

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2000

OR

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

For the transition period from _____ to _____

Commission file number 1-12139

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

Delaware

65-0654331

(State or Other Jurisdiction of
Incorporation or Organization)

(I.R.S. Employer
Identification Number)

Park 80 East
Saddle Brook, New Jersey

07663-5291

(Address of Principal
Executive Offices)

(Zip Code)

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES NO

There were 83,639,976 shares of the registrant's common stock, par value \$0.10 per share, and 34,002,692 shares of the registrant's Series A convertible preferred stock, par value \$0.10 per share, outstanding as of April 28, 2000.

PART I
FINANCIAL INFORMATION

SEALED AIR CORPORATION AND SUBSIDIARIES
Consolidated Statements of Earnings
For the Three Months Ended March 31, 2000 and 1999
(In thousands of dollars except per share data)
(Unaudited)

	2000	1999
	-----	-----
Net sales	\$ 716,588	\$ 678,937
Cost of sales	458,599	433,239
Gross profit	257,989	245,698

Marketing, administrative and development expenses	129,758	128,614
Goodwill amortization	12,310	12,251
	-----	-----
Operating profit	115,921	104,833
Other income (expense):		
Interest expense	(13,088)	(14,719)
Other, net	(1,946)	(2,164)
	-----	-----
Other expense, net	(15,034)	(16,883)
	-----	-----
Earnings before income taxes	100,887	87,950
Income taxes	45,904	41,336
	-----	-----
Net earnings	\$ 54,983	\$ 46,614
	=====	=====
Less: Series A preferred stock dividends	17,097	17,910
Add: Excess of book value over repurchase price of Series A preferred stock	2,779	10
	-----	-----
Net earnings ascribed to common shareholders	\$ 40,665	\$ 28,714
	=====	=====
Earnings per common share (See Note 3):		
Basic	\$ 0.49	\$ 0.34
	=====	=====
Diluted	\$ 0.45	\$ 0.34
	=====	=====
Weighted average number of common shares outstanding: (000)		
Basic	83,629	83,364
	=====	=====
Diluted	84,382	83,496
	=====	=====

See accompanying notes to consolidated financial statements.

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

	March 31, 2000 (Unaudited)	December 31, 1999
ASSETS		

Current assets:		
Cash and cash equivalents	\$ 17,721	\$ 13,672
Notes and accounts receivable, net of allowances for doubtful accounts of \$21,271 in 2000 and \$21,396 in 1999	473,055	470,046
Inventories	265,675	245,934
Other current assets	74,534	73,572
	-----	-----
Total current assets	830,985	803,224
	-----	-----
Property and equipment:		
Land and buildings	425,765	426,460
Machinery and equipment	1,356,672	1,364,454
Other property and equipment	111,484	115,111
Construction in progress	50,442	40,106
	-----	-----
	1,944,363	1,946,131
Less accumulated depreciation and amortization	937,915	922,722
	-----	-----
Property and equipment, net	1,006,448	1,023,409
	-----	-----
Goodwill, less accumulated amortization of \$96,256 in 2000 and \$84,699 in 1999	1,857,843	1,859,958
Other assets	176,718	168,642
	-----	-----
Total assets	\$ 3,871,994	\$ 3,855,233
	=====	=====

See accompanying notes to consolidated financial statements.

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

	March 31, 2000 (Unaudited)	December 31, 1999
	-----	-----
LIABILITIES, CONVERTIBLE PREFERRED STOCK & SHAREHOLDERS' EQUITY		
Current Liabilities:		
Short-term borrowings	\$ 129,348	\$ 152,653
Current portion of long-term debt	6,495	6,908
Accounts payable	173,024	175,166
Other current liabilities	195,680	216,487
Income taxes payable	66,838	30,880
	-----	-----
Total current liabilities	571,385	582,094
Long-term debt, less current portion	706,902	665,116
Deferred income taxes	212,659	214,906
Other liabilities	77,881	80,425
	-----	-----
Total liabilities	1,568,827	1,542,541
	-----	-----
Authorized 50,000,000 preferred shares. Series A convertible preferred stock, \$50.00 per share redemption value, authorized 36,021,851 shares in 2000 and 1999, issued 36,015,291 shares in 2000 and 36,015,645 shares in 1999, including 1,987,149 shares in 2000 and 782,400 shares in 1999 in treasury, mandatory redemption in 2018		
	1,701,407	1,761,662
Shareholders' equity:		
Common stock, \$.10 par value. Authorized 400,000,000 shares, issued 84,153,371 shares in 2000 and 84,135,255 shares in 1999	8,415	8,413
Additional paid-in capital	636,578	632,230
Retained earnings	169,959	132,073
Accumulated translation adjustment	(168,916)	(171,521)
	-----	-----
	646,036	601,195
	-----	-----
Less: Deferred compensation	19,870	24,511
Less: Cost of treasury common stock, 495,296 shares in 2000 and 535,356 shares in 1999	22,404	23,652
Less: Minimum pension liability	2,002	2,002
	-----	-----
Total shareholders' equity	601,760	551,030
	-----	-----
Total liabilities, preferred stock and shareholders' equity	\$ 3,871,994	\$ 3,855,233
	=====	=====

See accompanying notes to consolidated financial statements.

SEALED AIR CORPORATION AND SUBSIDIARIES
Consolidated Statements of Cash Flows
For the Three Months Ended March 31, 2000 and 1999
(In thousands of dollars)
(Unaudited)

	2000	1999
	-----	-----
Cash flows from operating activities:		
Net earnings	\$ 54,983	\$ 46,614
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	55,091	55,787
Amortization of bond discount	82	--
Deferred tax provision (benefit)	2,953	(1,401)
Net loss (gain) on disposals of fixed assets	63	(292)
Changes in operating assets and liabilities, net of businesses acquired:		
Notes and accounts receivable	(12,211)	(11,368)
Inventories	(20,548)	(2,511)
Other current assets	(1,584)	33
Other assets	(922)	(1,451)
Accounts payable	1,440	(6,608)
Other current liabilities	29,812	(2,461)
Other liabilities	(773)	(3,351)
	-----	-----
Net cash provided by operating activities	108,386	72,991
	-----	-----
Cash flows from investing activities:		
Capital expenditures for property and equipment	(23,867)	(16,943)
Proceeds from sales of property and equipment	296	861
Businesses acquired in purchase transactions, net of cash acquired	(27,542)	--
	-----	-----
Net cash used in investing activities	(51,113)	(16,082)
	-----	-----
Cash flows from financing activities:		
Proceeds from long-term debt	101,221	2,753
Payment of long-term debt	(46,385)	(191,517)
Dividends paid on preferred stock	(17,791)	(17,911)
Purchase of treasury common stock	(14,145)	--
Purchase of treasury preferred stock	(57,458)	(1,240)
Proceeds from stock option exercises	233	--
(Payments of) net proceeds from short-term borrowings	(19,988)	193,181
	-----	-----
Net cash used in financing activities	(54,313)	(14,734)
	-----	-----
Effect of exchange rate changes on cash and cash equivalents	1,089	(1,881)
	-----	-----
Cash and cash equivalents:		
Increase during the period	4,049	40,294
Balance, beginning of period	13,672	44,986
	-----	-----
Balance, end of period	\$ 17,721	\$ 85,280
	=====	=====

See accompanying notes to consolidated financial statements.

SEALED AIR CORPORATION AND SUBSIDIARIES
 Consolidated Statements of Cash Flows
 For the Three Months Ended March 31, 2000 and 1999 (Continued)
 (In thousands of dollars)
 (Unaudited)

	2000	1999
	-----	-----
Supplemental Cash Flow Items:		
Interest payments, net of amounts capitalized	\$ 6,104	\$ 17,303
	=====	=====
Income tax payments	\$ 17,304	\$ 2,626
	=====	=====
Non-Cash Items:		
Issuance of shares of common stock to the profit-sharing plan	\$ 13,877	\$ 8,796
	=====	=====

See accompanying notes to consolidated financial statements.

SEALED AIR CORPORATION AND SUBSIDIARIES
 Consolidated Statements of Comprehensive Income
 For the Three Months Ended March 31, 2000 and 1999
 (In thousands of dollars)
 (Unaudited)

	Three Months Ended March 31,	
	2000	1999
Net earnings	\$ 54,983	\$ 46,614
Other comprehensive income:		
Foreign currency translation adjustments	2,605	(40,679)
	\$ 57,588	\$ 5,935
	=====	=====

See accompanying notes to consolidated financial statements.

SEALED AIR CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements
March 31, 2000 and 1999
(Amounts in thousands, except per share data)
(Unaudited)

(1) Basis of Consolidation

The consolidated financial statements include the accounts of Sealed Air Corporation and its subsidiaries (the "Company"). All significant intercompany transactions and balances have been eliminated in consolidation. In management's opinion, all adjustments (consisting only of normal recurring accruals) necessary for a fair presentation of the consolidated financial position and results of operations for the quarter ended March 31, 2000 have been made. The consolidated statement of earnings for the quarter ended March 31, 2000 is not necessarily indicative of the results to be expected for the full year.

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

(2) Equity

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

(3) Earnings Per Common Share

The following table sets forth the reconciliation of the basic and diluted earnings per common share computations for the quarters ended March 31, 2000 and 1999.

	Quarter ended March 31,	
	2000	1999
Basic EPS:		
Numerator		
- - - - -		
Net earnings	\$ 54,983	\$ 46,614
Add: Excess of book value over repurchase price of preferred stock	2,779	10
Less: Preferred stock dividends	17,097	17,910
	-----	-----
Earnings ascribed to common shareholders	\$ 40,665	\$ 28,714
	=====	=====
Denominator		
- - - - -		
Weighted average common shares outstanding - basic	83,629	83,364
	-----	-----
Basic earnings per common share(1)	\$ 0.49	\$ 0.34
	=====	=====

Diluted EPS:

Numerator

Earnings ascribed to common shareholders	\$ 40,665	\$ 28,714
Less: Excess of book value over repurchase price of preferred stock	2,779	--
Add: Dividends associated with repurchased preferred stock	71	--

Earnings ascribed to common shareholders	\$ 37,957	\$ 28,714
=====		

Denominator

Weighted average common shares outstanding - basic	83,629	83,364
Effect of assumed exercise of options	120	132
Effect of conversion of repurchased preferred stock	633	--

Weighted average common shares outstanding - diluted	84,382	83,496

Diluted earnings per common share(2)	\$ 0.45	\$ 0.34
=====		

(1) The basic earnings per common share calculation for the quarter ended March 31, 2000 includes a \$0.03 per share gain attributable to the repurchase of preferred stock. Such gain is not included in the calculation of diluted earnings per common share for the quarter ended March 31, 2000. The gain attributable to the repurchase of preferred stock was not significant in the 1999 period.

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

(4) Inventories

At March 31, 2000 and December 31, 1999, the components of inventories by major classification (raw materials, work in process and finished goods) were as follows:

	March 31, 2000	December 31, 1999

Raw materials	\$ 62,674	\$ 60,596
Work in process	46,126	43,021
Finished goods	174,516	157,341

Subtotal	283,316	260,958
Reduction of certain inventories to LIFO basis	(17,641)	(15,024)

Total inventories	\$ 265,675	\$ 245,934
=====		

(5) Income Taxes

The Company's effective income tax rates were 45.5% and 47.0% for the first quarters of 2000 and 1999, respectively. These rates are higher than the statutory U.S. federal income tax rate primarily due to the non-deductibility of goodwill amortization.

(6) Debt

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

The Company's two principal credit agreements (the "Credit Agreements") are a 5-year revolving credit facility that expires on March 30, 2003 (included in long-term debt) and a 364-day revolving credit facility that was renewed during the first quarter of 2000 for an additional period that expires on March 26, 2001 (included in short-term borrowings). During the first quarter of 2000, the Company voluntarily reduced the amounts available under the Credit Agreements to \$900,000 in the aggregate. As of March 31, 2000 and December 31, 1999, outstanding borrowings were \$214,030 and \$160,978, respectively, under the 5-year revolving credit facility and \$6,680 and \$38,342, respectively, under the 364-day revolving credit facility. The Credit Agreements provide that the Company and certain of its subsidiaries may borrow for various purposes, including the refinancing of existing debt, the provision of working capital and other general corporate needs, including acquisitions and capital expenditures. Amounts repaid under the Credit Agreements may be reborrowed from time to time. As of March 31, 2000, facility fees were payable on the total amounts available under the Credit Agreements and amounted to 0.095% and 0.100% per annum under the 5-year revolving credit facility and the 364-day revolving credit facility, respectively.

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

At March 31, 2000, the Company was party to interest rate swaps with an aggregate notional amount of approximately \$148,000 with various expiration dates through November 2004 compared to forward-starting interest rate swaps with an aggregate notional amount of approximately \$151,000 with various expiration dates through November 2004 at December 31, 1999. The interest rate swaps outstanding as of March 31, 2000 and December 31, 1999 had the effect of converting a portion of the Company's fixed rate debt to variable rate debt at U.S. denominated rates which ranged from 6.2% to 6.5% at March 31, 2000 and December 31, 1999, and euro denominated rates which ranged from 3.7% to 4.4% at March 31, 2000 and 3.8% to 4.4% at December 31, 1999.

The Credit Agreements provide for changes in borrowing margins based on financial criteria and the Company's senior unsecured debt ratings. The Credit Agreements, Senior Notes and Euro Notes impose certain limitations on the operations of the Company and certain of its subsidiaries. The Company was in compliance with these requirements as of March 31, 2000.

(7) Restructuring and Other Charges

The Company's restructuring reserve, which arose primarily out of a restructuring undertaken by the Company during the third quarter of 1998, amounted to \$3,400 at March 31, 2000 and \$4,996 at December 31, 1999. The components of the restructuring charges, spending and other activity through March 31, 2000 and the remaining reserve balance at March 31, 2000 were as follows:

	Employee Termination Costs	Plant/Office Closures	Contract Termination Costs	Total
	-----	-----	-----	-----
Restructuring provision recorded in 1998	\$ 39,848	\$ 2,291	\$ 1,150	\$ 43,289
Payments during 1998	(14,486)	(729)	(1,150)	(16,365)
	-----	-----	-----	-----
Restructuring reserve at December 31, 1998	25,362	1,562	-	26,924
Payments during 1999	(21,392)	(536)	-	(21,928)
	-----	-----	-----	-----
Restructuring reserve at December 31, 1999	3,970	1,026	-	4,996
Payments during 2000	(1,484)	(112)	-	(1,596)
	-----	-----	-----	-----
Restructuring reserve at March 31, 2000	\$ 2,486	\$ 914	\$ -	\$ 3,400
	=====	=====	=====	=====

The cash outlays include primarily severance and other personnel-related costs, costs of terminating leases, and facilities and equipment disposition costs. As of September 30, 1998, in connection with the restructuring, the Company was eliminating approximately 750 positions or approximately 5% of its workforce, of which 746 positions have been eliminated as of March 31, 2000. All restructuring actions were substantially completed as of March 31, 2000, and the remaining reserves of \$3,400 are related principally to outstanding employee severances and lease termination costs that are expected to be completed during 2000 and to a limited extent in later years.

(8) Business Segment Information

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

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

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

	Quarter Ended March 31,	
	-----	-----
	2000	1999
	-----	-----
Net Sales		
Food Packaging	\$ 429,401	\$ 419,693
Protective and Specialty Packaging	287,187	259,244
	-----	-----
Total segments	\$ 716,588	\$ 678,937
	=====	=====
Operating profit		
Food Packaging	\$ 69,407	\$ 66,904
Protective and Specialty Packaging	63,285	54,213
	-----	-----
Total segments	132,692	121,117
Corporate operating expenses (including goodwill amortization of \$12,310 and \$12,251 in 2000 and 1999, respectively)	(16,771)	(16,284)
	-----	-----

Total

\$ 115,921
=====

\$ 104,833
=====

	Quarter Ended March 31,	
	2000	1999
Depreciation and amortization		
Food Packaging	\$ 27,595	\$ 27,878
Protective and Specialty Packaging	14,738	15,385
	-----	-----
Total segments	42,333	43,263
Corporate (including goodwill amortization)	12,758	12,524
	-----	-----
Total	\$ 55,091	\$ 55,787
	=====	=====

(9) Acquisitions

During the first quarter of 2000, the Company made two small acquisitions. These transactions, which were effected in exchange for cash in the aggregate amount of approximately \$27,542, were accounted for as purchases and were not material to the Company's consolidated financial statements.

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

Results of Operations

Net sales increased 6% to \$716,588,000, compared with net sales of \$678,937,000 for the first quarter of 1999, primarily due to higher unit volume, partially offset by the negative effect of foreign currency translation.

The Company's net sales were affected by the continued weakness of foreign currencies compared with the U.S. dollar, particularly in Europe and Latin America. Excluding the negative effect of foreign currency translation, net sales would have increased 9% compared with the first quarter of 1999.

Net sales from domestic operations increased approximately 8% compared with the first quarter of 1999, primarily due to increased unit volume. Net sales from foreign operations, which represented approximately 46% and 47% of the Company's total net sales in the first quarters of 2000 and 1999, respectively, increased approximately 3% compared with the first quarter of 1999, primarily due to increased unit volume and, to a lesser extent, the added net sales of several small acquired businesses, which more than offset the negative effect of foreign currency translation.

Net sales of the Company's food packaging products segment, which consist primarily of the Company's Cryovac(R) food packaging products and Dri-Loc(R) absorbent pads, increased approximately 2% compared with the first quarter of 1999. This increase was due primarily to increased unit volume partially offset by the negative effect of foreign currency translation. Excluding the negative effect of foreign currency translation, net sales of this segment would have increased 6% compared with the first quarter of 1999.

Net sales of the Company's protective and specialty packaging segment, which consist primarily of Cryovac(R) industrial and consumer packaging, Instapak(R) chemicals and equipment, air cellular and polyethylene foam surface protection and cushioning materials and protective and durable mailers and bags, increased 11% compared with the first quarter of 1999 primarily due to higher unit volume and, to a lesser extent, the added net sales of several small acquired businesses. Excluding the negative effect of foreign currency translation, net sales of this segment would have increased 14%.

Gross profit increased to \$257,989,000 or 36.0% of net sales from \$245,698,000 or 36.2% of net sales for the first quarter of 1999. The increase in gross profit compared to the first quarter of 1999 was due primarily to the higher level of net sales. Certain higher raw material costs resulted in the decline in gross profit as a percentage of net sales compared to the first quarter of 1999.

Marketing, administrative and development expenses and goodwill amortization remained relatively flat compared to the first quarter of 1999. Such expenses declined to 19.8% of net sales compared to 20.7% for the first quarter of 1999. As in the first quarter of

1999, the Company continued to incur information system costs related to the implementation of its enterprise resource planning system.

The decrease in other expense, net, consisting primarily of interest expense, was primarily due to the lower level of debt outstanding compared to the first quarter of 1999.

The Company's effective income tax rate was 45.5% compared with 47.0% for the first quarter of 1999. These rates are higher than the Company's applicable statutory rates primarily due to the non-deductibility for tax purposes of goodwill amortization. The Company expects that its effective tax rate will remain higher than statutory rates for 2000.

As a result of the above, net earnings increased to \$54,983,000 for the first quarter of 2000 compared to \$46,614,000 for the 1999 period.

Basic and diluted earnings per common share were \$0.49 and \$0.45, respectively, compared with basic and diluted earnings per common share of \$0.34 for the first quarter of 1999. The basic earnings per common share calculation for the quarter ended March 31, 2000 includes a \$0.03 per share gain attributable to the repurchase of preferred stock. Such gain is not included in the calculation of diluted earnings per common share. The diluted earnings per common share for the quarter ended March 31, 2000 is calculated assuming the conversion of the shares of preferred stock repurchased during the period in accordance with the Financial Accounting Standards Board's Emerging Issues Task Force D-53 guidance. The effect of the conversion of the Company's outstanding convertible preferred stock is not considered in the calculation of diluted earnings per common share in the first quarters of 2000 and 1999 because it would be antidilutive.

Liquidity and Capital Resources

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

Net cash provided by operating activities increased to \$108,386,000 from \$72,991,000 in the first quarter of 1999. The increase in operating cash flows in the first quarter of 2000 was primarily due to increased net earnings and changes in operating assets and liabilities in the ordinary course of business.

Net cash used in investing activities amounted to \$51,113,000 compared to \$16,082,000 in the first quarter of 1999. The increase in the first quarter of 2000 was primarily due to \$27,542,000 of cash used for businesses acquired in the 2000 period and to a higher level of capital expenditures in the first quarter of 2000. Capital expenditures were \$23,867,000 for the first quarter of 2000 and \$16,943,000 for the 1999 period. The Company currently anticipates that capital expenditures for the full year of 2000 will be in the range of \$125,000,000 to \$150,000,000.

Net cash used in financing activities amounted to \$54,313,000 compared to \$14,734,000 in the first quarter of 1999. The increase in net cash used in financing activities in the first quarter of 2000

reflected primarily a higher level of purchases of treasury stock, offset in part by a higher level of net proceeds from borrowings.

At March 31, 2000, the Company had working capital of \$259,600,000, or 7% of total assets, compared to working capital of \$221,130,000, or 6% of total assets, at December 31, 1999. Total current assets increased primarily due to increased inventory levels. Total current liabilities decreased due primarily to a decrease in short-term borrowings arising out of the replacement of certain borrowings made under the 364-day revolving credit facility with borrowings under the 5-year revolving credit facility and a decrease in other current liabilities (which related primarily to accrued payroll) due to the timing of cash payments, partially offset by an increase in income taxes payable.

The Company's ratio of current assets to current liabilities (current ratio) was 1.5 at March 31, 2000 and 1.4 at December 31, 1999. The Company's ratio of current assets less inventory to current liabilities (quick ratio) was 1.0 at March 31, 2000 and December 31, 1999. The change in the current ratio in 2000 resulted primarily from the changes in working capital discussed above.

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

The Company's two principal Credit Agreements (the "Credit Agreements") are a 5-year revolving credit facility that expires on March 30, 2003 (included in long-term debt) and a 364-day revolving credit facility that was renewed during the first quarter of 2000 for an additional period that expires on March 26, 2001 (included in short-term borrowings). During the first quarter of 2000, the Company voluntarily reduced the amounts available under the Credit Agreements to \$900,000,000 in the aggregate. As of March 31, 2000 and December 31, 1999, outstanding borrowings were \$214,030,000 and \$160,978,000, respectively, under the 5-year revolving credit facility and \$6,680,000 and \$38,342,000, respectively, under the 364-day revolving credit facility. The Credit Agreements provide that the Company and certain of its subsidiaries may borrow for various purposes, including the refinancing of existing debt, the provision of working capital and other general corporate needs, including acquisitions and capital expenditures. Amounts repaid under the Credit Agreements may be reborrowed from time to time. As of March 31, 2000, facility fees were payable on the total amounts available under the Credit Agreements and amounted to 0.095% and 0.100% per annum under the 5-year revolving credit facility and the 364-day revolving credit facility, respectively.

The Company's obligations under the Credit Agreements bear interest at floating rates. The weighted average interest rate under the Credit Agreements was approximately 6.0% at March 31, 2000 and December 31, 1999. The Company had certain interest rate and currency swaps outstanding at March 31, 2000 and December 31, 1999, related to its obligations under the Credit Agreements. These agreements had the effect of adjusting the interest rates on a portion of such debt. The weighted average interest rate at March 31, 2000 and December

31, 1999 did not change significantly as a result of these derivative financial instruments.

At March 31, 2000, the Company was party to interest rate swaps with an aggregate notional amount of approximately \$148,000,000 with various expiration dates through November 2004 compared to forward-starting interest rate swaps with an aggregate notional amount of approximately \$151,000,000 with various expiration dates through November 2004 at December 31, 1999. The interest rate swaps outstanding as of March 31, 2000 and December 31, 1999 had the effect of converting a portion of the Company's fixed rate debt to variable rate debt at U.S. denominated rates which ranged from 6.2% to 6.5% at March 31, 2000 and December 31, 1999, and euro denominated rates which ranged from 3.7% to 4.4% at March 31, 2000 and 3.8% to 4.4% at December 31, 1999.

The Credit Agreements provide for changes in borrowing margins based on financial criteria and the Company's senior unsecured debt ratings. The Credit Agreements, Senior Notes and Euro Notes impose certain limitations on the operations of the Company and certain of its subsidiaries. The Company was in compliance with these requirements as of March 31, 2000.

At March 31, 2000, the Company had available lines of credit, including those available under the Credit Agreements, of approximately \$1.1 billion of which approximately \$800 million were unused.

The Company's shareholders' equity was \$601,760,000 at March 31, 2000 compared to \$551,030,000 at December 31, 1999. Shareholders' equity increased in the first quarter of 2000 primarily due to net earnings of \$54,983,000 partially offset by preferred stock dividends of \$17,097,000.

Other Matters

Quantitative and Qualitative Disclosures about Market Risk

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

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

Interest Rates

The Company uses interest rate swaps to manage its exposure to fluctuations in interest rates. The Company also uses interest rate collars to reduce its exposure to fluctuations in the rate of interest by limiting interest rates to a given range. At March 31, 2000, the Company had interest rate swaps that had the effect of converting a portion of the Company's fixed rate debt to variable rate debt, and an interest rate collar agreement, maturing at various dates through November 2004, with a combined aggregate notional amount of approximately \$156,000,000 compared with forward-starting interest rate swaps and an interest rate collar agreement with a combined aggregate notional amount of approximately \$159,000,000 at December 31, 1999.

At March 31, 2000, the carrying value of the Company's total debt was \$842,745,000, of which \$491,758,000 was fixed rate debt. At December 31, 1999, the carrying value of the Company's total debt was \$824,677,000 of which \$502,244,000 was fixed rate debt.

Foreign Exchange Contracts

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

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

Environmental Matters

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

which are subject to uncertainties) and/or new sites are assessed and costs can be reasonably estimated, the Company adjusts the recorded accruals, as necessary. However, the Company believes that it has adequately reserved for all probable and estimable environmental exposures.

Euro Conversion

On January 1, 1999, eleven of the fifteen members of the European Union (the "participating countries") established fixed conversion rates between their existing currencies (the "legacy currencies") and introduced the euro, a single common non-cash currency. The euro is now traded on currency exchanges and is being used in business transactions.

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

In 1998, the Company established plans to address the systems and business issues raised by the euro currency conversion. These issues include, among others, (a) the need to adapt computer, accounting and other business systems and equipment to accommodate euro-denominated transactions, (b) the need to modify banking and cash management systems in order to be able to handle payments between customers and suppliers in legacy currencies and euros between 1999 and 2002, (c) the requirement to change the base statutory and reporting currency of each subsidiary in the participating countries into euros during the transition period, (d) the foreign currency exposure changes resulting from the alignment of the legacy currencies into the euro, and (e) the identification of material contracts and sales agreements whose contractual stated currency will need to be converted into euros.

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

Although additional costs are expected to result from the implementation of the Company's plans, the Company also expects to achieve benefits in its treasury and procurement areas as a result of the elimination of the legacy currencies. Since the Company has operations in each of its business segments in the participating countries,

each of its business segments will be affected by the conversion process. However, the Company expects that the total impact of all strategic and operational issues related to the euro conversion and the cost of implementing its plans for the euro conversion will not have a material adverse impact on its consolidated financial condition, results of operations or reportable segments.

Recently Issued Statements of Financial Accounting Standards

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

Forward-Looking Statements

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

While the Company is not aware that any of the factors listed below will adversely affect the future performance of the Company, the Company recognizes that it is subject to a number of uncertainties, such as business and market conditions in Asia, Latin America and other geographic areas around the world, changes in the value of foreign currencies against the U.S. dollar, the success of certain information systems projects, general economic, business and market conditions, conditions in the industries and markets that use the Company's packaging materials and systems, the development and success of new products, the Company's success in entering new markets and acquiring new businesses, the timing of capital expenditures, competitive factors, raw material availability and pricing, changes in the Company's relationship with customers and suppliers, future litigation and claims

(including environmental matters) involving the Company, changes in domestic or foreign laws or regulations, or difficulties related to the euro conversion.

PART II

OTHER INFORMATION

Item 2. Changes in Securities and Use of Proceeds.

In March 2000, the Company issued 285,378 shares of its common stock, par value \$0.10 per share ("Common Stock"), to the Profit-Sharing Plan of the Company as part of its 1999 contribution to the Profit-Sharing Plan. The issuance of such shares to the Profit-Sharing Plan was not registered under the Securities Act of 1933, as amended (the "Securities Act"), because such transaction did not involve an "offer" or "sale" of securities under Section 2(3) of the Securities Act.

In February 2000 and August 1999, the Company issued an aggregate of 110,000 shares of Common Stock to consultants providing services to the Company. The issuances of such shares were not registered under the Securities Act because the transactions were exempt under Section 4(2) of the Securities Act as transactions by an issuer not involving any public offering.

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

(a) Exhibits

Exhibit Number	Description
10.1	Third Amendment, dated as of March 24, 2000, to Global Revolving Credit Agreement (364-Day), among the Company, certain of the Company's subsidiaries as borrowers and guarantors thereunder, ABN AMRO Bank N.V., as Administrative Agent, and certain other banks party thereto.
10.2	Consulting Agreement, dated as of February 29, 2000, between the Company and T. J. Dermot Dunphy
27	Financial Data Schedule.

(b) Reports on Form 8-K.

The Company did not file any reports on Form 8-K during the fiscal quarter ended March 31, 2000.

Signatures

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

SEALED AIR CORPORATION
(Registrant)

Date: May 12, 2000

By /s/ Jeffrey S. Warren

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

CONFORMED COPY

AMENDMENT TO GLOBAL REVOLVING CREDIT AGREEMENT (364-DAY)

The Third Amendment to Global Revolving Credit Agreement (364-Day) (the "Amendment") dated as of March 24, 2000 among Sealed Air Corporation (the "Company"), the Subsidiary Borrowers party hereto, the Subsidiary Guarantors party hereto, the Banks party hereto, and ABN AMRO Bank N.V., as Administrative Agent;

W I T N E S S E T H:

WHEREAS, the Company and the Subsidiary Borrowers, the Guarantors, the Banks and ABN AMRO Bank N.V., as Administrative Agent, have heretofore executed and delivered a Global Revolving Credit Agreement (364-Day) dated as of March 30, 1998 (as amended and extended, the "Credit Agreement"); and

WHEREAS, the parties hereto desire to further amend the Credit Agreement as provided herein;

NOW, THEREFORE, for good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree that the Credit Agreement shall be and hereby is amended as follows:

1. Sections 1.01(a)(iv)(I) and 1.01(a)(v)(I) of the Credit Agreement are each hereby amended by deleting the phrase "aggregate principal amount" wherever it occurs therein and inserting in its place the phrase "Original Dollar Amount".

2. Sections 1.01(b) and (c) of the Credit Agreement are hereby amended in their entirety and as so amended shall read as follows:

(b) Subject to and upon the terms and conditions set forth herein, ABN AMRO in its individual capacity and TD in its individual capacity each agrees (severally, not jointly) to make, at any time and from time to time on or after the Effective Date and prior to the Swingline Expiry Date, a Swingline Loan or Swingline Loans, which Swingline Loans (i) if made by ABN AMRO, shall be made to the Company and maintained in Dollars as Base Rate Loans or at a fixed rate (for a period not to exceed 30 days) as quoted by ABN AMRO and acceptable to the Company (each a "USD Offered Rate Loan") and, if made by TD, shall be made to Sealed Air (Canada) and (subject to Section 1.01(c)) maintained in Canadian Dollars as Base Rate Loans or at a fixed rate (for a period not to exceed 30 days) as quoted by TD and acceptable to the Company (each a "CAD Offered Rate Loan"), (ii) may be repaid and reborrowed in accordance with the provisions hereof, (iii) shall not exceed an Original Dollar Amount which, when

added to the sum of (I) the Original Dollar Amount of all Revolving Loans (exclusive of Revolving Loans which are repaid with the proceeds of, and simultaneously with the respective incurrence of, the Swingline Loans then being incurred) then outstanding, (II) the aggregate principal amount of all Bid Loans outstanding at such time (exclusive of Bid Loans which are repaid with the proceeds of, and simultaneously with the respective incurrence of, the Swingline Loans then being incurred), (III) the Original Dollar Amount of all Swingline Loans then outstanding (exclusive of Swingline Loans which are repaid with the proceeds of, and simultaneously with the respective incurrence of, the Swingline Loans then being incurred) and (IV) the aggregate amount of all Letter of Credit Outstandings at such time (exclusive of Unpaid Drawings which are repaid with the proceeds of, and simultaneously with the incurrence of, the Swingline Loan then being incurred), equals the Total Revolving Loan Commitment (after giving effect to any simultaneous reinstatement in the Total Revolving Loan Commitment on such date pursuant to Section 1.01(d)(i)) at such time and (iv) in the case of ABN AMRO, shall not exceed when added to the "Swingline Loans"

outstanding under the Other Credit Agreement, the Maximum Swingline Amount and, in the case of TD, shall not exceed an Original Dollar Amount of \$50,000,000. No Swingline Lender will make a Swingline Loan after it has received written notice from the Required Banks stating that a Default exists and specifically requesting that it not make any Swingline Loans, provided that the Swingline Lenders may continue making Swingline Loans at such time thereafter as the Default in question has been cured or waived in accordance with the requirements of this Agreement or the Required Banks have withdrawn the written notice described above in this sentence. In addition, no Swingline Lender shall be obligated to make any Swingline Loan at a time when a Bank Default exists unless such Swingline Lender shall have entered into arrangements satisfactory to it and the Company to eliminate such Swingline Lender's risk with respect to the Bank which is the subject of such Bank Default, including by cash collateralizing such Bank's Percentage of the outstanding Swingline Loans.

(c) On any Business Day, either Swingline Lender may, in its sole discretion, give written notice to the Banks that its outstanding Swingline Loans (the outstanding principal amount of which (after conversion to Dollars, in the case of TD, as contemplated below) shall be specified in such notice) shall be funded with a Borrowing of Revolving Loans (provided that in the case of Swingline Loans made by ABN AMRO such notice shall

be deemed to have been automatically given upon the occurrence of a Default under Section 9.05 or upon the exercise of any of the remedies provided in the last paragraph of Section 9), in which case a Borrowing of Revolving Loans constituting Base Rate Loans (each such Borrowing, a "Mandatory Borrowing") shall be made, in the case of Swingline Loans made by ABN AMRO, on the immediately succeeding Business Day and, in the case of Swingline Loans made by TD, on the second succeeding Business Day, in each case by all Banks (without giving effect to any reductions of the Commitments pursuant to the last paragraph of Section 9) pro rata based on each such Bank's Percentage (subject to the availability of Revolving Loans as provided in Section 1.01(a)(iv)), and the proceeds thereof shall be applied directly to the applicable Swingline Lender to repay such Swingline Lender for such outstanding Swingline Loans. TD shall, immediately prior to giving a notice of a Mandatory Borrowing as provided in the immediately preceding sentence, convert its outstanding Swingline Loans from Canadian Dollars to Dollars effective as of the date of the Mandatory Borrowing using the U.S. Dollar Equivalent. From and after the date of the Mandatory Borrowing all Swingline Loans made by TD for which a notice of Mandatory Borrowing has been delivered shall be denominated in Dollars and shall be Base Rate Loans. Each Bank hereby irrevocably agrees to make Revolving Loans upon the notice provided in this Section 1.01(c) pursuant to each Mandatory Borrowing in the amount and in the manner specified in the first sentence of this Section 1.01(c) and on the date specified in writing by a Swingline Lender notwithstanding (i) the amount of the Mandatory Borrowing may not comply with the minimum amount for Borrowings otherwise required hereunder, (ii) any condition specified in Section 5 may not then be satisfied, (iii) the existence of any Default, (iv) the date of such Mandatory Borrowing and (v) the amount of the Total Revolving Loan Commitment at such time. In the event that any Mandatory Borrowing cannot for any reason be made on the date otherwise required above (including, without limitation, as a result of the commencement of a proceeding under the Bankruptcy Code with respect to the Company), then each Bank hereby agrees that it shall forthwith purchase (as of the date the Mandatory Borrowing would otherwise have occurred and in the amount such Bank would have advanced under such Mandatory Borrowing, but adjusted for any payments received from the Company or Sealed Air (Canada), as applicable, on or after such date and prior to such purchase from such Swingline Lender (without recourse or warranty)) such participations in the outstanding Swingline Loans as shall be necessary to cause the Banks to share in such Swingline Loans

ratably based upon their respective Percentages, provided that (x) all interest payable on the Swingline Loans shall be for the account of the applicable Swingline Lender until the date the respective participation is required to be purchased and, to the extent attributable to the purchased participation, shall be payable to the participant from and after such date, (y) at the time any purchase of participations pursuant to this sentence is actually made, the purchasing Bank shall be required to pay the applicable Swingline Lender interest on the principal amount of participation purchased for each day from and including the day upon which the Mandatory Borrowing would otherwise have occurred to but excluding the date of payment for such participation, at the overnight Federal Funds Rate for the first three days and at the rate otherwise applicable to Revolving Loans maintained as Base Rate Loans for each day thereafter and (z) each Bank that so purchases a participation in a Swingline Loan shall thereafter be entitled to receive its pro rata share of each payment of principal received on such Swingline Loan; provided further that no Bank shall be obligated to acquire a participation in a Swingline Loan if a Default shall have occurred and be continuing at the time such Swingline Loan was made and the applicable Swingline Lender had received written notice from the Required Banks in accordance with Section 1.01(b) above prior to advancing such Swingline Loan.

3. Section 1.02(c) of the Credit Agreement is hereby amended in its entirety and as so amended shall read as follows:

(c) The aggregate principal amount of each Borrowing of the Swingline Loans shall not be less than an Original Dollar Amount of \$500,000 and, if greater, shall be in an integral multiple of 50,000 units of the relevant currency.

4. Section 1.03(b) of the Credit Agreement is hereby amended in its entirety and as so amended shall read as follows:

(b) Whenever the Company or Sealed Air (Canada) desires to incur a Swingline Loan hereunder, the Company shall give the applicable Swingline Lender (and, in instances where the Swingline Lender is TD, the Administrative Agent as well) no later than 12:00 Noon (New York time) (i) in the case of Swingline Loans to be made by ABN AMRO, on the day such Swingline Loan is to be made and (ii) in the case of Swingline Loans to be made by TD, on the date at least two (2) Business Days before the date such Swingline Loan is to be made, written notice or telephonic notice promptly confirmed in writing of such Swingline

Loan to be made hereunder. Each such notice shall be irrevocable and specify in each case (I) the date of Borrowing (which shall be a Business Day), (II) the aggregate principal amount of the Swingline Loan to be made pursuant to such Borrowing and (III) whether such Swingline Loan shall be made and maintained as a Base Rate Loan or an Offered Rate Loan. If the Swingline Loan is being requested from TD, TD shall calculate the Original Dollar Amount of the requested Swingline Loan and promptly notify the Administrative Agent of such amount (in writing or by telephone with prompt written confirmation). The Administrative Agent shall promptly notify TD (in writing or by telephone with prompt written confirmation) if such amount can be borrowed in compliance with the first sentence of Section 1.03(b).

5. Sections 1.03(c), 1.06(b)(iv), 1.09(d), 1.09(f), 1.12, and 5.02(b)(i) and the definition of "Borrowing" contained in Section 10.01 are each hereby amended by deleting the reference to "ABN AMRO" wherever it occurs therein and inserting in its place the phrase "the applicable Swingline Lender".

6. Section 1.05 of the Credit Agreement is hereby amended by (a) inserting immediately following the phrase "Swingline Loans" appearing in the third line thereof the following: "denominated in Dollars" and (b) inserting immediately following the second sentence thereof the following:

TD, unless it determines that any applicable condition in Section 5 has not been satisfied, will make available to Sealed Air (Canada) Swingline Loans denominated in Canadian Dollars at its main office in Toronto (or such other location in Canada as TD and the Company shall agree) prior to 1:00 p.m. (Toronto time) on the date such Swingline Loan is to be made.

7. Section 1.09(e) of the Credit Agreement is hereby amended by:

- (a) deleting the word "and" at the end of clause (i) thereof;
- (b) adding new clause (ii) reading in its entirety as follows:

(ii) in the case of Swingline Loans denominated in Canadian Dollars, 2% in excess of the rate otherwise applicable to Base Rate Loans of such type from time to time and

and (c) re-numbering clause (ii) as clause (iii).

8. In Section 1.14(a) of the Credit Agreement, subclause (i)(y) of the proviso is hereby amended in its entirety and as so amended shall read as follows:

(y) the applicable Swingline Lender an amount equal to such Replaced Bank's Percentage of any Mandatory Borrowings and to ABN AMRO an amount equal to such Replaced Bank's Percentage of any Unpaid Drawing (which at such time remains an Unpaid Drawing) in either case to the extent any such amount was not theretofore funded by such Replaced Bank.

9. Section 4.01(a) of the Credit Agreement is hereby amended by inserting immediately following the phrase "Administrative Agent" appearing in the fourth line thereof the following: "(and, in the case of a prepayment of Swingline Loans made by TD, TD)".

10. Section 4.02(a) of the Credit Agreement is hereby amended by inserting immediately following clause (ii) thereof a new clause (iii) as follows:

(iii) If on any date the aggregate outstanding U.S. Dollar Equivalent of the Swingline Loans made by TD exceeds \$50,000,000, TD may by notice to the Company require Sealed Air (Canada) to repay, and there shall be required to be repaid by Sealed Air (Canada), on the date specified in such notice that principal amount of such Swingline Loans in a principal amount equal to such excess.

11. Section 4.03 of the Credit Agreement is hereby amended by inserting immediately at the end thereof the following:

All payments under this Agreement in respect of CAD Swingline Loans shall be made to TD by no later than 12:00 Noon (Toronto time) on the date when due and shall be made in Canadian Dollars (or, if such Swingline Loans have been converted to Dollars pursuant to Section 1.01(c), in Dollars) in immediately available funds to such office as TD may from time to time designate in writing to the Company and Sealed Air (Canada). TD agrees to promptly notify the Administrative Agent of its receipt of any such payments.

12. The defined terms "Applicable Margin," "Base Rate," "Business Day," "Final Maturity Date," "Offered Rate Loan," "Unutilized Revolving Loan Commitment," and "U.S. Dollar Equivalent" contained in Section 10.01 of the Credit Agreement are each hereby amended in their entirety and as so amended shall read as follows:

"Applicable Margin" shall mean, for any day, the rate per annum set forth below opposite the Applicable Rating Period then in effect:

APPLICABLE RATING PERIOD	RATE
Category A Period	.475%
Category B Period	.650%
Category C Period	.750%
Category D Period	.800%
Category E Period	1.000%
Category F Period	1.500%

"Base Rate" at any time shall mean (i) for Loans denominated in Dollars, the higher of (x) the rate which is 1/2 of 1% in excess of the Federal Funds Rate and (y) the Prime Lending Rate as in effect from time to time and (ii) for Swingline Loans denominated in Canadian Dollars, the rate of interest per annum established by TD from time to time as the reference rate of interest for determination of interest rates that TD charges to customers of varying degrees of creditworthiness in Canada for Canadian Dollar loans made by TD in Canada.

"Business Day" shall mean (i) for all purposes other than as covered by clauses (ii), (iii) or (iv) below, any day except Saturday, Sunday and any day which shall be in New York City a legal holiday or a day on which banking institutions are authorized or required by law or other government action to close, (ii) with respect to all notices and determinations in connection with, and payments of principal and interest on, Eurocurrency Loans denominated in Dollars or a Eurocurrency, any day which is a Business Day described in clause (i) above and which is also a day for trading by and between banks in the London interbank Eurocurrency market, (iii) with respect to all notices and determinations in connection with, and payments of principal and interest on, Local Currency Loans or Eurocurrency Loans denominated in a Local Currency, any day which is a Business Day described in clause (i) above and on which banks and foreign exchange markets are open for business in the city where disbursements of or payments on such Loan are to be made and

(iv) with respect to all notices and determinations in connection with, and payments of principal and interest on, Swingline Loans denominated in Canadian Dollars, any day which is a Business Day described in clause (i) above and which is a day on which banking institutions are not authorized or required by law or other government action to close in Toronto, Canada.

"Final Maturity Date" shall mean March 26, 2001.

"Offered Rate Loan" shall mean any USD Offered Rate Loan and any CAD Offered Rate Loan.

"Unutilized Revolving Loan Commitment" of any Bank at any time shall mean the Revolving Loan Commitment of such Bank at such time less the sum of (i) the Original Dollar Amount of Revolving Loans made by such Bank and then outstanding and (ii) such Bank's Percentage of the Original Dollar Amount of then outstanding Swingline Loans and the Letter of Credit Outstandings at such time.

"U.S. Dollar Equivalent" means the amount of Dollars which would be realized by converting another currency into Dollars in the spot market at the exchange rate (i) in the case of all Loans denominated in a Eurocurrency or Local Currency (other than Swingline Loans denominated in Canadian Dollars), quoted by the Administrative Agent, and (ii) in the case of Swingline Loans denominated in Canadian Dollars, quoted by TD, in any case at approximately 11:00 a.m. (London time, in the case of clause (i) and Toronto time, in the case of clause (ii)) two Business Days prior to the date on which a computation thereof is required to be made, to major banks in the interbank foreign exchange market for the purchase of Dollars for such other currency.

13. Section 10.01 of the Credit Agreement is hereby further amended by
(a) deleting the defined term "Total Unutilized Revolving Loan Commitment" and
(b) inserting in proper alphabetical order the following new defined terms:

"CAD Swingline Loan" shall mean any loan or loans made by TD pursuant to Section 1.01(b).

"CAD Offered Rate Loan" shall have the meaning provided in Section 1.01(b).

"Canadian Dollars" shall mean freely transferable lawful money of Canada.

"Sealed Air (Canada)" shall mean Sealed Air (Canada) Inc. and its successors.

"Swingline Lender" shall mean ABN AMRO and TD, as applicable.

"Swingline Loan" shall mean any USD Swingline Loan or CAD Swingline Loan.

"TD" shall mean The Toronto-Dominion Bank in its individual capacity.

"USD Offered Rate Loan" shall have the meaning provided in Section 1.01(b).

"USD Swingline Loan" shall mean any loan or loans made by ABN AMRO pursuant to Section 1.01(b).

14. Clause (x) of the second proviso to Section 13.12(a) is hereby amended in its entirety and as so amended shall read as follows:

(x) without the consent of ABN AMRO, amend, modify or waive any provision of Section 2 or alter its rights or obligations with respect to Letters of Credit or without the consent of a Swingline Lender, amend, modify or waive any provision of Section 1.01(b) or (c) as it relates to such Swingline Lender or alter its rights or obligations with respect to Swingline Loans.

15. Exhibit B-4 to the Credit Agreement is hereby amended in its entirety and as so amended shall be as set forth as Exhibit B-4 to this Amendment.

16. TD is executing this Amendment solely for the purpose of becoming a Swingline Lender under the Credit Agreement, as amended hereby, and shall not have any Commitment or other obligation hereunder except as provided in those Sections of the Credit Agreement, as amended hereby, specifically referring to TD or a Swingline Lender, as applicable. Notwithstanding the foregoing, TD shall be entitled to the benefit of all provisions of the Credit Agreement, including without limitation, increased costs and indemnities, which run in favor of a Bank; provided that TD, by its execution hereof, shall be bound by the provisions of Sections 13.15(a) and 13.18 to the same extent as a Bank.

17. Subject to satisfaction of the conditions precedent contained in paragraph 18 hereof, Banks that are party to the Credit Agreement immediately prior to the Effective Time (as defined in paragraph 18) which have not executed this Amendment (each, a "non-Consenting Bank") shall cease to be a party to the Credit Agreement from and after the Effective Time. From and after the Effective Time, each non-Consenting Bank shall relinquish its rights and be released from its obligations under the Credit Agreement. Notwithstanding the foregoing, the obligations

of each Borrower and Guarantor to each non-Consenting Bank contained in the Credit Agreement which by the terms of the Credit Agreement survive the termination of the Credit Agreement, including without limitation, Sections 1.11, 1.12, 2.06, 4.04, 13.01 and 13.06, shall survive the occurrence of the Effective Time, but only as they relate to the period when such non-Consenting Bank was, or to such non-Consenting Bank's former status as, a Bank under the Credit Agreement.

Pursuant to Section 13.12(b) of the Credit Agreement the Company has requested that from and after the Effective Time the Commitments of the Banks (including the Commitments of the non-Consenting Banks) be reallocated among the Banks executing this Amendment provided that the aggregate amount of the Commitments do not exceed an amount equal to (a) the Total Commitment immediately before the effectiveness of this Amendment less (b) the aggregate Commitments of the non-Consenting Banks. Accordingly, Schedule 1.01 to the Credit Agreement is hereby amended in its entirety and as so amended shall be as set forth as Schedule 1.01 to this Amendment.

18. This Amendment shall become effective as of the opening of business on March 27, 2000 (the "Effective Time") subject to the conditions precedent that on or before such date:

(a) the Administrative Agent shall have received counterparts hereof executed by the parties hereto (or, in the case of any party as to which an executed counterpart hereof shall not have been received, receipt by the Administrative Agent in form satisfactory to it of facsimile or other written confirmation from such party of execution of a counterpart hereof by such party);

(b) the Administrative Agent shall have received (i) a certificate of the Secretary of the Company dated March 24, 2000 certifying that attached thereto is a true and complete copy of resolutions adopted by the Board of Directors of the Company, authorizing the execution, delivery and performance of this Amendment and certifying the names and true signatures of the officers of the Company authorized to sign this Amendment and (ii) such supporting documents as the Administrative Agent may reasonably request;

(c) the Administrative Agent shall have received for the account of TD a Swingline Note executed by Sealed Air (Canada); and

(d) all Loans owing to any non-Consenting Bank shall have been repaid in full, together with all interest, Facility Fee, and all other fees and expenses that are accrued but unpaid to March 27, 2000 and payable to each non-Consenting Bank under the terms of the Credit Agreement (or the Administrative Agent shall have received assurance satisfactory to it that arrangements

for the necessary transfers of funds by the Borrowers have been made and are in process).

If this Amendment becomes effective, the changes in the Applicable Margin shall take effect with respect to any Loans or Letters of Credit outstanding on March 27, 2000 and on each day thereafter, but any payment of interest or Letter of Credit Fees due on or after March 27, 2000 with respect to Loans or Letters of Credit outstanding prior thereto shall be computed on the basis of the Applicable Margin in effect prior to such effectiveness.

19.1. To induce the Administrative Agent, the Banks and TD to enter into this Amendment, each Borrower and Guarantor represents and warrants to the Administrative Agent, the Banks and TD that: (a) the representations and warranties contained in the Credit Documents, as amended by this Amendment (other than Section 6.05 of the Credit Agreement), are true and correct in all material respects as of the date hereof with the same effect as though made on the date hereof (it being understood and agreed that any representation or warranty which by its terms is made as of a specified date shall be required to be true and correct in all material respects only as of such specified date); (b) after giving effect to this Amendment, no Default exists; (c) this Amendment has been duly authorized by all necessary corporate proceedings and duly executed and delivered by each Borrower and each Guarantor, and the Credit Agreement, as amended by this Amendment, and each of the other Credit Documents are the legal, valid and binding obligations of the applicable Borrower or Guarantor, enforceable against such Borrower or Guarantor in accordance with their respective terms, except as enforceability may be limited by bankruptcy, insolvency or other similar laws of general application affecting the enforcement of creditors' rights or by general principles of equity; and (d) no consent, approval, authorization, order, registration or qualification with any governmental authority is required for, and in the absence of which would adversely effect, the legal and valid execution and delivery or performance by any Borrower or any Guarantor of this Amendment or the performance by any Borrower or any Guarantor of the Credit Agreement, as amended by this Amendment, or any other Credit Document to which they are party.

19.2. This Amendment may be executed in any number of counterparts and by the different parties on separate counterparts and each such counterpart shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Amendment.

19.3. Except as specifically provided above, the Credit Agreement and the other Credit Documents shall remain in full force and effect and are hereby ratified and confirmed in all respects. The execution, delivery, and effectiveness of this Amendment shall not, except as expressly provided herein, operate as a waiver of any right, power, or remedy of the Agent or any Bank under the Credit Agreement or any of the other Credit Documents, nor constitute a waiver or modification of any provision of any of the other Credit Documents.

19.4. This Amendment and the rights and obligations of the parties hereunder shall be construed in accordance with and be governed by the law of the State of New York.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers thereunto duly authorized as of the day and year first above written.

SEALED AIR CORPORATION, as
Borrower and Guarantor

By /s/ Daniel S. Van Riper

Title Senior VP & Chief
Financial Officer

SEALED AIR CORPORATION (US),
as Borrower and Guarantor

By /s/ Daniel S. Van Riper

Title Senior VP & Chief
Financial Officer

CRYOVAC, INC., as Borrower and
Guarantor

By /s/ Daniel S. Van Riper

Title Senior VP & Chief
Financial Officer

SEALED AIR LIMITED (f/k/a Cryovac UK Limited), as Borrower

By /s/ H. Katherine White

Title Director

CRYOVAC AG, as Borrower

By /s/ H. Katherine White

Title Director

CRYOVAC S.P.A., as Borrower

By /s/ H. Katherine White

Title Director

CRYOVAC AUSTRALIA PTY. LIMITED, as
Borrower

By /s/ H. Katherine White

Title Director

SEALED AIR S.A., as Borrower

By /s/ H. Katherine White

Title Director

SEALED AIR PACKAGING
LIMITED (f/k/a Sealed Air
Limited), as Borrower

By /s/ William V. Hickey

Title Director

CRYOVAC VERPACKUNGEN
GMBH, as Borrower

By /s/ Hans-Otto Bosse

Title Managing Director

SEALED AIR (CANADA) INC., as
Borrower

By /s/ A. Schmidt

Title Treasurer/Director

SEALED AIR HOLDINGS (NEW
ZEALAND) LIMITED (f/k/a Sealed
Air (NZ) Limited), as Borrower

By /s/ H. Katherine White

Title Director

SEALED AIR (NEW ZEALAND)
LIMITED (f/k/a Cryovac (New
Zealand) Limited, as Borrower

By /s/ H. Katherine White

Title Director

SEALED AIR AUSTRALIA PTY
LIMITED, as Borrower

By /s/ H. Katherine White

Title Director

SEALED AIR B.V., as Borrower

By /s/ Daniel S. Van Riper

Title Director

SEALED AIR FINANCE II B.V., as
Borrower

By /s/ H. Katherine White

Title Director

SEALED AIR AFRICA (PROPRIETARY) LTD
(f/k/a Cryovac Africa (Pty) Ltd), as
Borrower

By /s/ H. Katherine White

Title Director

SEALED AIR ARGENTINA S.A., as Borrower

By /s/ Wilfred Roberts

Title President

ABN AMRO BANK N.V., individually
and as Administrative Agent

By /s/ John W. Deegan

Title Group Vice President

By /s/ Pauline McHugh

Title Group Vice President

[SIGNATURE PAGE TO THE
THIRD AMENDMENT]

THE TORONTO-DOMINION BANK, as a
Swingline Lender

By /s/ Carol MacLaren

Title Assistant Manager
Credit Compliance Group (CCG)

[SIGNATURE PAGE TO THE
THIRD AMENDMENT]

BANK OF AMERICA, N.A. (f/k/a Bank of
America National Trust and Savings
Association)

By /s/ Eileen C. Higgins

Title Vice President

[SIGNATURE PAGE TO THE
THIRD AMENDMENT]

DEUTSCHE BANK AG NEW YORK
BRANCH AND/OR CAYMAN ISLANDS
BRANCH

By /s/ Peter Ludwig Schrickel

Title Director

By /s/ Stephanie Strohe

Title Associate

[SIGNATURE PAGE TO THE
THIRD AMENDMENT]

BANCA NAZIONALE DEL LAVORO S.P.A.
-- NEW YORK BRANCH

By /s/ Giulio Giovine

Title Vice President

By /s/ Leonardo Valentini

Title First Vice President

[SIGNATURE PAGE TO THE
THIRD AMENDMENT]

THE BANK OF NEW YORK

By /s/ Ernest Fung

Title Vice President

[SIGNATURE PAGE TO THE
THIRD AMENDMENT]

THE BANK OF NOVA SCOTIA

By /s/ B.S. Allen

Title Managing Director

[SIGNATURE PAGE TO THE
THIRD AMENDMENT]

CITIBANK, N.A.

By /s/ Prakash M. Chonkar

Title Managing Director

[SIGNATURE PAGE TO THE
THIRD AMENDMENT]

COMMERZBANK AG NEW YORK AND
GRAND CAYMAN BRANCHES

By /s/ Robert Donohue

Title Senior Vice President

By /s/ Peter Doyle

Title Assistant Vice President

[SIGNATURE PAGE TO THE
THIRD AMENDMENT]

CREDIT AGRICOLE INDOSUEZ

By /s/ Craig Welch

Title First Vice President

By /s/ Sara McClintock

Title Vice President

[SIGNATURE PAGE TO THE
THIRD AMENDMENT]

CREDIT LYONNAIS NEW YORK BRANCH

By /s/ Scott R. Chappelka

Title Vice President

[SIGNATURE PAGE TO THE
THIRD AMENDMENT]

FIRST UNION NATIONAL BANK

By /s/ Susan A. Gallagher

Title Vice President

[SIGNATURE PAGE TO THE
THIRD AMENDMENT]

FLEET NATIONAL BANK

By /s/ Janet G. O'Donnell

Title Managing Director

[SIGNATURE PAGE TO THE
THIRD AMENDMENT]

HSBC BANK USA

By /s/ Diane M. Zieske

Title Vice President

[SIGNATURE PAGE TO THE
THIRD AMENDMENT]

SUMMIT BANK

By /s/ Edward M. Tessalone

Title Senior Vice President

[SIGNATURE PAGE TO THE
THIRD AMENDMENT]

SUNTRUST BANK

By /s/ W. David Wisdom

Title Vice President

[SIGNATURE PAGE TO THE
THIRD AMENDMENT]

TORONTO DOMINION (TEXAS) INC.

By /s/ Carol Brandt

Title Vice President

[SIGNATURE PAGE TO THE
THIRD AMENDMENT]

WACHOVIA BANK N.A.

By /s/ M. Eugene Wood, III

Title Senior Vice President

[SIGNATURE PAGE TO THE
THIRD AMENDMENT]

BANCA DI ROMA

By /s/ Steven N. Paley

Title First Vice President

By /s/ Alessandro Paoli

Title Assistant Treasurer

[SIGNATURE PAGE TO THE
THIRD AMENDMENT]

BANCA COMMERCIALE ITALIANA
NEW YORK BRANCH

By /s/ J. Dickerhof

Title Vice President

By /s/ C. Dougherty

Title Vice President

[SIGNATURE PAGE TO THE
THIRD AMENDMENT]

BANK ONE, NA

By /s/ Jeffrey S. Lubatkin

Title Vice President

[SIGNATURE PAGE TO THE
THIRD AMENDMENT]

BANQUE NATIONALE DE PARIS

By /s/ Richard L. Sted

Title Senior Vice President

By /s/ Richard Pace

Title Corporate Banking Divisior

[SIGNATURE PAGE TO THE
THIRD AMENDMENT]

CREDIT INDUSTRIEL ET COMMERCIAL

By /s/ Eric Longuet

Title Vice President

By /s/ Albert Calo

Title Vice President

[SIGNATURE PAGE TO THE
THIRD AMENDMENT]

KBC BANK N.V.

By /s/ Robert Snauffer

Title First Vice President

By /s/ Wei-Chun Wang

Title Associate

[SIGNATURE PAGE TO THE
THIRD AMENDMENT]

BANCA MONTE DEI PASCHI DI SIENA S.P.A.

By /s/ Giulio Natalicchi

Title Senior Vice President &
General Manager

By /s/ Brian R. Landy

Title Vice President

[SIGNATURE PAGE TO THE
THIRD AMENDMENT]

THE BANK OF TOKYO-MITSUBISHI, LTD.

By /s/ William DiNicola

Title Attorney-in-Fact

[SIGNATURE PAGE TO THE
THIRD AMENDMENT]

CARIPLLO-CASSA DI RISPARMIO DELLE
PROVINCIE LOMBARDE SPA

By /s/ Maria Elena Greene

Title Assistant Vice President

By /s/ Anthony F. Giobbi

Title First Vice President

[SIGNATURE PAGE TO THE
THIRD AMENDMENT]

MELLON BANK, N.A.

By /s/ Maria N. Sisto

Title Vice President

[SIGNATURE PAGE TO THE
THIRD AMENDMENT]

NORDDEUTSCHE LANDESBANK
GIROZENTRALE

By /s/ Stephanie Finnen

Title Vice President

By /s/ Josef Haas

Title Vice President

[SIGNATURE PAGE TO THE
THIRD AMENDMENT]

THE NORTHERN TRUST COMPANY

By /s/ Kelly M. Schneck

Title Officer

[SIGNATURE PAGE TO THE
THIRD AMENDMENT]

SANPAOLO IMI S.P.A.

By /s/ Luca Sacchi

Title Vice President

By /s/ Carlo Persico

Title Deputy General Manager

[SIGNATURE PAGE TO THE
THIRD AMENDMENT]

UNI CREDITO ITALIANO S.P.A.

By /s/ Christopher J. Eldin

Title First Vice President
& Deputy Manager

By /s/ Saiyed S. Abbas

Title Vice President

[SIGNATURE PAGE TO THE
THIRD AMENDMENT]

SCHEDULE 1.01

COMMITMENTS

BANK NAME	COMMITMENT
ABN AMRO Bank N.V.	\$18,750,000
Bank of America, N.A.	\$18,750,000
Deutsche Bank AG New York Branch and/or Cayman Islands Branch	\$18,750,000
Banca Nazionale del Lavoro S.p.A. -- New York Branch	\$14,375,000
The Bank of New York	\$14,375,000
The Bank of Nova Scotia	\$14,375,000
Citibank, N.A.	\$14,375,000
Commerzbank AG New York and Grand Cayman Branches	\$14,375,000
Credit Agricole Indosuez	\$14,375,000
Credit Lyonnais New York Branch	\$14,375,000
First Union National Bank	\$14,375,000
Fleet National Bank	\$14,375,000
HSBC Bank USA	\$14,375,000
Summit Bank	\$14,375,000
SunTrust Bank	\$14,375,000
The Toronto Dominion (Texas) Inc.	\$14,375,000
Wachovia Bank N.A.	\$14,375,000
Banca di Roma	\$11,250,000
Banca Commerciale Italiana	\$11,250,000
Bank One, NA	\$11,250,000
Banque Nationale de Paris	\$11,250,000
Credit Industriel et Commercial	\$11,250,000
KBC Bank N.V.	\$11,250,000
Banca Monte dei Paschi di Siena S.p.A.	\$6,250,000
The Bank of Tokyo-Mitsubishi, Ltd.	\$6,250,000
Cariplo-Cassa di Risparmio delle Provincie Lombarde SpA	\$6,250,000
Mellon Bank, N.A.	\$6,250,000
Norddeutsche Landesbank Girozentrale	\$6,250,000
The Northern Trust Company	\$6,250,000
Sanpaolo Imi S.p.A.	\$6,250,000
UNI Credito Italiano S.p.A.	\$6,250,000

EXHIBIT B-4

SWINGLINE NOTE

-----, -----
-----, ----
FOR VALUE RECEIVED, _____, a corporation organized and existing under the laws of _____ (the "Company"), hereby promises to pay to _____ or its registered assigns (the "Bank"), in lawful money of the United States of America in immediately available funds, at the office of _____, on the Final Maturity Date (as defined in the Agreement referred to below) the unpaid principal amount of all Swingline Loans (as defined in the Agreement) made by the Bank to the Company pursuant to the Agreement.

The Company promises also to pay interest on the unpaid principal amount hereof in like money at said office from the date hereof until paid at the rates and at the times provided in Section 1.09 of the Agreement.

This Note is one of the Swingline Notes referred to in the Global Revolving Credit Agreement (364-Day), dated as of March 30, 1998, among the Company, Cryovac, Inc., as the initial Subsidiary Borrower, and each additional Subsidiary Borrower (as defined in the Agreement), the Company and certain Domestic Subsidiaries, as Guarantors, the lenders party thereto (including the Bank) and ABN AMRO Bank N.V. as Administrative Agent, (as from time to time in effect, the "Agreement") and is entitled to the benefits thereof and the other Credit Documents (as defined in the Agreement). This Note is entitled to the benefits of the Guaranty (as defined in the Agreement). As provided in the Agreement, this Note is subject to voluntary prepayment and mandatory repayment, in whole or in part, prior to the Swingline Expiry Date.

In case an Event of Default (as defined in the Agreement) shall occur and be continuing, the principal of and accrued interest on this Note may be declared to be due and payable in the manner and with the effect provided in the Agreement.

The Company hereby waives presentment, demand, protest or notice of any kind in connection with this Note.

THIS NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK.

By
Name:
Title:

CONSULTING AGREEMENT

AGREEMENT dated February 29, 2000 between SEALED AIR CORPORATION, a Delaware corporation, ("Sealed Air"), and T. J. DERMOT DUNPHY, an individual (the "Consultant").

RECITALS

The Consultant will retire from the position of Chief Executive Officer and from employment with Sealed Air on February 29, 2000. Thereafter, Sealed Air wishes to retain the Consultant to provide consulting services to Sealed Air on the terms and conditions set forth below, and the Consultant wishes to provide such services on such terms and conditions.

NOW, THEREFORE, the parties agree as follows:

Section 1. Retention and Term. Sealed Air agrees to retain the Consultant as a consultant, and the Consultant agrees to provide the services set forth in this Agreement during the term hereof. The term of this Agreement shall commence on March 1, 2000 and continue through February 28, 2003 (the "Term"), unless terminated earlier as provided in Section 4.

Section 2. Nature of Duties. The Consultant shall serve as a consultant to the Chief Executive Officer of Sealed Air on projects as mutually agreed by the Chief Executive Officer and the Consultant.

Section 3. Compensation and Reimbursement of Expenses.

(a) Consulting Fees. In consideration for the services to be rendered by the Consultant hereunder, Sealed Air shall transfer to the Consultant from Sealed Air's treasury 60,000 shares (the "Shares") of Sealed Air's common stock, par value \$0.10 per share ("Common Stock"), which shares shall be transferred subject to the option, restrictions and conditions set forth in Section 7 below. Sealed Air will deliver a certificate representing the Shares promptly after execution of this Agreement.

(b) Reimbursement of Expenses. Sealed Air shall reimburse the Consultant for all reasonable out-of-pocket expenses incurred by the Consultant in providing consulting services.

Section 4. Termination. The term of the Consultant's retention as a consultant under this Agreement shall terminate prior to the end of the Term, upon (i) the death of the Consultant, (ii) written notice of termination by Sealed Air upon disability of the Consultant that prevents the Consultant from providing the services required under this Agreement for a period of at least 90 days; (iii) upon the expiration of the restrictions of Section 4(c) provided for in the Restricted Stock Plan for Non-Employee Directors of Sealed Air Corporation due to a "Change in Control" under such Plan; or (iv) written notice of termination by Sealed Air to Consultant for cause, which includes dishonesty or fraudulent conduct, breach of fiduciary duty, or material

breach by the Consultant of his obligations under this Agreement. If there should be a dispute whether the Consultant is disabled, the reasonable decision of Sealed Air's Board of Directors on that issue shall be final.

Section 5. Certain Agreements.

(a) Confidential Information. The Consultant agrees that, while retained pursuant to this Agreement and permanently thereafter, the Consultant shall not directly or indirectly use for any purpose (except to provide services to Sealed Air under this Agreement or as a director of Sealed Air), or disclose or permit to be disclosed to any person, any Confidential Information, other than as specifically requested by Sealed Air in writing. For purposes of this Agreement, the term "Confidential Information" shall mean any nonpublic information relating to Sealed Air or any of its subsidiaries or affiliates or the business, operations, financial affairs, performance, assets, technology, processes, products, contracts, customers, licensees, sublicensees, suppliers,

personnel, plans or prospects of any of them, whether or not in written form and whether or not expressly designated as confidential, including without limitation any such information consisting of or otherwise relating to trade secrets, know-how, technology, designs, drawings, processes, license or sublicense arrangements, formulae, proposals, customer lists or preferences, pricing lists, referral sources, marketing or sales techniques or plans, operations manuals, service manuals, financial information or projections, lists of suppliers or distributors or sources of supply. Without limiting the foregoing, the Consultant also will comply with Sealed Air's current Trade Secret Policy and with any amendment in such Policy in effect from time to time during the Term.

(b) Property of Sealed Air. All records, files, drawings, documents, computer software and disks, and other written or recorded information relating to the business of Sealed Air or any of Sealed Air's subsidiaries or affiliates possessed by or to which the Consultant has access in the course of his retention, whether prepared by the Consultant or otherwise, and all equipment and other assets purchased or provided to the Consultant by Sealed Air shall remain the exclusive property of Sealed Air and shall be returned to Sealed Air upon the expiration or earlier termination of the Term and at Sealed Air's request at any other time.

(c) Rights. The Consultant represents, warrants and covenants for the benefit of Sealed Air that all inventions, discoveries, works subject to copyright, techniques, systems, methods, processes, improvements, developments, enhancements, modifications and other proprietary or intangible rights or information (collectively, "Rights") that Consultant may, either solely or jointly with others and whether or not during the Consultant's working hours, acquire, discover, invent, originate, make, conceive or have rights to with respect to any project relating to his services performed for Sealed Air, shall be the sole property of Sealed Air. The Consultant shall disclose to Sealed Air all such Rights conceived prior to or during the term of his retention hereunder and for a period of one (1) year thereafter. In particular, the Consultant agrees that all written material prepared in connection with the services provided hereunder shall be considered work for hire as defined in the U.S. Copyright Act of 1976, as amended, 17 U.S.C. ss. 101 et seq., and any copyright mark shall be in the name of Sealed Air. The Consultant further

covenants and agrees that he will, at the request of Sealed Air, promptly execute such assignments, applications and other documents and provide such assistance as Sealed Air may reasonably request in order to vest title to such Rights in Sealed Air or its designee and to enable it to obtain, maintain and enforce its exclusive right, title and interest in and to such Rights throughout the world.

(d) Non-Competition. During the term of this Consulting Agreement and for two years following the end of such term, the Consultant shall not, without the written consent of the Chief Executive Officer of Sealed Air, (i) either directly or indirectly compete with or in any way engage his talents for the benefit of a competitor of Sealed Air 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 that competes with any of the products manufactured, sold or under development by Sealed Air during the Consultant's employment with or retention as a consultant by Sealed Air. The Consultant acknowledges and represents that his background and experience adequately qualify him to engage in other profitable lines of endeavor and that he will not be subject to undue hardship by reason of this non-competition commitment.

(e) Survival of Agreements. The agreements contained or referred to in this Section 5 shall survive the termination or expiration of the Consultant's retention with Sealed Air. No such termination or expiration shall in any event discharge or extinguish any claims or rights of either party with respect to any breach or default of this Agreement prior to the date of any such termination.

Section 6. Additional Representations and Agreements

(a) The Consultant represents and agrees that (a) he has had access by reason of his service as Chief Executive Officer and Chairman of the Board of Directors to sufficient information concerning Sealed Air to enable him to evaluate the merits and risks of the acquisition of the Shares under this Agreement, (b) he has such knowledge and experience in financial and business matters that he is capable of evaluating such acquisition, (c) it is his intention to acquire and hold the Shares for investment and not for the resale or distribution thereof, (d) he will comply with the Securities Act of 1933, as amended (the "Securities Act"), and the Securities Exchange Act of 1934, as amended (the "Securities Exchange Act"), and (e) he will indemnify Sealed Air for any costs, liabilities and expenses that it may sustain because of any violation of the Securities Act or the Securities Exchange Act due to any act or omission on his part with respect to the Shares.

(b) The Shares may not be sold, transferred or otherwise disposed of unless either (i) the Shares shall have been registered by Sealed Air under the Securities Act; (ii) Sealed Air shall have received either a "no action" letter from the Securities and Exchange Commission or an opinion of counsel acceptable to Sealed Air to the effect that such sale, transfer or disposition may be made without such registration, or (iii) such sale, transfer or disposition is made under

Rule 144 under the Securities Act, and Sealed Air shall have received such documentation related thereto as counsel to Sealed Air deems acceptable.

(c) The Consultant agrees that Sealed Air may require that any certificate evidencing the Shares bear a restrictive legend and be subject to stop-transfer orders or other actions intended to ensure compliance with the Securities Act or any other applicable regulatory measures.

Section 7. Sealed Air's Right to Reacquire the Shares.

(a) Option to Reacquire. During the Term, the Shares shall be subject to an option (the "Option") in favor of Sealed Air to reacquire the Shares. Neither the Shares nor any interest in such Shares may be sold, transferred or encumbered until the Option to reacquire such Shares may no longer become exercisable. The Option shall cease to be exercisable as to all Shares at the end of the Term or upon the earlier termination of this Agreement under subsections (i), (ii) or (iii) of Section 4. The Option shall become exercisable only if (i) this Agreement should be terminated under subsection (iv) of Section 4 or (ii) the Consultant should materially breach his obligations under this Agreement. If Sealed Air notifies the Consultant that Sealed Air intends to exercise the Option, then the Consultant will deliver the certificates representing the Shares to Sealed Air within 30 days following written notice of exercise by Sealed Air. The Consultant shall not be entitled to be paid any cash or other consideration upon or in connection with the reacquisition of Shares upon Sealed Air's exercise of the Option.

(b) Legending of Certificates. Every certificate representing Shares issued pursuant to this Agreement shall, so long as the Option remains exercisable, bear a legend in substantially the following form and shall have in effect a stop-transfer order with respect thereto:

This certificate and the shares represented hereby are held subject to the terms of an agreement between T. J. Dermot Dunphy and Sealed Air Corporation pursuant to which these shares are subject to an option in favor of Sealed Air Corporation to reacquire such shares upon the occurrence of certain events and pursuant to which neither these shares nor any interest therein may be sold, transferred or encumbered until the expiration of such option. If such option is exercised, the holder of the shares represented by this certificate will have no further rights with respect to such shares, and this certificate will be deemed void. A copy of such Agreement is available for inspection at the executive offices of Sealed Air Corporation.

Upon expiration of the Option, the Consultant may surrender to Sealed Air the certificate or certificates representing such Shares in exchange for a new certificate or certificates, free of the above legend.

(c) Adjustments. In the event of changes in the Common Stock after the date of this Agreement by reason of any stock dividend, split-up, combination of shares, reclassification,

recapitalization, merger, consolidation, reorganization or liquidation (i) the terms and conditions of this Agreement shall apply to any securities issued in connection with any such change with respect to the Shares and (ii) appropriate adjustments shall be made as to the securities to be delivered upon the exercise of the Option.

Section 8. Equitable Remedies, Etc. The Consultant acknowledges that the provisions of Section 5 of this Agreement are reasonably necessary to protect the legitimate business interests of Sealed Air and that any violation of any of such provision will result in irreparable injury to Sealed Air for which damages will not be an adequate remedy. The Consultant therefore agrees that, if he violates or threatens to violate any of such provisions, in addition to any compensatory, punitive or other damages that Sealed Air shall be entitled to recover, Sealed Air shall be entitled to preliminary and injunctive relief and any other available equitable remedies in connection with such violation or threatened violation. The prevailing party shall be entitled to recover from the other party the costs of obtaining legal or equitable relief, including reasonable attorneys' fees, upon breach of any provision of this Agreement.

Section 9. Contingent Stock Awards. On August 14, 1997 and April 2, 1998 the Consultant was awarded 60,000 and 80,000 shares, respectively, of Common Stock under the Contingent Stock Plan of Sealed Air Corporation that remain subject to Sealed Air's option to repurchase such shares should his employment end before October 13, 2000 and June 1, 2001, respectively. The Organization and Compensation Committee of Sealed Air's Board of Directors has agreed to waive the exercise of such option upon the termination of his employment on February 29, 2000, on the condition that such option shall remain exercisable as to each award during the remainder of its respective option period as provided under such Plan if his service as a consultant to and a director of Sealed Air should cease during that time other than as a result of the Consultant's death or permanent and total disability, and the Consultant agrees to such continued option.

Section 10. Severability. Each provision of this Agreement is separable from every other provision of this Agreement, and each part of each provision of this Agreement is separable from every other part of such provision. If the scope or enforceability of this Agreement is in any way disputed at any time, a court or other trier of fact may modify and enforce the provisions hereof to the extent it believes to be reasonable under the circumstances existing at such time.

Section 11. Consultant Status. The Consultant is an independent contractor and shall not be deemed by virtue of this Agreement to be an employee of Sealed Air or to be entitled to receive any compensation as an employee or to participate in any employee benefit program except for such as are expressly provided for in this Agreement, provided, that this shall not affect his eligibility for compensation or benefits as a retired employee, a director or Chairman of the Board of Directors.

Section 12. Notices. All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given when personally delivered or when placed

in the mails and forwarded by registered or certified mail, return receipt requested, postage prepaid, or transmitted by facsimile or similar means of electronic communication, addressed to the party to whom such notice is being given as follows or at such other address as either party may designate by notice to the other:

If to Sealed Air, to: Sealed Air Corporation
Park 80 East
Saddle Brook NJ 07663
Attention: Chief Executive Officer
Fax: (201) 703-4171

with a copy to: Sealed Air Corporation
Park 80 East
Saddle Brook, NJ 07663
Attention: General Counsel
Fax: (201) 703-4113

If to the Consultant, to: T. J. Dermot Dunphy
P. O. Box 669
Far Hills, NJ 07931
Fax: (908) 234-0193

Section 13. Assignment. This Agreement may not be assigned by either party except with the prior written consent of the other party.

Section 14. Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Delaware.

Section 15. Complete Agreement. This Agreement constitutes the entire agreement between the parties concerning the provision of consulting services by the Consultant to Sealed Air and supersedes all prior agreements and understandings among the parties with respect to such services.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement pursuant to due authorization on the date first set forth above.

SEALED AIR CORPORATION

s/ T. J. Dermot Dunphy

T. J. DERMOT DUNPHY

By: s/ William V. Hickey

Name: William V. Hickey
Title: President

The schedule contains summary information extracted from the consolidated statement of earnings for the three months ended March 31, 2000 and the consolidated balance sheet at March 31, 2000 and is qualified in its entirety by reference to such financial statements.

1012100
SEALED AIR CORPORATION
1
US DOLLARS

	3-MOS	
	DEC-31-2000	
	MAR-31-2000	
	1	
	17,721,000	
	0	
	494,326,000	
	21,271,000	
	265,675,000	
	830,985,000	
	1,944,363,000	
	937,915,000	
	3,871,994,000	
571,385,000		
	706,902,000	
1,701,407,000		
	0	
	8,415,000	
	593,345,000	
3,871,994,000		
	716,588,000	
	716,588,000	
	458,599,000	
	458,599,000	
	142,068,000	
	0	
	13,088,000	
	100,887,000	
	45,904,000	
54,983,000		
	0	
	0	
	0	
	54,983,000	
	0.49	
	0.45	