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SEE - FOURTH QUARTER AND FULL YEAR 2011 SEALED AIR EARNINGS CONFERENCE CALL

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OVERVIEW:

Co. announced 4Q11 adjusted legacy SEE EPS of $1.70. Guidance was given for 2012 conventional adjusted EPS of $1.50-1.60, and adjusted cash EPS of $2.10-2.20.

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CORPORATE PARTICIPANTS

Amanda Butler *Sealed Air Corp - IR Director*

Bill Hickey *Sealed Air Corp - President, CEO, Director*

Tod Christie *Sealed Air Corp - Treasurer and Interim CFO*

CONFERENCE CALL PARTICIPANTS

George Staphos *BofA Merrill Lynch - Analyst*

Ghansham Panjabi *Robert W. Baird & Company, Inc. - Analyst*

Philip Ng *Jefferies & Company - Analyst*

Chip Dillon *Vertical Research Partners - Analyst*

Rosemarie Morbelli *Gabelli & Co. - Analyst*

Mark Wilde *Deutsche Bank - Analyst*

Alex Ovshey *Goldman Sachs - Analyst*

Chris Manuel *Wells Fargo - Analyst*

Al Kabili *Credit Suisse - Analyst*

PRESENTATION

Operator

Good morning, everyone, and welcome to the Sealed Air conference call discussing the Company's fourth quarter and full year 2011 results. This call is being recorded.

Leading the call today we have William V. Hickey, President and Chief Executive Officer, and Tod S. Christie, Treasurer and Interim Chief Financial Officer. After management's prepared comments, they will be taking questions.

(Operator Instructions) We ask that you limit yourself to one question and a brief related follow-up question per caller so that others will have a chance to participate. Additionally, they will be accepting text messages which can be submitted to this webcast page. And now at this time, I'd like to turn the call over to Amanda Butler, Director of Investor Relations. Please go ahead, Ms. Butler

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Amanda Butler - *Sealed Air Corp - IR Director*

Thank you and good morning, everyone. Before we begin our call today I'd like to remind you that statements made during this call stating management's outlook or predictions for the future are forward-looking statements. These statements are made solely on information that is now available to us. We encourage you to review the information section entitled Forward-looking Statements in our earnings release which is provided with this call as well. Additionally, our future performance may be different due to a number of factors and many of these factors are listed in our Company's annual report on Form 10-K you can find on our website at SealedAir.com. We'll also discuss financial measures that do not conform to US GAAP and you may find important information on our use of these measures and reconciliation to US GAAP in the financial table included in our earnings release.

And now, I'll turn the call over to Bill Hickey, our CEO. Bill?

Bill Hickey - *Sealed Air Corp - President, CEO, Director*

Thank you, Amanda, and good morning, everyone.

During today's call I will discuss our 2011 earnings and our sales performance results. I will then provide more detail on our financial results, liquidity measures, key balance sheet items, and then we will highlight our 2011-2014 Integration and Optimization Program which we noted in our earnings release earlier today. I will then discuss our outlook for 2012 and we will follow with questions from both the phone lines and from our webcast participants who are invited to text in their questions. As our release included a fair amount of data and color, including the use of a standard or conventional adjusted EPS metric along with a cash EPS metric, we will try to keep our prepared remarks brief and move to our Q&A session promptly.

This morning we recorded our legacy Sealed Air full year 2011 adjusted earnings per share of $1.70 per share which represents a 6% increase over the $1.60 of adjusted EPS we achieved in 2010, and within our guidance range of $1.70 to $1.75 earnings per share. For the purposes of looking at the legacy Sealed Air results, we have excluded all of the impacts of the Diversey acquisition which closed on October 3 of last year. Our legacy Sealed Air earnings per share results reflect solid performance in a challenging economic environment while we completed our Diversey acquisition and began the integration process in the fourth quarter. We attribute our legacy Sealed Air annual earnings growth to a number of factors which include the steady focus we have maintained on our strategic growth programs, which held our volume performance above peer levels at a full year volume growth rate of 2% even as the global economic recovery slowed most notably in the second half of the year. Our strong R&D pipeline and the incremental launch of nearly 40 new products in 2011 resulted in a 200 basis point increase in the mix of new products as a percent of net sales which now stands at 17%.

Additionally, the developing regions of the world provided good overall growth with full year sales growth of 10% on a reported basis or 7% on a constant dollar basis. This growth has increased the developing region's sales mix of the total company to 18% of consolidated net sales versus 16% in 2010. And as you'll remember, this is up from the very low teens a number of short years ago. Thirdly, cost mitigation continued to be a core theme as we effectively managed inflationary pressures in raw materials with appropriate pricing actions and other operational initiatives. As a result, we recovered substantially all of our petrochemical-based costs incurred in 2011 with a price mix performance of 3% or approximately $120 million of positive price variance in the year. We also continue to generate productivity benefits of approximately $30 million per year through our supply chain emphasis on continuing improvement and strategic procurement programs. Tod will touch a little bit of this in more detail during his comments. As a result, the combination of solid business model fundamentals, extreme strong team focus on our long term strategic objectives even while navigating challenging economic times, and effectively managing cost price spread to maximize profitability, these three factors have allowed us to continue to generate solid free cash flow and prepay our bank debt, all value generating achievements that we intend to build upon in the year ahead.

Let me spend a few minutes discussing specifically the results and highlights of the fourth quarter. In early December, we provided a mid-quarter review of our constant dollar sales performance through the month of November. At that time, we indicated that we were seeing positive constant dollar sales growth in most businesses and most regions. However, rates of growth were generally slowing on a sequential basis but nevertheless still tracking above our peer group.

Our final fourth quarter constant dollar sales results generally held to the performance level seen in mid-quarter except in European, Middle East, and Africa, EMEA region. However, we had challenging year over year volume growth comparisons in our food solutions and food packaging business where we realized high single-digit percent rate growths in the fourth quarter of 2010. We also strategically balanced the price mix in our portfolio as we sought to recover residual resin costs and opted to exit certain accounts in the quarter. Overall, though, the EMEA region which represents about 37% of our sales mix showed good resilience in the fourth quarter due to the overall defensive profile of our business. Most Sealed Air segments generated positive constant dollar sales, except for protective packaging and Diversey constant dollar sales were flat for the region in the quarter, if including Diversey in the year over year comparison.

As Europe and the EMEA region is of concern to investors due to the ongoing economic uncertainty over the financial issues in Greece and other parts of Europe, I'd like to point out that the EMEA region, on a pro forma full year 2011 basis, including the results of Diversey performed in a steady fashion with combined company sales effectively flat compared to 2010. Today, Diversey represents approximately 55% of our EMEA region sales and this segment declined approximately 1% on a constant dollar basis, thus demonstrating its defensive profile. This slight decline was due to an estimated 2% constant dollar decline in institutional cleaning and laundry applications which were partially offset by a 3% constant dollar increase in food and beverage end markets, due to our ongoing growth in the beverage sector. This EMEA Diversey trend is in line with third quarter performance results as weak economic conditions in the region have impacted institutional cleaning demand and challenging cash-and-carry business which uses big box store outlets to sell consumer brand cleaning solutions to small business owners.

Now at this time, I'd like to pass the call to Tod Christie to discuss the fourth quarter financial results and the Integration Program in more detail

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Tod Christie - *Sealed Air Corp - Treasurer and Interim CFO*

Thanks, Bill, and good morning, everyone.

I'll provide some additional details on our fourth quarter results and I'll also address key details of the balance sheet, free cash flow and liquidity items as well as our Integration and Optimization plan. As you've seen in our press release, our adjusted EBITDA was $245 million in the quarter, which was a $51 million increase over last year but less than we anticipated. Legacy Sealed Air's adjusted EBITDA was $198 million or 15.8% of net sales in the fourth quarter, compared with $194 million or 16% last year. As we've indicated previously, raw material costs peaked in the second quarter. Our prior pricing actions and moderating raw material costs in the latter half of the year combined to yield a favorable price cost spread of approximately $18 million in the fourth quarter and, in fact, we were able to recover about 80% of the increased raw material and freight costs that we absorbed for the full year. Raw material costs for our Diversey segment are subject to different market factors and peaked in the third quarter, remaining there through the remainder of the year, resulting in negative price cost spread and lower adjusted EBITDA for the fourth quarter than we originally anticipated. We expected the effect of our prior pricing actions throughout our business will carry over into 2012 and provide us with additional benefits in the first quarter.

Now I'll turn your attention to free cash flow and liquidity items. Our free cash flow was $354 million in 2011 above our target of $225 million to $275 million for the full year. Changes in accounts receivable, inventory, and accounts payable resulted in a net use of cash of $42 million for the year as increases from business growth were partially offset by benefits from various working capital improvement initiatives throughout the company. Cash and cash equivalents were $723 million at December 31, down $76 million from September 30, 2011. During the quarter we used $33 million of cash to pay for acquisition and integration costs related to Diversey, paid dividends of $21 million and paid $12 million for two small acquisitions. As of December 31, we had total cash and committed liquidity of $1.5 billion. Our net debt was $5.2 billion at December 31 after repaying $100 million of debt. We continue to target the use of a substantial majority of free cash flow for debt repayment after providing for our dividend payments and restructuring obligations and we are poised to pay the first quarter 2013 installment on our bank debt as we continue to target staying a year ahead on our bank loan repayments.

In summary, we've remained well positioned to fund day-to-day operations of our new combined Company, return cash to our shareholders through our regular quarterly dividend, and prepay our outstanding term loans. As you may have noticed, approximately 10 days ago, the US District Court of Delaware in the WR Grace bankruptcy denied all objections that had been filed and confirmed Grace's plan of reorganization in its entirety. While this is a very positive step, the District Court rulings remain subject to further appeals before WR Grace's plan of reorganization can become effective.

Our integration teams have been working diligently on our Integration and Optimization Program which has been outlined in our press release. We now anticipate $100 million of annual cost synergies in 2013 which is twice our original estimate. These cost synergies are expected to be equally split between cost of sales and SG&A. We are continuing to focus on additional upside cost saving opportunities and we will provide updates as the plan progresses. We also have a high level of activity and enthusiasm on the commercial side and our sales teams are making joint customer calls and responding to tenders as we work toward our revenue synergy targets.

And now I'll turn the call back to Bill to highlight our 2012 full year guidance

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Bill Hickey - *Sealed Air Corp - President, CEO, Director*

Thanks, Tod. Let's look ahead to 2012.

The coming year our management team and employees are focused on three key objectives for the year. One, achieving successful integration of Diversey to maximize our synergies and long-term value creation for all of our stakeholders. Two, manage our own business to maximize cash flow and reduce our debt, and three, continue to grow our business by serving customers globally with innovative solutions and expanding our reach in developing regions. As you saw in our press release earlier today, we are providing EPS guidance to you in both a conventional adjusted EPS metric which only excludes restructuring and one-time special items. In addition, we have provided an adjusted cash EPS metric which we introduced in December. This metric additionally excludes the amortization of all intangibles, non-cash interest expense, and non-cash taxes. We believe these two metrics present our financial results quite clearly and convey the strength of our operational performance and the strong cash generating profile of our business, necessary metrics to measure our achievements to our key objectives.

We believe the successful execution of our objectives in 2012 will generate a conventional adjusted earnings per share of $1.50 to $1.60 per share, or to put those numbers on an adjusted cash EPS basis, of $2.10 to $2.20 per share. Based on the level of detail we have provided in our earnings release, I will not repeat each guidance point on this call, but we'd like to highlight that we're anticipating approximately 4% to 5% constant dollar sales growth in 2012 from a pro forma 2011 sales baseline of $8.1 billion. We also are expecting approximately 2 percentage points of unfavorable foreign currency translation which results in approximately something less than a $200 million reduction in our top line. As a result, this translates into our outline top line guidance range of $8.2 billion to $8.3 billion in 2012, or for reference points we watched the Euro go from about $1.41 per Euro to about $1.31 that difference is what I'm referring to when I address the impact of $200 million on the top line. We also are expecting key raw material input costs to rise on the average of low- to mid-single digit range for the year and we expect to continue to achieve positive price mix in 2012 and similar unit volume as we achieve on average in 2011.

Although we remain cautious about the macroeconomic conditions in Europe and the EMEA region, our businesses are continuing to estimate positive growth due to a number of favorable Sealed Air trends, including enhanced opportunities among food and beverage processors, global accounts, and with distributors within the institutional and laundry segment. Our expanded market reach through new distribution channels that we've mentioned earlier, such as Staples and Cintas, and through business partner relationships like the one we have with GE Water and Process Technologies. Also, we are relying on existing strong sales momentum in the developing regions where we continue to expand our penetration with a more robust shared infrastructure. We look to the strength of our new products across all business segments which we have the opportunity to further scale on a global basis and expand Sealed Air's presence. And fourth, ongoing demand for protein in the developing regions of world, as well as our processor customer demands for more efficient automated packaging solutions to lower their total costs. So although global meat production is expected to rise by only 1 to 2 percentage points in 2012, although actually declined by approximately 2 percentage points in the United States, we believe that automation, effective packaging, and improved merchandising and convenience features on packaging, and a solid export market will continue to drive our sales going forward. Additionally, our global footprint positions us well for anticipated healthier Brazil and Australian markets in 2012 which will contribute growth to our food portfolio.

On a more specific basis, our food packaging business is expecting to achieve constant dollar sales growth in 2012, very similar to 2011, with greater strength in areas like Latin America and Asia-Pacific on more favorable comparisons and rebounding industries in those parts of the world. Our food solutions business expects to achieve constant dollar growth rate above 2011 rates following the anniversary of a case ready switch by a major retailer, but also ongoing penetration among their growth programs in developing regions and our fluid based packaging systems. Among our industrial packaging business, we are expecting similar constant dollar rates as seen in 2011 due to ongoing strong penetration, adoption of new products, new channel partnerships, and product development opportunities with Diversey. Our Diversey segment is expecting to achieve a top line growth rate in line with our consolidated target which will be driven by ongoing developing region growth, new channel partners, scaling certain product lines globally, and achieving sales synergies with the Sealed Air teams. The combination of mid-single digit constant dollar sales growth in 2012 with higher costs synergies is expected to contribute to a 2012 free cash flow estimate of approximately $450 million to $475 million, which we expect to allocate to our dividend payments, cash charges associated with restructuring, and reducing our debt. This morning we targeted a year-end net debt reduction target of approximately $260 million in 2012, bringing our debt down to below $4.9 billion, a solid reduction towards our net debt target reduction of $4.5 billion by the end of 2013.

As we saw in the fourth quarter, our portfolio of businesses are rather defensive and resilient, but we do face risks. For 2012, we estimate our risks to be volatility in raw material inflation, achieving sufficient benefits from pricing actions to recover raw material costs, operational efficiency during the integration process, and further fiscal or geopolitical challenges in Europe and the EMEA region. Overall, though, we feel confident, and the fact is, we can control and continue to monitor conditions with contingency plans if conditions merit for those factors that we cannot control. Lastly, I should note that our guidance range currently excludes the payment of the WR Grace settlement, as the exact timing of the settlement continues to be unknown. We have estimated that the payment of the settlement is expected to be accretive to adjusted EPS by approximately $0.13 per share annually, following the payment date under the assumption of using a substantial portion of our cash on hand to fund the payment.

Before moving to the Q&A session, I recognize that a key point of interest has been our 2013 objectives as outlined in our June 2011 presentation, during the time of the launch of our Diversity acquisition and announcement. Most notably the 2013 objectives were targeted at $9 billion in sales revenue and $1.6 billion in adjusted EBITDA. Although we're in the process of analyzing any necessary recalibration to these objectives, changes in the foreign currency exchange rates alone in the past eight months would reduce the $9 billion goal to approximately $8.6 billion today which we feel is achievable by the end of 2013. Our initial adjusted EBITDA goal of $1.6 billion would also be impacted in a similar way by foreign exchange translation, but also by the accounting adjustments we have harmonized Diversey's version of adjusted EBITDA to Sealed Air's definition. These two adjustments would suggest an estimated recalibration of the adjusted EBITDA objective to be now in the $1.45 billion range.

And now, operator, I would like to open up the call to any questions from the participants and intermediately we'll look through text questions from our webcast participants as well. Operator?

QUESTIONS AND ANSWERS

Operator

Thank you very much. (Operator Instructions)

Your first question comes from the line of George Staphos from Bank of America. Please proceed.

George Staphos - *BofA Merrill Lynch - Analyst*

Sure, thanks. Hi, everyone. Good morning. My two questions. Bill, Tod, is it possible at this juncture to broadly bracket the amount of cash outlay you expect around restructuring related to Diversey? And then the second question I had, guys, is as you look at how the year concluded and some of the risks, especially obviously in Europe, how comfortable are you with the low end of your guidance and your ability as you mentioned earlier to bring in contingency plans to adjust if conditions warrant? Thanks.

Tod Christie - *Sealed Air Corp - Treasurer and Interim CFO*

George, this is Tod. I'll take the first question. So, we recorded a $53 million charge for restructuring in the fourth quarter. We paid in the quarter $29 million of that, so you can assume that the balance gets paid this year. And then we're also targeting additional payments this year as we record additional restructuring charges. So just as a broad estimate, I would say somewhere about $100 million this year in cash payments.

George Staphos - *BofA Merrill Lynch - Analyst*

Okay.

Bill Hickey - *Sealed Air Corp - President, CEO, Director*

And, George, go back to part two of your question or your second question. I'm still hopeful on Europe. We've been waiting for the Greek deal to happen any day, and any day is always tomorrow. But I've been in Europe twice now in the last eight weeks and there's a commitment on the part of the Europeans to pull this together. It's in everybody's interest to keep the Euro whole whether Greece stays in it or not. So I do think they will muddle their way through and our contingency plans are basically to manage our costs and head count very, very carefully.

George Staphos - *BofA Merrill Lynch - Analyst*

So you remain comfortable, then, on the $1.40 even with Europe doing what it's doing?

Bill Hickey - *Sealed Air Corp - President, CEO, Director*

I think we said $1.50

George Staphos - *BofA Merrill Lynch - Analyst*

Excuse me, $1.50. Pardon me

Bill Hickey - *Sealed Air Corp - President, CEO, Director*

Yes. There's always that macrorisk as I said in my comments. We're pretty comfortable with the risk we can control and the ones we can't, we'll watch carefully

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George Staphos - *BofA Merrill Lynch - Analyst*

Okay, thanks. I'll turn it over.

Bill Hickey - *Sealed Air Corp - President, CEO, Director*

And George, thanks, for your comments on the mess. I mean, we're trying to feed all of you as much information as we can so hopefully we'll be able to use it.

Operator

My apologies. Your next question is Ghansham Panjabi from Robert W. Baird. Please proceed

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Ghansham Panjabi - *Robert W. Baird & Company, Inc. - Analyst*

Hi, guys, good morning.

Bill Hickey - *Sealed Air Corp - President, CEO, Director*

Morning, Ghansham.

Ghansham Panjabi - *Robert W. Baird & Company, Inc. - Analyst*

Just to clarify, Bill, the $450 million to $475 million of free cash flow, that excludes any cash restructuring charges?

Tod Christie - *Sealed Air Corp - Treasurer and Interim CFO*

That's right, Ghansham. That's our usual free cash flow calculations. So if you take out the $100 million I just mentioned in my response to George, that's really what we're looking at as the starting point for paying dividends and paying down debt.

Ghansham Panjabi - *Robert W. Baird & Company, Inc. - Analyst*

Got you. And just to clarify and establish a baseline for '12 also, what was the pro forma EBITDA for both legacy Sealed Air and Diversey in ' 11?

Tod Christie - *Sealed Air Corp - Treasurer and Interim CFO*

Got that. So you're looking for the pieces

Ghansham Panjabi - *Robert W. Baird & Company, Inc. - Analyst*

Yes.

Bill Hickey - *Sealed Air Corp - President, CEO, Director*

While Tod is getting the pieces too here together, Ghansham, let me go back to Tod's earlier comment.

Ghansham Panjabi - *Robert W. Baird & Company, Inc. - Analyst*

Okay

Bill Hickey - *Sealed Air Corp - President, CEO, Director*

If you take the cash flow number and I think we're looking at I'd say about $100 million to pay cash restructuring costs and about another $100 million in dividends, so that's how you get to the debt repayment number

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Ghansham Panjabi - *Robert W. Baird & Company, Inc. - Analyst*

Got you

Tod Christie - *Sealed Air Corp - Treasurer and Interim CFO*

The total on a pro forma basis for 2011 is in the $1.60 billion, $1.70 billion range. And then the legacy Sealed Air is probably 70% of that.

Ghansham Panjabi - *Robert W. Baird & Company, Inc. - Analyst*

Okay. Yes. It was great, you guys gave us a lot of parameters for '12. We get to about $1.16 billion at the midpoint. Does that seem reasonable for '12?

Tod Christie - *Sealed Air Corp - Treasurer and Interim CFO*

I think that's probably a little on the low side

Bill Hickey - *Sealed Air Corp - President, CEO, Director*

Yes. Probably a little on the low side, yes

Ghansham Panjabi - *Robert W. Baird & Company, Inc. - Analyst*

Okay. Well, we'll circle back with you. Thank you so much

Operator

Your next question comes from the line of Philip Ng from Jeffries & Company. Please proceed

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Philip Ng - *Jefferies & Company - Analyst*

Morning, guys. Synergy number that you guys provided is more than double what you initially planned. Just want to get some thoughts. What are some of the puts and takes more on the positive side. And does that number include some of these opportunities you guys have talked about in the past in terms of SKU rationalization, supplies chain optimization?

Tod Christie - *Sealed Air Corp - Treasurer and Interim CFO*

Yes, Phil, this is Tod. The initial targets that we put out there were based on what we knew in the early days. And now that we've had integration teams working on the opportunities and working together for several months, they've been able uncover a number of additional opportunities. The initial guidance was based really just on SG&A and back office type of costs and as we've developed the model, we are now identifying costs in cost of goods, so things like supply chain optimization which is new. So it's more an SG&A, plus the addition of the manufacturing network

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Philip Ng - *Jefferies & Company - Analyst*

But some of the stuff you guys have highlighted in the past about Diversey, how they wanted to reduce your SKU and supply chain optimization, is that separate or is that now included with that $100 plus million number?

Bill Hickey - *Sealed Air Corp - President, CEO, Director*

No. Phillip, I think we said in the press release. I think we said that the optimization, Integration Optimization program does not include the individual programs that Diversey had prior to the transaction. So that was their EPC and their SKU rationalization. Those are still stand-alone, as they were that we told you about back in the summer

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Philip Ng - *Jefferies & Company - Analyst*

Yes, that's what I thought. I just wanted to verify that. And then the European principal program, how should we think about the opportunity going forward? I think it's mostly coming from the tax line but just want to get some thoughts from that for 2013.

Bill Hickey - *Sealed Air Corp - President, CEO, Director*

Right. It's mostly the tax line. It's mostly the tax line and it's about $30 million

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Philip Ng - *Jefferies & Company - Analyst*

Okay. All right. Thanks, guys

Bill Hickey - *Sealed Air Corp - President, CEO, Director*

Tod had a --

Tod Christie - *Sealed Air Corp - Treasurer and Interim CFO*

Yes. We'd talked about $30 million probably back in the spring and the project is still on target to go live in the second quarter of this year. So this year, we will be continuing to incur some costs to go live which will begin to be offset by the benefits. That'll be a net cost this year and that's contemplated in our guidance.

For 2013, we're still expecting benefits, but we expect them to be somewhat lower than we originally anticipated, in part because that $30 million number reflected an old Euro to dollar exchange rate and in part because European profitability is somewhat less than what it was back in, when we were talking about it in June.

Philip Ng - *Jefferies & Company - Analyst*

So what kind of tax rate should we be thinking about for 2013? I mean, at this juncture?

Tod Christie - *Sealed Air Corp - Treasurer and Interim CFO*

Overall company core tax rates should be 30% and trending lower over time as we're able to implement additional tax planning strategies

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Philip Ng - *Jefferies & Company - Analyst*

All right. Thanks, guys.

Operator

Your next question comes from the line of Chip Dillon from Vertical Research Partners. Please proceed.

Chip Dillon - *Vertical Research Partners - Analyst*

Yes. Thank you very much and good morning. You were giving, Bill, some net debt numbers that, of course, include the WR Grace liability but I believe -- and just correct me -- they do not though include the tax benefit that would come back to you once you make that payment?

Bill Hickey - *Sealed Air Corp - President, CEO, Director*

Right. The debt number we use, the $5.155 billion is short term debt, long term debt, WR Grace settlement, less cash. That's the $5.155 billion.

Chip Dillon - *Vertical Research Partners - Analyst*

Got you. So we should really think the tax benefit coming back the other way is about $300 million, $400 million, right?

Tod Christie - *Sealed Air Corp - Treasurer and Interim CFO*

Yes, that'll be a boost to cash flow when it happens.

Chip Dillon - *Vertical Research Partners - Analyst*

Okay. And then the quick follow-up would be, you gave the adjusted cash EPS of $210 million to $220 million, but this I'm sure if you also added in the impact of the interest you're incurring on the WR Grace money that you don't pay out, then you would add $0.13 to that. In other words that, $210 million to $220 million does not include the $0.13 eventual benefit you'll get when WR Grace is settled?

Tod Christie - *Sealed Air Corp - Treasurer and Interim CFO*

No. We'll get the benefit in our conventional adjusted EPS, but the way the calculation works, because we add back non-cash interest in the adjusted cash EPS. So there's no bump to that number when we fund Grace.

Chip Dillon - *Vertical Research Partners - Analyst*

Got you. It's already in there. That's what I needed. Thank you.

Operator

Your next question comes from the line of Rosemarie Morbelli from Gabelli & Company. Please proceed.

Rosemarie Morbelli - *Gabelli & Co. - Analyst*

Good morning, all.

Bill Hickey - *Sealed Air Corp - President, CEO, Director*

Hi, Rosemarie.

Rosemarie Morbelli - *Gabelli & Co. - Analyst*

Bill, could you give us a feel, or Tod, on the order pattern on the protective packaging side during the quarter and then since the end of the quarter? And linked to that, could you also give us a feel for how much you were helped by the strong e-commerce during the holidays?

Bill Hickey - *Sealed Air Corp - President, CEO, Director*

I think I'll start with it and say that the trend for orders has been pretty consistent. I'll say Europe was a little softer at the end of the fourth quarter, but overall protective on a global basis was reasonably consistent and continuing into the first quarter, again, with continued a little bit softness in Europe. The e-commerce was a real big boost in the fourth quarter. I would just without mentioning the name of the large e-commerce company, but we're shipping five truck loads to them at one point just before the holidays.

Rosemarie Morbelli - *Gabelli & Co. - Analyst*

And you have seen that obviously substantially decline at this particular stage, right?

Bill Hickey - *Sealed Air Corp - President, CEO, Director*

I call it seasonal. Yes, Rosemarie, if you look at our trends, just the seasonality of our business, the fourth quarter's 26% of the business and the first quarter is like 22%, 23%. So it's not really a decline. It's a seasonal adjustment.

Rosemarie Morbelli - *Gabelli & Co. - Analyst*

Okay. So that was my first question. And could you give us a feel for what is in the capital expenditure level that you have given us for 2012?

Tod Christie - *Sealed Air Corp - Treasurer and Interim CFO*

Yes, Rosemarie. The total is about $180 million to $190 million. That includes about $20 million related to the restructuring and integration programs and the balance is normal maintenance plus growth projects, so just typical things that we see in our business all the time. The Diversey piece of that is relatively small because their business tends to have lower capital requirements than the legacy Sealed Air business.

Rosemarie Morbelli - *Gabelli & Co. - Analyst*

Okay. Great. Thank you.

Operator

Your next question comes from the line of Mark Wilde from Deutsche Bank. Please proceed.

Mark Wilde - *Deutsche Bank - Analyst*

Good morning.

Bill Hickey - *Sealed Air Corp - President, CEO, Director*

Good morning.

Mark Wilde - *Deutsche Bank - Analyst*

Bill, I think you gave us some color when you talked about these increased synergy targets and you talked about the stuff from the Diversey side that you had excluded from this. Do you do the same thing with legacy Sealed Air? I mean, you have to have some ongoing sort of efficiency cost takeout programs on both sides of the business. It's just an ongoing way to tread water in a competitive market. So have you excluded that same kind of stuff on the Sealed Air side?

Bill Hickey - *Sealed Air Corp - President, CEO, Director*

Yes. What we basically have communicated to investors prior to the end of the fourth quarter in terms of programs that either Sealed Air was doing or Diversey was doing, those remain separate. In fact, within Sealed Air, we've actually set up an IMO, an integration management office, which is going to be tracking it. In fact, it was already started. Tracking the new Integration and Optimization Program as a separate component from the existing cost reduction and savings programs of the legacy companies.

Mark Wilde - *Deutsche Bank - Analyst*

Okay. That's very helpful. And then just as a follow-on. You talked about having a lot of joint sales teams out on the road. Have you had any significant wins at this point? If you couldn't identify the wins, could you give us the size of any wins that you might have had?

Bill Hickey - *Sealed Air Corp - President, CEO, Director*

Well, I think you heard me. I probably said end of the fourth quarter, we've already closed. I think it was four or five accounts. It's less than $10 million so far. Actually I feel pretty good about one we got yesterday. We got a water account through the GE partnership which we took in Latin America, which was really our first win on the water treatment side.

Mark Wilde - *Deutsche Bank - Analyst*

Okay. Very good. Thanks.

Operator

Your next question comes from the line of Alex Ovshey from Goldman Sachs. Please proceed.

Alex Ovshey - *Goldman Sachs - Analyst*

Morning, guys.

Bill Hickey - *Sealed Air Corp - President, CEO, Director*

Morning.

Tod Christie - *Sealed Air Corp - Treasurer and Interim CFO*

Hi, Alex.

Alex Ovshey - *Goldman Sachs - Analyst*

Couple of questions for you. First of all, when you reported the third quarter you talked about an adjusted EBITDA number for the fourth quarter of $335 million to $345 million and then today's number was lower than that. Is that an apples to apples comparison what you reported today, relative to what you provided as your outlook for the fourth quarter when you had the third quarter call?

Bill Hickey - *Sealed Air Corp - President, CEO, Director*

Tod's got the reconciliation. I'll let him handle that.

Tod Christie - *Sealed Air Corp - Treasurer and Interim CFO*

Alex, it's not an apples to apples comparison and we broached that subject first when we filed our 8-KA in December. So there were a couple of changes that we made on the Diversey side, relative to dosing and dispensing equipment where we aligned their policy for accounting for that with ours, as well as the cash settled SARS, or stock appreciation rights, so with that adjustment, that brought down the Diversey portion of the target.

Staying on the Diversey side, there was some impact during the quarter from lower sales volumes and we mentioned in some of our prepared remarks that the raw material inflation was higher than originally anticipated during the quarter. So those were the factors on the Sealed Air side. On the Diversey side -- I'm sorry. I got them flip-flopped. On the Sealed Air side of the business, it was a combination of lower volumes and mix that led to slightly lower EBITDA for the quarter.

And then the third element was the foreign exchange losses related to the Diversey transaction that were about $19 million in the quarter. So, combination of change in accounting definition, some lower volumes and higher costs, and the one time non-cash FX losses.

Alex Ovshey - *Goldman Sachs - Analyst*

Okay. That's helpful, Tod. The other question I had on the restructuring costs. You talked about $100 million in '12. Do you have a sense of what you expect those to run beyond 2012?

Tod Christie - *Sealed Air Corp - Treasurer and Interim CFO*

Yes. The $100 million was our rough estimate of the cash out this year.

Alex Ovshey - *Goldman Sachs - Analyst*

Yes, cash out.

Tod Christie - *Sealed Air Corp - Treasurer and Interim CFO*

And the total cost that we've identified is about $165 million to $185 million, so that's the P&L costs of which $53 million we recorded in the fourth quarter. The bulk of the rest of it we expect to record this year and then there will be some trailing costs beyond that.

Alex Ovshey - *Goldman Sachs - Analyst*

Okay. Thank you.

Operator

Your next question comes from the line of Chris Manuel from Wells Fargo. Please proceed.

Chris Manuel - *Wells Fargo - Analyst*

Good morning, gentlemen, a couple questions for you. First and, Bill, I appreciate the color along the way. I'm just a little confused with one part. As I'm comparing your, 10-21 to 11-31, so October, November, where you were as you finished the year, it would appear as though food solutions, protective packaging, Diversey each must have fell off pretty sharply in December. In other words, protective packaging, you were up 6% through those first two of the three months and then finished at four. Diversey, you were flat the up 1% you were thinking, you finished down. I guess what I'm trying to understand is, what happened -- with December appreciably different in some of those businesses, and then what is your assumption -- would be my second part as we get to an assumption, how we move forward. So the business trajectory December versus what you saw earlier in the quarter?

Bill Hickey - *Sealed Air Corp - President, CEO, Director*

Right. Yes. If I look at the ones you mentioned, food solutions was plus 7%, that gained plus 4%, so it was down 3%. And if you look at it, really North America, Europe, we're really plus 5% of those numbers and they came in at plus 2%. So most of the shortfall in food solutions was North America and Europe, primarily in Europe, where I think we really saw the southern part of Europe drop off pretty well in terms of food.

Interestingly enough, I was talking to the head of one of the supermarket chains who's been in business for 28 years. He said it's the first time year over year there's been a decline in food sales which is a really remarkable statistic in Europe and most of that happened at the end of the year. The other is, there really wasn't a real holiday season. There wasn't a lot of enthusiasm in Europe coming in December. Remember we were still -- Europe was really particularly in the south the Italians, the Spanish, the Greeks, and we even saw France. France is very likely in a recession or just tipped over into it. So, Europe is pretty much the culprit for both food solutions and protective in the month of December, at the end of the quarter.

Chris Manuel - *Wells Fargo - Analyst*

Okay. And I guess from thinking about this, I realize we get changes between as we're looking at constant dollar and as we're looking at the price mix component, but from Tod's earlier comments that you had recovered about 80% of the inflation components, I'm assuming that you'll get the other 20% next year. So if we take price mix out of the equation, what does this imply? Or what have you embedded into your assumption for these different businesses, for just a volume basis for 2012? So in other words, food packaging solutions, protective, Diversey, what are you anticipating your core volume levels to be for '12?

Bill Hickey - *Sealed Air Corp - President, CEO, Director*

Okay. What we are assuming in terms of the core volume levels for '12, I think what we said in my comments that I said earlier, reasonably in line with 2011 full-year actuals. Okay. I'll have to go back then. Which overall is in the 2 percentage range.

Chris Manuel - *Wells Fargo - Analyst*

Okay. Thank you.

Bill Hickey - *Sealed Air Corp - President, CEO, Director*

Volume. In terms of volume, yes.

Operator

Your next question comes from the line of Al Kabili from Credit Suisse. Please proceed.

Al Kabili - *Credit Suisse - Analyst*

Hi, thanks. Good morning. I guess the first question would be on Diversey. If you could quantify the price cost headwind in the fourth quarter and it also sounds like it's a bit of a steeper headwind than you'd originally anticipated. And if you could give us detail around that what you're seeing there and if you're caught up.

Bill Hickey - *Sealed Air Corp - President, CEO, Director*

Okay. Just looking at Diversey's fourth quarter, is what you're looking at, Al? Or are you looking at the full year?

Al Kabili - *Credit Suisse - Analyst*

I'm looking at the fourth quarter. It seems that there may have been a pretty decent size prized cost headwind in the fourth quarter of '11 and I just wanted to see if you could quantify maybe what that was for us, one. And two, I think versus your earlier expectations, it sounds like this headwind, this price cost, is certainly worse than your initial expectations and why is that? Is it tougher in terms of getting the pricing through? Is it the raw materials that are higher than you thought? And at this stage are you caught up, up to it and right now as you're in the first quarter? Thanks.

Bill Hickey - *Sealed Air Corp - President, CEO, Director*

Okay. Let me just say that the raw material costs in the fourth quarter in Diversey was up around $21 million. And if you look at the net of what they've been able to recover with the composite cost and mix, it ends up being about $13 million behind exiting the fourth quarter for the quarter. We really thought we'd be closer to catching up at the exit rate. That's a term the Diversey people use, in terms of how they manage their price mix. Their exit rate for the fourth quarter was planned to be 0. It actually came in at a minus 13 and I think that we will recover the 13. There are early signs of it's coming back again in 2012. But if I look at Diversey's overall top line performance for the fourth quarter, their sales were down about 1%. That represented kind of a volume impact of about minus 3 and a price impact of plus 2, plus 2, 2.4 is what it actually turned out to be. So there's recovery in price but not enough to recover all of the costs and a lot of their pricing is on a contract basis and so they really have to go through the contract price adjustments.

Al Kabili - *Credit Suisse - Analyst*

Okay. So there's still a headwind in the first quarter we should expect? I mean, when do you catch up to this?

Bill Hickey - *Sealed Air Corp - President, CEO, Director*

Well, let's put it this way. We're entering the first quarter $13 million behind. That's probably the best I can say right now, yes.

THOMSON REUTERS

Al Kabili - *Credit Suisse - Analyst*

Okay. And then secondly, on the cost savings, the $50 million this year, can you help us with the ramp there? What's the run rate that you've realized thus far? How does this ramp throughout the year? Is it linear? Is it back end loaded? Thank you very much.

Bill Hickey - *Sealed Air Corp - President, CEO, Director*

Yes. Tod may have a good answer on that, but subject to Tod jumping in here, I think that what our integration group has come up with, there's about $20 million already saved, so to speak, that'll run for at least 11 months. It's already achieved, based on what we did in the fourth quarter of last year. I'll let Tod comment further on that

Tod Christie - *Sealed Air Corp - Treasurer and Interim CFO*

Yes. We have, as Bill said, about $20 million already done and locked down. The balance, there will be more benefits in the latter part of the year as we're ramping up from $50 million this year to $100 million next year. So I think you'll see sequential improvement over the course of the year.

Al Kabili - *Credit Suisse - Analyst*

Okay. And there's not going to be any offsetting costs? So the $20 million run rate we should see all of that in the first quarter? There's not any extra costs in realizing any of that's hitting, are there?

Tod Christie - *Sealed Air Corp - Treasurer and Interim CFO*

Well, yes. There's some of the costs that we already recorded in the fourth quarter and I expect we'll take additional charges this year. But no, it's not anything more than what's already been disclosed in the press release.

Al Kabili - *Credit Suisse - Analyst*

Okay. Thank you very much. Good luck.

Bill Hickey - *Sealed Air Corp - President, CEO, Director*

Thanks.

Tod Christie - *Sealed Air Corp - Treasurer and Interim CFO*

Okay.

Bill Hickey - *Sealed Air Corp - President, CEO, Director*

Next question, operator.

Operator

All right. Your next question comes from the line of Joe (inaudible) Please proceed.

Unidentified Participant - - *Analyst*

Yes, good morning, a couple of quick questions. The first being, you provided for 2012 percentages for cost of goods sold and SG&A. I just want to confirm that the restructuring charges that you've discussed are not included in those percentages.

Bill Hickey - *Sealed Air Corp - President, CEO, Director*

Yes, Tod?

Tod Christie - *Sealed Air Corp - Treasurer and Interim CFO*

Yes, that's right. So if you look at the -- let me just go to that page. Yes, that's right. That's just our normal expected run rate on those charges.

Unidentified Participant - - *Analyst*

Okay. And then you spoke about a net debt target for 2013 of $4.5 billion. Does that include the Grace settlement? Because you had mentioned that there should be some cash benefit? So if we're looking at $4.5 billion, should we then assume that it's if and when the Grace settles then it could potentially be lower?

Tod Christie - *Sealed Air Corp - Treasurer and Interim CFO*

It actually doesn't have a really significant impact on the net debt target because we expect to use mostly cash to fund the settlement and if you look at our balance sheet at the end of the year, we had $723 million of cash and I believe the Grace liability with the accrued interest was something like $830 million. So there will be some incremental borrowing that we would need to do on a short term basis to assist with the funding and so to the extent that we increased borrowing to do that, then we would likewise decrease it with the proceeds from the cash benefits. So it's the $4.5 billion is a target that we have without the Grace settlement and there might be some incremental benefit to that, but it wouldn't be huge.

Unidentified Participant - - *Analyst*

Okay. And then the last question is, you just mentioned that Diversey is mostly a contractual business and that the pricing is up 2% in the fourth quarter. But as those contracts reprice, should we expect declining prices throughout 2012?

Bill Hickey - *Sealed Air Corp - President, CEO, Director*

No, we're looking at increasing prices in 2012.

Unidentified Participant - - *Analyst*

Okay, great. Thank you.

Bill Hickey - *Sealed Air Corp - President, CEO, Director*

Operator, let me take two of some of the text questions that have come in before we go back around that takes a second round from people on the phone.

First question that came in on the webcast was, will you please give us the split between Europe, Mid East, Africa, between Diversey and legacy businesses. If I look at what we classify as EMEA, about 55% of that business represents the legacy, the Diversey business, 58% the legacy Diversey business. About 13% of it represents the core Sealed Air protective packaging business and about 13% of it represents the core food packaging business, and about 12% represents the core food solutions business, and there's about 4% other which is primarily our medical business. So I hope that was what you were looking for in terms of how the EMEA mix splits up among the Company.

The second question on the webcast. A tax refund expected in 2013 as WR Grace is settled this year. Still plan to use the proceeds to repay bonds that come due in 2013? If Grace is settled this year and Sealed Air makes the payment to the trust funds as required in the settlement agreement in 2012, we should expect to get the tax refund in 2013, in which case we would use that to repay debt. I think that answers that question.

The third question is, please detail charges, operating income, and EBITDA for Diversey in Q4 and for 2012. I'll let Tod handle that part of it. I know he's got part of it right here in front of him. Tod?

Tod Christie - *Sealed Air Corp - Treasurer and Interim CFO*

Yes. I'm just pulling out. Diversey EBITDA in the fourth quarter on an adjusted basis was in the $65 million to $70 million range. And then, the operating income would be slightly below that, taking out the D&A. 2012, we haven't separately provided guidance for Diversey on either of those metrics.

Bill Hickey - *Sealed Air Corp - President, CEO, Director*

Okay. Can we go back, operator, and take a second round on the phone here?

Operator

Sure. No problem. Your next question comes from a follow-up of George Staphos from Bank of America. Please proceed.

George Staphos - *BofA Merrill Lynch - Analyst*

Thank. Bill, Tod, looking back over time when Sealed Air has had the need to further increase its free cash flow, it's shown pretty good ability to pull down capital spending fairly quickly. And we also have the context, I think you said earlier at 1 point during 2011, that one of your goals was to I think you said passionately pay down debt. And so I guess considering both of those points, if you agree with the premise of the prior one, what flexibility do you think you have to achieving all your growth goals and objectives for Diversey and the business? Perhaps pull down that capital spending from what you've already guided to. What's the flexibility you think you have there?

Bill Hickey - *Sealed Air Corp - President, CEO, Director*

George, you know we're pretty capable at managing capital down. So that remains part of our contingency if we need to.

George Staphos - *BofA Merrill Lynch - Analyst*

Okay. Would there be anything -- you mentioned it would be a contingency. If you could talk to it, what would perhaps not be spent behind from a capital standpoint realizing you'd like to if you needed to bring down the capital spending in 2012? What would be the first thing that perhaps might go?

Bill Hickey - *Sealed Air Corp - President, CEO, Director*

Oh, I don't know. That's a tough call, George. There's no major investments in 2012. I say there is one. I think we mentioned last year we acquired a new factory in Brazil and building that out this year is part of that number. I mean I think long term interest of the business to build out that factory in Brazil is the right thing to do. As a contingency, I'd probably continue forward with that project but cut back on some of the smaller ones.

George Staphos - *BofA Merrill Lynch - Analyst*

Okay. The other question I had and I'll turn it over, we can pretty much back into your EBITDA guidance this year based on the guidance you gave overall for the business and you've provided earlier a debt pay-down target for us. Should we assume that these are the targets that you will see incentive compensation for the organization based around? Or could the targets vary from what we've seen provided in the release and results today?

Bill Hickey - *Sealed Air Corp - President, CEO, Director*

Yes. George, one, I can't speak for the Board who has that on their agenda to address, but I can pretty confidently say it won't be any less than those.

George Staphos - *BofA Merrill Lynch - Analyst*

Okay. I'll turn it over. Thank you.

Operator

You also have a follow-up question from Rosemarie Morbelli from Gabelli and Company. Please proceed.

Rosemarie Morbelli - *Gabelli & Co. - Analyst*

Thank you for taking it. Bill, could you touch on the mixed shift on food packaging? If you exclude the business you lost last year and I guess we have now anniversaried, is that permanent shift outside of that particular item? Or do you think that as the economy picks up, customers will go back to higher margin, higher priced products?

Bill Hickey - *Sealed Air Corp - President, CEO, Director*

Yes. I think, Rosemarie, one of the shifts is the equipment side of our business was up quite a bit in 2011, which is always a good sign, especially in a challenging economy if customers are willing to invest in equipment. So our equipment sales are up. Our equipment sales are at very modest margins because we want to get the razor in the customer's hands so they can use the razor blades. So the equipment sales being up is an unfavorable mix for profitability but does bode well for future sales.

On the other side, some of the shrink bag sales are down. They're down a little bit and that's due to some changes in customer use as well as an absolute decline in the number of animals processed. I think I commented earlier that meat production in the United States was town 1.1% for the full year 2011 so that's a factor. So you've got equipment going up at a lower margin and shrink bag sales going down at a higher margin

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Rosemarie Morbelli - *Gabelli & Co. - Analyst*

Okay. Well, that's helpful. And if I may, could you give us a better feel for what those two small acquisitions are that you mentioned?

THOMSON REUTERS

Bill Hickey - *Sealed Air Corp - President, CEO, Director*

Yes. One was an automated packaging machine for meat and the other one was a small medical one where we actually put a small medical plant in Costa Rica to take advantage of a lot of our medical customers who have moved operations down there and it's much more efficient and cost effective to serve them locally than to ship product down from the US.

Rosemarie Morbelli - *Gabelli & Co. - Analyst*

Do you see the medical business really growing going forward?

Bill Hickey - *Sealed Air Corp - President, CEO, Director*

It's growing slowly, but it's growing.

Rosemarie Morbelli - *Gabelli & Co. - Analyst*

You planning on keeping it?

Bill Hickey - *Sealed Air Corp - President, CEO, Director*

Haven't made that decision. Haven't made any of those decisions yet, Rosemarie.

Rosemarie Morbelli - *Gabelli & Co. - Analyst*

Okay. That would apply to the entire other category unless something is about to fly out the door?

Bill Hickey - *Sealed Air Corp - President, CEO, Director*

Okay. Well, all I can say is, stay tuned.

Rosemarie Morbelli - *Gabelli & Co. - Analyst*

Okay. Thanks.

Bill Hickey - *Sealed Air Corp - President, CEO, Director*

Well, we've got three questions up there, operator. Let's take those three and be done. So would you take the next one?

Operator

Yes. Sure thing. Your next question comes from the line of Chris Manuel from Wells Fargo. Please proceed.

Chris Manuel - *Wells Fargo - Analyst*

Thank you for taking one more question from me. I guess I wanted to understand I'm looking at your integration optimization update. So it looks like an extra $60 million to $70 million which you're anticipating in that '13 -'14 time frame or mostly '14 time frame when I look at the costs associated with that the $160 million to $185 million for charges and then the incremental for CapEx, I'm assuming that on the restructuring side those will all be cash charges.

Bill Hickey - *Sealed Air Corp - President, CEO, Director*

Yes. They'll be substantially cash charges. Most of it is employee severance and depending on the part of the world you're in employee severance in Europe tends to be quite high. In the US, tends to be more modest. So it ends up being an average of about 1.5 year pay back.

Chris Manuel - *Wells Fargo - Analyst*

Okay. Here's where I'm going with this. I add these. I think about the savings and I think about the total cost including the CapEx and I get to that, if you have $60 million to $75 million of savings and the total out being in the low two's, that this is a three to four year payback for the whole project? Am I thinking about that the right way?

Tod Christie - *Sealed Air Corp - Treasurer and Interim CFO*

I'm not sure you're picking up all the savings because we're looking at total savings annualized by the end of the program of $110 million to $115 million.

Chris Manuel - *Wells Fargo - Analyst*

I apologize, Tod. I was considering this as incremental, right? So the incremental part, the CapEx and the new charges associated, just attaching that to the incremental part, is that maybe an incorrect assumption?

Tod Christie - *Sealed Air Corp - Treasurer and Interim CFO*

Well, there were charges associated with the first $50 million that we identified as well, so now it's all bundled together. So, total program $110 million to $115 million in benefits, $165 million to $185 million of P&L charges, and another $40 million to $50 million of CapEx.

Chris Manuel - *Wells Fargo - Analyst*

Okay. So, I apologize. I was assuming that all of the new Integration and Optimization Program was -- I was just assuming an incremental funds. Okay. That's helpful. Thank you.

Operator

And another follow-up question from the line of Al Kabili from Credit Suisse. Pleads proceed

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Al Kabili - *Credit Suisse - Analyst*

Hi. Thanks for taking the follow-up. Just on the sales force of legacy Sealed Air and Diversey, I just wanted to get your thoughts on integration, keep them separate, how you're thinking about that? Thanks.

Bill Hickey - *Sealed Air Corp - President, CEO, Director*

Yes. But you remind me something about which I did want to say is that, although we're going through this integration optimization process we're not reducing the number of salespeople. We're actually putting additional salespeople in the field and we will actually have, I think you saw an earlier announcement. We'll have basically three sales forces because we'll have three businesses, the core protective packaging business which we organized now as a business within Sealed Air. They will continue to call on the industrial packaging customers. You will have the legacy Diversey, excluding the food and beverage piece of it. They will call on the hotel, hospitality, lodging chains. They will still do that as they had before.

The integration really comes in the food decide, on the food and beverage component, where we're combining the Sealed Air food sales and technical service people with the Diversey food and beverage sales and service. That integration has occurred. They've had joint training. They've been cross-trained on each other's products. There's a couple meetings coming up in the next couple of weeks and they will call on customers collectively.

Al Kabili - *Credit Suisse - Analyst*

Okay. And how's been the initial customer feedback on this?

Bill Hickey - *Sealed Air Corp - President, CEO, Director*

Well, I said as Amanda said earlier, with only a couple months behind us, we've got probably sales under $10 million, four or five accounts, and a fair number in the pipeline.

Al Kabili - *Credit Suisse - Analyst*

Okay, great. Thanks.

Bill Hickey - *Sealed Air Corp - President, CEO, Director*

Okay, last question.

Operator

Your last question comes from the line of George Staphos from Bank of America. Please proceed.

George Staphos - *BofA Merrill Lynch - Analyst*

Thanks, guys. I'll try to make it quick. On the one hand, if we look at the December trajectory would it be fair to assume that thus far first quarter volumes are negative, or at best, flat? And is that embedded in your guidance?

And then the second question, Bill, bigger picture, over the last month or so there have been a couple of people added to your Board who bring a great amount of experience and very good background. How do you see of them being helpful to Sealed Air and its development over the next couple years? Thanks and good luck in the quarter.

Bill Hickey - *Sealed Air Corp - President, CEO, Director*

Okay. Let me say that our January numbers are slightly up. I would say slightly up. It's been a slower start to the year which you would expect after December, but again, the first quarter tends to be our slowest quarter.

George Staphos - *BofA Merrill Lynch - Analyst*

I understand.

Bill Hickey - *Sealed Air Corp - President, CEO, Director*

And as far as our new directors, I mean, they're real quality people, good experience. One from a general industrial background and the other with specific knowledge of the packaging industry. I've got good experience, good credentials, and I think will be an asset to the Sealed Air Board. So I look forward to working with them.

George Staphos - *BofA Merrill Lynch - Analyst*

Okay. Thanks very much, Bill.

Bill Hickey - *Sealed Air Corp - President, CEO, Director*

Thanks, George.

Okay, with that, operator, that's all the time we have and I'd like to thank everyone for your participation in the call. I'd like to extend my thanks to customers, employees, shareholders, and partners for helping us through a challenging but very exciting year which ultimately transformed our organization with the addition of Diversey. I'm really proud of the hard work and achievements of our team in a very, very short period of time, our ability to stay focused on our customers' needs, and the exciting opportunities ahead. I believe our combined efforts will result in ongoing and continuous improvements, stronger cash flows, further reduction in debt, all of which will enhance our earnings and shareholder value. Thank you.

Operator

This concludes today's conference. Thank you for your participation. You may now disconnect. Have a great day.
