Common Stock under the Plan upon vesting does not create any obligation on the part of the Corporation or the Employee's employer to make additional grants in the future and shall not constitute an acquired labor right for purposes of any foreign law. The Employee recognizes the absolute right of his or her employer and of the Corporation to amend or cancel the Plan at any time subject to the terms of the Plan without thereby incurring any liability to the Employee.

Section 13. Effect on Compensation

The grant of Restricted Stock Units under this Agreement shall not be deemed to be a part of the Employee's salary or compensation for purposes of determining the Employee's payments or benefits under any benefit plan, severance program or severance pay law of the Corporation, any Subsidiary or any country. Neither the Plan nor the grant of Restricted Stock

Units under the Agreement shall afford the Employee any additional right to severance payments or other termination awards or compensation under any foreign law as a result of the termination of the Employee's employment for any reason whatsoever.

Section 14. Tax-Related Items

Regardless of any action the Corporation or the Employee's employer takes with respect to any or all income tax, payroll tax or other tax-related withholding (Tax-Related Items), the Employee acknowledges that the ultimate liability for all Tax-Related Items owed by the Employee is and remains the Employee's responsibility and that the Corporation and/or the Employee's employer (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the grant of Restricted Stock Units, including the grant and vesting of the Restricted Stock Units, the subsequent sale of shares of Common Stock issued following the end of the Period of Restriction and the receipt of any dividends or dividend equivalents; and (ii) do not commit to structure the terms of the grant or any aspect of the Restricted Stock Units to reduce or eliminate the Employee's liability for Tax-Related Items. If the Corporation determines that it and/or the Employee's employer must withhold any Tax-Related Items as a result of the Employee's participation in the Plan, the Employee agrees as a condition of the grant of the Restricted Stock Units to make arrangements satisfactory to the Corporation and/or the Employee's employer to enable it to satisfy all withholding requirements, including, but not limited to, withholding any applicable Tax-Related Items from the pay-out of the Restricted Stock Units. In addition, the Employee authorizes the Corporation and/or the Employee's employer to fulfill its withholding obligations by all legal means, including, but not limited to: withholding Tax-Related Items from the Employee's wages, salary or other cash compensation the Employee's employer pays to the Employee; withholding Tax-Related Items from the cash proceeds, if any, received upon sale of any shares of Common Stock received in payment for the Restricted Stock Units; and at the time of payment,

withholding shares of Common Stock sufficient to meet minimum withholding obligations for Tax-Related Items. The Corporation may refuse to issue and deliver shares of Common Stock in payment of any earned Restricted Stock Units if the Employee fails to comply with any withholding obligation.

Section 15. Foreign Indemnity

The Employee agrees to indemnify the Corporation and each of its Subsidiaries for the Employee's portion of any social insurance obligations or taxes arising under any foreign law with respect to the grant of Restricted Stock Units under this Agreement, the end of the Period of Restriction, the issuance of Common Stock with respect to the Restricted Stock Units, or the sale or other disposition of such Common Stock.

Section 16. 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 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 or her. If the Committee is not acting, its functions may 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. Severability

If any provision of this Agreement shall be held illegal, invalid or unenforceable for any reason, such provision shall be fully severable, but shall not affect the remaining provisions of this Agreement, and this Agreement shall be construed and enforced as if the illegal, invalid, or unenforceable provision had never been included.

Section 19. 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 200 Riverfront Boulevard, Elmwood Park, New Jersey 07407, 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 20. 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 or her estate and the executors, administrators or trustees thereof, his or her heirs and legatees and any receiver, trustee in bankruptcy or representative of his or her creditors.

Section 21. Applicable Law

The Plan and 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 Delaware.

Section 22. Recoupment Policy

This award of Restricted Stock Units is subject to the Corporation's Policy on Recoupment of Incentive Compensation, a current copy of which is attached.

Section 23. Section 409A

As provided by Section 24 of the Plan, to the extent that Code Section 409A applies to this award, the Plan and this Agreement are intended to comply with Code Section 409A, and official guidance issued thereunder. Notwithstanding any provision of this Agreement or the Plan to the contrary, this Agreement and the Plan shall be interpreted, operated and administered consistent with this intent. In that regard, and notwithstanding any provision of this Agreement or the Plan to the contrary, the Corporation reserves the right to amend this Agreement, by action of the Committee, without the consent of the Employee, to the extent deemed necessary or appropriate for purposes of maintaining compliance with Code Section 409A and the regulations promulgated thereunder. In addition, any payments under this Agreement in connection with the Employee's termination of employment shall not be made earlier than six (6) months after the Date of Termination to the extent required by Code Section 409A(a)(2)(B)(i). For purposes of this Agreement, the "Date of Termination" shall be determined in accordance with the requirements of Code Section 409A, the regulations promulgated thereunder, and any related administrative policies of the Corporation.

IN WITNESS WHEREOF, the parties have entered into this Restricted Stock Unit Agreement as of the day and year first above written.

SEALED AIR CORPORATION

By ______________________________

Interim Chief Financial Officer

[Corporate Seal]

Attest:

____

Secretary

_________________________ [L.S.]

Employee

Address of Employee:

____

____

Home Telephone No. _________________________

SEALED AIR CORPORATION

POLICY ON RECOUPMENT OF INCENTIVE COMPENSATION
FROM EXECUTIVES IN THE EVENT OF CERTAIN RESTATEMENTS
As amended for performance periods beginning on or after January 1, 2010

The Organization and Compensation Committee of the Board of Directors has approved the policy that the Company will, to the extent permitted by governing law, require reimbursement to the Company of all or a portion of any annual incentive compensation (whether payable in cash or by an award under the 2005 Contingent Stock Plan) and any Performance Share Units awards under the 2005 Contingent Stock Plan awarded to any executive officer of the Company or to the leader of any business unit or function of the Company for performance periods beginning on or after January 1, 2010, where:

(a) the payment or award was predicated upon the achievement of certain financial results that were subsequently the subject of a restatement due to error or misconduct (regardless of the executive officer's or leader's responsibility for such error or misconduct), and

(b) either no payment or award, or a lower payment or award, would have been made to the officer or leader based upon the restated results.

In each case, upon a determination to seek recovery by the Board of Directors, the Company will, to the extent practicable, seek to recover the amount by which the officer's or leader's annual incentive compensation and/or Performance Share Units award for the relevant period exceeded the lower amount that would have been paid or awarded (or the entire amount, if nothing would have been paid or awarded). This may include the cancellation of all or a portion of unvested awards or unpaid awards (or a delay in payment of any such awards while financial results are under review by the Company).

In addition, any person who is subject to forfeiture of compensation or profits from the sale of the Company's securities under Section 304 of the Sarbanes-Oxley Act of 2002 shall reimburse the Company the amount of such compensation and profits.

In addition to these reimbursements, the Company may take any other actions that it deems appropriate to remedy any fraud or misconduct related to the restatement based on a consideration of the relevant facts and circumstances. These remedies would be in addition to any actions imposed by law enforcement agencies, regulators, or other authorities.

2/18/2010

Exhibit 10.43

[Sealed Air Corporation letterhead]

August 28, 2012

Jerome A. Peribere
[intentionally omitted]

Dear Jerome,

On behalf of Sealed Air Corporation (the "Company," "we" or "us"), I am pleased to confirm with you the terms of our offer of employment.

1. Start Date, Position and Duties. Your start date will be September 1, 2012. You will have the title of President and Chief Operating Officer of the Company. In that position, you will report to the Chairman and Chief Executive Officer of the Company. You will have such duties and responsibilities as may be assigned to you from time to time by the Chairman and Chief Executive Officer, including without limitation oversight of strategy and operations for all lines of business as well as supply chain and research and development. In addition, you will co-chair the senior management steering committee for the Diversey Integration.

You will also be appointed to the Board of Directors of the Company (the "Board") effective with your start date. We will use our best efforts to cause your nomination for election to the Board for future years while you serve as President and Chief Operating Officer or Chief Executive Officer.

You will be transitioned to the position of President and Chief Executive Officer of the Company, reporting to the Board, beginning effective March 1, 2013. In that position, the Chief Financial Officer, General Counsel and all other functional leaders will also report to you.

The location of your position will be at the Company's headquarters in Elmwood Park, NJ. You will be expected to relocate and establish a primary residence in proximity to the Company's headquarters as soon as practicable after your start date, but not later than one year after the start date. You will be eligible for standard benefits under the Company's relocation policy.

During your employment, you (i) will devote substantially all your working time and attention to the business and affairs of the Company (excluding any vacation and sick leave to which you are entitled), render such services to the best of your ability, and use your reasonable best efforts to promote the interests of the Company, (ii) will not engage in any other employment, consulting or other business activity that would create a conflict of interest with your services to the Company, (iii) will not assist any person or entity in competing with the Company or in preparing to compete with the Company and (iv) will comply with the Company's policies and rules, as they may be in effect from time to time. Notwithstanding the foregoing, you will be entitled to (A) serve on the boards of such organizations (both for profit or non-profit) on which you currently serve as previously communicated to us, (B) serve on civic or charitable boards or committees, (C) deliver lectures or fulfill speaking engagements, or (D) manage personal investments, so long as, in each such case, such activities do not (a) significantly interfere with the performance of your responsibilities as an employee of the Company, or (b) create a conflict of interest with your services to the Company.

2. Term. The initial term of your employment will be for a period of four years, commencing on your start date (the "Initial Term"). Your employment will then be renewed automatically for additional one year periods commencing on the last date of the Initial Term, and on each one year anniversary date thereafter (each subsequent one year period together with the Initial Term, hereinafter collectively the "Term"), unless either the Company or you provides the other party with written notice at least 90 days prior to the last date of the Initial Term or any subsequent Term stating that your employment will not be renewed.

   The Term of your employment may be ended earlier as follows: (i) the Term will end automatically upon your death or permanent and total disability; (ii) the Term will end upon your voluntary termination of employment and you agree in that circumstance to provide the Company with prior written notice at least 90 days in advance of your termination date; (iii) the Term will end immediately upon the Company's termination of your employment for cause; and (iv) the Term will end upon the Company's termination of your employment without cause provided that (A) the Company provides you with at least 90 days prior written notice and (B) if such termination of employment without cause occurs during the Initial Term, the Company provides you with cash severance payments described in Section 4 below. For purposes of this letter, "cause" means any of the following as determined by the Company: (i) an act of gross negligence or willful misconduct significantly injurious to the Company or any subsidiary, (ii) gross dereliction of duties after notice to you and failure to correct the deficiencies within a thirty (30) day period thereafter, or (iii) fraud in your capacity as an employee.

3. Initial Equity Awards. We will provide you with the following equity awards under the Company's 2005 Contingent Stock Plan (or any successor plan) (the "Stock Plan") in connection with your acceptance of this offer. These awards have been approved by the Organization and Compensation Committee of the Board (the "OCC"), subject to your accepting this offer and commencing employment. These awards will be evidenced by formal award agreements, which will be the governing documents for your awards.

- *Performance Share Units*. You will receive two awards of Performance Share Units under which you may earn up to 350,000 shares of our common stock based on our performance. The following summarizes the key features of the awards:
- Performance will be based on our total stockholder return ("TSR") relative to our peer group, determined in a manner consistent with the relative TSR metric in our 2012-2014 Performance Share Units awarded earlier this year.
- Under the first award, there will be four separate tranches of 25,000 shares each (for a total of 100,000 shares) that become earned based on our relative TSR for the four consecutive 12-month performance periods ending on August 31 in each of 2013, 2014, 2015 and 2016. The shares for a tranche are earned if our relative TSR for the applicable 12-month performance period is at or above median of the peer group. Any shares that become earned based on TSR performance for a performance period will be vested and settled by delivery of shares on August 31, 2016 (or earlier in case of death or disability before that date), provided that any such shares will be forfeited if, following the performance period but before August 31, 2016, your employment is terminated by the Company for cause (as defined below) or you breach any of the covenants in Section 5 below, including covenants in any Company agreements regarding protection of confidential information and ownership of trade secrets and inventions referenced in Section 5 below. Such shares (to the extent earned based on TSR performance) shall not be forfeited for any other termination of employment after the applicable performance period. If your employment terminates during one of the 12-month performance periods due to death or disability, you will vest in a pro rata portion of the shares for that tranche subject to TSR performance during that performance period, to be settled immediately following the determination of TSR performance. For any other termination of employment during one of the 12-month performance periods, you will forfeit the shares for that tranche and the tranche for any remaining 12-month performance period commencing after that date.
- Under the second award, you will be eligible to receive up to an additional 250,000 shares based on cumulative TSR through August 31, 2016 and our stock price, as follows: (i) if cumulative TSR on August 31, 2016 is in the top 40% of peers and the stock price is at or above $30 per share on that date, an additional 150,000 shares will be earned; (ii) if cumulative TSR on August 31, 2016 is in the top 40% of peers and the stock price is at or above $35 per share on that date, an additional 200,000 shares will be earned; or (iii) if cumulative TSR on August 31, 2016 is in the top 33% of peers and the stock price is at or above $40 per share on that date, an additional 250,000 shares will be earned. This award will be subject to our standard employment termination provisions. Under these provisions, if your employment terminates for any reason other than death or disability before August 31, 2016, you will forfeit the award. In case of death or disability, you will be eligible to receive a pro rata portion of the award subject to the applicable performance requirements.

- *Time-Based Restricted Stock*. You will receive awards of Restricted Stock under the Stock Plan, as follows:
- To compensate you for reduced pension benefits as a result of accepting our offer, you will receive a Restricted Stock award for 50,000 shares effective as of your start date. In addition, you will receive a Restricted Stock award for 25,000 shares on the first anniversary of your start date.
- Each Restricted Stock award will vest in full (i.e., cliff vest) on the third anniversary of the applicable grant date provided you remain employed with us through the applicable vesting date. These awards will be subject to our standard employment termination provisions in effect at the time of grant. Under these provisions currently, if your employment terminates for any reason other than death or disability before the vesting date, you will forfeit the award. In case of death or disability, you will vest in full. For the award described above to be granted on the first anniversary of your start date, you must be employed with us on the applicable grant date to receive the award, and you will not be compensated for such award if your employment terminates for any reason before the applicable grant date (including in case of death or disability).

4. Ongoing Compensation and Benefits. We will provide you with the following compensation and benefits during your employment:

- *Base Salary*: You will receive base salary at the annual rate of $950,000, payable in accordance with the Company's regular payroll practices. At least annually, the OCC will consider whether, in its discretion, to increase, but not decrease, your rate of base salary, based on market trends, internal considerations, performance or such other factors as the OCC may determine.
- *Annual Bonus*. Each year you will be eligible for consideration for an annual bonus in a target amount equal to 110% of your base salary and a maximum amount of 200% of your target. Your 2012 bonus opportunity will be based on your full annual rate of base salary (i.e., not pro rated). Your actual bonus amount will be determined by the OCC based on its review of your performance in accordance with the Company's annual bonus program for senior executives as in effect from time to time, provided that for 2012 your annual bonus will not be less than 50% of your target.

- *Long-Term Incentives*. You will receive long-term incentives in accordance with the Company's long-term incentive program for senior executives as in effect from time to time as determined by the OCC in its discretion, taking into account factors such as market practice, cost, performance and such other factors as determined appropriate by the OCC. For 2012, you will receive an award of 2012-2014 Performance Share Units under the Stock Plan as soon as practicable after your start date with a target grant date value of $2.0 million (based on a $4.0 million full year target pro rated by 50%). Notwithstanding any other provision of any such award to the contrary, the following special retirement provisions shall apply to your long-term incentive awards: if you retire from the Company upon the completion of the Initial Term or any time thereafter in accordance with the provisions of Section 2 above (including any required notice of retirement by you), then any outstanding long-term incentive awards will continue to vest in accordance with their original vesting schedule without any pro rata adjustment for the period of service completed but subject to any applicable performance conditions. Such special retirement provisions shall not apply if the Company terminates your employment for cause or determines that your employment could have been terminated for cause. In addition, payment per the original vesting schedule following retirement is conditioned on your compliance with the covenants set forth in Section 5 below, including covenants in any Company agreements regarding protection of confidential information and ownership of trade secrets and inventions referenced in Section 5 below.
- *Benefits*. During the Term, you will be entitled to participate in all retirement, health and welfare, vacation and other benefit plans and arrangements generally available to other senior executives of the Company in accordance with the terms and provisions of such plans. In that regard, for purposes of the Company's applicable vacation program you will be treated as having thirty-five years of service as of your start date. In addition, the Company will work with you to develop as soon as practicable a deferral program for your salary and annual cash bonus awards, subject to the requirements of Section 409A of the Internal Revenue Code ("Section 409A").
- *Severance and Change in Control Benefits*. You will be eligible to participate in any severance or change in control programs generally available to senior executives, although currently no such programs are offered other than change in control provisions for equity awards under the Stock Plan.

  Notwithstanding the foregoing, if your employment is terminated by the Company without cause during the Initial Term as set forth in Section 2, you will be entitled to receive (A) a pro rata annual bonus for the year of termination subject to actual performance, payable at the same time bonuses are normally paid, plus (B) cash severance equal to one year of salary and target annual bonus as in effect at the date of termination, payable in equal installments over 12 months in accordance with the Company's regular payroll practices. Each payment will be treated as a separate payment for purposes of determining whether such payments are considered

nonqualified deferred compensation within the meaning of Section 409A. In the event any such payment is determined to constitute nonqualified deferred compensation subject to Section 409A, then to the extent necessary to comply with Section 409A, such payment shall not be made, provided or commenced until six months after your termination date. Payment of such amounts are conditioned upon (i) your providing the Company within 60 days after your termination of employment with a release of claims on such form as customarily used by the Company and (ii) your compliance with the covenants set forth in Section 5 and in any agreements you have entered into regarding protection of confidential information and ownership of trade secrets and inventions.

- *Business Expenses*. We will reimburse you for reasonable and necessary travel and accommodation costs, entertainment and other business expenses incurred as a necessary part of discharging your duties hereunder, subject to our standard expense reimbursement policies.

5. Covenants. You will protect the Company's confidential and proprietary information, and in that regard you agree to enter into standard Company agreements regarding protection of confidential information and ownership of trade secrets and inventions. In addition, the following covenants will apply:

- *Non-Competition*. For 18 months following your termination of employment with us, you shall not, without the prior written consent of the Board, (i) either directly or indirectly compete with or in any way engage your talents for the benefit of a competitor of the Company or any of its affiliates (collectively, "Sealed Air") in any capacity related directly or indirectly to any aspect of your past employment with us in any location where Sealed Air engages in business or (ii) act as an officer, director, employee, consultant, partner or stockholder owning more than five percent of a corporation, business or enterprise that is in the business of designing, developing, manufacturing, selling, servicing or promoting a product or service that competes with any of the products or services manufactured, sold or under development by Sealed Air during your employment by us. You acknowledge and represent that your background and experience adequately qualifies you to engage in other profitable lines of endeavor and that you will not be subject to undue hardship by reason of this non-competition commitment.
- *Non-Solicitation of Customers*. For a period of 18 months following your termination of employment with us, you shall not solicit, entice, persuade, or induce any of Sealed Air's clients or customers at any time during your employment with us to purchase products or services that are the same or similar to any product or service manufactured or sold by Sealed Air.
- *Non-Solicitation of Employees*. For a period of 18 months following your termination of employment with us, you shall not without the Board's prior written consent, cause or attempt to

cause any employee, agent or contractor of Sealed Air to terminate his or her employment, agency or contractor relationship with Sealed Air; or interfere or attempt to interfere with the relationship between Sealed Air and any employee, agent or contractor; or hire or attempt to hire any employee, agent or contractor of Sealed Air.

- *Non-Disparagement*. Following your termination of employment with us, you agree that you will not make any disparaging or derogatory remarks or statements about the Company, or the Company's current and former officers, directors, shareholders, principals, attorneys, agents or employees. The Company agrees that it will not make any disparaging or derogatory remarks or statements about you or your employment with Company. Remarks or statements made by any officer, director, shareholder, principal or employee of the Company to any other officer, director, shareholder, principal, or employee of the Company shall not be covered by this covenant. In the event a prospective employer contacts the Company by any means to verify your employment, the only information that the Company, and its agents or employees will provide will be your hire date, date of resignation, last position held and, upon your request, relevant compensation information. Notwithstanding the foregoing, nothing in this letter shall preclude you or us from making truthful statements that are required by applicable law, regulation or legal process.
- *Survival*. Any termination of your employment with us shall have no effect on the continuing operation of this Section 5.
- *Validity; Remedies*. You acknowledge that the potential restrictions on your future employment imposed by this Section 5 are reasonable in both duration and geographic scope and in all other respects. If for any reason any court of competent jurisdiction shall find any provisions of this Section 5 unreasonable in duration or geographic scope or otherwise, you hereby agree that the restrictions and prohibitions contained herein shall be effective to the fullest extent allowed under applicable law in such jurisdiction. You expressly understand and agree that the remedy at law for any breach by you of the provisions of this Section 5 will be inadequate and that the Company shall be entitled to injunctive relief if permitted by law. Nothing contained in this Section 5 shall be deemed to limit the Company's remedies at law or in equity for any such breach of said provisions hereof. Any covenant that may not be specifically enforceable shall, nevertheless, if breached, give rise to a cause of action for money damages.

6. Miscellaneous.

- *No Conflicts*. By signing this letter, you represent to the Company that your acceptance of this offer and agreement to accept employment with the Company under these terms will not conflict with, violate or constitute a breach of any employment or other agreement to which you are a party and that you are not required to obtain the consent of any person, firm, corporation or other entity in order to accept this offer of employment.

- *Successors and Assigns*. This letter shall inure to the benefit of and be binding upon (i) the Company and its successors and assigns and (ii) you and your heirs and legal representatives, except that your duties and responsibilities under this letter that are of a personal nature and will not be assignable or delegable in whole or in part without our prior written consent.
- *Entire Agreement*. This letter sets forth the entire present agreement of the parties concerning the subjects covered herein. There are no promises, representations, or warranties of any kind concerning those subjects except as expressly set forth herein or therein. Any modification of this letter must be in writing and signed upon the express consent of all parties. Any attempt to modify this letter, orally or in writing, not executed by all parties will be void.
- *Enforceability*. If any provision of this letter, or its application to anyone or under any circumstances, is adjudicated to be invalid or unenforceable in any jurisdiction, such invalidity or unenforceability will not affect any other provision or application of this letter which can be given effect without the invalid or unenforceable provision or application and will not invalidate or render unenforceable such provision or application in any other jurisdiction.
- *Governing Law*. This letter shall be governed and conformed in accordance with the laws of the State of New Jersey without regard to the State's conflict of laws provision.
- *Waivers*. No failure on the part of any party to enforce any provisions of this letter will act as a waiver of the right to enforce that provision.
- *Withholding*. All payments of compensation to you by the Company shall be net of any tax or other amounts required to be withheld by the Company under applicable law.
- *Dispute Resolution*. Except with respect to enforcement of any covenants under or referenced in Section 5 above, the following provisions apply to any disputes that may arise regarding this letter, your employment with the Company or your termination of employment with the Company:
- In the event of any dispute, claim, question or disagreement arising out of or relating to this letter or the breach hereof, the parties hereto shall use their best efforts to settle such dispute, claim, question or disagreement. To this effect, they shall consult and negotiate with each other, in good faith, and, recognizing their mutual interests, attempt to reach a just and equitable resolution satisfactory to both parties.

- If the parties do not reach such a resolution within a period of 30 days, then any such unresolved dispute or claim, upon notice by any party to the other, shall be submitted to and finally settled by arbitration in accordance with the Commercial Arbitration Rules (the "Rules") of the AAA in effect at the time demand for arbitration is made by any such party. The parties shall mutually agree upon a single arbitrator within 30 days of such demand. In the event that the parties are unable to so agree within such 30 day period, then within the following 30 day period, one arbitrator shall be named by each party. A third arbitrator shall be named by the two arbitrators so chosen within ten 10 days after the appointment of the first two arbitrators. In the event that the third arbitrator is not agreed upon, he or she shall be named by the AAA. Arbitration shall occur in the State of New Jersey or such other location as may be mutually agreed to by the parties.
- The award made by all or a majority of the panel of arbitrators shall be final and binding, and judgment may be entered based upon such award in any court of law having competent jurisdiction. The award is subject to confirmation, modification, correction or vacation only as explicitly provided in Title 9 of the United States Code. The parties acknowledge that this letter evidences a transaction involving interstate commerce. The United States Arbitration Act and the Rules shall govern the interpretation, enforcement, and proceedings pursuant to this section. Any provisional remedy which would be available from a court of law shall be available from the arbitrators to the parties to this letter pending arbitration. Either party may make an application to the arbitrators seeking injunctive relief to maintain the status quo, or may seek from a court of competent jurisdiction any interim or provisional relief that may be necessary to protect the rights and property of that party, until such times as the arbitration award is rendered or the controversy otherwise resolved.
- To the full extent permitted by law and upon presentation of appropriate documentation, all reasonable legal fees and expenses incurred by you as a result of any dispute involving the validity or enforceability of, or liability under, any provision of this letter (including as a result of any dispute involving the amount of any payment or other benefit due pursuant to this letter) shall be paid by the Company provided that you prevail on at least one material issue.

You acknowledge and understand that by agreeing to binding arbitration, you are waiving a right to a jury trial. The claims covered by this provision include any statutory claims regarding your employment or the termination of your employment, including without limitation claims regarding workplace discrimination.

- *Reimbursement for Legal Fees*. The Company will reimburse you for your legal fees incurred in connection with entering into this letter and accepting this offer, up to a maximum amount of $35,000.

You acknowledge that you have received and read copies of the Company's Stock Ownership Guidelines for Executive Officers and Other Key Executives and its Policy on Recoupment of Incentive Compensation From Executives in the Event of Certain Restatements.

Jerome, we are most enthusiastic about your joining the team. If these provisions are agreeable to you, please sign one copy of this letter and return it to me as soon possible.

Sincerely,

Agreed and Accepted on August 28, 2012

/s/ William V. Hickey

William V. Hickey
President and Chief Executive Officer

/s/ Jerome A. Peribere
Jerome A. Peribere

Supplemental Compensation for Jerome A. Peribere

On October 11, 2012, the Organization & Compensation Committee of the Board of Directors approved supplemental compensation for Jerome A. Peribere, our President and Chief Executive Officer, in connection with Mr. Peribere's relocation to New Jersey. Mr. Peribere will receive additional compensation for temporary living accommodations, utilities and additional storage costs, with an additional estimated benefit of approximately $40,000.

Exhibit 10.44

EQUITY INTEREST PURCHASE AGREEMENT

dated as of October 30, 2012

by and between

Sealed Air Corporation

("***SA***")

Sealed Air Netherlands Holdings V B.V.

("***SABV***")

and

DC Co., Ltd.

("***PURCHASER***")

TABLE OF CONTENTS
(continued)

		Page
1.	**Definitions and Interpretation**	2
1.1	Definitions	2
1.2	Interpretation	11
2.	**Purchase and Sale; Closing**	12
2.1	Purchase and Sale	12
2.2	Purchase Price	12
2.3	Closing	12
2.4	Closing Obligations	13
2.5	Insurances	13
3.	**Basis of Warranties given by the Sealed Air Parties**	13
3.1	Disclosure	13
3.2	Scope of Warranties	14
3.3	Acknowledgement by Purchaser	14
4.	**Warranties of the Sealed Air Parties**	15
4.1	Organization	15
4.2	Enforceability	16
4.3	No Conflicts	16
4.4	No Licenses Required	16
4.5	Capital Stock	16
4.6	Financial Status	17
4.7	Subsidiaries	17
4.8	Other Major Shareholdings	17
4.9	Claims	18
4.10	Financial Statements and Subsequent Events	18
4.11	Real Property	19
4.12	Assets	19
4.13	Intellectual Property	19
4.14	IT Systems	21
4.15	Contracts	22
4.16	Officers and Employees	23
4.17	Taxes	24
4.18	Environmental Laws	24
4.19	Other Environmental Matters	24
4.20	Undisclosed Liabilities	25
4.21	Insurance	25
4.22	Compliance with Laws	25
4.23	Anticorruption	25
4.24	Antisocial Forces	27
4.25	Licenses	27
4.26	Inventories	27
4.27	Pre-signing and Pre-closing Transactions	28
4.28	Accuracy of Disclosure	28
5.	**Purchaser Warranties**	29
5.1	Organization	29
5.2	Enforceability	29

TABLE OF CONTENTS
(continued)

		Page
5.3	No Conflicts	29
5.4	No Licenses Required	29
5.5	Financial Status	29
6.	**Pre-Closing Covenants**	30
6.1	Mutual Covenants and Acknowledgements prior to Closing	30
6.2	Pre-Closing Covenants of the Sealed Air Parties	30
6.3	Pre-Closing Covenants of Purchaser	38
7.	**Conditions Precedent to Closing**	38
7.1	Conditions Precedent to Closing Obligations of each Party	38
7.2	Conditions Precedent to Closing Obligations of the Sealed Air Parties	38
7.3	Conditions Precedent to Closing Obligations of the Purchaser	39
8.	**Post-Closing Covenants**	40
8.1	Mutual Covenants after the Closing	40
8.2	Post-Closing Covenants of the Sealed Air Parties	41
8.3	Post-Closing Covenants of the Purchaser	42
8.4	Transaction Fee Agreement	43
8.5	Letter Agreement from CJP DC Holdings, L.P.	44
9.	**Termination**	44
9.1	Termination	44
9.2	Effect of termination	44
10.	**Indemnification**	45
10.1	Survival	45
10.2	Indemnification	45
10.3	Adjustment	45
10.4	Effect of Investigations	45
10.5	Indemnification Liability Limit	46
10.6	Thresholds	46
10.7	Limits to Liability of the Sealed Air Parties	46
10.8	Exclusive Remedy	46
10.9	Accounting to the Sealed Air Parties	47
10.10	Indemnification Procedure	47
10.11	External Claims	47
11.	**Liabilities of the Sealed Air Parties**	48
11.1	Joint and Several Liability	48
11.2	Relationship of Sealed Air Parties	48
12.	**Miscellaneous**	48
12.1	Notices	48
12.2	Severability	49
12.3	Expenses	50
12.4	Waivers and Amendments	50
12.5	Successors and Assignees	50
12.6	No Third Party Beneficiaries	50
12.7	Counterparts	50
12.8	Confidentiality	50

TABLE OF CONTENTS
(continued)

		Page
12.9	Publication and Announcements	51
12.10	Governing Law and Dispute Resolution	52
12.11	Entire Agreement	52
12.12	Language	52
12.13	Good Faith Consultation	52

EQUITY INTEREST PURCHASE AGREEMENT

This EQUITY INTEREST PURCHASE AGREEMENT dated as of October 30, 2012, is made and entered into by and between DC Co., Ltd., a Japanese corporation (the "***Purchaser***"), on the one hand, and Sealed Air Corporation, a U.S. corporation ("***SA***"), and Sealed Air Netherlands Holdings V B.V., a Netherlands corporation ("***SABV***") (collectively, the "***Sealed Air Parties***"), on the other hand (the Sealed Air Parties and the Purchaser collectively being the "***Parties***").

WHEREAS, as of the date hereof, SA indirectly owns one hundred percent (100%) of the issued shares of DI and SABV, respectively. As of the date hereof, SABV owns all of the equity interest in Diversey G.K., a Japanese corporation (the "***Company***"), which constitute all the equity interests of the Company as of the date hereof (all issued and outstanding equity interests of the Company, the "***Equity Interests***").

WHEREAS, prior to the Closing and on the terms and subject to the conditions set forth in this Agreement, the Sealed Air Parties plan to cause the Company to (i) transfer all 9,840 shares of common stock in Sealed Air Japan Ltd., a Japanese corporation ("***SAJ***"), which constitute all the issued and outstanding shares of capital stock of SAJ as of the date hereof (all issued and outstanding shares of capital stock of SAJ, "***SAJ Shares***") to Sealed Air Japan Holdings G.K., a Japanese Corporation ("***SAJH***"), and (ii) be, and cause SABV to provide equity to the Company to enable the Company to be, debt-free at the Closing by repaying all outstanding loans, terminating any and all Guarantees made by the Company, and paying all costs associated with the Pre-signing Transactions, the Pre-closing Transactions or the Transaction that need to be paid by the Company prior to the Closing;

WHEREAS, prior to the Closing and on the terms and subject to the conditions set forth in this Agreement, the Sealed Air Parties plan to cause the Company to pay dividends to the extent necessary so that it is cash-free (except for a small amount of cash in connection with payments to be made on the Closing Date as prescribed in this Agreement) at the Closing;

WHEREAS, the Sealed Air Parties desire to (i) cause SABV to sell and transfer to the Purchaser, and the Purchaser desires to purchase from SABV, all of the Equity Interests after the Company has (x) disposed of SAJ and (y) repaid all the outstanding loans of the Company (including amounts owing pursuant to its term loan agreement with Citibank) and terminated any and all the Guarantees made by the Company, (ii) cause DI and DI's wholly owned subsidiary Diversey IP International B.V. ("***DIPI***") to transfer to the Purchaser, and the Purchaser desires to purchase from DI and DIPI, certain IP owned by DI and/or DIPI on the terms and subject to the conditions set forth in this Agreement;

WHEREAS, the Purchaser acknowledges that part of the Purchase Price (including the amount stated in section 2.2(d) in respect of the prepayment of certain royalties) is received by the Sealed Air Parties on behalf of DI and DIPI.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

Unless otherwise defined herein, capitalized and other terms used in this Agreement shall have the meanings set forth below:

"***Actual Cash***" means the total cash in the Company Bank Accounts as at the close of the banking day on the Closing Date less the amount of the inter-company loan to be extended from the Purchaser to the Company on the Closing Date, if any.

"***Advisors***" means each Person providing legal, Tax, accounting, financial, environmental or other professional advice to the Person specified or any of its Affiliates.

"***Affiliate***" means any Person that directly or indirectly, through one or more intermediaries, Controls or is Controlled by or is under common Control with any other Person.

"***Affiliated Company***" means an affiliated company as defined in Article 8, paragraph 5 of the Ordinance on Terminology, Forms, and Preparation Methods of Accounts (Ordinance of the Ministry of Finance No. 59 of 1963, as amended) of Japan.

"***Agreement***" means this Equity Interest Purchase Agreement, including the exhibits, schedules, and appendices attached hereto, as the same may be amended by written agreement between the Sealed Air Parties and the Purchaser from time to time.

"***Ancillary Agreements***" means, collectively, TSA, Co-operation Agreement, Supply Agreement, IPA and TASKI Distribution Agreement.

"***Anticorruption Laws***" means Laws relating to anti-bribery or anticorruption (governmental or commercial), which apply to the Business and the Seller Group, including Laws that prohibit the corrupt payment, offer, promise, or authorization of the payment or transfer of anything of value (including gifts or entertainment), directly or indirectly, to any foreign government official, foreign government employee or commercial entity to obtain a business advantage, such as, without limitation, the U.S. Foreign Corrupt Practices Act of 1977, as amended from time to time (the "***FCPA***"), the UK Bribery Act of 2010 ("***UK Bribery Act***") and all national and international Laws enacted to implement the OECD Convention on Combating Bribery of Foreign Officials in International Business Transactions.

"***Assets***" has the meaning assigned in section 4.12, including without limitation the properties and assets to be transferred to the Company or the Purchaser pursuant to this Agreement or IPA.

"***Business***" means the business and operations of the Company.

"***Business Licenses***" has the meaning assigned in section 4.25.

"***Claims***" means actual or potential suits, actions, litigation, arbitration, or Governmental Authority's investigation or other court or administrative proceedings.

"***Closing***" has the meaning assigned in section 2.3.

"***Closing Bonuses***" has the meaning assigned in section 4.16.

“***Closing Date***” has the meaning assigned in section 2.3.

“***Co-operation Agreement***” means the Co-operation Agreement to be executed between SA, DI, the Purchaser and the Company, the agreed form of which is set forth on Schedule 1.1-(1).

“***Companies Act***” means the Japanese Companies Act (Act No. 86 of July 26, 2005, as amended).

“***Company***” has the meaning assigned in the preamble, which, for the avoidance of doubt, includes both the stock company (*kabushiki kaisha*) before the Entity Conversion and the limited liability company (*godo kaisha*) after the Entity Conversion.

“***Company Bank Accounts***” means the following bank accounts of the Company:

(a) Financial institution: Citibank Japan Ltd., Head office

Account type: Checking (*Touza Yokin*)

Account No.: 0156918/806

(b) Financial institution: Mizuho Corporate Bank, Ltd., Yokohama Corporate Banking Division

Account type: Checking (*Touza Yokin*)

Account No.: 135626

(c) Financial institution: The Bank of Tokyo-Mitsubishi UFJ Ltd., Shinjuku Shintoshin-mae Branch

Account type: Checking (*Touza Yokin*)

Account No.: 549364

(d) Financial institution: The Bank of Tokyo-Mitsubishi UFJ Ltd., Yokohama-eki-mae Branch

Account type: Checking (*Touza Yokin*)

Account No.: 2064494

(e) Financial institution: Sumitomo Mitsui Banking Corporation, Marunouchi Branch

Account type: Checking (*Touza Yokin*)

Account No.: 244484

(f) Financial institution: The Bank of Yokohama, Ltd., Kannai Branch

Account type: Savings (*Futsuu Yokin*)

Account No.: 1195061

(g) Financial institution: Sumitomo Mitsui Banking Corporation, Head Office Marketing Division

Account type: Savings (*Futsuu Yokin*)

Account No.: 3964907

(h) Financial institution: Mizuho Trust & Banking Co., Ltd., Head Office

Account type: Checking (*Touza Yokin*)

Account No.: 6959

"***Company Direct Licensed IP***" means IP owned by a third party and used by the Company pursuant to a Contract to which the Company is a party.

"***Company IP***" means all (i) Company Owned IP and (ii) Transferred IP.

"***Company Owned IP***" means all IP owned by the Company.

"***Company Representative***" means the Company, any Subsidiaries of the Company, or any Officer, agent, employee, representative, consultant, or any other Person acting for or on behalf of the foregoing (individually and collectively).

"***Company Shares***" means shares of capital stock of any class or equity interest.

"***Company Used IP***" means material IP owned by a third party and used by the Company pursuant to a Contract to which DI or one of its Affiliates (other than the Company) is a party.

"***Confidential Information***" has the meaning assigned in section 12.8.

"***Contract***" means any contracts, promises, arrangements, agreements and other commitments, in each case, whether written or oral.

"***Control***" of a Person means the power, whether direct or indirect, to direct or cause the direction of the management and policies of such Person whether by Contract or otherwise, and in any event and without limitation of the foregoing, any Person owning more than 50% of the voting securities or rights of another Person shall be deemed to Control such other Person.

"***Data Room***" means the IntraLinks virtual data room containing electronic copies of documents relating to the affairs of the Company and the Subsidiaries to which the Purchaser and its Advisors have been afforded access in relation to the Transaction.

"***Decisions of Governmental Authority***" means judgments, rulings, orders, judicial settlements, licenses, permits, certificates of authority, authorizations, approvals, registrations, franchises or similar consents, circular notices, administrative guidance, awards, or any other decisions having similar effects, of the Governmental Authority.

"***Deducted Awards***" means the following amounts of Special Bonus Liabilities to be deducted within the calculation of the Purchase Price pursuant to section 2.2:

(a) Annual Incentive Plan: 36,222,091 yen

(b) Profit Sharing Plan: 22,106,900 yen

(c) Sales Incentive Plan: 134,197,274 yen

(d) Seasonal Bonus: 113,688,190 yen

amounting to in total 306,214,455 yen.

"***DI***" means Diversey, Inc., a U.S. corporation.

"***DIPI***" has the meaning assigned in the preamble.

"***Due Diligence Information***" has the meaning assigned in section 3.1.

"***Employment Agreements, Etc.***" has the meaning assigned in section 4.16.

"***Encumbrances***" means, with respect to any property or asset, any mortgage, pledge, security interest, lease, lien, levy, charge, or other encumbrance (including any material limitation on use under Law or Contract) in respect of such property or asset (but does not include any retention of title provisions).

"***Entity Conversion***" means the entity conversion of the Company from a stock company (*kabushiki kaisha*) into a limited liability company (*godo kaisha*) under the Companies Act effective as of October 22, 2012.

"***Entity Conversion Plan***" has the meaning assigned in section 4.27(a)(i).

"***Environmental Laws***" has the meaning assigned in section 4.18.

"***Equity Interests***" has the meaning assigned in the preamble.

"***Equity Rights***" means, with respect to any Person, options, warrants (*shinkabu yoyaku-ken*), convertible securities, subscription rights of such Person or other securities, instruments, Contracts or understanding of any kind obligating such Person to issue, or cause to be issued, any Company Shares.

"***Excess Wage Liabilities***" has the meaning assigned in section 4.16.

"***Excluded Claims***" has the meaning assigned in section 4.9.

"***Existing Overdraft Facilities***" has the meaning assigned in section 6.2(e)(xvii).

"***External Claim***" has the meaning assigned section 10.11(a).

"***Financial Statements***" has the meaning assigned in section 4.10.

"***Financial Statements, Etc.***" has the meaning assigned in section 4.10.

"***Fundamental Warranties***" means the Warranties set out in sections 4.1, 4.2, 4.3, 4.4, 4.5, and 4.27.

"***Global Products***" means all SKUs (i) currently sold or sample-marketed both inside and outside of the Territory and (ii) (a) not currently sold or sample-marketed, but (b) had been sold some time during the period between January 1, 2011 and the date of this Agreement, both inside and outside of the Territory, as set forth in the Master SKUs List.

“***Glycol Sales Contract***” means the sales contract entered into between Equistar Chemicals LP, Lyondell Chemical Company and DI having a term beginning July 1, 2010, as amended by the Amendment No. 1 which became effective on April 1, 2012.

“***Governmental Authority***” means (i) any national, federal, state, county, municipal, local, or foreign government or any entity exercising executive, legislative, judicial, regulatory, taxing, or administrative functions of or pertaining to government, (ii) any public international organization (including central banks and financial instrument exchanges), or (iii) any agency, division, bureau, department, or other political subdivision of any government, entity or organization described in (i) or (ii) above.

“***Governmental Entity***” means (i) Governmental Authority, (ii) any company, business, enterprise, or other entity owned, in whole or in part, or controlled by any Governmental Authority, or (iii) any political party.

“***Governmental Official***” means (i) any official, Officer, employee, or representative of, or any Person acting in an official capacity for or on behalf of, any Governmental Entity, (ii) any political party or party official or candidate for political office or (iii) any company, business, enterprise or other entity owned, in whole or in part, or controlled by any Person described in (i) or (ii) above.

“***Guarantees***” has the meaning assigned in section 6.2(a)(iv).

“***Hazardous Materials***” means any substance that (i) is or contains asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls, petroleum or petroleum-derived substances or waste, radon gas or related materials, (ii) requires investigation, removal or remediation under Environmental Laws, or is defined, listed, or identified as “hazardous waste” or “hazardous substance” thereunder, (iii) is defined, listed, or identified as “poisonous substances” or “deleterious substances” under the Poisonous and Deleterious Substances Control Act, any order for enforcement or relevant ordinances thereof, or (iv) is toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic, or otherwise hazardous and is regulated by any Governmental Authority or Environmental Laws.

“***Indebtedness***” of any Person means all obligations of such Person (i) for borrowed money, (ii) evidenced by notes, bonds, debentures or similar instruments, (iii) for the deferred purchase price of goods or services (other than trade payables or accruals incurred in the Ordinary Course of Business), (iv) under capital leases, or (v) any guarantees of the obligations described in clauses (i) through (iv) above of any other Person.

“***Insolvency Procedures***” means (i) bankruptcy proceedings, civil rehabilitation proceedings, corporate reorganization proceedings, special liquidation proceedings, or other insolvency proceedings similar thereto, or (ii) business reconstruction alternative dispute resolutions or other voluntary liquidation procedures.

“***IP***” means all intellectual property rights of every kind or description throughout the world, including all: (i) patents, patent applications and statutory invention registrations, including provisionals, divisionals, continuations, continuations in part, renewals, reissues, extensions, substitutions and reexaminations of any of the foregoing, and all patents that may issue on

such applications ("***Patents***"); (ii) trademarks, service marks, trade names, trade dress, logos, designs, emblems, slogans, insignia, Internet domain names, other similar designations of source or origin, any and all common law rights thereto, and registrations and applications for any of the foregoing (including intent-to-use applications), all rights therein and all reissues, extensions and renewals of any of the foregoing, together with the goodwill symbolized by or associated with any of the foregoing ("***Trademarks***"); (iii) copyrightable works and works of authorship, copyrights, moral rights, and registrations and applications for any of the foregoing ("***Copyrights***"); (iv) trade secrets and all other proprietary or confidential information, including customer lists, marketing and other business strategies, plans and projections, financial, business, scientific, technical, economic or engineering information, ideas, know-how, algorithms, formulae, designs, methods, techniques, processes, procedures, models, and data ("***Trade Secrets***"); (v) computer software, including object and source code, databases or other electronic compilations of data, and documentation; and (vi) rights and remedies against past, present and future infringement, misappropriation or other violation of any of the foregoing.

"***IP Group***" means Greg Bollis, Lori Tylinski, Mary Miller, Hiroshi Kibuse, Masafumi (Pon) Honda, Jeff Zivan, Gaetano Redealli, Steve Dalton and Holger Theyssen.

"***IPA***" means the IP Agreement(s) to be executed between SA, DI, DIPI and the Purchaser, the agreed form of which is set forth on Schedule 1.1-(2).

"***IP Registration Procedures***" has the meaning assigned in section 8.1(a).

"***IP Transfer***" has the meaning assigned in section 2.1.

"***IT System***" means all computer hardware (including network and telecommunications equipment), databases and software (including associated user manuals, object code and source code) owned, used, leased or licensed by or to the Business and used by the Business.

"***Japanese Products***" means all SKUs (i) currently sold or sample-marketed in the Territory only and (ii) (a) not currently sold or sample-marketed, but (b) had been sold some time during the period between January 1, 2011 and the date of this Agreement, in the Territory only, including Teepol products, as set forth in the Master SKUs List.

"***Knowledge***" means, with respect to any Person, (i) the actual knowledge of such Person (limited to a natural person) or any Officer or employee of such Person (limited to a Person other than a natural person) and (ii) the knowledge that such Person (limited to a natural person) or any Officer or employee of such Person (limited to a Person other than a natural person) should have had after reasonable investigation.

"***Laws***" means all laws, statutes, rules, regulations, ordinances, judgments, injunctions, or similar orders of any Governmental Authority.

"***Letter Agreement***" means the letter agreement to be executed by CJP DC Holdings, L.P. and CJP DC Holdings GP, Ltd., the agreed form of which is set forth on Schedule 8.5.

"***Licenses***" means licenses, permits, certificates of authority, authorizations, approvals, registrations or similar consents granted or issued by any Governmental Authority, or notifications, registrations made to any Governmental Authority, or other acts or procedures similar thereto required by relevant Laws.

“***Loans***” has the meaning assigned in section 6.2(a)(iv).

“***Long-term Incentive Plan Liability***” means the Japanese yen figure specified in the “AMOUNT:” field below the “Currency I Want:” field when typing the product of X multiplied by Y in the “AMOUNT:” field below the “Currency I Have:” field on the website http://www.oanda.com/currency/converter/ and setting the “Currency I Have:” field to US Dollar, the “Currency I Want:” field to Japanese Yen, the “INTERBANK +/-:” field to **0%** and the “DATE” field to the day before the Closing Date, where:

X = 36,440 (being the aggregate entitlement to SA stock appreciation rights of Masafumi (Pon) Honda, Hiroshi Kanai, Toshiro Misumi, Yoshiichiro Ooka, Yoichi Shiraishi and Tsuyoshi Umeda); and

Y = the closing trading price (in US dollars) of SEE (Common Stock) on the New York Stock Exchange on the trading day immediately before the Closing Date.

“***Losses***” means any damages, claims, fines, fees, penalties, deficiencies, losses, liabilities, diminution of value or expenses (including interest, court costs, reasonable Advisors fees or other expenses for litigation or any other Claims, defaults, or assessments) that have a reasonable causal relationship (*soto inga kankei*) with the relevant cause.

“***Master SKUs List***” means the agreed form list of Products as provided by the Sealed Air Parties, an electronic copy of which has been recorded on suitable memory devices and exchanged by the Parties on the date hereof.

“***Material Adverse Effect***” means (i) any event having a material adverse effect on the assets, management or financial condition of the Company, provided that such event (x) shall be limited to those having a disproportionately adverse effect for the Company and (y) shall not include adverse changes to general economic circumstances or to the overall industries in which the Company is active (further provided, however, that both these restrictions prescribed in this proviso shall not be applicable when acts of God (including earthquakes), war or terrorism occurs), or (ii) any event having a material adverse effect on the financial market affecting Japanese financial institutions.

“***Material Contracts***” has the meaning assigned in section 4.15.

“***Merger***” means absorption-type merger between Company, as an absorbed company, and the Purchaser, as a surviving company, which the Purchaser plans to consummate after the Closing, the details of which will be determined separately by the Purchaser at its discretion.

“***Merger Agreement***” has the meaning assigned in section 6.1(a).

“***Officer***” means any director, executor (*shokumu shikkosha*), executive officer, company auditor or any other officer of a Person.

“***Ordinary Course of Business***” means, with respect to a Person, the usual, regular, and ordinary course of business consistent with past customs and practices of such Person.

“***Organizational Documents***” of a legal Person means the certificate or articles of incorporation (*teikan*) or other comparable corporate charter documents, together with any amendments thereto.

"***Parent Licensed IP***" means the IP that is licensed to the Company pursuant to the IPA.

"***Parties***" has the meaning assigned in the preamble.

"***Person***" means any natural person, corporation, general partnership, limited partnership, proprietorship, other business organization, trust, union, association, or Governmental Authority.

"***Poisonous and Deleterious Substances Control Act***" means the Poisonous and Deleterious Substances Control Act (Act No. 303 of December 28, 1950, as amended) of Japan.

"***Pre-closing Transactions***" has the meaning assigned in section 6.2.

"***Pre-signing Transactions***" has the meaning assigned in section 4.27.

"***Products***" means the Global Products and the Japanese Products.

"***Purchase Price***" has the meaning assigned in section 2.2.

"***Purchaser***" has the meaning assigned in the preamble.

"***Purchaser Fundamental Warranties***" means the Warranties set out in sections 5.1, 5.2, 5.3 and 5.4.

"***Purchaser Indemnified Parties***" means (i) the Purchaser, its Affiliates and Carlyle Japan, LLC, and the Officers and employees thereof, and (ii) only if the Closing occurs, the Company and its Affiliates, and the Officers and employees thereof.

"***Purchaser Warranties***" means the warranties and representations of the Purchaser as set out in section 5.

"***Reference Date***" has the meaning assigned in section 4.10.

"***Release***" means any release, disposal, discharge, injection, spill, leak, leach, pumping, dumping, emission, escape, emptying, seeping, dispersal, migration, transport, placing and the like (including moving) of any materials through, into or upon land, soil, surface water, ground water or air, or any other entering of any materials into the environment.

"***Relevant IP***" means, collectively, the Company IP, Company Direct Licensed IP, Company Used IP and Parent Licensed IP.

"***Relevant Resolution***" means the resolution by the executor (*shokumu shikkosha*) of the Company appointed by the Purchaser (the "***Executor***") resolving that the Company shall enter into the Transaction Fee Agreement in the form attached as Schedule 8.4.

"***Royalties Letter***" means the letter to be executed by SA in favor of the Purchaser, the agreed form of which is set forth on Schedule 6.2(t).

"***SA***" has the meaning assigned in the preamble.

"***SABV***" has the meaning assigned in the preamble.

"***SAJ***" has the meaning assigned in the preamble.

"***SAJH***" has the meaning assigned in the preamble.

"***SAJ Shares***" has the meaning assigned in the preamble.

"***SAJ Transfer***" has the meaning assigned in section 6.2(a)(ii).

"***Sealed Air Parties***" has the meaning assigned in the preamble.

"***Security Interests***" has the meaning assigned in section 6.2.

"***Seller Group***" means, collectively, SA, DI, DIPI, SABV, SAJ, SAJH and Diversey Europe Operations B.V.

"***Seller Group Contracts***" has the meaning assigned in section 4.15(d).

"***Seller Indemnified Parties***" means (i) the Seller Group and its Affiliates, and the Officers thereof, and (ii) only if the Closing does not occur, the Company and its Affiliates, and the Officers thereof.

"***Shares***" has the meaning assigned in the preamble.

"***SMBC***" has the meaning assigned in section 6.2(e)(xvii).

"***SMBC Commitment Letter***" means the financing commitment letter (including the exhibits thereof) from SMBC referencing "Project Sail" dated August 27, 2012.

"***Special Bonus Liabilities***" has the meaning assigned in section 4.16.

"***Specified Company Officers***" means Mr. Yoshiichiro Ooka and Mr. Takashi Manabe.

"***Subsidiary***" means a subsidiary company as defined in Article 8, paragraph 3 of the Ordinance on Terminology, Forms, and Preparation Methods of Accounts (Ordinance of the Ministry of Finance No. 59 of 1963, as amended) of Japan.

"***Supply Agreement***" means the Supply Agreement to be executed between DI and the Company, the agreed form of which is set forth on Schedule 1.1-(3) (other than Schedule 1 which is in a form substantially agreed by the Parties and subject to final confirmation by the Parties prior to execution (primarily in respect of certain Product Lead Times and the inclusion of certain dispenser Products)).

"***TASKI Distribution Agreement***" means the Distribution Agreement to be executed between Diversey Europe Operations B.V. and the Company, the agreed form of which is set forth on Schedule 1.1-(4) (other than the product prices to be set out in Schedule 1 of that agreement, which shall be the product prices calculated in accordance with the formula agreed by the Parties prior to entering into this Agreement).

"***Tax***" means all income, consumption, gross receipts, ad valorem, sales, use, employment, franchise, profits, gains, property, transfer, payroll, stamp taxes or other taxes, duties, levies, fees or charges (whether payable directly or by withholding) imposed by any Tax Authority, together with any interest and any penalties thereon or additional amounts with respect thereto.

"***Tax Authority***" means any Governmental Authority having jurisdiction over the assessment, determination, collection, or imposition of any Tax.

“***Tax Returns***” means all returns and reports (including elections, declarations, statements, disclosures, schedules, estimates and information returns and other similar documents) required by Laws to be supplied to a Tax Authority and relating to Taxes.

“***Territory***” has the meaning assigned in the IPA.

“***Transaction***” has the meaning assigned in section 2.1.

“***Transaction Fee Agreement***” means the Transaction Fee Agreement to be executed between the Sealed Air Parties and the Company, the agreed form of which is set forth in Schedule 8.4.

“***Transferred IP***” means all IP owned by DI, DIPI or any of their Affiliates (other than the Company) (i) relating to Japanese Products, (ii) otherwise used solely by or on behalf of the Business or (iii) created by or on behalf of the Company and not used by DI as of the date of this Agreement , including the IP set forth on Schedule 2.1.

“***Trial Balance***” has the meaning assigned in section 4.10.

“***TSA***” means the Transitional Services Agreement to be executed between SA, the Purchaser and the Company, the agreed form of which is set forth on Schedule 1.1-(5).

“***Unfunded Pension Plan Liability***” means the unfunded portion of the defined benefit pension scheme operated by the Company for the benefit of the Company’s employees as of August 31, 2012, as agreed between the Parties, in the amount of 3,658,986,000 yen.

“***Warranties***” means the warranties and representations of the Sealed Air Parties as set out in section 4.

“***yen***” means the lawful currency of Japan.

1.2 Interpretation

References in this Agreement to articles, sections, subsections, clauses, subclauses, paragraphs, schedules, and exhibits are references to those contained in this Agreement unless otherwise specifically indicated. Section headings are for ease of reference only and shall not be taken into account in construing this Agreement. Uses of “hereof” and “herein” shall refer to this entire Agreement. Use of “including” means, unless express words of limitation accompany any such use, “including but not limited to” or “including without limitation”. Words used in this Agreement in the singular, where the context so permits, shall be deemed to include the plural and vice versa. The definitions of words in the singular in this Agreement shall apply to such words when used in the plural where the context so permits and vice versa. Unless otherwise specifically indicated, all the dates and times used in this Agreement refers to Japan time.

2. PURCHASE AND SALE; CLOSING

2.1 Purchase and Sale

On the Closing Date, on the terms and subject to the conditions set forth in this Agreement, (i) SABV shall (and SA shall cause SABV to) sell and transfer to the Purchaser, and the Purchaser shall purchase from SABV the entire Equity Interests free and clear of all Encumbrances, and (ii) SA shall cause DI and DIPI to sell and transfer to the Purchaser, and the Purchaser shall purchase from DI and DIPI (the "***IP Transfer***"), the Transferred IP free and clear of all Encumbrances ((i) and (ii) collectively, the "***Transaction***").

2.2 Purchase Price

(a) The aggregate purchase price (the "***Purchase Price***") for (i) the entire Equity Interests, and (ii) the Transferred IP shall be calculated as follows:

(W – X – Y – Z) + A

Where:

W = 30,000,000,000 yen

X = 3,658,986,000 yen (an amount equal to the Unfunded Pension Plan Liability)

Y = 306,214,455 yen (an amount equal to the aggregate amount of the Deducted Awards)

Z = an amount equal to the Long-term Incentive Plan Liability

A = an amount equal to the Actual Cash.

(b) (Of the above, "(W – X – Y – Z)" is referred to in section 2.4(b) below as the "***Fixed Element***", and "A" is referred to in section 2.4(c) below as the "***Cash Element***".)

(c) The Purchase Price shall be payable in the manner provided in section 2.4.

(d) The Sealed Air Parties and the Purchaser agree that, of the Purchase Price, an amount of 100 million yen is allocated as a prepayment of royalties in respect of IP licensed by DIPI pursuant to the IPA.

2.3 Closing

The closing of the Transaction (the "***Closing***") shall take place at the offices of the attorneys for the Sealed Air Parties in Japan, or at such other place(s) as the Sealed Air Parties and the Purchaser may agree, at 3:00 P.M., on November 15, 2012 (or if all conditions precedent stipulated in sections 7.1, 7.2 and 7.3 have not been satisfied or waived pursuant to the relevant provision by such date, then 5 business days after the last condition precedent has been satisfied or waived), or such other date as the Sealed Air Parties and the Purchaser may agree (the "***Closing Date***").

2.4 Closing Obligations

At the Closing:

(a) Provided that all of the conditions stipulated in section 7.2 have been fulfilled or waived, in exchange for the Purchaser's performance of its Closing obligations as provided in the following section 2.4(b):

(i) SABV shall (and SA shall cause SABV to) deliver to the Purchaser the written consent of SABV in the form set forth in Schedule 2.4-(a)-(1) authorizing (x) the transfer of the Equity Interests from SABV to the Purchaser in connection with the Transaction and (y) any changes in the articles of incorporation of the Company necessary to reflect such transfer of the Equity Interest; and

(ii) SA shall cause DI and DIPI and any of their Affiliates (other than the Company), as applicable, to deliver to the Purchaser any and all documents that are necessary for it (as a transferor of IP) to provide to the Purchaser for the registration, or any other procedures required, to effect the IP Transfer under the applicable Laws.

(b) Provided that all of the conditions stipulated in section 7.3 have been fulfilled or waived, in exchange for the performance by the Sealed Air Parties of their Closing obligations as provided in section 2.4(a) above, the Purchaser shall pay the Fixed Element of the Purchase Price to SABV by remittance to the bank account of SAJ, as agent for SABV (which is in turn agent for DIPI in respect of part of the Purchase Price, as stated in the preamble), opened in Japan with a Japanese bank and to be separately designated by the Sealed Air Parties. The Purchaser shall bear the expenses required for the remittance.

(c) Regarding the Cash Element of the Purchase Price, within 5 business days after the confirmation of the Actual Cash in accordance with section 8.3(a), the Purchaser shall pay the amount of such Actual Cash to SABV by remittance to the bank account designated by the Sealed Air Parties pursuant to section 2.4(b) above. Notwithstanding anything elsewhere in this Agreement or any Ancillary Agreement, the Purchaser shall not be entitled to exercise any rights of set off or counterclaim regarding the payment obligations pursuant to this section. The Purchaser shall bear the expenses required for the remittance.

2.5 Insurances

The Sealed Air Parties and the Seller Group shall be entitled to cancel all insurances of the Company which also cover companies within the Seller Group, with effect from the Closing.

3. BASIS OF WARRANTIES GIVEN BY THE SEALED AIR PARTIES

3.1 Disclosure

(a) The Warranties (excluding the Fundamental Warranties) are given by the Sealed Air Parties subject to (i) the matters particularly disclosed in Schedule 3.1-(1) and (ii) the information recorded in DVD-ROM(s), exact copies of which shall be exchanged between SA and the Purchaser as soon as reasonably practicable after the date hereof and in any event before Closing based on a separate agreement among the Parties and possessed by SA and the Purchaser thereafter, which contain (a) all the documents provided in the Data Room as of October 11, 2012 other than Phase I Environmental Site Assessment prepared by Environmental Resources Management dated July 8,

2009, and documents relating to the New Corporate Pension Insurance offered by Sumitomo Life Insurance Company (including Agreement on Amendment to New Corporate Pension Insurance Agreement Policy between the Company and Sumitomo Life Insurance Company dated January 1, 2004, documents relating to the New Corporate Pension Insurance Agreement prepared by Sumitomo Life Insurance Company and a copy of e-mail correspondence between Sumitomo Life Insurance Company and Towers Watson on September 3, 2012 and September 4, 2012), and (b) the final versions of the questionnaire sheets exchanged between SA and the Purchaser during the course of the due diligence investigation conducted by the Purchaser in relation to the Transaction (as of September 10, 2012, or, for human resources and compensation matters only, October 11, 2012) ((a) and (b) collectively, "***Due Diligence Information***"). The Purchaser shall accordingly have no claim in respect of any of the Warranties (excluding the Fundamental Warranties) to the extent that they are subject to (i) any such matters so disclosed in Schedule 3.1-(1) or (ii) the matters which can reasonably be determined based on the Due Diligence Information as a breach of the Warranties but only to the extent of the Losses or other impacts thereof that can reasonably be inferred based on such Due Diligence Information. In addition, the Purchaser shall have no claim in respect of any of the Warranties to the extent that Carlyle Japan, LLC or the Purchaser is, upon entering into this Agreement, actually aware of the fact that the Sealed Air Parties are in breach of such Warranties as of the date hereof (except for the litigation between DI and Virox Technologies Inc., regarding which the Purchaser shall be able to claim in respect of relevant Warranties to the extent any outcome thereof or any matters in relation thereto constitute a breach of any of the Warranties), which the Purchaser was made aware through the course of the interviews listed in Schedule 3.1-(2), or through any other means.

3.2 Scope of Warranties

(a) The Purchaser acknowledges and agrees that the Sealed Air Parties do not give any representation or warranty in respect of IP except for the Warranties in section 4.13 and each of the other Warranties shall be deemed not to be given in respect of IP.

(b) Any matter which would be or give rise to a breach of any of the Non-Financial Statements Warranties but for an express exclusion from, or qualification or limitation to, the terms of such Non-Financial Statements Warranty (whether such exclusion, qualification or limitation is in respect of the awareness of the Sealed Air Parties, materiality, or any other matter) shall be deemed not to be, or give rise to, a breach of any of the Financial Statements Warranties. For this purpose, the "Financial Statements Warranties" are the Warranties set out in section 4.10 and the "Non-Financial Statements Warranties" are all the Warranties other than the Financial Statements Warranties.

3.3 Acknowledgement by Purchaser

The Purchaser agrees and acknowledges that (in the absence of fraud) it has no rights against and shall not make any claim against any member of the Seller Group (other than the Sealed Air Parties) or any present or former employee, Officer or agent of any member of the Seller Group in connection with this Agreement or its subject matter.

4. **WARRANTIES OF THE SEALED AIR PARTIES**

The Sealed Air Parties hereby represent and warrant to the Purchaser, as of the date hereof and as of the Closing Date (except where another date is specifically referenced below), as set out in this section 4.

4.1 Organization

(a) SA is a corporation duly incorporated and validly existing under the Laws of the state of Delaware of the United States. SA has full power and authority to execute and deliver this Agreement, to perform its obligations hereunder, and to consummate the transactions contemplated hereby.

(b) SABV is a corporation duly incorporated and validly existing under the Laws of the Netherlands. SABV has full power and authority to execute and deliver this Agreement, to perform its obligations hereunder, and to consummate the transactions contemplated hereby, including the Pre-signing Transactions, the Pre-closing Transactions and the Transaction.

(c) DI is a corporation duly incorporated and validly existing under the Laws of the state of Delaware of the United States. DI has full power and authority to consummate the transactions contemplated hereby, including the Pre-signing Transactions, the Pre-closing Transactions and the Transaction.

(d) DIPI is a corporation duly incorporated and validly existing under the Laws of the Netherlands. DIPI has full power and authority to consummate the transactions contemplated hereby, including the Pre-signing Transactions, the Pre-closing Transactions and the Transaction.

(e) The Company is a limited liability company (*godo kaisha*) duly incorporated and validly existing under the Laws of Japan. The Company has all requisite power and authority to carry on and conduct the Business, and to own or lease and to operate its properties as and in the places where such Business is conducted and such properties are owned or leased.

(f) SAJ is a corporation duly incorporated and validly existing under the Laws of Japan. SAJ has full power and authority to consummate the transactions contemplated hereby, including the Pre-signing Transactions and the Pre-closing Transactions.

(g) Schedule 4.1(g)-1 contains complete and correct copies of the articles of incorporation of the Company, as amended and in effect as at the date hereof. The articles of incorporation as set forth in Schedule 4.1(g)-1 are in full force and effect as at the date hereof and the Company is not in violation of any of the provisions thereof. Schedule 4.1(g)-2 contains complete and correct copies of the articles of incorporation of the Company, as amended and in effect as at the Closing Date (other than in respect of the amount of the capital of the Company which will be finalized prior to the Closing Date). The articles of incorporation as set forth in Schedule 4.1(g)-2 are in full force and effect as at the Closing Date and the Company is not in violation of any of the provisions thereof. All the minutes of the Company's shareholders' meetings for the period from July 2009 to the date hereof have been made available to the Purchaser and such minutes correctly reflect all resolutions made by the Company's

shareholders' meetings that were held during such period. All the written decisions of the Company's directors or the Company's owners who execute business (*gyoumushikko-shain*) for the period from July 2009 to the date hereof have been made available to the Purchaser. All of the Company's decisions relating to the Business during the period from July 2009 to the date hereof have been made in accordance with all Laws, its articles of incorporation or other internal regulations and Decisions of Governmental Authority. To the extent that the Laws or the Organizational Documents require a decision to be made by the shareholders' meeting, the directors or the owners who executes business (*gyoumushikko-shain*), all decisions that materially affect (i) the Business during the period from July 2009 to the date hereof; and (ii) the transactions contemplated by this Agreement have been made with written minutes or decisions.

4.2 Enforceability

The execution and delivery by the Sealed Air Parties of this Agreement, and the performance by the Sealed Air Parties of their obligations hereunder, have been duly and validly authorized and all corporate actions required to have been taken by the Seller Group or the Company in connection with the execution and delivery by the Sealed Air Parties of this Agreement have been duly and validly conducted by the time required. When duly and validly executed and delivered by the Sealed Air Parties and the Purchaser, this Agreement constitutes a legal, valid, and binding obligation of each of the Sealed Air Parties fully enforceable against each Sealed Air Party in accordance with its terms, except where enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar Laws now or hereafter in effect relating to or affecting creditors' rights generally.

4.3 No Conflicts

Neither the execution and delivery by the Sealed Air Parties of this Agreement nor the performance or the consummation of the transactions contemplated hereby, including the Pre-signing Transactions, the Pre-closing Transactions and the Transaction, will do any of the following: (a) conflict with or result in a violation or breach of any Organizational Documents or other internal regulations of any of the Seller Group or the Company; or (b) conflict with or result in a violation or breach of any Law or Decisions of Governmental Authority applicable to any of the Seller Group or the Company.

4.4 No Licenses Required

Neither the Seller Group nor the Company is required to obtain any Licenses in connection with the execution, delivery, and performance of this Agreement or the consummation of the transactions contemplated hereby, except for the reporting duties in connection with the Entity Conversion as set out in Schedule 4.4.

4.5 Capital Stock

(a) The paid-in-capital (*shihonkin*) of the Company consists of 612,500,000 yen, all of which is duly authorized, fully paid and not assessable, and the entire value of investments made by SABV in the Company as written in the articles of incorporation of the Company shall be 612,500,000 yen. SABV owns all of the Equity Interests,

beneficially and of record, free and clear of all Encumbrances (other than the Security Interests, which exist only on the date hereof and not as of the Closing Date), subject only to the requirement under the Companies Act and articles of incorporation of the Company that the majority of the equity interests of its owners who execute business (*gyoumushikko-shain*) consent to the transfer of any Equity Interest and the changes in the articles of incorporation of the Company to reflect the transfer, which consent will be obtained by the Closing in accordance with section 6.2(f).

(b) There are no Company Shares or any Equity Rights of the Company other than the Equity Interests, all of which are held by SABV and transferred to the Purchaser in accordance with this Agreement. There are no Contracts, resolutions or decisions, of the Company pertaining to the issuance or grant of Company Shares or Equity Rights, and there are no rights or Contracts which gives any Person the right to demand that the Company cancel all or any part of its Company Shares or Equity Rights. None of SA, DI, or SABV are subject to any Claims from any Person disputing the ownership of the Company Shares or Equity Rights of the Company, and, to the Knowledge of the Seller Group, there are no threats thereof. None of SA, DI, or SABV have entered into any Contracts with any Person in connection with the assignment, transfer, purchase or acquisition of the Company Shares or Equity Rights of the Company or the exercise of the rights thereof (including voting rights) as a shareholder or equity holder thereof other than the security agreements concerning the Security Interests. At the Closing, the Purchaser will acquire good, valid and marketable title to the Equity Interests, free and clear of all Encumbrances and all rights, title and interest of SABV (or of any other Person, including SA and DI, other than the Purchaser) to the Equity Interests or to any other Company Shares or Equity Rights with respect to the Company will be relinquished.

4.6 Financial Status

No Insolvency Procedures have been commenced, and there are no petitions for the commencement thereof, or, to the Knowledge of the Seller Group, threats thereof, with respect to the Seller Group and the Company. Neither the Seller Group nor the Company is under any condition of insolvency, inability to pay debts, or suspension of payment, and, to the Knowledge of the Seller Group, there are no threats that the Seller Group or the Company will be in such position as a result of the execution or performance of this Agreement by the Sealed Air Parties or any other event.

4.7 Subsidiaries

There are no Subsidiaries of the Company (other than SAJ, as of the date hereof). There are no issued Company Shares or Equity Rights of SAJ other than 9,840 shares of common stock, all of which are held by the Company as of the date hereof and all of which are held by SAJH as of the Closing Date.

4.8 Other Major Shareholdings

No company other than Teepol Service Co., Ltd. and Clean Tech Co., Ltd. is an Affiliated Company of the Company. The Company owns the shares of Clean Tech Co., Ltd and Teepol Service Co., Ltd. as set forth in Schedule 4.8, beneficially and of record, free and clear of all Encumbrances, subject only to (i) the requirement

under the articles of incorporation of each such company that its board of directors approve the transfer of any of its shares and (ii) for shares in Teepol Service Co., Ltd., the requirements set out in the Joint Venture Agreement, dated February 1, 2006, among Kabushiki-kaisha Moroboshi Group Holdings, Johnson Diversey Kabushiki-kaisha, Johnson Professional Kabushiki-kaisha and Teepol Diversey Kabushiki-kaisha. The Company is not subject to any Claims from any Person disputing the ownership of the Company Shares or Equity Rights of any such companies, and, to the Knowledge of the Seller Group, there are no threats thereof. The Company has not entered into any Contracts with any Person in connection with the assignment, transfer, purchase or acquisition of the Company Shares or Equity Rights of Clean Tech Co., Ltd or Teepol Service Co., Ltd., or the exercise of the rights thereof (including voting rights) as a shareholder thereof except for shares in Teepol Service Co., Ltd., as set out in the Joint Venture Agreement, dated February 1, 2006, among Kabushiki-kaisha Moroboshi Group Holdings, Johnson Diversey Kabushiki-kaisha, Johnson Professional Kabushiki-kaisha and Teepol Diversey Kabushiki-kaisha.

4.9 Claims

Except as provided under Schedule 4.9 ("***Excluded Claims***"), there are no material Claims, or disputes that may result in Claims, pending or threatened, against the Company or any of its properties or Assets (except for those minor) and, to the Knowledge of the Seller Group, there are no events that may result in such Claims. There are no Claims, or disputes that may result in Claims, pending or threatened, against or affecting the Seller Group or the Company before any Governmental Authority that challenges or seeks to prevent, enjoin, alter or delay, in any manner, the transactions contemplated by this Agreement and, to the Knowledge of the Seller Group, there are no events that may result in such Claims. The Company is not subject to nor to the Knowledge of the Seller Group, under threat to become subject to any material Claims for compensation for damage (including product liability) from customers, business partners or any other third parties due to a defect in its products or services or with respect to the products or services sold or supplied by the Company in connection with the Business.

4.10 Financial Statements and Subsequent Events

The Company has delivered or made available to the Purchaser a true and complete copy of the following (collectively, the "***Financial Statements, Etc.***"): the balance sheet and profit and loss statements (the "***Financial Statements***") of the Company for each of the fiscal years ended on December 31, 2008, December 31, 2009, December 31, 2010 and December 31, 2011, and the monthly trial balance of the Company for each month from January 2012 to July 2012 (the "***Trial Balance***"). The Financial Statements were prepared in accordance with generally accepted accounting principles applicable in Japan. The Trial Balances were prepared in accordance with generally accepted accounting principles applicable in the United States. The Financial Statements, Etc. are complete and correct in all material respects in their presentation of the financial condition and results of operations of the Company as of the dates thereof and for the periods covered thereby. There are no material false statements or omissions in the statements that must be stated and no statements of facts are necessary to be made in order for the avoidance of misunderstandings in any of the Financial Statements, Etc. Since May 31, 2012 (the

“***Reference Date***”) and other than as expressly permitted as part of the transactions contemplated by this Agreement, (a) the Business has been conducted only in the Ordinary Course of Business (for the avoidance of doubt, Ordinary Course of Business used in this section 4.10 shall not include (i) changing the level of working capital (including extension of payment terms of accounts payable and reduction of level of inventory) inconsistent with past customs or practices, and (ii) actions listed in sections 6.2(e)(ii) to 6.2(e)(v), 6.2(e)(xxiii) and 6.2(e)(xxv) to 6.2(e)(xxxii) (both inclusive)) and (b) there have been no events having a Material Adverse Effect.

4.11 Real Property

The Company has good and marketable title to each parcel of real property owned by it of record, free and clear of all Encumbrances (other than the Security Interests, which exist only on the date hereof and not as of the Closing Date) and material defects. All such real property is in good standing. With respect to all leased real property of the Company, the Company has not received any Claims or notices alleging that it is in default or breach of or is otherwise delinquent in its performance under any such lease, and each of the other parties thereto has performed in all material respects all obligations required to be performed by it, and is not in default in all material respects, under any such lease and no event has occurred that, with notice or lapse of time or both, would constitute such a default.

4.12 Assets

The Company owns, or otherwise has sufficient and legally enforceable rights to use, all of the properties and assets (real, personal or mixed, tangible or intangible) that are material to the Business, (excluding the IT Systems, which are the subject of section 4.14) (the “***Assets***”). The Company has good, valid and marketable title to, or in the case of leased property has good and valid leasehold interests in, all Assets, including all such Assets reflected in the Financial Statements, Etc. or acquired since the date thereof (except as may be disposed in the Ordinary Course of Business after the date hereof and in accordance with this Agreement), in each case free and clear of all Encumbrances (other than the Security Interests, which exist only on the date hereof and not as of the Closing Date) and defects. The Company has maintained all such Assets in good repair, working order and operating condition in all material respects without any material defect or functional disorder subject only to ordinary wear and tear, and all such Assets are adequate and suitable in all material respects for the purposes for which they are presently being used.

4.13 Intellectual Property

(a) Schedules 4.13(a)-(1) and 4.13(a)-(2) set forth lists of the following types of IP that are included in the Company IP (set forth in Schedule 4.13(a)-(1)) and Parent Licensed IP (set forth in Schedule 4.13(a)-(2)): (i) all Trademark registrations and applications and all material unregistered Trademarks, (ii) all Patent registrations and applications, (iii) all Copyright registrations and applications and, (iv) all Internet domain names (in the case of Company IP, indicating for each whether it is Company Owned IP or Transferred IP). The formulas and formulations (by reference to AGILE number) relating to each Product are listed in the Master SKUs List by reference to the relevant Product. All of the foregoing registrations are subsisting and in full force and effect, and, to the Knowledge of the IP Group after reasonable inquiry, valid and enforceable, and all applications for registration of the foregoing are in good standing.

(b) Schedule 4.13(b) sets forth a list of all (i) Company Direct Licensed IP, (ii) Company Used IP.

(c) Subject, for each piece of Relevant IP, to the ownership interest of the joint owners set forth on Schedule 4.13(c) with respect to such piece of Relevant IP, the Company either owns all right, title and interest in and to, or has (and will have immediately following Closing) a valid and enforceable right to use, all Relevant IP, (i) free and clear of all Encumbrances other than those in connection with the Security Interests (which will be released in respect of the Company Owned IP and the Transferred IP before Closing) (ii) and not subject to termination or cancellation due to the consummation of the Pre-signing Transactions, Pre-closing Transactions or the Transaction.

(d) Subject, for each piece of Relevant IP, to the ownership interest of the joint owners set forth on Schedule 4.13(c) with respect to such piece of Relevant IP, the Company exclusively owns all right, title and interest in and to the Company Owned IP, free and clear of all Encumbrances. At the Closing, the Purchaser will, subject, for each piece of Relevant IP, to the ownership interest of the joint owners set forth on Schedule 4.13(c) with respect to such piece of Relevant IP, acquire sole and exclusive ownership of the Transferred IP, free and clear of all Encumbrances, and all rights, title and interest of DI and DIPI (and of any other Person, including SABV, other than the Purchaser) to the Transferred IP will be relinquished. For the avoidance of doubt, the foregoing sentence shall not affect (and shall be subject to) any licenses granted back to DI pursuant to the IPA. No material IP that would otherwise constitute Company IP, Parent Licensed IP or Company Used IP has (at Sealed Air Parties', DI's or DIPI's direction) been assigned, transferred, abandoned or otherwise disposed of in the twelve (12) months prior to the date hereof, other than non-exclusive licenses to third-party IP disposed of in the Ordinary Course of Business.

(e) To the Knowledge of the IP Group, the Relevant IP comprises all of the IP necessary to operate and conduct the Business. Neither DI, DIPI or any of their Affiliates (other than the Company) have granted to a third party any license or other right, title or interest in or to (i) the Company IP except for non-exclusive licenses to suppliers, contractors and distributors solely for the purposes of the Business, or (ii) the Parent Licensed IP that would conflict with or otherwise limit or impair the rights in Parent Licensed IP granted under the IPA.

(f) To the Knowledge of the IP Group, the operation of the Business as conducted at the date hereof and as conducted during the past 5 years has not infringed, misappropriated or otherwise violated, any IP right of any Person. Except as set forth on Schedule 4.13(f), in the past 5 years, there have been no pending or threatened Claims (excluding, for the avoidance of doubt, any objections or rejections made by the Japan Patent Office during the prosecution of any patent or trademark application), notices or cease and desist letters received by the Company or by DI, DIPI or any of their Affiliates that relate to the Company (i) asserting or alleging that the Company or its operation of the Business infringes, misappropriates or otherwise violates any IP right of any Person or (ii) challenging the ownership, use, validity, enforceability or registrability, if applicable, of any Company IP or Parent Licensed IP.

(g) During the past 5 years, (i) to the Knowledge of the IP Group, no Person has infringed, misappropriated or otherwise violated any of the Company IP or Parent Licensed IP, and (ii) there are and have been no written or, to the Knowledge of the IP Group oral claims pending or threatened by DI, DIPI or their Affiliates against any Person (A) alleging any such infringement, or (B) challenging the ownership, use, validity, enforceability or registrability of any IP of any third Person based on the Company IP or Parent Licensed IP.

(h) None of DI, DIPI or their Affiliates, nor any Company IP or Parent Licensed IP, is subject to any outstanding judgments, governmental orders, consents, forbearances to sue, settlement agreements or other arrangements in connection with the resolution of any claims, disputes or other assertions that restrict the right to use or prohibit the use in the Business of any Company IP or Parent Licensed IP.

(i) DI, DIPI and their Affiliates (including the Company) have taken commercially reasonable measures to protect the confidentiality of Trade Secrets relating to the Business and, to the Knowledge of the IP Group, (i) no Trade Secrets relating to the Business have been disclosed to a third Person except pursuant to a valid and enforceable agreement that includes appropriate confidentiality restrictions in the Ordinary Course of Business, and (ii) there has been no loss of material Trade Secrets relating to the Business through inadvertent acts or omissions or by misappropriation.

(j) With respect to the Company IP and Parent Licensed IP invented by employees of the Company: (i) the Company has paid an appropriate amount of consideration therefor to such employees in accordance with applicable Laws and (ii) there are no pending or threatened Claims in connection with the compensation paid to the inventors of such Company IP and Parent Licensed IP.

(k) Except as set forth on Schedule 4.13(k) and pursuant to the IPA, no royalties or similar payments are obligated to be paid to third parties in connection with the sale of Japanese Products or Global Products in connection with the Business.

(l) To the Knowledge of the IP Group, all material IP in the Japanese Products is included in the Company IP.

4.14 IT Systems

(a) The Company is the owner (or licensee under a valid and enforceable license) and is in possession of, or will have rights under the TSA (for the duration of the TSA) to use, the IT Systems, and the Company has obtained all necessary rights from third parties to enable the Company to make exclusive and unrestricted use of the IT Systems for the purposes of the Business. The Company has good, valid and marketable title to, or in the case of licensed property has good and valid license in, all IT Systems (or the right under the TSA to use the IT Systems for the duration of the TSA), in each case free and clear of all Encumbrances.

(b) All elements of the IT System:

(i) are functioning properly and materially in accordance with all applicable specifications;

(ii) to the Knowledge of the IP Group, DI, DIPI and the Company, are not defective in any material respect and contain no software virus or other malware; and

(iii) have sufficient capacity and performance to meet the current requirements of the Business.

4.15 Contracts

(a) Neither the execution and delivery by the Sealed Air Parties of this Agreement nor the performance or the consummation of the transactions contemplated hereby, including the Pre-signing Transactions, the Pre-closing Transactions and the Transaction, will conflict with or result in a violation or breach of, constitute (with or without notice or lapse of time or both) a default under, result in or give to any Person any right of termination, cancellation or acceleration with respect to, or result in the creation or imposition of any Encumbrance upon the Company or any of the Assets or properties of the Business under any Contract provided in the Data Room ("**Material Contracts**") or, to the extent material, any License or industrial standards necessary for or applicable to the operation of the Business. To the Knowledge of the Specified Company Officers, there are no Contracts that are material to the Business other than Material Contracts.

(b) All Material Contracts relating to the Business to which the Company is a party are in full force and effect, have been duly executed and are validly existing, constitute legal, valid and binding obligations of the Company and are enforceable against the Company and the other parties in accordance with their terms. Except for Excluded Claims, the Company has not received any Claims or notices alleging that it is in default or breach of or is otherwise delinquent in its performance under any Material Contract, and each of the other parties thereto has performed in all material respects all obligations required to be performed by it, and is not in default in any material respect under, any Material Contract and no event has occurred that, with notice or lapse of time, or both, would constitute such a default.

(c) To the Knowledge of the Seller Group and/or the Specified Company Officers, there are no Contracts relating to the Business to which the Company is a party that contain (to the extent materially adverse to, or material to, the Business) (i) provisions that impose a non-competition duty, prohibition to handle competitive products or other material restriction on the Business, or (ii) exclusivity provisions, such as provisions that prohibit transactions with parties aside from the counterparty of such Contracts, or most favored nation provisions. To the Knowledge of the Seller Group, there are no Contracts that are material to the Business and to which any of the Seller Group is a party and the Company is not a party that contain (i) provisions that incurs any Indebtedness of the Company, (ii) provisions that impose a non-competition duty, prohibition to handle competitive products or other material restriction on the Business, or (iii) exclusivity provisions, such as provisions that prohibit transactions with parties aside from the counterparty of such Contact, or most favored nation provisions.

(d) Schedule 4.15(d)-(1) sets forth all of the written Contracts between any of the Seller Group or their Affiliates (other than the Company) on the one hand and the Company on the other hand. As of the Closing Date, all of the Contracts between any of the Seller Group or their Affiliates (other than the Company) on the one hand and the Company on the other hand ("***Seller Group Contracts***") have been terminated and the Company does not have any obligations, Indebtedness or liabilities thereunder.

4.16 Officers and Employees

There are no Contracts affecting the general employment conditions or rules of the Company ("***Employment Agreements, Etc.***") other than those entered into in the Ordinary Course of Business of the Company. Except for the Agreement with Kanagawa City Union dated June 23, 1999, the Company is not a party to, and does not have any obligation under, any collective bargaining agreement or other labor union contract or side agreement with any labor union or organization, nor does it have any obligation under any Contract to recognize or deal with any labor union or organization. Except for the employee subject to the Agreement with Kanagawa City Union dated June 23, 1999, to the Knowledge of the Seller Group, no Officer or employee of the Company is a member of a labor union. The Company is in compliance in all material respects with all employment-related obligations imposed by applicable Law, Decisions of Governmental Authority and Employment Agreements, Etc., and there are no material violations thereof (including unpaid wages). For the three (3) years preceding the date hereof, there have been no strikes, labor disputes, demands for payment involving employees, Claims from employees with respect to violations of applicable Law, Decisions of Governmental Authority or Employment Agreements, Etc., or other labor troubles (except for those minor, but including those in connection with the restructuring or layoff conducted by the Company) between the Company and its employees, and, to the Knowledge of the Seller Group, there is no threat of the occurrence thereof. There has been no significant resignation of employees in connection with the Pre-signing Transactions, the Pre-closing Transactions or the Transaction. Without limiting the generality of the foregoing, there are no pending or threatened sexual harassment Claims against the Company or any of its Officers or employees. As of the Closing Date, other than the closing bonuses as set forth in Schedule 4.16 (the "***Closing Bonuses***") and the Annual Incentive Plan, Profit Sharing Plan, Long-term Incentive Plan, Sales Incentive Plan and Seasonal Bonus (the "***Special Bonus Liabilities***"), the Company does not have any obligations, Indebtedness or liabilities (the "***Excess Wage Liabilities***") owing to any of its employees or Officers other than those in respect of the ordinary annual remuneration and ordinary annual incentive bonus. The amount of Closing Bonuses provided in Schedule 4.16, and the Long-term Incentive Plan Liability (as of the Closing Date), respectively, is calculated in a fair and appropriate manner, respectively, in accordance with the applicable internal rules of the Seller Group and the agreements with each relevant Officers or employees in relation thereof.

4.17 Taxes

(i) All Tax Returns required to be filed by the Company on or prior to the date hereof or the Closing Date have been duly and timely filed and are true, accurate and complete (except for those minor), and (ii) all Taxes required to be paid by the Company as of the date hereof or the Closing Date have been duly and timely paid. (iii) There are no instructions or complaints from tax authorities which have not been remedied (except for those minor) and, (iv) to the Knowledge of the Seller Group, there are no specific threats that the Company may become subject to any additional taxes or tax penalty. For the avoidance of doubt, the Parties confirm that if any Losses are incurred by virtue of any tax return or report submitted by the Company found to be untrue, inaccurate or incomplete, such Losses shall be regarded as a breach of the representation and warranty made in this section 4.17 for purposes of the indemnification obligations of the Sealed Air Parties under section 10.2.

4.18 Environmental Laws

The Company and the operations of the Business are in compliance with all applicable Laws concerning the protection of human health or the environment or concerning Hazardous Materials (“***Environmental Laws***”) in all material respects. No Claims by any Person or Governmental Authority is pending or threatened against the Company with respect to Environmental Laws or any environmental matters.

4.19 Other Environmental Matters

The Company is not subject to any Indebtedness, liability or obligation (other than the general obligation to comply with Environmental Laws) relating to (i) the past or present use, management, handling, transport, treatment, generation, storage, disposal or Release of any Hazardous Materials (whether as the result of an act or omission by the Company or any other Person) or (ii) the presence of Hazardous Materials (whatever the cause of such presence) on, under or in connection with any real property (including the water underlying any such real property) owned or used by the Company, and, to the Knowledge of the Seller Group, there are no threats thereof. The Sealed Air Parties have disclosed and made available to the Purchaser all information, including all studies, analyses and test results conducted in the last 3 years and in the possession, custody or control of or otherwise known to the Sealed Air Parties or the Company relating to (i) the environmental conditions on, under, or about the Assets owned, leased, operated or used presently or in the past by the Company or any predecessor thereto, and (ii) any Hazardous Materials used, managed, handled, transported, treated, generated, stored or Released by the Company or any other Person on, under, about or from any of the Assets, or otherwise in connection with the use or operation of any of the Assets of the Company or the Business.

4.20 Undisclosed Liabilities

The Company has no material Indebtedness, liabilities or obligations of any nature, whether absolute, accrued, contingent or otherwise and whether due or to become due, except for (i) the Loans as of the date hereof, and (ii) Indebtedness, liabilities and obligations that (a) are reflected or reserved against in the Financial Statements, Etc. or (b) have been incurred after the Reference Date in the Ordinary Course of Business. As of August 31, 2012, other than the Unfunded Pension Plan Liability of 3,658,986,000 yen stipulated in section 2.2, the Company has no unfunded pension plan liability in relation to its current or former Officers or employees. The Company has no obligation to make a cash contribution to the former Johnson Wax Professional Director Pension Plan, which covers the former directors of Johnson Wax Professional.

4.21 Insurance

Schedule 4.21 contains a complete and correct list and summary description of all insurance policies maintained (at present or at any time during the past 3 years) by or on behalf of the Company, except for insurance policies not exceeding an annual premium of 500,000 yen per insurance policy and covering (i) cars owned by or leased to the Company or (ii) housing leased to the Company and subleased to employees. The Sealed Air Parties have delivered to the Purchaser complete and correct copies of all such policies together with all riders and amendments thereto. All insurance policies maintained by or on behalf of the Company are in full force and effect, are of a type customary for a business similar to the Business or for the assets and property covered thereby. The Company has complied in all material respects with the terms and provisions of such policies and has paid all premiums due thereon.

4.22 Compliance with Laws

Except as provided under Schedule 4.22, the Company is not, and has not been, in conflict with or in violation or breach of or in default (except for those minor) under (i) any Laws or Decisions of Governmental Authority applicable to it, any of its Assets or the Business, (ii) the articles of incorporation and any other internal regulations of the Company, or (iii) any Contract, and (B) the Company has not received any Claims or notices alleging any such conflict, violation, breach or default.

4.23 Anticorruption

(a) No Company Representative has in the past three years violated any Anticorruption Laws, nor has the Company, any Subsidiary of the Company nor any Company Representative offered, paid, promised to pay, or authorized the payment of any money, or offered, given, promised to give, or authorized the giving of anything of value, to any Government Official or to any Person under circumstances where the Company, any Subsidiary of the Company or the Company Representative knew or ought reasonably to have known (after due and proper inquiry) that all or a portion of such money or thing of value would be offered, given, or promised, directly or indirectly, to a Person:

(1) for the purpose of: (i) influencing any act or decision of a Government Official in their official capacity; (ii) inducing a Government Official to do or omit to

do any act in violation of their lawful duties; (iii) securing any improper advantage; (iv) inducing a Government Official to influence or affect any act or decision of any Governmental Entity; or (v) assisting the Company, any Subsidiary of the Company, or any Company Representative in obtaining or retaining business for or with, or directing business to, the Company, a Subsidiary of the Company, or any Company Representative;

(2) in a manner which would constitute or have the purpose or effect of public or commercial bribery, acceptance of, or acquiescence in extortion, kickbacks, or other unlawful or improper means of obtaining business or any improper advantage. For the avoidance of doubt, any rebates or other incentives offered to business partners of the Company and paid to business partners by the Company when certain thresholds (such as, by way of example, total amounts of products purchased by such business partners in a given period) are achieved do not breach Anticorruption Laws, and all such payments have been properly recorded in the books and records, including the financial statements of the Company.

(b) Neither the Company nor any Subsidiary of the Company has conducted or initiated any internal investigation or made a voluntary, directed, or involuntary disclosure to any Governmental Entity or similar agency with respect to any alleged act or omission arising under or relating to any noncompliance with any Anticorruption Law. None of the Company, any Subsidiary of the Company, or any Company Representative has received any notice, request, or citation for any actual or potential noncompliance with any of the foregoing.

(c) No Officer or employee of the Company or any Subsidiary of the Company is a Government Official.

(d) No Government Official or Governmental Entity presently owns a direct interest in the Company or any Subsidiary of the Company or has any legal or beneficial interest in the Company or any Subsidiary of the Company or to payments made to the Company by the Purchaser hereunder.

(e) The Company and each Subsidiary of the Company have maintained complete and accurate books and records, including records of payments to any agents, consultants, representatives, third parties, and Government Officials in accordance with generally accepted accounting principles of Japan.

(f) The Company is not, and has not been, in conflict with or in violation or breach of or in default under (i) the Foreign Corrupt Practices Act, (ii) the UK Bribery Act or (iii) any internal policies or regulations relating thereto, and the Company has not received any Claims or notices alleging any such conflict, violation, breach or default. There are, and has been, no corruption issues relating to the Company, including facilitation payments, and, to the Knowledge of the Seller Group, no threats of the occurrence thereof. The Company does not conduct business in any of the following countries or areas: the Balkans, Belarus, Cote d'Ivoire, Cuba, Democratic Republic of Congo, Iran, Iraq, Lebanon, Liberia, Libya, Myanmar (Burma), North Korea, Somalia, the Republic of the Sudan, the Republic of South Sudan, Syria or Zimbabwe. The Company is not conducting, and has not conducted, business with any individuals on the Specially Designated Nations List, and having conducted reasonably sufficient due diligence, has no reason to believe that it is or could unknowingly be conducting business with any such individuals. The Company does not, and has not supported any boycott not sanctioned by the U.S. government.

4.24 Antisocial Forces

Neither the Company nor any of its Officers or employees fall under any of the Antisocial Forces Related Persons listed in Schedule 4.24-(1) or is conducting any of the Antisocial Activities listed in Schedule 4.24-(2).

4.25 Licenses

Schedule 4.25 contains a complete and correct list of all Licenses necessary to conduct the Business ("***Business Licenses***"). The Company has duly and validly obtained and maintained all of the Business Licenses, and the Company has operated the Business in accordance with the terms and conditions of the Business Licenses and the Laws governing each Business License in all material respects. There are no events which would result in any change, suspension, invalidity, cancellation, or refusal of renewal of any Business License and, to the Knowledge of the Seller Group, there are no threats of the occurrence of such events (except for the Merger and the reporting duties arising in connection with the Entity Conversion as shown in Schedule 4.4).

4.26 Inventories

All inventories of raw materials, supplies, works in progress and finished goods of the Company have been as of the date hereof, and will have been as of the Closing Date, of sound, usable and merchantable quality in all material respects subject to the Company's usual, customary and reasonable practices with respect to reasonably expected amounts of obsolete, scrap or damaged raw materials, supplies, works in progress and finished goods.

4.27 Pre-signing and Pre-closing Transactions

(a) As at the date of this Agreement:

(i) The Company has consummated the Entity Conversion in accordance with the entity conversion plan as set forth in Schedule 4.27(a)-(1) (the "***Entity Conversion Plan***") and the Law (including the procedures required under Articles 775 through 779 of the Companies Act), Decisions of any Governmental Authority, the Company's Organizational Documents and internal regulations as of October 22, 2012;

(ii) Mr. Toshiro Misumi has been duly and validly appointed as, and serves as a sole executor (*shokumu-shikkousha*) of SABV as the owner who executes the business (*gyomu-shikkoushain*) of the Company; and

(iii) SA has caused DI to transfer all of the Equity Interests to SABV in accordance with the Law, Decisions of Governmental Authority, the Company's Organizational Documents and internal regulations (which such transfer was caused after the completion of the Entity Conversion)

(the transactions in this section 4.27(a) being the "***Pre-signing Transactions***").

(b) As at the Closing Date:

(i) all of the Pre-closing Transactions have been completed duly and validly in accordance with section 6.2(a), including satisfaction of items in section 7.3(c), without causing any Taxes, any unreasonable or unexpected liability, debt, cost or any other Losses to the Company or the Purchaser;

(ii) the Seller Group has implemented any and all procedures necessary to consummate the Pre-closing Transactions by the time required in accordance with the Law, Decisions of Governmental Authority, the Company's Organizational Documents and internal regulations, excluding the reporting duties arising in connection with the Entity Conversion as set out in Schedule 4.4. The Business was not negatively affected in a material manner due to the implementation of the Pre-closing Transactions; and

(iii) Mr. Toshiro Misumi has been duly and validly appointed as, and serves as a sole executor (*shokumu-shikkousha*) of SABV as the owner who executes the business (*gyomu-shikkoushain*) of the Company.

4.28 Accuracy of Disclosure

To the Knowledge of the Seller Group, all of the Due Diligence Information, except for future projections, forward-looking statements, statements of personal opinion, forecasts, and estimates, is true and correct in all material respects, and does not contain any untrue or incorrect statement of a material fact, and does not omit any fact necessary, in light of the circumstances in which they were provided, to make the statements contained herein or therein not false or misleading in all material respects.

5. PURCHASER WARRANTIES

The Purchaser hereby represents and warrants to the Sealed Air Parties, as of the date hereof and as of the Closing Date (except where another date is specifically referenced below), as set out in this section 5.

5.1 Organization

The Purchaser is a corporation validly existing under the Laws of Japan. The Purchaser has full power and authority to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby.

5.2 Enforceability

The execution and delivery by the Purchaser of this Agreement, and the Purchaser's performance of its obligations hereunder, have been duly and validly authorized, and all corporate actions required to have been taken by the Purchaser in connection with the execution and delivery by the Purchaser of this Agreement have been duly and validly conducted by the time required. When duly and validly executed and delivered by the Purchaser and the other Parties, this Agreement constitutes a legal, valid and binding obligation of the Purchaser enforceable against it in accordance with its terms, except where enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar Laws now or hereafter in effect relating to or affecting creditors' rights generally.

5.3 No Conflicts

Neither the execution and delivery by the Purchaser of this Agreement nor the performance or the consummation of the transactions contemplated hereby will do any of the foregoing: (a) conflict with or result in a violation or breach of the articles of incorporation or other internal regulations of the Purchaser or (b) conflict with or result in a violation or breach of any Law or Decisions of Governmental Authority applicable to the Purchaser.

5.4 No Licenses Required

The Purchaser is not required to obtain any Licenses in connection with the execution, delivery and performance of this Agreement or the consummation of the transactions contemplated hereby.

5.5 Financial Status

No Insolvency Procedures have been commenced, and there are no petitions for the commencement or threats thereof, with respect to the Purchaser. The Purchaser is not under any condition of insolvency, inability to pay debts, or suspension of payment, and there are no threats that the Purchaser will be in such a position as a result of the execution or performance of this Agreement or any other event.

6. **PRE-CLOSING COVENANTS**

6.1 Mutual Covenants and Acknowledgements prior to Closing

(a) Each of the Parties acknowledges and confirms that, on the date hereof and simultaneously with executing and entering into this Agreement, (i) the Company and the Purchaser duly and validly execute and enter into the merger agreement between the Company and the Purchaser in the form set forth in Schedule 6.1(a) (the "***Merger Agreement***") concerning the Merger which is to be conducted on condition that the Closing is consummated, and (ii) the Sealed Air Parties and the Purchaser duly and validly execute and enter into the TSA in the form set forth in Schedule 1.1-(5).

(b) On or prior to the Closing Date, each Party shall, and shall cause its relevant Affiliates to, execute and enter into IPA, Co-operation Agreement, Supply Agreement and TASKI Distribution Agreement under the terms and conditions set forth in Schedules 1.1-(2), 1.1-(1), 1.1-(3) and 1.1-(4).

(c) On or prior to the Closing Date, each Party shall take, or cause to be taken, all actions and shall do, or cause to be done, all matters necessary or desirable under applicable Laws, its Organizational Documents or other internal regulations or Decisions of Governmental Authority, to consummate the transactions contemplated by this Agreement as promptly as practicable.

(d) During the period between the execution of this Agreement and the Closing Date, each Party shall promptly notify the other Party in writing of (i) any pending or, to the knowledge of the such Party, threatened Claims, actions or proceedings by any Governmental Authority or any other Person (A) challenging or seeking damages in connection with the consummation of the transactions contemplated by this Agreement or (B) seeking to restrain or prohibit the consummation of such transactions, and (ii) any circumstances or contingencies that may cause or are reasonably likely to cause any of the Warranties (for the Sealed Air Parties only) or Purchaser Warranties (for the Purchaser only) to be untrue or incorrect as if they were given on each day from the date hereof to the Closing.

6.2 Pre-Closing Covenants of the Sealed Air Parties

(a) On or prior to the Closing Date, the Sealed Air Parties shall duly and validly consummate the transactions listed in items (i) through (v) below and any and all other transactions in relation to the Company contemplated by the Sealed Air Parties as necessary for the preparation of the Transaction (all transactions listed below and all such other transactions, collectively, "***Pre-closing Transactions***"), including the following:

(i) from the date hereof until the Closing Date, the Sealed Air Parties shall cause the Company to carry out any and all procedures to (i) establish and validate the internal rules of the Company, which shall separately be agreed between the Sealed Air Parties and the Purchaser prior to the Closing Date, and (ii) manage the corporate governance of the Company in accordance with the agreed internal rules;

(ii) SA shall cause the Company to transfer all of the SAJ Shares owned by the Company to SAJH at a price of 7,659,877,250 yen (plus or minus 100,000 yen) in accordance with the share purchase agreement as set forth in Schedule 6.2(a)-(2) (the "***SAJ Transfer***"), and SA shall cause the Seller Group and the Company to carry out any and all procedures required to consummate the SAJ

Transfer in accordance with the Law, Decisions of Governmental Authority, and the Company's Organizational Documents and internal regulations. If any obligation to pay or withhold any Taxes relating to the dividend to be paid by SAJ to the Company or the SAJ Transfer remains at the Company after the Closing, the Sealed Air Parties shall indemnify the Purchaser for any such Taxes or any Losses incurred by the Purchaser or the Company in relation to such Taxes;

(iii) the Sealed Air Parties shall cause SAJ to pay a dividend equal to or more than five times the amount of the Closing Bonuses to the Company, and the Sealed Air Parties shall cause the Seller Group and the Company to carry out any and all procedures necessary to consummate such dividend payment in accordance with the Law, Decisions of Governmental Authority, and the Company's Organizational Documents and internal regulations;

(iv) SABV shall provide equity to the Company to enable the Company to, (x) repay all the outstanding borrowings of the Company (including the loans set forth in Schedule 6.2(a)(iv)-(1) and any outstanding borrowings under the Existing Overdraft Facilities) ("***Loans***"), terminate the Existing Overdraft Facilities, terminate any and all guarantees by the Company for any Indebtedness of the Seller Group (the "***Guarantees***") and become free of Indebtedness at the Closing, (y) cancel the security interests encumbering the Company's assets, Transferred IP and the Equity Interest as security for the Loans or any Indebtedness of the Seller Group as set forth in Schedule 6.2(a)(iv)-(2) (the "***Security Interests***"), and (z) pay all costs associated with the Pre-closing Transaction or the Transaction that need to be paid by the Company prior to the Closing and the Sealed Air Parties shall cause the Seller Group and the Company to carry out any and all procedures required to consummate the items set out in this paragraph in accordance with the Law, Decisions of Governmental Authority, and the Company's Organizational Documents and internal regulations. In the event the Loans are not repaid, the Guarantees are not terminated, or the Company is not free of Indebtedness at the Closing, the Sealed Air Parties shall indemnify and hold harmless the Purchaser Indemnified Parties for any outstanding amounts of the Loans or the Guarantees, accrued interests thereon and any other Losses which the Purchaser Indemnified Parties may incur as a result of the foregoing;

(v) the Sealed Air Parties shall cause the Company to make each payment in relation to the Business in respect of which the Company is subject to an obligation to make payment on or before the Closing; and

(vi) as a cushion for the purposes of enabling the Company to satisfy the payments referred to in section 6.2(a)(v) above, the Sealed Air Parties shall cause the Company to have in the Company Bank Accounts approximately 100 million yen above the amount which the Sealed Air Parties estimate will be the minimum required to satisfy those payments, but shall cause the Company to distribute as dividends all of its other cash.

(b) The Sealed Air Parties shall bear any and all Taxes or Losses in relation to the Pre-signing Transactions and the Pre-closing Transactions (provided that, for the avoidance of doubt, in this section 6.2(b) "Losses" shall not be interpreted to include

any claims in connection with any deterioration in business performance or loss of customers which is alleged to be connected with any of the Pre-signing Transactions or the Pre-closing Transactions; for the avoidance of doubt, this proviso shall not preclude the Purchaser from seeking for indemnification or exercising any rights under any other provisions of this Agreement). If any obligation to pay any Taxes or Losses relating to the Pre-signing Transactions and/or the Pre-closing Transactions remains with the Company or the Purchaser after the Closing, the Sealed Air Parties shall indemnify the Purchaser for all such Taxes or Losses incurred by the Company or the Purchaser (provided that the amount of any tax credit or benefit arising for the Company or the Purchaser in connection with such Taxes or Losses (but limited to only the amount of such tax credit or benefit that the Company or the Purchaser will actually reduce their respective taxes by within the same fiscal year that such Taxes or Losses were incurred) shall be subtracted from any amounts payable by the Sealed Air Parties pursuant to this section 6.2(b)). For the avoidance of doubt, nothing in this section 6.2(b) shall prevent the Purchaser (through the Company) from benefiting from any Tax credit that accrues to the Company as a result of the dividend paid pursuant to 6.2(a)(iii), and the amount of such Tax credit shall not be subtracted from any amounts payable by the Sealed Air Parties pursuant to this section 6.2(b).

(c) From the date of this Agreement to the Closing Date, following the prior written consent of the Sealed Air Parties (not to be unreasonably withheld when such request will not result in a material burden on, or hindrance to, the day-to-day operation of the Business or the discharge of the management and operational responsibilities of the Officers of the Company) the Sealed Air Parties shall cause the Company to (a) give the Purchaser, its Officers, employees and Advisors reasonable access to the Offices, properties, books and records of the Company, (b) furnish to the Purchaser, its Officers, employees and Advisors such financial and operating data and other information relating to the Company or the Business as such Persons may reasonably request, and (c) instruct its or the Company's Officers, employees and Advisors to cooperate with the Purchaser, its Officers, employees and Advisors in their confirmatory due diligence investigation of the Company and the business, in each case in respect of (and limited to):

(i) Licenses which require to be re-applied for as a result of the Merger;

(ii) the Company's material Contracts; and

(iii) any matters particularly disclosed in Schedule 3.1-(1).

(d) From the date of this Agreement to the Closing Date, the Sealed Air Parties shall cause the Company to:

(i) conduct the Business in the Ordinary Course of Business in substantially the same way as the Business was conducted before the date of execution of this Agreement and with the due care of a prudent manager, and refrain from changing the level of working capital (including extension of payment terms of accounts payable and reduction of level of inventory) in a manner inconsistent with the Ordinary Course of Business, provided that any act of the Company that is contemplated by this Agreement regardless of whether such act is in the Ordinary Course of Business shall be permitted, and

(ii) avoid doing any act or making any omission that would cause any representation or warranty made hereunder by the Sealed Air Parties to cease to be true or correct as if it were given on each day from the date hereof to the Closing.

(e) Notwithstanding the preceding section 6.2(d) and other than as contemplated by this Agreement or the Ancillary Agreements (only those executed), from the date hereof until the Closing Date (a) the Sealed Air Parties shall cause the Company to refrain from taking any of the following actions and (b) SA shall cause DI and DIPI to refrain from taking the action described in 6.2(e)(xix) below, in each case without obtaining the prior written consent of the Purchaser:

(i) Amend or abolish the Company's articles of incorporation or other internal regulations

(ii) Change the organizational structure of the Company

(iii) Increase or decrease the amount of capital or reserve

(iv) Distribute dividends of surplus (including any interim dividends) to the extent that the Company would thereafter have insufficient cash to satisfy the payments to be made in accordance with section 6.2(a)(v)

(v) Distribute dividends *in specie*

(vi) Issue or dispose of any Company Shares or Equity Rights or take any other action affecting the shareholding or equity holding (including actions that may affect future shareholding or equity holding) of existing shareholder(s) or equity holder(s)

(vii) Engage in mergers, company splits, share exchanges, share transfers or any other reorganizational acts

(viii) Dissolve

(ix) Commence or petition to apply to commence any Insolvency Procedures

(x) Change accounting principles or standards used to prepare financial statements

(xi) Establish a Subsidiary, launch a new business or suspend or discontinue the Business

(xii) Acquire a Subsidiary

(xiii) Execute, amend, cancel or terminate any Contract with any member of the Seller Group, its Affiliates or their Officers, accounting auditors or Advisors (provided that the Purchaser herby consents to the termination of all Contracts between the Company and the Seller Group, other than the Ancillary Agreements where already executed before the Closing)

(xiv) Waive any right involving an amount equal to 20 million yen or more

(xv) Enter into any business alliance or capital alliance with any Person

(xvi) Institute or settle any Claim or make any decisions on handling Claims involving an amount equal to 20 million yen or more

(xvii) Borrow or incur new debt from any Person, issue corporate bonds, assume liabilities, guarantee liabilities or take any other act (other than in the Ordinary Course of Business) that results in the incurrence of Indebtedness or liabilities (provided that the prior written consent of the Purchaser shall not be required in order for the Company to utilize its existing overdraft facilities as provided by Sumitomo Mitsui Banking Corporation ("***SMBC***") or Mizuho Bank, Ltd. ("***Existing Overdraft Facilities***"))

(xviii) Lease assets worth 20 million yen or more per annum (provided that the prior written consent of the Purchaser shall not be required in order for the Company to lease motor vehicles for the purposes of the Business)

(xix) Transfer, license, acquire, sell, create Encumbrances over or otherwise dispose of Relevant IP other than in the Ordinary Course of Business

(xx) Transfer, acquire, sell, create Encumbrances over or otherwise dispose of any other assets (including shares and accounts receivables) worth 20 million yen or more per asset other than in the Ordinary Course of Business

(xxi) Invest in equipment, securities or any other investment worth 1 billion yen or more per annum, or 20 million yen or more per investment

(xxii) Lend new amounts worth 20 million yen or more per loan to any Person

(xxiii) Execute, cancel, terminate or make any material change to any Contracts relating to the Business other than in the Ordinary Course of Business

(xxiv) Execute, amend, cancel or terminate any collective bargaining agreement, labor union contract or other side agreement with any employees or labor union

(xxv) Make changes to wage and salary systems or pay standards of employees

(xxvi) Make any payment to employees or labor unions other than ordinary annual remuneration and ordinary annual incentive bonuses

(xxvii) Other than in the Ordinary Course of Business, newly employ, dismiss or conduct restructuring of employee(s) or make any other changes to the personnel structure

(xxviii) Second or transfer employees, or change any employee's job category

(xxix) Appoint or dismiss Officers or accounting auditors (provided that the Purchaser hereby consents to the resignation of Mr. Miquel Llinas Mas and Mr. Andrew Warren prior to the Closing)

(xxx) Increase rewards (including bonuses) or any other payment to be paid to Officers, accounting auditors or Advisors, or make any other changes of such payment

(xxxi) Pay retirement allowances or make any payment to Officers, accounting auditors or Advisors other than ordinary rewards,

(xxxii) Execute, amend, cancel or terminate any Contract with any Officers, accounting auditors or Advisors

(f) The Sealed Air Parties shall cause the Seller Group and the Company to carry out any procedures required to consummate the Transaction in accordance with the Law, Decisions of Governmental Authority, and the Company's Organizational Documents and internal regulations (including obtaining SABV's consent with respect to (x) the transfer of the Equity Interest from SABV to the Purchaser as contemplated by the Transaction and (y) the changes to the articles of incorporation of the Company to reflect the transfer).

(g) From the date hereof until the Closing Date, the Sealed Air Parties shall, and shall cause the Company to, take reasonable steps to notify the customers, suppliers, agents and other business partners of the Company of the Pre-signing Transactions, the Pre-closing Transactions and the Transaction in accordance with the arrangements to be separately agreed with the Purchaser (including providing written notices to such business partners in the form agreed between the Purchaser and the Sealed Air Parties).

(h) From the date hereof until the Closing Date, the Sealed Air Parties shall, and shall cause the Company to, take reasonable steps to inform and discuss with the Company's employees the purposes, content, and procedures of the transactions contemplated herein and the Purchaser's basic operation policy for the Business.

(i) From the effective date of the Entity Conversion until the Closing Date, the Sealed Air Parties shall appoint Mr. Toshiro Misumi as an executive officer (*shokumu-shikkousha*) of SABV, as the owner who executes the business (*gyomu-shikkoushain*) of the Company, and shall cause the Seller Group and the Company to carry out any and all procedures required for such appointment in accordance with the Law, Decisions of Governmental Authority, and the Company's Organizational Documents and internal regulations. On or prior to the Closing Date, the Sealed Air Parties shall obtain and deliver to the Purchaser resignation letters in the form set forth: (i) in Schedule 6.2(i)-(1) from Mr. Miquel Llinas Mas (provided however, the Company shall not be liable or obliged to pay any direct or indirect wages or bonuses, or to provide directly or indirectly any other benefits including fringe benefits to Mr. Mas after October 31, 2012); (ii) in Schedule 6.2(i)-(2) from Mr. Andrew Warren; (iii) in Schedule 6.2(i)-(3) from Mr. Scott Putnam, and (iv) in a similar form from any other Officers or employees of the Company nominated by the Sealed Air Parties after the date hereof.

(j) Without prejudice to section 6.2(c), from the date hereof until the Closing Date, the Sealed Air Parties shall cause the Seller Group and the Company to make reasonable efforts (x) to assist the Purchaser with the transition of the Business under the Transaction (including reasonable cooperation with (i) the retention of the key Officers or employees after Closing, such as the cooperation with the Purchaser's

execution of employment agreements with certain key Officers or employees, and (ii) the planning of the management organization of the Company after the Closing at the Purchaser's sole discretion) and (y) to avoid conducting any act that would hinder or adversely affect the foregoing. From the date hereof until the Closing Date, the Sealed Air Parties shall terminate the underlying agreement for such Special Bonus Liabilities payments (to the extent that it does not automatically cease upon Closing in any event). In the case where the Company incurs any Losses after Closing due to any of the Excess Wage Liabilities other than the payments of the Closing Bonuses, the Long-term Incentive Plan Liability, the Annual Incentive Plan, the Profit Sharing Plan, the Sales Incentive Plan or the Seasonal Bonus, the Sealed Air Parties shall indemnify and hold harmless the Company from and against any such Losses.

(k) On or prior to the Closing Date, the Sealed Air Parties shall cause the Company to offer Mr. Justin Brown (who, as of the date hereof, is seconded to the Company from DI and in charge of marketing operations at the Company) employment with the Company. Provided that Mr. Brown accepts the Company's offer of employment, the Sealed Air Parties shall take all necessary steps to transfer Mr. Brown's employment from DI to the Company.

(l) On or prior to the Closing Date, the Sealed Air Parties shall cause the Company to terminate any duties and responsibilities of Mr. Yoshiichiro Ooka, Ms. Naoko Masumoto, Mr. Hiroshi Kanai, Mr. Akihiko Maki, Mr. Shinya Fujiwara, Mr. Takashi Manabe, Ms. Natsuko Fujiwara, Mr. Yasutaka Sagan and any other employees of the Company that serve SAJ, such that from the Closing Date, each aforementioned Person serves solely the Company.

(m) On or prior to the Closing Date, the Sealed Air Parties shall cause the Company to take all necessary steps to terminate the secondment of Mr. Kiyotada Gakuhari to SAJ, such that Mr. Gakuhari serves solely the Company.

(n) From the date of this Agreement to the Closing Date, the Sealed Air Parties shall, and shall cause the Company to, allow the Purchaser to contact Mr. Nobuyoshi Yamanaka, the former representative director of the Company, and the Sealed Air Parties shall not, and shall cause Seller Group not to, engage in any act that would hinder or adversely affect Mr. Yamanaka's involvement in the management organization of the Company after Closing. On or prior to the Closing Date, the Sealed Air Parties shall cause the Seller Group to cancel and relieve Mr. Yamanaka from any and all obligations or liabilities that Mr. Yamanaka owes to the Seller Group other than (i) any obligations of confidentiality (but excluding obligations of confidentiality regarding the affairs of the Company) and (ii) obligations pursuant to the Trade Secret, Invention and Copyright Agreement between Mr. Yamanaka and DI dated November 23, 2010 (provided, however, the Sealed Air Parties acknowledge that, even if Mr. Yamanaka breaches such obligations in (i) or (ii) above, the Purchaser and the Company shall not be liable against the Sealed Air Parties for such breach.). The Sealed Air Parties acknowledge that (x) no Contracts exist between the Company and Mr. Yamanaka as of the date hereof and as of the Closing Date, (y) the Company owes or is under no obligation to pay any amount (including the severance package bonus entitlements) to Mr. Yamanaka as of the date hereof and as of the Closing Date, and there exists no tax or accounting issues at the Company in relation to the severance package bonus entitlements of Mr. Yamanaka, and (z) the Company or the Purchaser will not be required to engage in any discussions or negotiations with Mr. Yamanaka,

the Sealed Air Parties or any other Person in relation to the severance package bonus entitlements of Mr. Yamanaka after the Closing. If any obligation to Mr. Yamanaka (other than the obligation of confidentiality) remains at the Company or the Purchaser after the Closing or if any tax or accounting issue arises at the Company in relation to the severance package bonus entitlements of Mr. Yamanaka after the Closing, the Sealed Air Parties shall indemnify the Purchaser for Losses incurred by the Company or the Purchaser in relation to such obligations or issues.

(o) On or prior to the Closing Date, the Sealed Air Parties shall cause the Seller Group and the Company to terminate all the Seller Group Contracts.

(p) From the date of this Agreement to the Closing Date, the Sealed Air Parties shall require the Company to make reasonable efforts to cooperate with the Purchaser (including by providing any necessary information or by assisting in consultations or negotiations with the relevant Governmental Authority) to obtain Business Licenses by the effective date of the Merger.

(q) From the date of this Agreement to the Closing Date, the Sealed Air Parties shall cause DI and DIPI to use their reasonable efforts to obtain any consents from the relevant Persons that are required for the IP Transfer (including consents of any third parties that jointly own any Transferred IP with DI and/or DIPI). If such consents cannot be obtained by the Closing Date, the Sealed Air Parties shall cause DI and DIPI to continue to use their reasonable efforts to obtain such consents as soon as possible after the Closing Date.

(r) The Sealed Air Parties acknowledge that the Sealed Air Parties have caused DI and DIPI to take all necessary steps and actions to avoid the incurrence by the Purchaser of the obligation to withhold any withholding tax or to pay any other Tax relating to the IP Transfer or any dividend to be paid by the Company pursuant to section 6.2(a)(v).

(s) On or prior to the Closing Date, the Sealed Air Parties shall, and shall cause any relevant member of the Seller Group to cooperate with the Purchaser (by (i) making introductions for the Purchaser and/or the Company to the relevant third party licensors and (ii) (subject to any restrictions on the Seller Group’s right to disclose such information to the Purchaser) provide such additional information to the Purchaser concerning the Seller Group’s existing Contracts with such third party licensors as the Purchaser may reasonably request) to assist the Company to obtain the rights to use the Company Used IP after the Closing Date. If the Company cannot obtain such rights by the Closing Date, the Sealed Air Parties shall for a period of six months following the Closing Date continue to provide reasonable assistance to any negotiations that the Purchaser has with relevant third party licensors to obtain such rights.

(t) On the date hereof and simultaneously with executing and entering into this Agreement, SA shall duly and validly execute the Royalties Letter in the form set forth in Schedule 6.2(t) and as promptly as practicable thereafter submit such executed letter to the Purchaser.

6.3 Pre-Closing Covenants of Purchaser

(a) During the period between the execution of this Agreement and the Closing Date, the Purchaser shall carry out any and all procedures required to consummate the Transaction in accordance with the Law, Decisions of Governmental Authority, and its Organizational Documents and internal regulations.

7. CONDITIONS PRECEDENT TO CLOSING

7.1 Conditions Precedent to Closing Obligations of each Party

The performance of the respective obligations of the Sealed Air Parties and the Purchaser set forth in sections 2.1 and 2.4 are subject to the satisfaction or waiver of each of the following conditions at the Closing (all or any of which may be waived in whole or in part by the Parties unanimously):

(a) No Governmental Authority shall have issued any order, and there shall not be any Law restraining or prohibiting the consummation of the Closing, and no proceeding challenging this Agreement or the Transaction or seeking to prohibit, alter, prevent or materially delay the Closing shall have been instituted by any Person or be pending before any Governmental Authority;

(b) The TSA, Co-operation Agreement, IPA, Supply Agreement and TASKI Distribution Agreement, respectively, shall have been duly and validly executed between the relevant parties and be in effect in accordance with section 6.1(b) (or, in the case of the TSA, since the date hereof) (subject only to the Closing under this Agreement).

7.2 Conditions Precedent to Closing Obligations of the Sealed Air Parties

The performance of the obligations of the Sealed Air Parties set forth in sections 2.1 and 2.4(a) are subject to the satisfaction or waiver of each of the following conditions at the Closing (all or any of which may be waived in whole or in part by the Sealed Air Parties in their sole discretion), *provided*, *however*, any of the following conditions shall be deemed waived by the Sealed Air Parties if any non-satisfaction thereof is due to a breach of any of the agreements, covenants or obligation of the Sealed Air Parties stipulated in this Agreement (other than the condition set out in section 7.2(d) below, which shall not be capable of being so deemed waived):

(a) The Purchaser Warranties shall be true and correct in all material respects;

(b) The Purchaser shall have performed and complied with, in all material respects, the agreements, covenants and obligations required by this Agreement to be so performed or complied with by the Purchaser by the Closing;

(c) Any procedures required for the Purchaser to consummate the Transaction in accordance with the Law, the articles of incorporation or other internal regulations of the Purchaser, and Decisions of Governmental Authority shall have been duly and validly completed;

(d) All of the Pre-closing Transactions shall have been completed duly and validly in accordance with section 6.2(a), including the following:

(i) SABV shall own all of the Equity Interests free of any Encumbrances;

(ii) the Company shall become a limited liability company (*godo kaisha*) in accordance with the Entity Conversion Plan; and

(iii) all of the SAJ Shares shall have been duly and validly transferred to SAJH through the SAJ Transfer.

7.3 Conditions Precedent to Closing Obligations of the Purchaser

The performance of the obligations of the Purchaser set forth in sections 2.1 and 2.4(b) are subject to the satisfaction or waiver of each of the following conditions at the Closing (all or any of which may be waived in whole or in part by the Purchaser in its sole discretion), *provided, however*, any of the following conditions shall be deemed waived by the Purchaser if any non-satisfaction thereof is due to a breach of any of the agreements, covenants or obligation or of the Purchaser stipulated in this Agreement:

(a) The Warranties shall be true and correct, in all material respects; provided, however, the Purchaser shall be entitled to invoke and rely on this condition only upon either of the following cases:

(i) SMBC invoked and relied upon the corresponding conditions precedent contained in the SMBC Commitment Letter or the loan agreement in relation to the Transaction and for that reason did not extend to the Purchaser the loans necessary to pay the Purchase Price; or,

(ii) SMBC invoked and relied upon the corresponding conditions precedent contained in the SMBC Commitment Letter or the loan agreement in relation to the Transaction and requested the Purchaser to amend the terms and conditions of such loan, including the amount of the loan, and the Parties, after entering into a good faith consultation, were not able to reach an agreement to amend the Purchase Price or any other terms and conditions of the transactions contemplated hereby set forth in this Agreement to account for such request from SMBC. The Parties agree that, even if the Closing is delayed due to Purchase's reliance on this condition stated in section 7.3(a)(ii), the Parties are obliged to engage in the good faith consultation prescribed in the preceding sentence only within the period of 15 business days after any of the Parties realized or became aware of the fact that any of the Warranties were untrue or incorrect in a material respect.

(b) The Sealed Air Parties shall have performed and complied with, in all material respects, the agreements, covenants and obligations required by this Agreement to be so performed or complied with by the Sealed Air Parties by the Closing;

(c) All of the Pre-signing Transactions and Pre-closing Transactions shall have been completed duly and validly in accordance with section 6.2(a) (with respect to Pre-closing Transactions), including the following:

(i) SABV shall own all of the Equity Interests free of any Encumbrances;

(ii) the Company shall have become a limited liability company (*godo kaisha*) in accordance with the Entity Conversion Plan;

(iii) SAJ shall have paid a dividend equal to or more than five times the amount of the Closing Bonuses to the Company as referred to in section 6.2(a)(iii);

(iv) All of the SAJ Shares shall have been duly and validly transferred to SAJH through the SAJ Transfer; and

(v) All of the Loans shall have been repaid, all of the Existing Overdraft Facilities have been terminated, all of the Guarantees have been terminated and the Company is free of Indebtedness, and all of the Security Interests have been canceled (even if the registration procedures with Governmental Authorities confirming such cancellations have yet to be completed).

(d) Any procedures required in order for the Seller Group and the Company to consummate the Transaction under the Laws, the Organizational Documents or other internal regulations, and Decisions of any Governmental Authority shall have been duly and validly completed (including the consent of SABV with respect to (x) the transfer of the Equity Interest from SABV to the Purchaser under the Transaction and (y) any changes in the articles of incorporation of the Company necessary to reflect the transfer, and any other internal procedures);

(e) No event, occurrence, fact, condition, change, development or effect shall have occurred or come to exist since after the date of this Agreement that, individually or in the aggregate, has had or resulted in a Material Adverse Effect (provided that, in respect of part (ii) of the definition of Material Adverse Effect, the Purchaser shall be entitled to invoke and rely on this condition only where SMBC has also invoked and relied upon the corresponding conditions precedent contained in the SMBC Commitment Letter or the loan agreement in relation to the Transaction and accordingly did not extend to the Purchaser the loans necessary to pay the Purchase Price);

(f) All of the conditions precedent contained in the SMBC Commitment Letter shall have been satisfied or waived;

(g) The Purchaser shall have received all of the following documents:

(i) the documents set forth in Schedule 7.3(g) to confirm the due and valid completion of all of the Pre-signing Transactions and the Pre-closing Transactions; and

(ii) copies of resignation letters: (i) in the form set forth in Schedule 6.2(i)-(1) from Mr. Miquel Llinas Mas, (ii) in the form set forth in Schedule 6.2(i)-(2) from Mr. Andrew Warren, (iii) in the form set forth in Schedule 6.2(i)-(3) from Mr. Scott Putnam; and (iv) in a similar form from any other Officer or employee of the Company nominated by the Sealed Air Parties after the date hereof.

8. POST-CLOSING COVENANTS

8.1 Mutual Covenants after the Closing

(a) Promptly on and after the Closing Date, each Party shall conduct, or cause to be conducted, registration procedures or any other procedures required to record or effect the IP Transfer under the applicable Laws (the “***IP Registration Procedures***”). Any

reasonable costs and expenses incurred in connection with the IP Registration Procedures shall be equally borne by the Sealed Air Parties on the one hand and the Purchaser on the other hand. If the legal ownership of any Transferred IP is required to remain with DI and/or DIPI until the completion of the IP Registration Procedures pursuant to the applicable Laws, SA shall (subject to any rights granted to any members of the Seller Group pursuant to the IPA) cause (i) DI and DIPI to grant the Purchaser exclusive rights to use and sublicense (including sublicense to the Company) the relevant Transferred IP from the Closing Date up to the completion of the IP Registration Procedures, and (ii) all of the Seller Group, on and after the Closing Date, to not use the relevant Transferred IP nor grant to any third parties any rights to use the Transferred IP other than the license provided in item (i) above.

(b) The Sealed Air Parties, on behalf of themselves and their Affiliates, acknowledge and agree that, except as set forth in the IPA, all of their rights in and to the Transferred IP and the Company Owned IP shall cease as of the Closing and, from and after the Closing, the Sealed Air Parties and their Affiliates shall have no right to use the Transferred IP or the Company Owned IP except as set forth in the IPA.

(c) The Purchaser, on behalf of itself and the Company, acknowledge and agree that, except as set forth in the IPA, all of the Company's rights in and to the Parent Licensed IP shall cease as of the Closing and, from and after the Closing, the Company shall have no right to use the Parent Licensed IP except as set forth in the IPA.

8.2 Post-Closing Covenants of the Sealed Air Parties

(a) During the three years immediately following the Closing Date, the Sealed Air Parties shall cause the Seller Group not to, either directly or indirectly, (i) solicit the employment of any Officers or employees of the Company for the benefit of the Seller Group or any other Person, (ii) advise any such Officers or employees to resign from the Company, (iii) employ any such Officers or employees, nor (iv) engage in any other actions equivalent thereto.

(b) During the five years immediately following the Closing Date, the Sealed Air Parties shall cause the Seller Group to, upon a reasonable request from the Purchaser, cooperate (at the Purchaser's expense, but without prejudice to any rights of the Purchaser under section 10.2(a), subject to the terms of this Agreement) with the Purchaser to the fullest extent (including by providing the Purchaser, its Officers, employees and Advisors with access to necessary information concerning the Company as of a date prior to the Closing, such as materials relating to the evaluation of the price of the SAJ Shares (provided that, without prejudice to section 6.2(b) and to the extent not harming in any way the Purchaser's right to seek indemnification to the Sealed Air Parties pursuant to section 6.2(b), (i) the Sealed Air Parties shall not challenge the price of the SAJ Shares, or (ii) the Purchaser shall not challenge the price of the SAJ Shares, the amount of dividend to be paid pursuant to section 6.2(a)(iii) or request additional consideration or compensation in connection with the SAJ Transfer or the aforementioned dividend, including any amount by way of tax credit or benefit (if relevant) which the Company or the Purchaser may be unable to claim in connection with the SAJ Shares being transferred at a loss) to prepare and file the Tax Returns of the Company for 2012 and previous years and to take any other actions required by any audit, litigation or other proceeding with respect to Taxes.

After the expiration of the five years immediately following the Closing Date, for a maximum of a further two years, if the Purchaser requests the Sealed Air Parties' cooperation by indicating a reasonable necessity thereof, and to the extent such cooperation is necessary for the Purchaser to comply with Laws applicable to the Purchaser, the Sealed Air Parties shall, at the Purchaser's cost cause the Seller Group to provide the Purchaser, its Officers, employees and Advisors with reasonable access to information necessary for the Purchaser to comply with such applicable Laws, which is concerning the Company as of a date prior to the Closing, and which is then preserved by the Seller Group in accordance with Laws applicable to the Seller Group.

(c) If there are any IP, IT software and/or applications owned by the Seller Group that should have been transferred or licensed to the Purchaser or the Company in accordance with the principles established in this Agreement but have not been so transferred or licensed under this Agreement or Ancillary Agreements, upon reasonable request of the Purchaser, the Sealed Air Parties shall cause the Seller Group (at the equal expense of the Sealed Air Parties on the one hand and the Purchaser on the other hand) to transfer or license such IP, IT software and/or applications without requiring any additional compensation other than the Purchase Price or the fees agreed within the Ancillary Agreements.

(d) After the Closing but no later than February 28, 2013, the Sealed Air Parties shall (i) calculate the actual amount in yen of the Annual Incentive Plan and Profit Sharing Plan to be paid to the Officers and employees of the Company for the fiscal year including the Closing Date in a fair and appropriate manner in accordance with the applicable internal rules of the Seller Group and the agreements with each relevant Officer or employee in relation thereto, and (ii) inform the results of such calculation to the Purchaser and the Company by indicating the breakdown by each item of the Annual Incentive Plan and Profit Sharing Plan to be paid to each relevant Officer or employee of the Company along with all relevant communications sent to employees regarding funding levels in connection with the awards under the related plans.

8.3 Post-Closing Covenants of the Purchaser

(a) Within five business days of the Closing Date, the Purchaser shall provide to the Sealed Air Parties statements of the Company Bank Accounts as at the close of the banking day on the Closing Date (together with any additional supporting information reasonably requested by the Sealed Air Parties) as evidence of the Actual Cash.

(b) If the Closing occurs before the close of the banking day on the Closing Date, the Purchaser undertakes not to, and not to cause the Company to, make any payment in or out of the Company Bank Accounts until the close of the banking day on the Closing Date other than (i) those arranged by the Company prior to Closing, (ii) those within the Ordinary Course of Business, or (iii) the inter-company loan to be extended from the Purchaser to the Company on the Closing Date, if any.

(c) During the five years immediately following the Closing, the Purchaser shall cooperate (at the expense of the Seller Group) with the Seller Group to give access to, and procure that the Company gives access to, the Seller Group and their Advisors to information relating to the Company in the Purchaser's or the Company's possession with respect to the period or part-period during the fiscal year including the Closing Date of the Seller Group or the Company and give the right to make copies and

extracts therefrom, to the extent that such information is reasonably requested by the Seller Group in connection with the preparation of their tax returns, financial statements, audited financial statements, audit-related materials, financial reporting, stock exchange or other self-regulatory authority reports/notifications, management accounts/reports, public announcements, all of which shall be limited to those required under the Laws or Decisions of Governmental Authority, and/or compliance with the requirements of the Laws or Decisions of Governmental Authority, including U.S. securities laws. After the expiration of the five years immediately following the Closing Date, for maximum of a further two years, if any member of the Seller Group requests the Purchaser's cooperation by indicating a reasonable necessity thereof, and to the extent such cooperation is necessary for a member of the Seller Group to comply with Laws applicable to it, the Purchaser shall, at the expense of the Seller Group, cause the Company to provide the Seller Group, its Officers, employees and Advisors with reasonable access to information necessary for any member of the Seller Group to comply with such applicable Laws concerning the Company before the Closing Date which is preserved by the Company in accordance with Laws applicable to the Company.

(d) From the Closing Date until March 31, 2014, the Purchaser shall procure that the Company purchases 100% of the Company's requirements for glycol ether DE in accordance with the terms of the Glycol Sales Contract (provided that no amendment is made to the terms for such purchase in effect at the date hereof under the Glycol Sales Contract).

(e) Following the Closing, the Purchaser shall be responsible for the payment of (i) the Closing Bonuses, and (ii) the amounts under the Annual Incentive Plan and the Profit Sharing Plan (provided, however, only to the extent of the amounts prescribed, respectively, in items (a) and (b) of the definition of Deducted Awards) from the Company to the relevant Officers and employees within due course. Following the Closing, the Purchaser shall indemnify the Sealed Air Parties in respect of all Losses incurred by the Sealed Air Parties and arising out of or in connection with its or the Company's payment (or non-payment) of Special Bonus Liabilities to the Company's past or current Officers and employees; *provided that* the foregoing shall be without prejudice to the indemnity from the Sealed Air Parties in respect of Mr. Yamanaka as set out in section 6.2(n) and *provided further that*, if the Company or the Purchaser incurs any Losses in respect of the Special Bonus Liabilities arising out of or in connection with any circumstances attributable to the Seller Group (being where the amount payable in respect of the Closing Bonuses as set out in Schedule 4.16 or the amount payable in respect of the Annual Incentive Plan or the Profit Sharing Plan as informed pursuant to section 8.2(d), respectively, is not calculated in an appropriate manner in accordance with the applicable internal rules of the Seller Group and the agreements with each relevant Officer or employee in relation thereof), Sealed Air Parties shall indemnify the Purchaser in respect of all such Losses.

8.4 Transaction Fee Agreement

Immediately after the Closing has occurred and by no later than the end of the Closing Date, the Purchaser shall cause the Executor to pass the Relevant Resolution. Immediately following the passing of the Relevant Resolution and by no later than the end of the Closing Date, the Sealed Air Parties shall, and the Purchaser shall cause the Company to, enter into the Transaction Fee Agreement in the form set forth in Schedule 8.4, which shall be executed between the Sealed Air Parties and the Company.

8.5 Letter Agreement from CJP DC Holdings, L.P. and CJP DC Holdings GP, Ltd.

On or immediately after the date hereof, the Purchaser shall procure to have CJP DC Holdings, L.P. and CJP DC Holdings GP, Ltd. duly and validly execute the Letter Agreement in the form set forth in Schedule 8.5 and submit such executed letter to SA.

9. TERMINATION

9.1 Termination

This Agreement may be terminated, and the transactions contemplated hereby may be abandoned, prior to the Closing:

(a) at any time by written agreement of the Sealed Air Parties and the Purchaser;

(b) at any time after December 31, 2012 by the Sealed Air Parties or the Purchaser upon written notification to the non-terminating Party by the terminating Party, if the Closing shall not have occurred on or before such date and such failure to consummate the Closing is not caused by a breach of this Agreement by the terminating Party; or

(c) at any time by the Sealed Air Parties or the Purchaser upon written notification to the other Party if there shall have occurred and be continuing a material breach by either Party of any of the covenants, obligations, Warranties (for the benefit of the Purchaser only) or Purchaser Warranties (for the benefit of the Sealed Air Parties only) that would cause any of the conditions to the Closing of the terminating Party not to be satisfied, and such breach is incapable of being cured or, if capable of being cured, remains uncured for more than 30 days following written notice thereof by the terminating Party.

9.2 Effect of termination

(a) This Agreement may be terminated or cancelled only in accordance with section 9.1, and other than as specifically provided in section 9.1, neither of the Parties may terminate or cancel this Agreement under any legal theory whatsoever, including on the basis of liability for default or breach of the warranty against defect.

(b) Sections 9.2 and 10.1 through 12.13 shall survive the termination of this Agreement.

(c) Termination of this Agreement pursuant to sections 9.1(b) or 9.1(c) shall be without prejudice to any rights that the terminating Party may have against the breaching Party or any other Person pursuant to this Agreement or otherwise.

(d) In the event that this Agreement is terminated pursuant to section 9.1(b) and the cause of that termination is the Purchaser's invoking and reliance on the condition set out in section 7.3(f) (excluding the case where the Purchaser also have validly invoked and relied on the condition relating to the Warranties set out in section 7.3(a) or Material Adverse Effect set out in section 7.3(e)), the Purchaser shall be liable to pay SA an amount equal to 1,053,640,560 yen within 10 business days of the termination or

cancellation of this Agreement. For the avoidance of doubt, in the event that the cause of the termination pursuant to section 9.1(b) is the Purchaser's reliance on the condition(s) other than the condition relating to financing set out in section 7.3(f), the Purchaser will be under no obligation to pay any break-up fee.

10. INDEMNIFICATION

10.1 Survival

The representations and warranties of the Parties contained in this Agreement shall survive for the following periods from the Closing Date:

(a) in respect of the Warranties contained in section 4.17 (tax matters), six years;

(b) in respect of Warranties other than those Warranties specified in section 10.1(a) above, two years; and

(c) in respect of the Purchaser Warranties, two years.

10.2 Indemnification

(a) The Sealed Air Parties shall indemnify and hold harmless the Purchaser Indemnified Parties from and against any Losses that the Purchaser Indemnified Parties may incur as a result of (i) any breach of any Warranty subject to section 10.5, (ii) any failure to perform any covenant, obligation or agreement hereunder by the Sealed Air Parties, or (iii) the enforcement of this indemnity.

(b) The Purchaser shall indemnify and hold harmless the Seller Indemnified Parties from and against any Losses that the Seller Indemnified Parties may incur as a result of (i) any breach of any Purchaser Warranty, subject to section 10.5, (ii) any failure to perform any covenant, obligation or agreement hereunder by the Purchaser or (iii) the enforcement of this indemnity.

(c) The Sealed Air Parties and the Purchaser agree that the limitations on indemnification set forth in sections 10.1, 10.5 and 10.6 shall not apply to the indemnification with respect to Losses caused as a result of any failure to perform any covenant, obligation or agreement hereunder.

10.3 Adjustment

Amounts payable in respect of the indemnification obligations of the Sealed Air Parties shall be treated as an adjustment to the Purchase Price.

10.4 Effect of Investigations

Without prejudice to section 3.1, any due diligence review, audit or other investigation or inquiry undertaken or performed by or on behalf of the Purchaser shall not limit, qualify, modify or amend any of the representations and warranties, covenants, obligations, or indemnification obligations of the Sealed Air Parties, made or undertaken pursuant to this Agreement, irrespective of the knowledge and information received (or which should have been received) therefrom by the Purchaser.

10.5 Indemnification Liability Limit

The aggregate liability of the Parties pursuant to section 10.2(a) item (i) or section 10.2(b) item (i) shall be limited as follows:

(a) in respect of breaches of Fundamental Warranties, the aggregate liability of the Sealed Air Parties shall be 100% of the Purchase Price;

(b) in respect of breaches of all Warranties that are not Fundamental Warranties, the aggregate liability of the Sealed Air Parties shall be 15% of the Purchase Price; and

(c) in respect of breaches of Purchaser Fundamental Warranties, the Purchaser's aggregate liability shall be 100% of the Purchase Price.

(d) in respect of breaches of Purchaser Warranties that are not Purchaser Fundamental Warranties, the Purchaser's aggregate liability shall be 15% of the Purchase Price.

10.6 Thresholds

The Sealed Air Parties shall not be liable in respect of a claim for breach of Warranty unless:

(a) the liability of the Sealed Air Parties in respect of that claim (ignoring any liability for costs, expenses and interest; for the avoidance of doubt, a claim made in relation to events having a similar cause or reason shall be deemed as a single claim for the application of the limitation prescribed in this item) exceeds 10 million yen; and

(b) the aggregate liability of the Sealed Air Parties in respect of all claims for breach of Warranty (excluding any claim for which liability is excluded by paragraph 10.6(a)) exceeds 75 million yen, in which case the Sealed Air Parties shall be liable for the full amount and not only for the portion exceeding 75 million yen.

10.7 Limits to Liability of the Sealed Air Parties

The Sealed Air Parties shall not be liable in respect of a claim under the Warranties to the extent that:

(a) it arises or is increased as a result of any change in Laws (or change in the interpretation of Laws) or in administrative practice of any Governmental Authority occurring after the date of this Agreement (whether or not the change purports to be effective retrospectively in whole or in part); or

(b) the claim is attributable (in whole or in part) to anything done by or on behalf of the Sealed Air Parties or the Company before the Closing at the request of the Purchaser.

10.8 Exclusive Remedy

Except as otherwise provided in this Agreement, the indemnification provided in this section 10 shall be the sole and exclusive remedy after the Closing Date available to the Parties to this Agreement for compensation for any Losses or breaches of any of the representations or warranties contained herein or any right, Claim or action arising from the transactions contemplated by this Agreement (and any claim

for compensation based on any other cause, including breach of contract (*saimu furiko sekinin*), warranties (*kashi tanpo sekinin*), tort (*fuho koi sekinin*) or other causes of action, shall hereby be excluded); *provided*, *however*, this exclusive remedy for damages does not preclude a Party from bringing an action for specific performance or other equitable remedy to require a Party to perform its obligations under this Agreement.

10.9 Accounting to the Sealed Air Parties

If the Sealed Air Parties pay to the Purchaser Indemnified Party an amount in respect of any claim under the Warranties, and the Purchaser Indemnified Party subsequently receives from any other Person any payment as an indemnification or compensation for the Losses giving rise to such claim, the Purchaser shall thereupon pay to the Sealed Air Parties an amount equal to the payment or benefit received ((i) excluding (x) any fees and costs incurred by the Purchaser Indemnified Party in relation to their claim against the Seller or such other Person and (y) any amounts by which the liability of the Sealed Air Parties in respect of the claim under the Warranties was reduced to take account of such payment or benefit, and (ii) only to the extent of the amount of the payment made by the Sealed Air Parties to the Purchaser Indemnified Party).

10.10 Indemnification Procedure

Any claim for indemnification under this section 10 shall be made by giving written notice on or before the expiration of the periods stipulated in section 10.1. So long as an indemnified Party provides written notice of a claim setting forth in reasonable detail the grounds for indemnification on or before such date, such indemnified Party shall be entitled to pursue its rights to indemnification notwithstanding the fact that any sum due in relation to such claim is unknown or difficult to determine at the time of such notice or expiration of the survival period.

10.11 External Claims

(a) *Notification and Consultation*. If the Purchaser or any other Purchaser Indemnified Party becomes aware of any Claim against any Purchaser Indemnified Party (an "***External Claim***") in relation to which it is likely that a Purchaser Indemnified Party is entitled to claim against the Sealed Air Parties in respect of any of the Warranties or indemnities in this Agreement or the Royalties Letter (except for the indemnities under section 6.2 (n) which shall, for the avoidance of doubt, not be subject to this section 10.11):

(i) the Purchaser shall as soon as reasonably practicable after the Purchaser becomes aware notify the Sealed Air Parties in writing; and

(ii) the Purchaser shall thereafter consult with the Sealed Air Parties in respect of the External Claim.

(b) *Sealed Air Parties Right to Nominate a Defense Counsel*. The Sealed Air Parties shall be entitled to participate in the defense against the External Claim by appointing and causing at its own cost an attorney to conduct such defense together with the attorney appointed by the Purchaser Indemnified Party.

(c) *Conduct of External Claims by Purchaser*. The Purchaser shall not make any admission of liability, agreement, settlement or compromise with any third party in relation to the External Claim without the prior written consent of the Sealed Air Parties (which cannot be unreasonably withheld by the Sealed Air Parties).

11. LIABILITIES OF THE SEALED AIR PARTIES

11.1 Joint and Several Liability

Each of SA and SABV shall be jointly and severally liable for any and all of the (a) representations and warranties made by the Sealed Air Parties, and (b) performance of any covenant, obligations, agreements or indemnification obligations of the Sealed Air Parties under this Agreement.

11.2 Relationship of Sealed Air Parties

Without prejudice to the principle of joint and several liability set out in section 11.1, any obligation, action, or right which is expressed to be an obligation, action, or right of “the Sealed Air Parties” may be validly satisfied, performed, or (as the case may be) exercised by either of the Sealed Air Parties at the Sealed Air Parties’ discretion. If the Purchaser shall release or compromise the liability of either of the Sealed Air Parties under this Agreement the same shall operate as a similar release or compromise in respect of the other Sealed Air Party.

12. MISCELLANEOUS

12.1 Notices

(a) Any notices or communications required or permitted under this Agreement or in connection with the matters contemplated by it shall be in writing in the English language and shall be delivered by hand, overnight courier or facsimile (confirmed by overnight courier) addressed as follows:

If to the Sealed Air Parties, to:

Name:	Sealed Air Corporation
For the attention of:	Chief Financial Officer, Sealed Air Corporation
Copy to:	General Counsel, Sealed Air Corporation
Address:	200 Riverfront Boulevard, Third Floor Elmwood Park NJ 07407 United States of America
Fax number:	+1-201-703-4170

If to the Purchaser, to:

Name:	DC Co., Ltd.
For the attention of:	Kazuhiro Yamada, Representative Director
Address:	1-5-1, Marunouchi, Chiyoda-ku Tokyo Japan
Fax number:	+81-3-5208-4351

(b) Each Party may, upon prior notice given in accordance with this section 12.1 to the other Party, designate another address or Person for receipt of notices hereunder, provided that such notification shall only be effective on the date specified in such notice or five business days after the notice is given, whichever is later. All notices, Claims, demands and other communications hereunder shall be in writing and shall be deemed given:

(i) in the case of a facsimile transmission, when received by the recipient in legible form and the sender has received an electronic confirmation of receipt of the transmission, provided that any notice dispatched by fax after 5:00 pm (at the place where such fax is to be received) on any day shall be deemed to have been received at 10:00 am on the next business day; or

(ii) in the case of delivery by overnight courier, upon the date of delivery indicated in the records of such courier; or

(iii) in the case of delivery by hand, when delivered by hand, addressed to the respective Parties at the above address (or such other address for a Party as shall be specified by like notice).

(c) In proving service of any notice it shall be sufficient to prove:

(i) in the case of a notice sent by overnight courier that such notice was handed to a representative of the courier;

(ii) in the case of a notice personally delivered that it was delivered to or left at the specified address; and

(iii) in the case of a notice sent by fax that it was duly dispatched to the specified number as confirmed by a transmission report.

12.2 Severability

If any term, provision, covenant or restriction of this Agreement is held to be illegal, invalid, void or unenforceable under the laws of any jurisdiction, such provision shall be restrictively interpreted to the extent necessary to make such provision valid and enforceable in a manner consistent with the intent of the Parties, and the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect.

12.3 Expenses

Except as otherwise expressly provided in this Agreement, each Party will pay its own costs and expenses incurred in connection with the preparation, negotiation, execution and closing of this Agreement and the transactions contemplated hereby.

12.4 Waivers and Amendments

(a) No waiver by any Party with respect to any provision, condition or requirement hereof shall be deemed to be a continuing waiver thereof in the future or a waiver of any other provision, condition or requirement hereof nor shall any delay or omission of any Party to exercise any right hereunder in any manner impair the exercise of any such right accruing to it thereafter.

(b) This Agreement may be amended only by an instrument in writing executed by all the Parties.

12.5 Successors and Assignees

This Agreement and all the rights or obligations hereunder shall be binding upon and inure for the benefit of the successors of the Parties but shall not be assignable by any Party without the prior written consent of all other Parties. Any purported assignment shall be void.

12.6 No Third Party Beneficiaries

This Agreement is intended for the benefit of the Parties hereto, and is not for the benefit of, nor may any provision hereof be enforced by, any other Person; except that the Purchaser Indemnified Parties and the Seller Indemnified Parties shall be considered third party beneficiaries of this Agreement.

12.7 Counterparts

This Agreement may be executed in any number of counterparts, all of which shall be considered one and the same agreement. Any Party may enter into this Agreement by signing any such counterpart. PDF copies of the signature pages and PDF copies of other documents delivered hereunder shall be given the same legal effect as the original copies of the same.

12.8 Confidentiality

(a) None of the Parties may use the substance of this Agreement or the Letter Agreement, the background and substance of negotiations for this Agreement or the Letter Agreement, or any information obtained from any other Party in relation to this Agreement or the Letter Agreement (regardless of whether in the form of documents, e-mails, verbal communications, electromagnetic media, electronic media, or any other form of information transmission) (the "***Confidential Information***") for any purposes other than the performance of this Agreement, nor disclose or leak such Confidential Information to third parties, unless such other Party has given its prior written approval (which shall not be unreasonably withheld or delayed). However, the terms of the previous sentence shall not apply:

(i) when disclosure is made, for the purpose of the performance of this Agreement or the Letter Agreement, to such Party's Officers, employees and Advisors; or

(ii) when disclosure is required by Law or is required or requested by any Governmental Authority having jurisdiction over it and whether or not the requirement or request has the force of Law.

(b) Confidential Information shall not include any of the following items:

(i) any information already in the public domain at the time of receipt;

(ii) any information that enters into the public domain after receipt due to a cause not attributable to the recipient;

(iii) any information which the recipient already lawfully held at the time of receipt (as demonstrated by the recipient's written records);

(iv) any information which the recipient lawfully obtained from a duly authorized third party without assuming any duty of confidentiality (as demonstrated by the recipient's written records);

(v) any information which the recipient independently developed without the disclosed information (as demonstrated by the recipient's written records); and

(vi) any information required to be disclosed under U.S. tax principles.

(c) Notwithstanding any provisions to the contrary, after the Closing, the Purchaser shall not assume the confidentiality obligation under paragraph 12.8(a) with respect to any information regarding the Company received from the Seller Group and the Company. The Sealed Air Parties shall, after the Closing, assume a confidentiality obligation equivalent to that stipulated in section 12.8(a) with respect to any information regarding the Company.

(d) The restrictions contained in this section 12.8 shall terminate upon the later of (i) the expiry of three years from the Closing and (ii) the Purchaser (or any Affiliate or Affiliates of the Purchaser) ceasing to Control the Company.

12.9 Publication and Announcements

(a) The Parties shall not issue any press release or make any public statement with respect to this Agreement or the transactions contemplated hereby without the prior written approval of the other Parties (which shall not be unreasonably withheld or delayed). This section 12.9 shall not apply if and to the extent that such announcement is required by Law or by any Governmental Authority having jurisdiction over it and whether or not the requirement has the force of Law and provided that any such announcement shall be made only after consultation with the other Parties to the extent permissible under such Law or Governmental Authority. For the avoidance of doubt, the Parties will be allowed to issue a press release or a public statement so long as such press release or public statement does not contradict the public statement or press release previously approved by the other Parties pursuant to this section 12.9.

(b) The Parties acknowledge that the press release and public statement in connection with the execution of this Agreement shall include information on the management organization of the Company after the Closing.

(c) The restrictions contained in this section 12.9 shall survive three years after the Closing.

(d) The Sealed Air Parties and the Purchaser shall as soon as practicable after the execution of this Agreement procure that a joint announcement of the sale and purchase of the Equity Interests is made to the customers and suppliers of the Company in such form as they may agree.

12.10 Governing Law and Dispute Resolution

This Agreement shall be governed by and construed and enforced in accordance with the Laws of Japan.

For any disputes occurring in connection with this Agreement, the Tokyo District Court shall be the court of agreed exclusive first instance jurisdiction.

12.11 Entire Agreement

This Agreement (including the schedules and exhibits hereto) and the other documents and instruments referred to herein contain the entire understanding of the Parties with respect to the matters covered hereby and supersede all other prior agreements and understandings, both written and oral, among the Parties or any of them, with respect to the subject matter hereof (including the Process Letter executed between SA and Carlyle Japan, LLC dated September 28, 2012).

12.12 Language

This Agreement shall be prepared in English, and the English version shall be the original. In the case of any inconsistency between the original and a translation of this Agreement, the original English version shall prevail.

12.13 Good Faith Consultation

If any doubt with respect to any matter not stipulated in this Agreement or any matter with respect to the interpretation of any provision of this Agreement arises, the Parties shall resolve the matter through consultation in good faith in accordance with the purpose of this Agreement.

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IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the duly authorized officer of each Party hereto as of the date first above written.

SA:

By:
Name: Carol P. Lowe
Title: Senior Vice President & Chief Financial Officer

SABV:

By: ______________________________
Name:
Title:

PURCHASER:

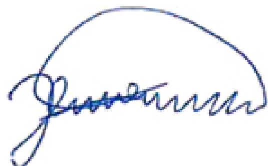
By: ______________________________
Name:
Title:

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the duly authorized officer of each Party hereto as of the date first above written.

SA:

By: ____
Name:
Title:

SABV:



By: ____
Name: Herman Weber
Title: Director

PURCHASER:

By: ____
Name:
Title:

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the duly authorized officer of each Party hereto as of the date first above written.

SA:

By: ____________________________
Name:
Title:

SABV:

By: ____________________________
Name:
Title:

PURCHASER:

By: ____________________________
Name: Kazuhiro Yamada
Title: Representative Director

This AMENDMENT AGREEMENT dated as of November 9, 2012, is made and entered into by and between DC Co., Ltd., a Japanese corporation, on the one hand, and Sealed Air Corporation, a U.S. corporation, and Sealed Air Netherlands Holdings V B.V., a Netherlands corporation (collectively, the "***Parties***").

WHEREAS the Parties entered into an Equity Interest Purchase Agreement dated as of October 30, 2012 (the "***Principal Agrement***").

WHEREAS the Parties now wish to vary the terms of the Principal Agreement on the terms hereof.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

1. With effect from October 30, 2012, being the date it was entered into, the Principal Agreement shall be deemed to have been amended by the deletion of the whole of the definition of "Long-Term Incentive Plan Liability" and the insertion of the following in substitution:

> ***"Long-term Incentive Plan Liability"*** means the Japanese yen figure specified in the "AMOUNT:" field below the "Currency I Want:" field when typing the number N in the "AMOUNT:" field below the "Currency I Have:" field on the website http://www.oanda.corrileurrency/converter/ and setting the "Currency I Have:" field to US Dollar, the "Currency I Want:" field to Japanese Yen, the "INTERBANK +/-:" field to 0% and the "DATE" field to the day before the Closing Date, where:
>
> N = (X multiplied by Y) plus (P multiplied by Q)
>
> and where:
>
> X = 18,397 (being the aggregate entitlement to SA stock appreciation rights of all of Masafumi (Pon) Honda, Hiroshi Kanai, Toshiro Misumi, Yoshiichiro Ooka, Yoichi Shiraishi and Tsuyoshi Umeda for which the strike price is US$ 6.82)
>
> Y = the closing trading price (in US dollars) of SEE (Common Stock) on the New York Stock Exchange on the trading day immediately before the Closing Date minus US$ 6.82
>
> P = 18,043 (being the aggregate entitlement to SA stock appreciation rights of all of Masafumi (Pon) Honda, Hiroshi Kanai, Toshiro Misumi, Yoshiichiro Ooka, Yoichi Shiraishi and Tsuyoshi Umeda for which the strike price is US$ 9.27)
>
> Q = the closing trading price (in US dollars) of SEE (Common Stock) on the New York Stock Exchange on the trading day immediately before the Closing Date minus US$ 9.27

2. Save as varied by the above, the Principal Agreement is confirmed and shall remain in full force and effect. The Parties shall cause a memorandum of this Agreement to be endorsed on all originals of the Principal Agreement.

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IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the duly authorized officer of each Party hereto as of the date first above written.

SA:

By: ________________________________
Name: William V. Hickey
Title: Chairman and CEO

SABV:

By: ________________________________
Name:
Title:

PURCHASER:

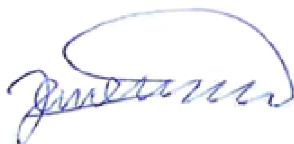
By: ________________________________
Name: Kazuhiro Yamada
Title: Representative Director

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the duly authorized officer of each Party hereto as of the date first above written.

SA:

By: ______________________________
Name:
Title:

SABV:



By: ______________________________
Name: Herman Weber
Title: Director

PURCHASER:

By: ______________________________
Name: Kazuhiro Yamada
Title: Representative Director

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the duly authorized officer of each Party hereto as of the date first above written.

SA:

By: ____________________________
Name:
Title:

SABV:

By: ____________________________
Name:
Title:

PURCHASER:

By: ____________________________
Name: Kazuhiro Yamada
Title: Representative Director

This SECOND AMENDMENT AGREEMENT dated as of November 14, 2012, is made and entered into by and between DC Co., Ltd., a Japanese corporation, on the one hand, and Sealed Air Corporation, a U.S. corporation, and Sealed Air Netherlands Holdings V B.V., a Netherlands corporation, on the other hand (collectively, the "***Parties***").

WHEREAS the Parties entered into an Equity Interest Purchase Agreement dated as of October 30, 2012 (including the amendment by the AMENDMENT AGREEMENT thereto dated as of November 9, 2012, the "***Principal Agreement***")**.**

WHEREAS the Parties now wish to vary the terms of the Principal Agreement on the terms hereof.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

1. With effect from October 30, 2012, being the date it was entered into, the Principal Agreement shall be deemed to have been amended as follows (additions or amendments as underlined):

1.1 the following definition shall be added to section 1.1 (Definitions):

"***Outstanding Seller Group Net Payable***" means the aggregate outstanding payables of the Company to the Seller Group as at the Closing (in respect of global charges, royalties and goods and services incurred in the Ordinary Course of Business) in the amount of 184,054,746 yen, net of the outstanding receivables of the Company from DI and DIPI as at the Closing in the amount of 8,797,102 yen, in total amounting to the net amount of 175,257,644 yen.

1.2 sections 2.2(a) and (b) shall be amended as follows (additions as underlined):

2.2 Purchase Price

(a) The aggregate purchase price (the "***Purchase Price***") for (i) the entire Equity Interests, and (ii) the Transferred IP shall be calculated as follows:

(W – X – Y – Z – B) + A

Where:

W = 30,000,000,000 yen

X = 3,658,986,000 yen (an amount equal to the Unfunded Pension Plan Liability)

Y = 306,214,455 yen (an amount equal to the aggregate amount of the Deducted Awards)

Z = an amount equal to the Long-term Incentive Plan Liability

A = an amount equal to the Actual Cash.

B = 175,257,644 yen (an amount equal to the Outstanding Seller Group Net Payable).

(b) (Of the above, "(W – X – Y – Z – B)" is referred to in section 2.4(b) below as the "***Fixed Element***", and "A" is referred to in section 2.4(c) below as the "***Cash Element***".)

1.3 the following new section 2.6 shall be added after section 2.5 (Insurances):

2.6 Payment of Outstanding Seller Group Net Payable

On the earlier of November 30, 2012 and the date of the payment of the Actual Cash to SABV pursuant to section 2.4(c) above, the Purchaser shall cause the Company to pay the amount of Outstanding Seller Group Net Payable (being 175,257,644 yen) by remittance to the bank account in the name of Sealed Air Luxembourg SCA and with IBAN number GB90 BOFA 1650 5067 1321 51, at Bank of America N.A., 5 Canada Square, London E14 5AQ, United Kingdom (branch code 6008), SWIFT code BOFAGB22 (Sealed Air Luxembourg SCA receiving as agent for the respective underlying recipients). The Purchaser shall cause the Company to bear the expenses required for the remittance. The Parties acknowledge and agree that, notwithstanding any other provisions of this Agreement, the Sealed Air Parties shall not be deemed to be in violation of any of the provisions of this Agreement (including any Warranty, agreement, covenant or obligation, and including pursuant to sections 4.15(d) or 6.2(a)(v) of this Agreement) by reason of the existence of any payable or receivable comprising the Outstanding Seller Group Net Payable as at the Closing and payment of the amount thereof after the Closing pursuant to this section, so long as the Outstanding Seller Group Net Payable does not comprise Indebtness of the Company. Notwithstanding anything elsewhere in this Agreement or any Ancillary Agreement, the Purchaser shall not be entitled to exercise any rights of set off or counterclaim regarding the payment obligations pursuant to this section. For the avoidance of doubt, the payment obligations pursuant to this section shall be in addition to the payment obligations pursuant to section 2.4(c) above (and the existence of the Outstanding Seller Group Net Payable at Closing shall not be deemed to reduce, or otherwise be taken into account when calculating, the Actual Cash).

1.4 all the terms "Purchase Price" prescribed in section 10.5 (Indemnification Liability Limit) (all of sections (a) through (d)) shall be substituted by "the aggregated amount of the Purchase Price and the Outstanding Seller Group Net Payable".

2. The Parties acknowledge and agree that the Outstanding Seller Group Net Payable is calculated and the timing of the payment by the Company thereof is agreed on the basis that Closing will occur on November 15, 2012. If for any reason Closing does not occur on November 15, 2012, the Parties shall resolve the treatment of the Outstanding Seller Group Net Payable through consultation in good faith in accordance with the purpose of the Principal Agreement.

3. Save as varied by the above, the Principal Agreement is confirmed and shall remain in full force and effect. The Parties shall cause a memorandum of this Agreement to be endorsed on all originals of the Principal Agreement.

[remainder of this page intentionally left blank]

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the duly authorized officer of each Party hereto as of the date first above written.

SA:

By:
Name: William V. Hickey
Title: Chairman and CEO

SABV:

By: ______________________________
Name:
Title:

PURCHASER:

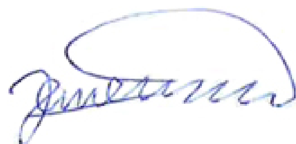
By: ______________________________
Name:
Title:

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the duly authorized officer of each Party hereto as of the date first above written.

SA:

By: ______________________________
Name:
Title:

SABV:



By: ______________________________
Name: Herman Weber
Title: Director

PURCHASER:

By: ______________________________
Name:
Title:

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the duly authorized officer of each Party hereto as of the date first above written.

SA:

By: ______________________________
Name:
Title:

SABV:

By: ______________________________
Name:
Title:

PURCHASER:

By: ______________________________
Name: Kazuhiro Yamada
Title: Representative Director

Exhibit 10.47

Employment Arrangement with H. KatherineWhite

H. Katherine White will retire from her position as the Vice President, General Counsel and Secretary of Sealed Air Corporation (the "Company") effective March 31, 2013.

In connection with her retirement, Ms. White will enter into an employment agreement with the Company for a one year term effective April 1, 2013 to assist with the transition process. Under the terms of such agreement, Ms. White will be employed on a part time basis at an annual base salary of $100,000. The agreement will be terminable by either Ms. White or the Company upon 30 days' prior written notice. The agreement will provide that Ms. White will be considered to have retired from employment on March 31, 2013 for the purposes of her 2011-2013 and 2012-2014 performance share unit awards. Upon termination of her employment, the Company's management will agree to recommend to the Organization and Compensation Committee of the Company's Board of Directors that the Committee waive the forfeiture of an award of 7,500 shares of restricted stock that was granted to Ms. White in March 2011, unless she is terminated for cause.

Exhibit 12.1

The historical ratios below were prepared on a consolidated basis using amounts calculated in accordance with U.S. GAAP, and, therefore, reflect all consolidated earnings and fixed charges.

The ratio of earnings to fixed charges was determined by dividing earnings available to cover fixed charges by total fixed charges. Earnings available to cover fixed charges consist of: (i) earnings from continuing operations before income tax provision and (ii) fixed charges, exclusive of capitalized interest. Total fixed charges consist of: (i) interest expense, which includes amortized premiums, discounts and capitalized expenses related to debt issuances, (ii) capitalized interest and (iii) an estimate of interest within rental expense. Earnings from discontinued operations related to the sale of Diversey Japan and related fixed charges have been excluded. As of the date of this Annual Report on Form 10-K, no shares of our preferred stock were issued and outstanding.

SEALED AIR CORPORATION
COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

	Year Ended December 31,				
	2012	2011	2010	2009	2008
	(Dollars in millions)				
(Loss) earnings available to cover fixed charges:					
(Loss) earnings from continuing operations before income tax provision	$(1,872.0)	$198.0	$343.4	$329.9	$222.3
Total fixed charges	417.9	238.1	176.7	175.3	149.8
Amortization of capitalized interest	6.2	6.2	6.2	6.0	5.5
Capitalized interest	(5.5)	(4.2)	(3.7)	(6.7)	(9.3)
(Loss) earnings available to cover fixed charges	$(1,453.4)	$438.1	$522.6	$504.5	$368.3
Fixed charges:					
Interest expense	$ 384.7	$216.6	$161.6	$154.9	$128.1
Capitalized interest	5.5	4.2	3.7	6.7	9.3
Interest component of rental expense[1]	27.7	17.3	11.4	13.7	12.4
Total fixed charges	$ 417.9	$238.1	$176.7	$175.3	$149.8
Ratio of earnings to fixed charges	*	1.8x	3.0x	2.9x	2.5x

(1) The interest component of rental expense has been deemed to be approximately 33% of rental expense.

* Loss does not cover fixed charges by 1,453 million for 2012 due to the pre-tax non-cash impairment charge of goodwill and other intangible assets of $1,892.3 million (see Note 8 “Goodwill and Identifiable Intangible Assets,” for further discussion).

Exhibit 21

SUBSIDIARIES OF THE COMPANY

The following table sets forth the name and state or other jurisdiction of incorporation of the Company's subsidiaries. Except as otherwise indicated, each subsidiary is wholly owned, directly or indirectly, by the Company and does business under its corporate name.

Aconcagua Distribuciones SRL	Argentina
ATE Costa Rica S.A.	Costa Rico
Auto-C, LLC	Delaware
Beleggingsmaatschappij 't Hagelkruus B.V.	Netherlands
Biosphere Industries, LLC**	Delaware
Blue Dot Packaging Pty Ltd.	Australia
Chemical Methods (Europe) Ltd.	United Kingdom
Ciras C.V.	Netherlands
Ciras C.V.—Luxembourg Branch	Luxembourg
CJSC Sealed Air Kaustik	Russia
Cleanwise, Inc.	Delaware
Cryovac Australia Pty Limited	Australia
Cryovac Brasil Ltda.	Brazil
Cryovac Chile Holdings, LLC	Delaware
Cryovac Holdings II, LLC	Delaware†
Cryovac, Inc. †	Delaware
Cryovac International Holdings Inc.	Delaware
Cryovac Leasing Corporation	Delaware
Cryovac (Malaysia) SDN. BHD.	Malaysia
Cryovac Packaging Portugal Embalagens, Ltda.	Portugal
Cryovac-Sealed Air Costa Rica S.R.L.	Costa Rica
Diversey Acting Off-shore Capital Management Limited Liability Company (officially abbrev: Diversey Hungary Ltd.)	Hungary
Diversey Asia Holdings Limited	Hong Kong
Diversey Austria Services GmbH	Austria
Diversey Austria Trading GmbH	Austria
Diversey Australia Pty. Ltd.	Australia
Diversey Belgium BVBA	Belgium
Diversey Belgium Services BVBA	Belgium
Diversey Brasil Indústria Quimica Ltda.	Brazil
Diversey B.V.	Netherlands
Diversey Canada, Inc.	Canada
Diversey Centroamerica S.A.	Guatemala

Diversey Centro America S.A.	Costa Rica
Diversey Česká republika s.r.o., clen koncernu Diversey (name change)	Czech Republic
Diversey Colombia Limitada	Colombia
Diversey G.K.	Japan
Diversey Czech Services s.r.o., clen koncernu Diversey	Czech Republic
Diversey Danmark ApS	Denmark
Diversey Danmark Services ApS	Denmark
Diversey de Argentina S.A.	Argentina
Diversey de Paraguay S.R.L.	Paraguay
Diversey de Uruguay S.R.L.	Uruguay
Diversey Deutschland GmbH & Co., OHG	Germany
Diversey Deutschland Management GmbH	Germany
Diversey Dominicana, S.A.	Dominican Republic
Diversey d.o.o.	Slovenia
Diversey Eastern and Central Africa Limited	Kenya
Diversey Egypt Limited	Egypt
Diversey Egypt One, Limited	Egypt
Diversey Egypt Trading Company, S.A.E.	Egypt
Diversey Egypt Two, Limited	Egypt
Diversey España Production, S.L.	Spain
Diversey España Services, S.L.	Spain
Diversey España , S.L.	Spain
Diversey Europe B.V. Utrecht, Zweigniederlassung Muchwilen (Swiss Branch)	Switzerland
Diversey Europe B.V.	Netherlands
Diversey Europe Holdings B.V.	Netherlands
Diversey Europe Holdings C.V.	Netherlands
Diversey Europe Investments B.V.	Netherlands
Diversey (Europe) Limited	United Kingdom
Diversey Europe Operations B.V.	Netherlands
Diversey France Production S.A.S.	France
Diversey (France) S.A.S.	France
Diversey Germany Production OHG	Germany
Diversey Germany Services OHG	Germany
Diversey Global Holdings C.V.	Netherlands
Diversey Gulf FZE	United Arab Emirates

Diversey Hellas Societe Anonyme Cleaning and Trading Systems (officially abbreviated Diversey Hellas S.A.)	Greece
Diversey Hellas Single Partner Limited Liability Company Technical Support Services for Cleaning and Hygiene Systems (officially abbreviated Diversey Hellas Single Partner Limited Liability Company)	Greece
Diversey Holdings II B.V.	Netherlands
Diversey Holdings Limited	United Kingdom
Diversey Holdings, LLC	Delaware
Diversey Hong Kong Limited	Hong Kong
Diversey Hong Kong RE Holdings Limited	Hong Kong
Diversey Hungary Manufacture and Trade Limited Liability Company (official abbreviated name Diversey Ltd.)	Hungary
Diversey Hungary Services Kft.	Hungary
Diversey Hygiene (Guangdong) Ltd.	China
Diversey Hygiene Sales Limited	Ireland
Diversey Hygiene (Taiwan) Ltd.	Taiwan
Diversey Hygiene (Thailand) Co., Ltd.	Thailand
Diversey, Inc.	Delaware
Diversey India Private Limited	India
Diversey Industrial Limited	United Kingdom
Diversey Industrial y Comercial de Chile Limitada	Chile
Diversey International Holdings LLC	Delaware
Diversey IP International B.V.	Netherlands
Diversey Israel Ltd.	Israel
Diversey Italy Production s.r.l.	Italy
Diversey Italy Services s.r.l.	Italy
Diversey Jamaica Limited	Jamaica
Diversey J Trustee Limited	United Kingdom
Diversey Kimya Sanayi ve Ticaret A.S.	Turkey
Diversey Korea Co., Ltd.	Korea
Diversey LLC	Russia
DiverseyLever Limited	United Kingdom
Diversey Limited	United Kingdom
Diversey (Malaysia) Sdn. Bhd.	Malaysia
Diversey Maroc S.A.	Morocco
Diversey Mexico, S.A. de C.V.	Mexico
Diversey Netherlands Services B.V.	Netherlands
Diversey Netherlands Production B.V.	Netherlands

Diversey New Zealand Limited	New Zealand
Diversey Perú S.A.C.	Peru
Diversey Philippines, Inc.	Philippines
Diversey Poland Services Sp. z o.o.	Poland
Diversey Polska Sp. z.o.o.	Poland
Diversey Portugal—Sistemas de Higiene e Limpeza, Unipessoal, Lda.	Portugal
Diversey Portugal II—Services, Lda.	Portugal
Diversey (Private) Limited	Pakistan
Diversey Professional B.V.	Netherlands
Diversey Professional (Hong Kong) Limited	Hong Kong
Diversey Puerto Rico, Inc.	Delaware
Diversey Puerto Rico, Inc. (Branch)	Delaware
Diversey Romania S.R.L.	Romania
Diversey Sweden Services AB	Sweden
Diversey Switzerland Production GmbH	Switzerland
Diversey Switzerland Services GmbH	Switzerland
Diversey Shareholdings, Inc.	Delaware
Diversey Singapore Pty. Ltd.	Singapore
Diversey Slovakia, s.r.o.	Slovakia
Diversey South Africa (Pty.) Ltd.	South Africa
Diversey s.r.l.	Italy
Diversey Suomi Oy	Finland
Diversey Suomi Services Oy	Finland
Diversey Sverige AB	Sweden
Diversey Sverige Holdings AB	Sweden
Diversey Trading (Shanghai) Co., Ltd.	China
Diversey Trustee Limited	United Kingdom
Diversey UK Production Limited	United Kingdom
Diversey UK Services Limited	United Kingdom
Diversey Venezuela, S.A.	Venezuela
Diversey West Africa Limited	Nigeria
Dolphin Packaging (Cheltenham) Limited	United Kingdom
Dolphin Packaging (Holdings) Limited	United Kingdom
Drypac Pty. Ltd.	Australia
Entapack Pty. Ltd.	Australia
GEIE VES***	France

Getpacking.com, GmbH	Switzerland
Invertol S.de R.L. de C.V.	Mexico
JDER Limited	Ireland
JDI CEE Holdings, Inc.	Delaware
JDI Holdings, Inc.	Nevada
JD Polymer, LLC	Wisconsin
Diversey (Barbados) Holdings Ltd.	Barbados
Diversey Jamaica II Limited	Jamaica
JWP Investments, Inc.	Nevada
JWP Investments Offshore, Inc.	Cayman Islands
JWPR Corporation	Nevada
MultiBagger Holdings	New Zealand
NanoPore Insulation, LLC	Delaware
NanoPore Insulation Ltd.	United Kingdom
Nelipak B.V.	Netherlands
Nelipak Holding B.V.	Netherlands
Nelipak Holdings Ireland Limited	Ireland
Nelipak Thermoforming Ireland Limited	Ireland
Noja Inmobiliaria S.A. de C.V.	Mexico
Pack-Tiger GmbH	Switzerland
ProAseptic Technologies S.L.**	Spain
Producembal—Producao de Embalagens, LTDA	Portugal
Professional Holdings S.A.S.	France
Professional Shareholdings, Inc.	Delaware
PT Diversey Indonesia	Indonesia
Saddle Brook Insurance Company	Vermont
Sealed Air Africa (Pty) Limited	South Africa
Sealed Air Americas Manufacturing S. de R. L. de C. V.	Mexico
Sealed Air Americas Services S. de R. L. de C. V.	Mexico
Sealed Air Argentina S.A.	Argentina
Sealed Air Australia (Holdings) Pty. Limited	Australia
Sealed Air Australia Pty Ltd.	Australia
Sealed Air (Barbados) S.R.L.	Barbados
Sealed Air B.V.	Netherlands
Sealed Air Belgium N.V.	Belgium
Sealed Air Botswana (Pty.) Ltd.	Botswana, Africa

Sealed Air (Canada) Co./CIE	Canada
Sealed Air (Canada) Holdings B. V.	Netherlands
Sealed Air Central America, S.A.	Guatemala
Sealed Air Chile Industrial Ltda.	Chile
Sealed Air (China) Limited	Delaware
Sealed Air Colombia Ltda.	Colombia
Sealed Air Corporation (US)	Delaware
Sealed Air de Mexico S.de R.L. de C.V.	Mexico
Sealed Air Denmark A/S	Denmark
Sealed Air de Venezuela, S.A.	Venezuela
Sealed Air Embalagens Ltda.	Brazil
Sealed Air Europe Holdings LP	Delaware
Sealed Air Finance Ireland	Ireland
Sealed Air Finance B.V.	Netherlands
Sealed Air Finance II, LLC (Sucursal Mexico)	Delaware
Sealed Air Funding Corporation	Delaware
Sealed Air GmbH	Germany
Sealed Air GmbH	Switzerland
Sealed Air Hellas S.A.	Greece
Sealed Air Holding France SNC	France
Sealed Air Holdings (New Zealand) I, LLC	Delaware
Sealed Air Hong Kong Limited	Hong Kong
Sealed Air Hungary Ltd.	Hungary
Sealed Air (India) Limited	Delaware
Sealed Air (India) Private Limited	India
Sealed Air International LLC	Delaware
Sealed Air (Ireland) Limited	Ireland
Sealed Air (Israel) Ltd.	Israel
Sealed Air Italy S.r.l.	Italy
Sealed Air Japan G.K.	Japan
Sealed Air (Korea) Limited	Korea
Sealed Air (Latin America) Holdings II, LLC	Delaware
Sealed Air Limited	United Kingdom
Sealed Air LLC	Delaware
Sealed Air Luxembourg S.a.r.l.	Luxembourg
Sealed Air Luxembourg (I) S.a.r.l.	Luxembourg

Sealed Air Luxembourg (II) S.a.r.l.	Luxembourg
Sealed Air Luxembourg S.C.A.	Luxembourg
Sealed Air Luxembourg S.C.A., Luxembourg (L), Root (Finance Branch)	Switzerland
Sealed Air (Malaysia) SDN. BHD.	Malaysia
Sealed Air Management Holding Verwaltungs GmbH	Germany
Sealed Air Netherlands (Holdings) B.V.	Netherlands
Sealed Air Netherlands (Holdings) I B.V.	Netherlands
Sealed Air Netherlands (Holdings) II B.V.	Germany
Sealed Air Netherlands (Holdings) II B.V.—Deutsche Zweigniederlassung	Germany
Sealed Air Netherlands Holdings IV Coöperatief U.A.	Netherlands
Sealed Air Netherlands Holdings V B.V.	Netherlands
Sealed Air Nevada Holdings Limited	Neveda
Sealed Air (New Zealand)	New Zealand
Sealed Air Norge AS	Norway
Sealed Air OY	Finland
Sealed Air (China) Co., Ltd.	China
Sealed Air Packaging Limited	United Kingdom
Sealed Air Packaging LLC	Delaware
Sealed Air Packaging (Shanghai) Co., Limited	China
Sealed Air Packaging S.L.U.	Spain
Sealed Air Paketleme Malzemeleri Ve Ekipmanlari Ticaret Limited Sirketi	Turkey
Sealed Air Paketleme Ticaret Limited Sirketi	Turkey
Sealed Air Peru S.R.L.	Peru
Sealed Air (Philippines) Inc.	Philippines
Sealed Air Polska Sp. Zo.o.	Poland
Sealed Air Romania S.R.L.	Romania
Sealed Air S.A.S.	France
Sealed Air SEE Ltd.	Greece
Sealed Air (Singapore) Pte. Ltd.	Singapore
Sealed Air Solutions Holdings, Inc.	Delaware
Sealed Air Spain (Holdings) SL	Spain
Sealed Air Spain (Holdings) II SL	Spain
Sealed Air Spain (Holdings) III, S.L.	Spain
Sealed Air S.r.l.	Italy
Sealed Air s.r.o.	Czech Republic

Sealed Air Svenska AB	Sweden
Sealed Air Taiwan Limited	Taiwan
Sealed Air (Thailand) Ltd.	Thailand
Sealed Air (Ukraine) Limited	Ukraine
Sealed Air Uruguay S.A.	Uruguay
Sealed Air US Holdings, LLC	Delaware
Sealed Air Venezuela Corporation	Delaware
Sealed Air Verpackungen GmbH	Germany
Sealed Air Vitembal S.L.	Spain
Shanklin Corporation	Delaware
Solution Acquisition Corp.	Delaware
Soinpar Industrial Ltda.	Brazil
Steripack Limited	Ireland
TART s.r.o.***	Czech Republic
Teknik Plastik Ambalaj Sanayi ve Ticaret A.S.*	Turkey
TempTrip LLC**	Delaware
The Butcher Company	Delaware
Wyandotte Chemicals Jamaica Limited	Jamaica

* The Company directly or indirectly owns 50% of the outstanding shares or interests.
** The Company directly or indirectly owns a majority of the outstanding shares or interests.
*** The Company directly or indirectly owns less than 50% of the outstanding shares or interests.
† Cryovac does business in certain states under the name “Sealed Air Shrink Packaging Division.”

Certain subsidiaries are omitted from the above table. Such subsidiaries, if considered in the aggregate as a single subsidiary, would not constitute a significant subsidiary as of December 31, 2012.

†

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors
Sealed Air Corporation:

We consent to the incorporation by reference in the registration statements (Nos. 333-176275, 333-176267, 333-152909, 333-126890 and 333-89090) on Form S-8 3 of Sealed Air Corporation of our report dated March 1, 2013, with respect to the consolidated balance sheets of Sealed Air Corporation and subsidiaries as of December 31, 2012 and 2011, and the related consolidated statements of operations, stockholders' equity, cash flows and comprehensive (loss) income for each of the years in the three-year period ended December 31, 2012, and the related financial statement schedule, and the effectiveness of internal control over financial reporting as of December 31, 2012, which report appears in the December 31, 2012 annual report on Form 10-K of Sealed Air Corporation.

/s/ KPMG LLP

Short Hills, New Jersey

March 1, 2013

Exhibit 31.1

CERTIFICATIONS

I, Jerome A. Peribere, certify that:

1. I have reviewed this Annual Report on Form 10-K of Sealed Air Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/S/ JEROME A. PERIBERE

Jerome A. Peribere
President and Chief Executive Officer

Date: March 1, 2013

Exhibit 31.2

CERTIFICATIONS

I, Carol P. Lowe, certify that:

1. I have reviewed this Annual Report on Form 10-K of Sealed Air Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/S/ CAROL P. LOWE

Carol P. Lowe
Senior Vice President and Chief Financial Officer

Date: March 1, 2013

Certification of CEO and CFO Pursuant to
18 U.S.C. Section 1350,
as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Annual Report on Form 10-K of Sealed Air Corporation (the “Company”) for the fiscal year ended December 31, 2012 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), Jerome A. Peribere, as President and Chief Executive Officer of the Company, and Carol P. Lowe, as Senior Vice President and Chief Financial Officer of the Company, each hereby certifies pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his/her knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ JEROME A. PERIBERE
Name: Jerome A. Peribere
Title: *President and Chief Executive Officer*

Date: March 1, 2013

By: /s/ CAROL P. LOWE
Name: Carol P. Lowe
Title: *Senior Vice President and Chief Financial Officer*

Date: March 1, 2013