

# SEALED AIR CORPORATION

Earnings Conference Call Supplement  
Fourth Quarter 2012  
(Unaudited Results)

February 19, 2013

Jerome A. Peribere – President & Chief Operating Officer

Carol P. Lowe – Senior Vice President & Chief Financial Officer

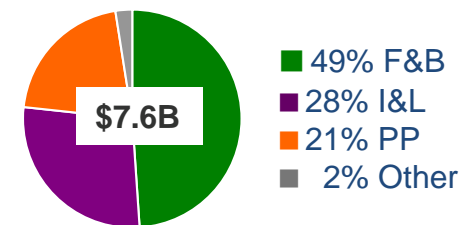
# Safe Harbor and Regulation G Statement

- This presentation contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by such words as “anticipates,” “believes,” “plan,” “assumes,” “could,” “estimates,” “expects,” “intends,” “may,” “plans to,” “will” and similar expressions. Examples of these forward-looking statements include 2013 financial expectations and assumptions associated with our 2011-2014 Integration & Optimization Program, availability and pricing of raw materials, success of our growth programs, economic conditions, and the success of pricing actions. These statements reflect our beliefs and expectations as to future events and trends affecting our business, our consolidated financial position and our results of operations. A variety of factors may cause actual results to differ materially from these expectations, including general domestic and international economic and political conditions affecting packaging utilization; changes in our raw material and energy costs; credit ratings; competitive conditions and contract terms; currency translation and devaluation effects, including Venezuela; the success of our financial growth, profitability and manufacturing strategies and our cost reduction and productivity efforts; the effects of animal and food-related health issues; pandemics; environmental matters; regulatory actions and legal matters; and the successful integration of Diversey. For more extensive information, see “Risk Factors” and “Cautionary Notice Regarding Forward-Looking Statements,” which appear in our most recent Annual Report on Form 10-K, as filed with the Securities and Exchange Commission, and as revised and updated by our Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. While we may elect to update these forward-looking statements at some point in the future, we specifically disclaim any obligation to do so, whether as a result of new information, future events, or otherwise.
- Our management uses non-U.S. GAAP financial measures to evaluate the Company’s performance, which exclude items we consider unusual or special items. We believe the use of such financial measures and information may be useful to investors. We believe that the use of non-U.S. GAAP measures helps investors to gain a better understanding of core operating results and future prospects, consistent with how management measures and forecasts the Company’s performance, especially when comparing such results to previous periods or forecasts. For important information on our use of non-U.S. GAAP financial measures and information, including reconciliations of such non-U.S. GAAP financial measures and information to comparable U.S. GAAP measures and information, please refer to the financial tables and information provided in our earnings release.

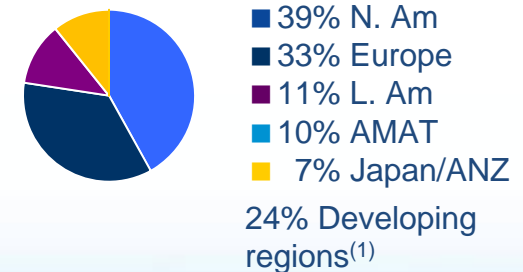
# New Business Division Structure

- Food and Beverage (F&B)
  - Food Packaging and Food Solutions businesses, along with Diversey food and beverage hygiene solutions business
- Protective Packaging (PP)
  - Protective Packaging and Specialty Materials (formerly part of Other)
- Institutional and Laundry (I&L)
  - Building services, food service, health care, hospitality and retail markets
- Medical Applications and New Ventures (Other category)
- Geographic Reporting structure
  - North America
  - Europe
  - Latin America
  - AMAT (Asia, Middle East, Africa and Turkey)
  - Japan and Australia/New Zealand

## Diversified Revenue



## Geographical Reach



<sup>(1)</sup> Please see Sealed Air's February 19, 2013 earnings press release for a definition of developing regions.

# Key Takeaways

Fourth Quarter 2012

## Q4 Performance Summary

- Sales +0.8% to \$1.98B. Organic\* 2.5% from + 2.6% volumes & -0.1% price
- Adj. EBITDA: \$267M, 13.5% of sales
- Net Debt reduced to: \$4.78B
- Adj. EPS \$0.34; Reported loss of \$(0.06)

- Strong emerging market growth
- Year over Year adjusted EBITDA growth of 17%
- Core effective Net Debt reduced by \$483 million
- Completed sale of Diversey Japan
- Effective tax rate of 22%
- Economic challenges in Europe and North America
- Protein supply challenges

\* Organic sales refers to unit volume and price/mix performance and does not include the impact of currency translation

Reported U.S. GAAP Measures (from Continuing Operations):  
Q4-12 Net Sales: \$2.0B, Operating Profit: \$118M; Net Loss \$(11)M

Please see Sealed Air's February 19, 2013 earnings press release for important information about the use of non-U.S. GAAP financial measures, including applicable reconciliations to U.S. GAAP financial measures. All results are on a continuing operations basis.

# Fourth Quarter Highlights: Trending positive on improved execution

*All Results from Continuing Operations*

**YEAR OVER YEAR  
(vs. Q4/11)**

**SEQUENTIAL  
(vs. 3Q/12)**

<i>All Results from Continuing Operations</i>	<b>YEAR OVER YEAR (vs. Q4/11)</b>	<b>SEQUENTIAL (vs. 3Q/12)</b>
<b>Constant Dollar (C\$) Sales</b>	↑ +2.5%	↑ IMPROVED RATE 3Q: +2%
<b>Volume Growth Rate</b>	↑ +2.6%	↑ 3Q: 1.6%
<b>Quarterly Cost Synergy Benefits</b>	\$35M	↑ + \$5M
<b>Adjusted Operating Profit Margin</b>	↑ +160 bps	↓ -10 bps
<b>Adjusted EBITDA</b> (Actual & C\$)	Actual: ↑ 17% C\$: ↑ 18%	Actual: ↓ 2%
<b>Adjusted EBITDA Margin</b>	↑ +20 bps	↓ -80 bps

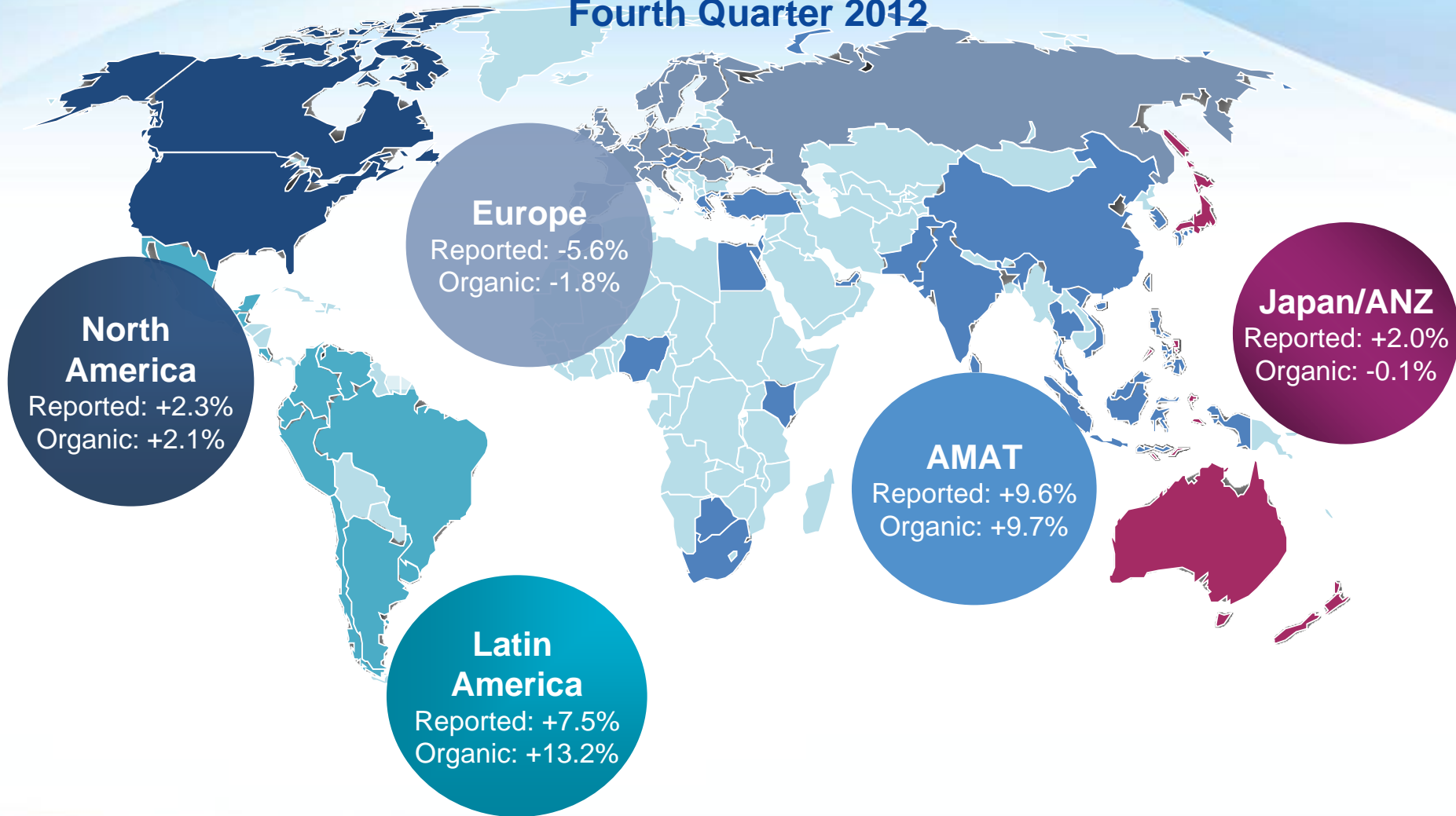
Reported U.S. GAAP Measures (from Continuing Operations):  
 Q4-12 Net Sales: \$2.0B, Operating Profit: \$0.1B; Net Loss \$(11)M  
 Q3-12 Net Sales: \$1.9B, Operating Loss: \$(1.2)B, Net Loss \$(1.2)B

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# Regional Sales Performance

## Fourth Quarter 2012



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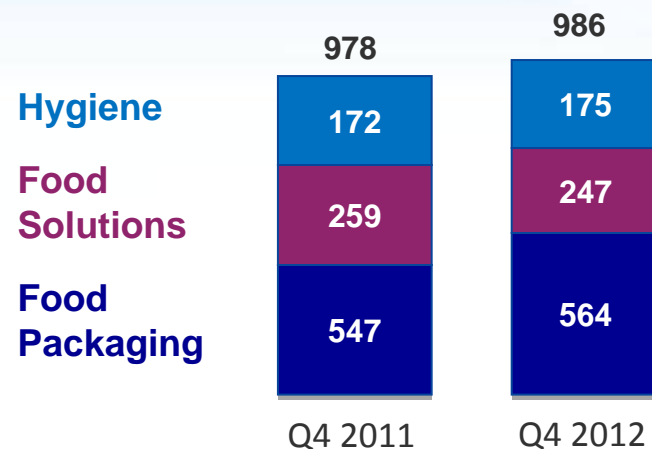


# Food and Beverage: Achieved Volume and Margin Improvement

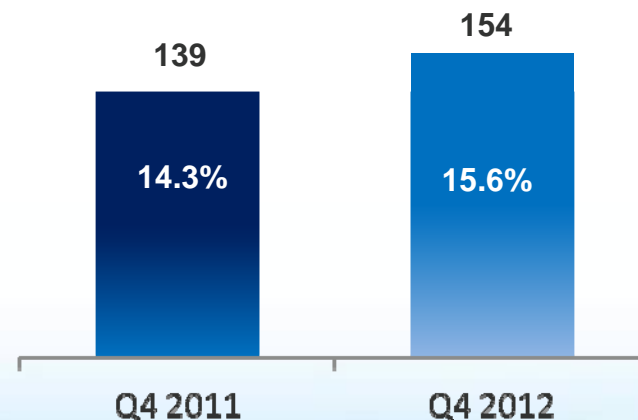
## Food and Beverage Net Sales Trends

- Q4 2012 Net Sales: \$986 million
- Q4 Net Sales: +2.4% organic growth
  - Hygiene Sales Organic Growth: 5.6%
  - Food Pkg. & Sol. Org. Growth: 1.7%
- Q4 Adjusted EBITDA growth of 10.4%
- Q4 Volume Growth by region v. PY
  - North America: +3.8%
  - Europe: -1.6%
  - Latin America: +9.4%
  - AMAT: 11.3%
  - Japan/ANZ: 1.0%
- **Largest growth drivers:** Developing regions: Brazilian beef production, new products
- **Challenges:** North American protein supply constraints, product mix

## Net Sales (\$M)



## Adjusted EBITDA (\$M)

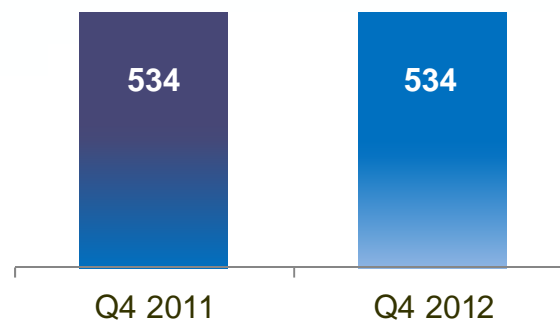


# Institutional and Laundry: Adjusted EBITDA and Margin Improvement

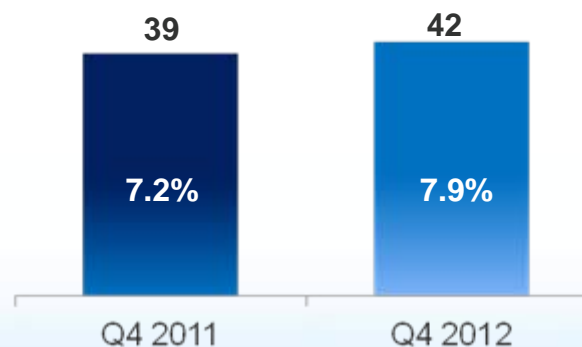
## Institutional & Laundry Net Sales Trends

- Q4 2012 Net Sales: \$534 million
- Q4 Net Sales: -0.1%; +2.3% organic growth
  - +1.6% price/mix
  - +0.7% volume
- Q4 Adjusted EBITDA growth of 9.1%
- Q4 Volume growth rates by region v. PY
  - North America: -0.9%
  - Europe: -3.9%
  - Latin America: +9.3%
  - AMAT: +10.9%
  - Japan/ANZ -5.4%
- **Largest Growth Drivers:** New customers in China/India and Brazil/Mexico, New healthcare business
- **Challenges :** Europe – Gov't/Educ., Consumer Brands, and Building Service contractors due to lower equipment orders, Southern Europe

## Net Sales (\$M)



## Adjusted EBITDA (\$M)



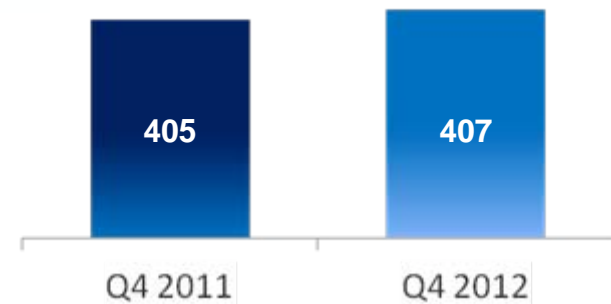


# Protective Packaging: Gains in Adjusted EBITDA and Margin

## Protective Packaging Segment Net Sales Trends

- Q4 2012 Net Sales: \$407 million
- Q4 Net Sales: +0.6%; 1.5% organic growth
  - 2.6% volume
  - (1.1)% price/mix
- Q4 Adjusted EBITDA growth of 4.2%
- Q4 Volume growth rates by region v. PY
  - North America: +4.4%
  - Europe: 0.4%
  - Latin America: +4.8%
  - AMAT: -2.1%
  - Japan/ANZ -1.3%
- **Largest growth drivers:** E-commerce application systems in North America, and new customers
- **Challenges:** Competitive pricing environment with not all market participants seeking raw material cost recovery. Pricing actions in place for 1H 2013.

### Net Sales (\$M)



### Adjusted EBITDA (\$M)

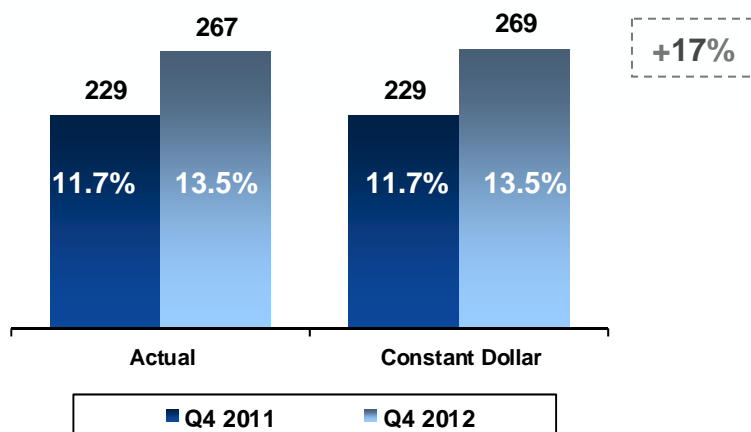


# Consolidated Adjusted EBITDA Performance

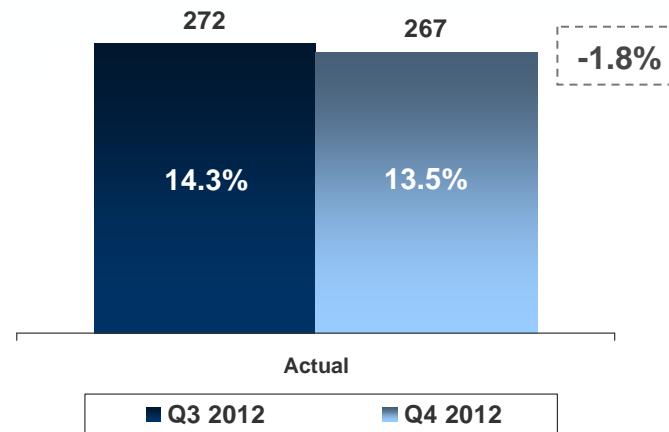
Fourth Quarter 2012

(\$ in millions)

## Q4-12 YEAR-OVER-YEAR Adjusted EBITDA Performance



## Q4-12 SEQUENTIAL Adjusted EBITDA Performance



- ↑ Cost synergies
- ↑ Volume
- ↓ Price Cost Spread
- ↓ SG&A Expenses
- ↓ Currency

- ↑ Volume
- ↑ Currency
- ↓ SARs
- ↓ Seasonal Sales & Marketing Spend

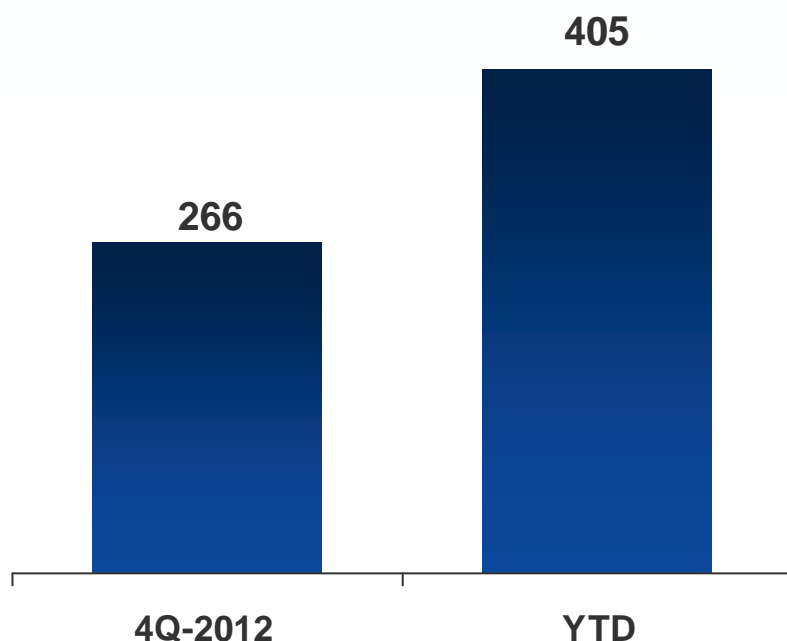
Reported U.S. GAAP Net Earnings/(Loss):  
Q4-2012: \$174M, Q4-2011: \$(60)M, 3Q-2012: \$74M

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# Adjusted Free Cash Flow and Working Capital

(\$ in millions)

## Free Cash Flow Performance



Reported U.S. GAAP Net Income:  
 Q4 2012 \$(11)M (Loss) YTD-2012 = \$(1.3)B

Adjusted Free Cash Flow	Q412	2012
Adjusted Net Earnings	\$ 69.9	\$ 200.5
Amortization of Intangibles	25.2	97.7
Non-cash Interest & Taxes	94.2	103.0
Depreciation and Amortization	12.6	170.1
Capital Expenditures	(26.6)	(124.4)
Changes in Working Capital*	91.0	(41.8)
Adjusted Free Cash Flow	\$ 266.3	\$ 405.1
*Currency impact on FY working capital: \$(14)		

\* Working Capital includes the impact of foreign currency translation and is defined as Trade Accounts Receivable, Inventory and Trade Accounts Payable.

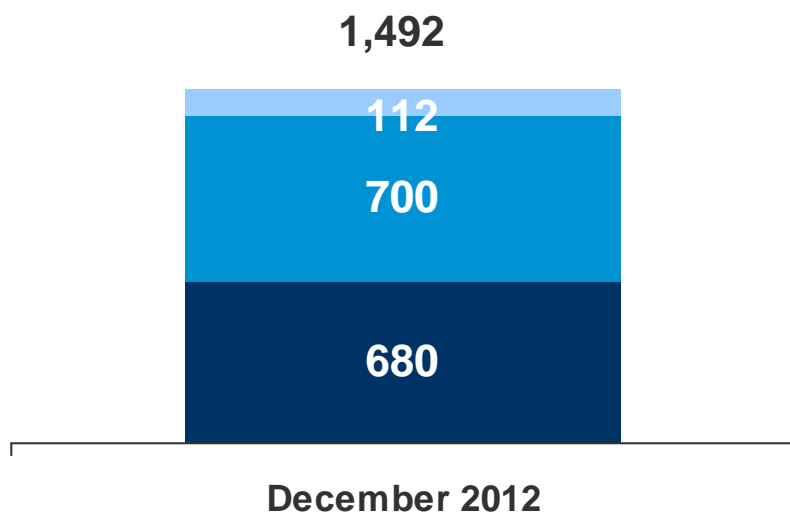
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# Liquidity & Net Debt

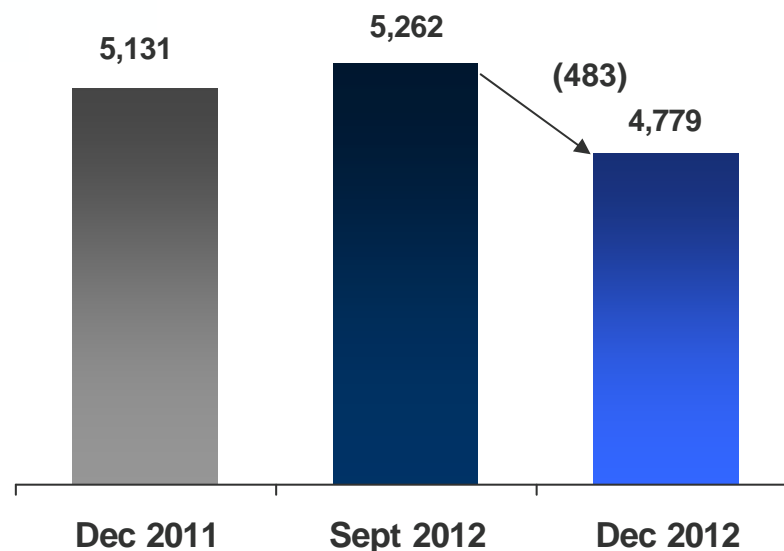
(\$ in millions)

## Liquidity Position



- AR Securitization
- Revolving Credit Facility
- Cash & Cash Equivalents

## Net Debt



Full year net debt reduction includes use of \$313 million from proceeds of Diversey Japan

# FY2013 Outlook

- Management estimates achieving the following full year results:
  - Net Sales between approximately \$7.7 billion and \$7.9 billion
  - Adjusted EBITDA between approximately \$1.01 billion and \$1.03 billion
  - Earnings Per Share between approximately \$1.10 and \$1.20 per share
  - Free Cash Flow approximately \$300 million to \$350 million
    - Compares with \$280 million in 2012

Adjusted EPS guidance excludes the payment of the W. R. Grace settlement, as the exact timing of the settlement is unknown. Final payment of the W. R. Grace settlement 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.

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# Q&A

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# Appendix

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# 2012 Adjusted EPS Calculation

	<u>2012</u>
<b>Net Sales</b>	\$ 7,648
<b>Adjusted EBITDA</b>	<b>996.0</b>
Interest expense	(385.0)
Depreciation and amortization	(321.0)
Non-cash profit sharing <sup>(1)</sup>	(18.9)
<b>Adjusted Pre-tax Earnings</b>	<b>271.1</b>
<i>Core income tax provision</i>	26.1%
Core income taxes	70.7
<b>Adjusted Net Earnings</b>	<b>200.4</b>
Diluted shares outstanding	211.2
<b>Adjusted EPS</b>	<b>\$ 0.95</b>

<sup>(1)</sup>Contributions to be made in Sealed Air common stock

Reported U.S. GAAP Measures (from Continuing Operations):  
2012 Net Sales: \$7.6B, Operating Loss: \$(0.8)B; Net Loss \$(1.3)B

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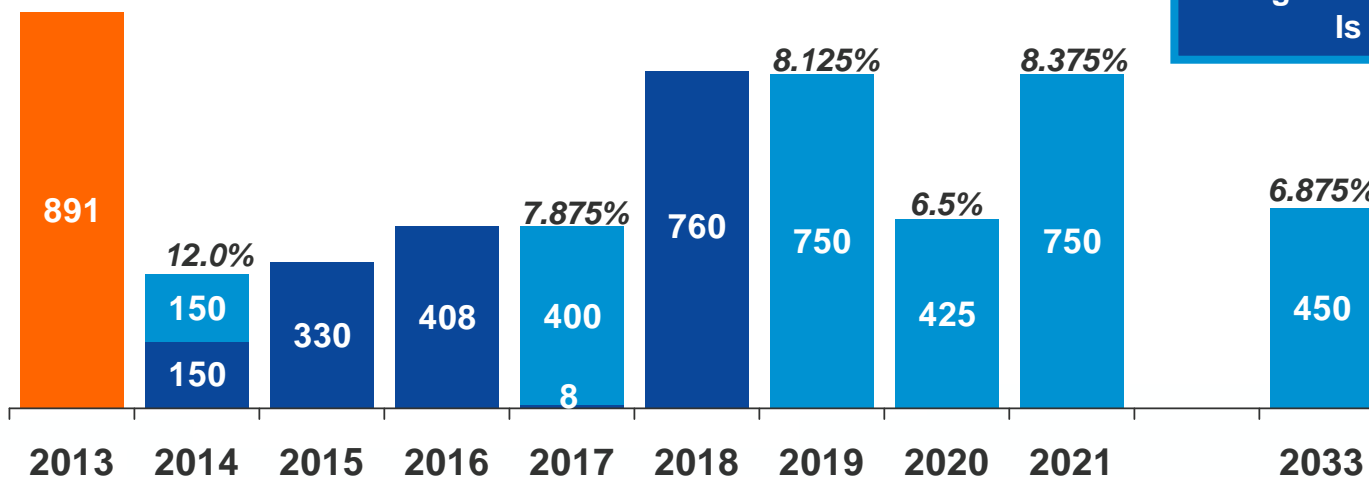
# Q4 Actions have amended covenants to provide ample flexibility and have extended our maturity schedule

## Updated Covenant: Net Total Leverage Ratio\* (fiscal year ending December 31<sup>st</sup>)

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016+</u>
5.50	5.25	4.50	3.75	3.25

## Updated Debt Maturity Schedule\*

(\$ millions)



Weighted average interest rate is approx. 6.4%

- = Senior Secured Credit Facilities (term loans) = \$1.655B
- = Bonds (associated interest rate) = \$2.925B
- = W. R. Grace Settlement\*\*

# Q4 2012 Adjusted EBITDA Bridge

(\$ millions)



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