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, 1999

OR

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

For the transition period from ________to_______

Commission file number 1-12139

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

Delaware	65-0654331
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification Number)
Park 80 East Saddle Brook, New Jersey	07663-5291
(Address of Principal Executive Offices)	(Zip Code)

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES X   NO

There were 83,500,810 shares of the registrant's common stock, par value $0.10 per share, and 35,761,616 shares of the registrant's Series A convertible preferred stock, par value $0.10 per share, outstanding as of April 30, 1999.

PART I
FINANCIAL INFORMATION

SEALED AIR CORPORATION AND SUBSIDIARIES
Consolidated Statements of Earnings
For the Three Months Ended March 31, 1999 and 1998
(In thousands of dollars except per share data)
(Unaudited)

	1999	1998
Net sales	$678,937	$431,035
Cost of sales	433,239	290,913

Gross profit	245,698	140,122
Marketing, administrative and development expenses	128,614	94,453
Goodwill amortization	12,251	90
Operating profit	104,833	45,579
Other income (expense):		
Interest expense	(14,719)	(82)
Other, net	(2,164)	(411)
Other expense, net	(16,883)	(493)
Earnings before income taxes	87,950	45,086
Income taxes	41,336	18,034
Net earnings	$ 46,614	$ 27,052
Less: Series A preferred stock dividends	17,910	18,011
Add: Excess of book value over repurchase price of Series A preferred stock	10	--
Net earnings ascribed to common shareholders	$ 28,714	$ 9,041
Earnings per common share (See Note 4):		
Basic	$ 0.34	$ 0.22
Diluted	$ 0.34	$ 0.22
Weighted average number of common shares outstanding:		
Basic	83,364	40,648
Diluted	83,496	40,859

See accompanying notes to consolidated financial statements.

SEALED AIR CORPORATION
Consolidated Balance Sheets
March 31, 1999 and December 31, 1998
(In thousands of dollars except share data)

	March 31, 1999 (Unaudited)	December 31, 1998
ASSETS		
Current assets:		
Cash and cash equivalents	$ 85,280	$ 44,986
Notes and accounts receivable, net of allowances for doubtful accounts of $19,079 in 1999 and $17,945 in 1998	449,204	453,124
Inventories	269,504	275,312
Other current assets	71,626	71,192
Total current assets	875,614	844,614
Property and equipment:		
Land and buildings	413,251	420,589
Machinery and equipment	1,320,206	1,349,716
Other property and equipment	117,940	121,252
Construction in progress	55,415	54,538
	1,906,812	1,946,095
Less accumulated depreciation and amortization	836,003	829,513
Property and equipment, net	1,070,809	1,116,582
Goodwill, less accumulated amortization of $48,059 in 1999 and $36,083 in 1998	1,894,863	1,907,736
Other assets	177,334	170,998
Total assets	$4,018,620	$4,039,930

See accompanying notes to consolidated financial statements.

SEALED AIR CORPORATION
Consolidated Balance Sheets
March 31, 1999 and December 31, 1998 (Continued)
(In thousands of dollars except share data)

	March 31, 1999 (Unaudited)	December 31, 1998
LIABILITIES, CONVERTIBLE PREFERRED STOCK & EQUITY		
Current Liabilities:		
Short-term borrowings and current portion of long-term debt	$ 278,857	$ 85,131
Accounts payable	167,089	176,594
Other current liabilities	199,908	230,332
Income taxes payable	57,421	42,933
Total current liabilities	703,275	534,990
Long-term debt, less current portion	805,827	996,526
Deferred income taxes	207,047	200,699
Other liabilities	74,749	79,577
Total liabilities	1,790,898	1,811,792
Series A convertible preferred stock, $50 per share redemption value, authorized and issued 36,019,125 shares in 1999 and 36,021,851 shares in 1998, including 225,000 shares in 1999 and 200,000 shares in 1998 in treasury, mandatory redemption in 2018	1,789,707	1,791,093
Shareholders' equity:		
Common stock, $.10 par value. Authorized 400,000,000 shares, issued 83,817,951 shares in 1999 and 83,806,361 shares in 1998	8,380	8,380
Additional paid-in capital	613,717	610,505
Retained earnings (deficit)	20,738	(7,966)
Accumulated translation adjustment	(165,522)	(124,843)
	477,313	486,076
Less: Deferred compensation	24,377	28,683
Less: Cost of treasury common stock, 331,401 shares in 1999 and 494,550 shares in 1998	11,807	17,234
Less: Minimum pension liability	3,114	3,114
Total shareholders' equity	438,015	437,045
Total liabilities, preferred stock and equity	$ 4,018,620	$ 4,039,930

See accompanying notes to consolidated financial statements.

SEALED AIR CORPORATION AND SUBSIDIARIES
Consolidated Statements of Cash Flows
For the Three Months Ended March 31, 1999 and 1998
(In thousands of dollars)
(Unaudited)

	1999	1998
Cash flows from operating activities:		
Net earnings	$ 46,614	$ 27,052
Adjustments to reconcile net earnings to net cash provided by operating activities, net of effect of businesses acquired:		
Depreciation and amortization	55,787	29,296
Deferred taxes	(1,401)	19,022
Net (gain) loss on disposals of fixed assets	(292)	4,305
Changes in operating assets and liabilities, net of assets and liabilities acquired and transferred to/from Grace.		
Notes and accounts receivable	(11,368)	(5,210)
Inventories	(2,511)	(8,080)
Other current assets	33	4,427
Other assets	(1,451)	(5,142)
Accounts payable	(6,608)	(12,722)
Other current liabilities	(2,461)	5,271
Other liabilities	(3,351)	5,656
Net cash provided by operating activities	72,991	63,875
Cash flows from investing activities:		
Capital expenditures for property and equipment	(16,943)	(16,963)
Proceeds from sales of property and equipment	861	2,701
Businesses acquired, net of cash acquired	--	51,259
Net cash(used)provided by investing activities	(16,082)	36,997
Cash flows from financing activities:		
Net advances to Grace	--	(43,779)
Proceeds from long-term debt	2,753	1,258,807
Payment of long-term debt	(191,517)	--
Dividends paid on preferred stock	(17,911)	--
Purchase of treasury preferred stock	(1,240)	--
Transfer of funds to New Grace	--	(1,256,614)
Net proceeds from short-term borrowings	193,181	986
Net cash used in financing activities	(14,734)	(40,600)
Effect of exchange rate changes on cash and cash equivalents	(1,881)	(760)
Cash and cash equivalents:		
Increase during the period	40,294	59,512
Balance, beginning of period	44,986	--
Balance, end of period	$ 85,280	$ 59,512

See accompanying notes to consolidated financial statements.

SEALED AIR CORPORATION AND SUBSIDIARIES
Consolidated Statements (abbreviated) of Cash Flows
For the Three Months Ended March 31, 1999 and 1998 (Continued)
(In thousands of dollars)
(Unaudited)

	1999	1998
Supplemental Non-Cash Items:		
Interest payments, net of amounts capitalized	$ 17,303	$ --
Income tax payments	$ 2,626	$ --
Issuance of 36,021,851 shares of Series A convertible preferred stock and 40,647,815 shares of common stock in connection with the Recapitalization	$ --	$1,801,093
Net assets acquired in exchange for the issuance of 42,624,246 shares of common stock in connection with the Merger, net of cash balance of $51,259 acquired	$ --	$2,110,752

See accompanying notes to consolidated financial statements.

SEALED AIR CORPORATION AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
For the Three Months Ended March 31, 1999 and 1998
(In thousands of dollars)
(Unaudited)

	Three Months Ended March 31, 1999	Three Months Ended March 31, 1998
Net Earnings	$ 46,614	$ 27,052
Other comprehensive income:		
Foreign currency translation adjustments	(40,679)	(10,117)
Comprehensive income	$ 5,935	$ 16,935

See accompanying notes to consolidated financial statements.

(1) Reorganization, Recapitalization and Merger

On March 31, 1998, the Company (formerly known as W. R. Grace & Co.) and Sealed Air Corporation ("old Sealed Air"), completed a series of transactions as a result of which:

(a) The specialty chemicals business of the Company was separated from its packaging business, the packaging business ("Cryovac") was contributed to one group of wholly owned subsidiaries, and the specialty chemicals business was contributed to another group of wholly owned subsidiaries ("New Grace"); the Company and Cryovac borrowed approximately $1.26 billion under two revolving credit agreements (the "Credit Agreements") (which, as amended, are discussed below) and transferred substantially all of those funds to New Grace; and the Company distributed all of the outstanding shares of common stock of New Grace to its shareholders. As a result, New Grace became a separate publicly owned corporation that is unrelated to the Company. These transactions are referred to below as the "Reorganization."

(b) The Company recapitalized its outstanding shares of common stock, par value $0.01 per share ("Grace Common Stock"), into a new common stock and Series A convertible preferred stock, each with a par value of $0.10 per share (the "Recapitalization").

(c) A subsidiary of the Company merged into old Sealed Air (the "Merger"), with old Sealed Air being the surviving corporation. As a result of the Merger, old Sealed Air became a subsidiary of the Company, and the Company was renamed Sealed Air Corporation.

References to "Grace" in these notes refer to the Company before the Reorganization, the Recapitalization and the Merger.

(2) Basis of Presentation

The Merger was accounted for as a purchase of old Sealed Air by the Company as of March 31, 1998. Accordingly, the financial statements include the operating results and cash flows as well as the assets and liabilities of Cryovac for all periods presented. The operating results, cash flows, assets and liabilities of old Sealed Air are included from March 31, 1998. See Note 8 for unaudited selected pro forma statement of earnings information for the quarter ended March 31, 1998. For periods prior to the Merger, the financial statements exclude all of the assets, liabilities (including contingent liabilities), revenues and expenses of Grace other than the assets, liabilities, revenues and expenses of Cryovac.

Subsequent to the Merger, the consolidated financial statements include the accounts of the Company and its subsidiaries. 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, 1999 have been made.

(3) Equity

In connection with the Recapitalization, the Company, among other things, recapitalized the outstanding shares of Grace Common Stock into 40,647,815 shares of the Company's common stock and 36,021,851 shares of Series A convertible preferred stock (convertible into approximately 31,900,000 shares of the Company's common stock), each with a par value of $0.10 per share. In the Merger, the Company issued 42,624,246 shares of common stock to the shareholders of old Sealed Air.

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 balance sheet. At its date of issuance, the fair value of the Series A convertible preferred stock exceeded its mandatory redemption amount primarily due to the common stock conversion feature of such preferred stock. Accordingly, the carrying amount of the Series A convertible preferred stock is reflected in the consolidated balance sheet at its mandatory redemption value. The Company has authority to issue a total of 50,000,000 shares of preferred stock, par value $0.10 per share.

(4) Earnings Per Common Share

In calculating basic and diluted earnings per common share for the first quarter 1998, retroactive recognition was given to the Recapitalization as if it had occurred on January 1, 1998 in accordance with SAB No. 98. Accordingly, net earnings were reduced for preferred stock dividends (as if such shares had been outstanding during each period) to arrive at earnings ascribed to common shareholders. The weighted average number of outstanding common shares used for the first quarter of 1998 to calculate basic earnings per common share was calculated on an equivalent share basis using the weighted average number of shares of common stock outstanding for the first quarter of 1998, adjusted to reflect the terms of the Recapitalization. The weighted average number of common shares used to calculate diluted earnings per common share also considers the exercise of dilutive stock options in each period. The outstanding preferred stock is not assumed to be converted in the calculation of diluted earnings per common share for the first quarter of 1999 and 1998 because the treatment of the preferred stock as the common stock into which it is convertible would be antidilutive (i.e., would increase earnings per common share) in those periods.

The following table sets forth the reconciliation of the basic and diluted earnings per common share computations for the quarters ended March 31, 1999 and 1998 (amounts other than per share amounts in thousands).

	1999	1998
Basic EPS:		
Numerator		
Net earnings	$ 46,614	$ 27,052
Add: Excess of book value over repurchase price of preferred stock	10	--
Less: Preferred stock dividends	17,910	--
Less: Retroactive recognition of preferred stock	--	18,011
Earnings ascribed to common shareholders	$ 28,714	$ 9,041
Denominator		
Weighted average common shares outstanding - basic	83,364	40,648

Basic earnings per common share	$ 0.34	$ 0.22
Diluted EPS:		
Numerator		
Earnings ascribed to common shareholders	$ 28,714	$ 9,041
Denominator		
Weighted average common shares outstanding - basic	83,364	40,648
Effect of assumed exercise of options	132	211
Weighted average common shares outstanding - diluted	83,496	40,859
Diluted earnings per common share	$ 0.34	$ 0.22

(5) Inventories

At March 31, 1999 and December 31, 1998, the components of inventories by major classification (raw materials, work in process and finished goods) were as follows:

	March 31, 1999	December 31, 1998
Raw materials	$ 62,649	$ 63,805
Work in process	51,142	50,714
Finished goods	171,033	176,965
Subtotal	284,824	291,484
Reduction of certain inventories to LIFO basis	(15,320)	(16,172)
Total inventories	$ 269,504	$ 275,312

(6) Income Taxes

The Company's effective income tax rates were 47.0% and 40.0% for the first quarters of 1999 and 1998, respectively. The effective tax rate for the 1999 period is higher than that for the first quarter of 1998 primarily due to the non-deductibility of the goodwill amortization resulting from the Merger. In the first quarter of 1998, such rates were higher than the statutory U.S. federal income tax rate primarily due to state income taxes.

(7) Long-Term Debt

At March 31, 1999 and December 31, 1998, debt consisted primarily of borrowings that were made under the Credit Agreements described below. Debt also included certain other loans incurred by the Company's subsidiaries.

The Company's two principal Credit Agreements are a 5-year revolving credit facility that expires on March 30, 2003 and a $600 million 364-day revolving credit facility that was renewed effective March 29, 1999 for an additional 364-day period. At that time, the Company voluntarily reduced the aggregate amount available under the 5-year revolving credit facility from $1 billion to $800 million. As of March 31, 1999, outstanding borrowings under the 5-year and 364-day revolving credit facilities were $800 million (included in long-term debt) and $175 million (included in short-term borrowings), respectively. 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.

The Company's obligations under the Credit Agreements bear interest at floating rates. The weighted average interest rate under the Credit Agreements was approximately 5.4% at March 31, 1999. The Company has entered into certain interest rate swap agreements that have the effect of fixing the interest rates on a portion of such debt. The weighted average interest rate at March 31, 1999 did not change significantly as a result of these derivative financial instruments.

The Credit Agreements provide for changes in borrowing margins based on financial criteria and the Company's senior unsecured debt ratings, and impose certain limitations on the operations of the Company and certain of its subsidiaries. The limitations include financial covenants relating to interest coverage and debt leverage as well as certain restrictions on the incurrence of additional indebtedness, the creation of liens, mergers and acquisitions, and certain dispositions of property and assets. The Company was in compliance with these requirements as of March 31, 1999.

(8) Pro Forma Information

The following table presents selected unaudited pro forma statement of earnings information for the quarter ended March 31, 1998 as a result of the Reorganization, the Recapitalization and the Merger. Such information reflects pro forma adjustments made in combining the historical results of old Sealed Air and Cryovac as a result of such transactions for the quarter presented. Such amounts include for the first quarter of 1998, among others, incremental goodwill amortization of approximately $10 million and incremental interest expense of approximately $20 million. This pro forma information is not intended to represent what the Company's actual results of operations would have been for such period.

	Quarter Ended March 31,	
	Reported 1999	Pro Forma 1998
Net sales by business segment:		
Food and specialty packaging	$425,979	$400,870
Protective packaging	252,958	242,917
Total net sales	678,937	643,787
Cost of sales	433,239	423,850
Gross profit	245,698	219,937
Marketing, administrative and development expenses	128,614	124,562
Goodwill amortization	12,251	11,921
Operating profit	104,833	83,454
Other income(expense), net	(16,883)	(22,249)
Earnings before income taxes	87,950	61,205
Income taxes	41,336	28,400
Net earnings	46,614	32,805

Less: Preferred stock dividends	(17,910)	(18,011)
Add: Excess of book value over repurchase price of preferred stock	10	--
Net earnings ascribed to common shareholders	28,714	14,794
Earnings per common share (1)		
Basic	0.34	0.18
Diluted	0.34	0.18
Weighted average number of common shares outstanding:		
Basic	83,364	83,272
Diluted	83,496	83,483

(1) For purposes of calculating basic and diluted earnings per common share in the 1998 period, net earnings have been reduced by the dividends that would have been payable on the Company's Series A convertible preferred stock if such shares had been outstanding during such period to arrive at earnings ascribed to common shareholders. The weighted average number of outstanding common shares used to calculate basic earnings per common share is calculated on an equivalent share basis using the weighted average number of shares outstanding of the Company's common stock, adjusted to reflect the terms of the Recapitalization. The assumed conversion of the convertible preferred stock is not considered in the calculation of diluted earnings per common share for either of the periods presented as the effect is antidilutive (i.e. would increase the earnings per common share for each period presented).

(9) 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 $19,056 at March 31, 1999 and $26,924 at December 31, 1998. The components of the restructuring charges, spending and other activity through March 31, 1999 and the remaining reserve balance at March 31, 1999 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
Cash payments during 1998	(14,486)	(729)	(1,150)	(16,365)
Restructuring reserve at December 31, 1998	25,362	1,562	-	26,924
Cash payments during 1999	(7,633)	(235)	-	(7,868)
Restructuring reserve at March 31, 1999	17,729	1,327	-	19,056

The Company's third quarter 1998 restructuring charge of $111,074, included $39,848 of employee termination costs, $3,441 of exit costs and $67,785 of asset impairments related to long-lived assets either held for use or held for disposition. The asset impairment amount of $67,785 includes write-downs or write-offs of $47,083 for property, plant and equipment, $13,008 for goodwill, and $7,694 for certain other long-lived intangible assets. The Company expects to incur approximately $43,289 of cash outlays to carry out this restructuring program, of which approximately $24,233 was paid through March 31, 1999. These cash outlays include primarily severance and other personnel related costs, costs of terminating leases and facilities and equipment disposition costs. In connection with the restructuring, the Company is eliminating 750 positions, or approximately 5% of its workforce, across all functional areas. Through March 31, 1999, approximately 569 positions had been eliminated, and all restructuring actions, including remaining asset dispositions, are expected to be completed by the end of 1999 although certain cash outlays will continue into future years.

(10) Business Segment Information

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

The Food and Specialty Packaging segment includes flexible materials and related systems (shrink film products, laminated films and specialty 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 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,	
	1999	1998
Net Sales		
Food and Specialty Packaging	$ 425,979	$ 378,752
Protective Packaging	252,958	52,283
Total segments	$ 678,937	$ 431,035
Operating profit		
Food and Specialty Packaging	$ 67,564	$ 39,844
Protective Packaging	53,553	5,825
Total segments	121,117	45,669
Corporate operating expenses (including goodwill amortization of $12,251 and $90 in 1999 and 1998, respectively)	(16,284)	(90)
Total	$ 104,833	$ 45,579
Depreciation and amortization		
Food and Specialty Packaging	$ 28,349	$ 22,613
Protective Packaging	14,914	6,593
Total segments	43,263	29,206
Corporate (including goodwill amortization)	12,524	90
Total	$ 55,787	$ 29,296

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

On March 31, 1998, the Company (formerly known as W. R. Grace & Co.) and Sealed Air Corporation ("old Sealed Air") completed a series of transactions as a result of which:

(a) The specialty chemicals business of the Company was separated from its packaging business, the packaging business ("Cryovac") was contributed to one group of wholly owned subsidiaries, and the specialty chemicals business was contributed to another group of wholly owned subsidiaries ("New Grace"); the Company and Cryovac borrowed approximately $1.26 billion under two revolving credit agreements (the "Credit Agreements") (which, as amended, are discussed below) and transferred substantially all of those funds to New Grace; and the Company distributed all of the outstanding shares of common stock of New Grace to its stockholders. As a result, New Grace became a separate publicly owned corporation that is unrelated to the Company. These transactions are referred to below as the "Reorganization."

(b) The Company recapitalized its outstanding shares of common stock, par value $0.01 per share ("Grace Common Stock"), into a new common stock and Series A convertible preferred stock (the "Series A Preferred Stock"), each with a par value of $0.10 per share (the "Recapitalization").

(c) A subsidiary of the Company merged into old Sealed Air (the "Merger"), with old Sealed Air being the surviving corporation. As a result of the Merger, old Sealed Air became a subsidiary of the Company, and the Company was renamed Sealed Air Corporation.

References to "Grace" in this Management's Discussion and Analysis refer to the Company before the Reorganization, the Recapitalization and the Merger.

The Merger was accounted for as a purchase of old Sealed Air by the Company as of March 31, 1998. Accordingly, the financial statements include the operating results and cash flows as well as the assets and liabilities of Cryovac for all periods presented. The operating results, cash flows, assets and liabilities of old Sealed Air are included from March 31, 1998. For periods prior to the Merger, the financial statements exclude all of the assets, liabilities (including contingent liabilities), revenues and expenses of Grace other than the assets, liabilities, revenues and expenses of Cryovac.

In order to facilitate a review of the factors that affected the Company's operating results for the first quarter of 1999, the Company has included selected unaudited pro forma financial information for the first quarter of 1998 in Note 8 to the consolidated financial statements included in this Form 10-Q.

Results of Operations

Discussion and Analysis of Reported Operating Results

The Company's net sales increased 58% to $678,937,000 in the first quarter of 1999 from $431,035,000 in the first quarter of 1998. The increase in net sales as well as most of the increases in cost of sales, marketing, administrative and development expenses and other costs and expenses, including the substantial increases in interest expense and goodwill amortization, that the Company experienced in the first quarter of 1999 were due to the inclusion of the protective packaging business of old Sealed Air's operations in this period and adjustments arising from the Merger, the Reorganization and the Recapitalization.

Gross profit increased as a percentage of net sales to 36.2% for the first quarter of 1999 from 32.5% for the first quarter of 1998. This increase in gross profit as a percentage of net sales resulted from the higher level of net sales, certain lower raw material costs and cost reductions arising out of certain improvements in the Company's operations.

Marketing, administrative and development expenses in the first quarter of 1998 included $18,044,000 of corporate expenses that were allocated to Cryovac by Grace prior to the Merger. Such allocations ceased upon the Merger. However, following the Merger, the Company has incurred and expects that it will continue to incur marketing, administrative and development expenses that partially offset the savings derived from the elimination of these allocated expenses. Primarily as a result of the Merger, the Company recorded goodwill amortization of $12,251,000 in the first quarter of 1999 compared to $90,000 in the first quarter of 1998.

The increase in other expense, net for the first quarter of 1999 from the 1998 period was due primarily to interest expense on the Company's outstanding debt under the Credit Agreements.

The Company's effective income tax rate for the quarter ended March 31, 1999 was 47.0% compared to 40.0% for the quarter ended March 31, 1998. The effective tax rate in 1999 is higher than the first quarter of 1998 primarily due to the non-deductibility of goodwill resulting from the Merger.

As a result of the factors discussed above, the Company reported net earnings of $46,614,000 for the first quarter of 1999 compared with net earnings of $27,052,000 for the first quarter of 1998.

For the first quarter of 1999, the Company reported basic and diluted earnings per common share of $0.34. For the first quarter of 1998, the Company reported basic and diluted earnings per common share of $0.22.

Discussion and Analysis of Pro Forma Operating Results

The following discussion relates to the unaudited selected pro forma financial information that appears in Note 8 to the consolidated financial statements included in this Form 10-Q.

Net sales for the first quarter of 1999 increased 5% to $678,937,000, compared with pro forma net sales of $643,787,000 for the first quarter of 1998, primarily due to higher unit volume, partially offset by the negative effect of foreign currency translation.

The Company's net sales were affected in the first quarter of 1999 by the continued weakness of foreign currencies compared with the U.S. dollar, particularly in Latin America and the Asia-Pacific region. Excluding the negative effect of foreign currency translation, net sales would have increased 7% compared with the first quarter of 1998 on a pro forma basis.

Net sales from domestic operations increased approximately 5% compared with the first quarter of 1998 on a pro forma basis, primarily due to increased unit volume. Net sales from foreign operations, which represented approximately 47% of the Company's total net sales in both periods, increased approximately 6% compared with the first quarter of 1998 on a pro forma basis, primarily due to increased unit volume which more than offset the negative effect of foreign currency translation.

Net sales of the Company's food and specialty packaging products segment, which consist primarily of the Company's Cryovac(R) food packaging products and Dri-Loc(R) absorbent pads, increased approximately 6% compared with the first quarter of 1998 on a pro forma basis. This increase was due primarily to increased unit volume partially offset by the negative effect of foreign currency translation. Excluding the effect of foreign currency translation, net sales of this segment would have increased 8% compared with the first quarter of 1998 on a pro forma basis.

Net sales of the Company's protective 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 4% compared with the first quarter of 1998 on a pro forma basis primarily due to higher unit volume. Foreign currency translation had a minimal effect on the net sales of this segment.

Gross profit as a percentage of net sales increased to 36.2% compared to 34.2% for the first quarter of 1998 on a pro forma basis. This increase resulted from the higher level of net sales, certain lower raw material prices and cost reductions arising out of certain improvements in the Company's operations.

Marketing, administrative and development expenses and goodwill amortization as a percentage of net sales were 20.7% for the first quarter of 1999 compared to 21.2% for the first quarter of 1998 on a pro forma basis. This decrease resulted primarily from the higher level of net sales and cost reductions arising out of certain improvements in the Company's operations, partially offset by integration and information systems costs.

On a pro forma basis, the decrease in other expense, net, consisting primarily of interest expense, was primarily due to the lower level of debt outstanding for the first quarter of 1999.

The Company's effective income tax rate was 47.0% for the first quarter of 1999 compared with a pro forma rate of 46.4% for the first quarter of 1998. These rates are higher than the Company's applicable statutory rates primarily due to the non-deductibility for tax purposes of the goodwill amortization resulting from the Merger. The Company expects that its effective tax rate will remain higher than statutory rates for 1999.

As a result of the above, the Company recorded net earnings of $46,614,000 for the first quarter of 1999 compared to pro forma net earnings of $32,805,000 for the 1998 period.

Basic and diluted earnings per common share for the first quarter of 1999 were $0.34 compared with pro forma earnings per common share of $0.18 for the first quarter of 1998. 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 because it would be antidilutive (i.e., would increase earnings per common share to $0.40 for the first quarter of 1999 compared with pro forma earnings per common share of $0.28 for the first quarter of 1998).

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 above. Prior to the consummation of the Merger, Cryovac participated in Grace's centralized cash management system, whereby cash received from operations was transferred to, and disbursements were funded from, centralized corporate accounts. As a result, any cash flows from operations that were in excess of Cryovac's cash needs were transferred to these corporate accounts and used for other corporate purposes. In connection with the Reorganization, most of the Company's net cash at March 31, 1998 (other than $51,259,000 of cash recorded on the balance sheet of old Sealed Air immediately before the Merger) was transferred to New Grace.

Net cash provided by operating activities increased to $72,991,000 in the first quarter of 1999. The increase in operating cash flows in the first quarter of 1999 was primarily due to the inclusion of the operations of old Sealed Air, higher levels of depreciation and amortization partially offset by the change in operating assets and liabilities in the ordinary course of business.

Net cash used in investing activities amounted to $16,082,000 in the first quarter of 1999 compared to net cash provided by investing activities of $36,997,000 in the 1998 period. The decrease in 1999 compared to the first quarter of 1998 was primarily due to the $51,259,000 of cash acquired from old Sealed Air at the time of the Merger. Capital expenditures were $16,943,000 for the first quarter of 1999 and $16,963,000 for the 1998 period.

Net cash used in financing activities amounted to $14,734,000 in the first quarter of 1999 and $40,600,000 in the first quarter of 1998. Repayments of debt in the first quarter of 1999 were offset by additional borrowings. Also included in the first quarter of 1999 was $17,911,000 of dividends paid on the Company's Series A Preferred Stock and $1,240,000 for the repurchase on the open market of shares of Series A Preferred Stock. In 1998, cash flows from financing activities reflected the proceeds from borrowings under the Credit Agreements, offset by the contribution of funds to New Grace in connection with the Reorganization.

At March 31, 1999, the Company had working capital of $172,339,000, or 4% of total assets, compared to working capital of $309,624,000, or 8% of total assets, at December 31, 1998. Working capital declined primarily due to an increase in short-term borrowings and current installments of long-term debt of $193,726,000 arising out of the reclassification of certain borrowings made under the Credit Agreements from the Company's 5-year facility to its 364-day facility, partially offset by a $40,294,000 increase in cash.

The Company's ratio of current assets to current liabilities (current ratio) was 1.2 at March 31, 1999 and 1.6 at December 31, 1998. The Company's ratio of current assets less inventory to current liabilities (quick ratio) was 0.9 at March 31, 1999 and 1.1 at December 31, 1998. The decreases in these ratios in 1999 resulted primarily from the decreases in working capital discussed above.

The Company's two principal Credit Agreements are a 5-year revolving credit facility that expires on March 30, 2003 and a $600 million 364-day revolving credit facility that was renewed effective March 29, 1999 for an additional 364-day period. At that time, the Company voluntarily reduced the aggregate amount available under the 5-year revolving credit facility from $1 billion to $800 million. Borrowings outstanding under the 5-year facility are recorded as long-term debt and borrowings outstanding under the 364-day facility are recorded as short-term borrowings. 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. Long term debt, less current installments outstanding at March 31, 1999 includes primarily borrowings under the 5-year Credit Agreement, less prepayments made through March 31, 1999.

On May 13, 1999, the Company priced an offering of $300 million aggregate principal amount of 10-year 6.95% senior notes that is being made under Rule 144A and Regulation S under the Securities Act of 1933, as amended. The net proceeds of such offering will be used to repay indebtedness outstanding under the Credit Agreements. The Company expects this offering to be completed in May 1999. Although amounts repaid under the Credit Agreements may be reborrowed under the Credit Agreements, the Company is considering a further voluntary reduction of the aggregate amounts available under the Credit Agreements.

The Company's obligations under the Credit Agreements bear interest at floating rates. The weighted average interest rate under the Credit Agreements was approximately 5.4% at March 31, 1999. The Company has entered into certain interest rate swap agreements that have the effect of fixing the interest rates on a portion of such debt. The weighted average interest rate at March 31, 1999 did not change as a result of these derivative financial instruments.

The Credit Agreements provide for changes in borrowing margins based on financial criteria and the Company's senior unsecured debt ratings, and impose certain limitations on the operations of the Company and certain of its subsidiaries. These limitations include financial covenants relating to interest coverage and debt leverage as well as certain restrictions on the incurrence of additional indebtedness, the creation of liens, mergers and acquisitions, and certain dispositions of property or assets. The Company was in compliance with these requirements as of March 31, 1999.

At March 31, 1999, the Company had available lines of credit, including those available under the Credit Agreements, of approximately $1.6 billion of which approximately $566 million were unused.

The Company's shareholders' equity was $438,015,000 at March 31, 1999 compared to $437,045,000 at December 31, 1998. Shareholders' equity increased marginally in the first quarter of 1999 as the Company's net earnings of $46,614,000 were substantially offset by the payment of the preferred stock dividends of $17,911,000 and by $40,679,000 reflecting the negative effect of foreign currency translation in the accumulated translation adjustment.

Other Matters

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.

Year 2000 Computer System Compliance

The Company is addressing various Year 2000 issues. Year 2000 issues arise from computer programs that utilize only the last two digits of a year to define a particular year rather than the complete four-digit year. As a result, certain computer programs may not properly process certain dates, particularly those that fall into the year 2000 or subsequent years. Year 2000 issues affect both computer-based information systems and systems with embedded microcontrollers or microcomputers.

In addressing these issues, the Company has considered the following four areas: (a) computer-based information technology systems, (b) other systems not directly involving information technology, including embedded systems, (c) packaging and dispensing equipment used by the Company's customers, and (d) Year 2000 readiness of the Company's key suppliers and customers. The Company's action plan for dealing with these issues consists of the following four phases: (1) identifying the potentially affected items, (2) assessing the effect of Year 2000 issues on these items, (3) remediating the deficiencies of these items with updates, repairs or replacements, and (4) testing these items.

State of Readiness

The Company has examined the hardware and software of its computer-based information technology systems, including mainline systems, personal computers and telephone systems. The Company has also examined other devices incorporating electronic microchips that might fail as a result of the Year 2000 issue. These include security and control systems in Company facilities and programmable logic controllers and microcomputers embedded into production and other equipment in the Company's plants and warehouses. The Company has substantially finished the identification and assessment phases of its Year 2000 action plan in these two areas. The Company has also completed approximately 90% of the remediation and testing phases of the plan for these areas. The Company expects to complete its work on Year 2000 issues for computer-based information technology systems by June 30, 1999 and for non-information technology systems by September 30, 1999.

The Company has examined certain packaging and dispensing equipment that it has sold or leased to customers in order to identify Year 2000 issues. This equipment often incorporates microprocessors as controllers. The Company believes that no further remediation is necessary for these devices.

The Company has conducted an initial Year 2000 issue survey of key suppliers, particularly single-source suppliers of important raw materials, and initial responses have been received. Remedial action will be requested as required. The Company expects that all survey activity regarding suppliers will be completed by June 30, 1999. In addition, the Company intends to contact certain customers by May 31, 1999 regarding their overall Year 2000 readiness.

Costs

The Company estimates that the total costs to address the Company's Year 2000 issues will be in the neighborhood of $6 million. No significant information technology projects have been deferred by the Company due to Year 2000 issues.

Risks

While the Company believes that it is taking all steps reasonably necessary to assure its ability to conduct business and to safeguard its assets during the period affected by Year 2000 issues, risks cannot in every case be eliminated. Utilities and other sole-source suppliers may disrupt one or more of the Company's operations if they are unable to conduct business during this period.

If the Company is unable to complete its remediation efforts satisfactorily and on a timely basis, substantial business interruptions may occur in its operations. These could include disruptions to manufacturing operations, logistics, invoicing, collections and vendor payments. The Company's efforts described herein are expected to reduce the Company's uncertainty about Year 2000 issues. The Company believes that its efforts to date in this regard have contributed to reducing the risk of significant interruptions of its operations, and it intends to pursue these efforts as described herein.

Contingency Plans

The Company has certain contingency measures in place, including in some cases dual utility services, backup power equipment, backup data centers, manual backup procedures and alternate suppliers. The Company is developing a formal Year 2000 contingency plan to implement additional protection measures. The Company expects to complete this plan during the first half of 1999 and to implement it on a timely basis.

Euro Conversion

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

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

In 1998, the Company established plans to address the systems and business issues raised by the euro currency conversion. These issues include, among others, (1) the need to adapt computer, accounting and other business systems and equipment to accommodate euro-denominated transactions, (2) the need to modify banking and cash management systems in order to be able to handle payments between customers and suppliers in legacy currencies and euros between 1999 and 2002, (3) the requirement to change the base statutory and reporting currency of each subsidiary in the participating countries into euros during the transition period, (4) the foreign currency exposure changes resulting from the alignment of the legacy currencies into the euro, and (5) the identification of material contracts and sales agreements whose contractual stated currency will need to be converted into euros.

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

Although additional costs are expected to result from the implementation of the Company's plans, the Company also expects to achieve benefits in its treasury and procurement areas as a result of the elimination of the legacy currencies. Since the Company has operations in each of its business segments in the participating countries, each of its business segments will be affected by the conversion process. However, the Company expects that the total impact of all strategic and operational issues related to the euro conversion and the cost of implementing its plans for the euro conversion will not have a material adverse impact on its consolidated financial condition or results of operations.

Recently Issued Statements of Financial Accounting Standards

In June 1998, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 133, "Accounting for Derivative Instruments and Hedging Activities." This Statement, which the Company expects to adopt beginning January 1, 2000, 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 ability of the Company to complete integration and restructuring activities relating to the merger of old Sealed Air and Cryovac and the success of those efforts, 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, 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 Year 2000 issue or the euro conversion.

PART II

OTHER INFORMATION

Item 2. Changes in Securities and Use of Proceeds.

In March 1999, the Company issued 175,049 shares of its common stock, par value $0.10 per share, to the Profit-Sharing Plan of the Company as part of its 1998 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.

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

(a) Exhibits

Exhibit Number	Description
10.1	First Amendment, dated as of March 16, 1999, to Global Revolving Credit Agreement (5-year), 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	First Amendment, dated as of March 16, 1999, 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.
27	Financial Data Schedule.

(b) Reports on Form 8-K.

On March 16, 1999, the Company filed a Current Report on Form 8-K, Date of Report - March 15, 1999, which reported under Item 5 that the Company's 1999 Annual Meeting will be held on May 21, 1999 in accordance with the Company's By-Laws, and proxy materials were expected to be mailed to the Company's stockholders on or about March 31, 1999 and that the Company's 1998 Annual Meeting was held on June 26, 1998, delayed from the date provided in the Company's By-Laws due to the closing of the Reorganization, the Recapitalization and the Merger.

Signatures

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

SEALED AIR CORPORATION

Date: May 14, 1999

By /s/ Jeffrey S. Warren

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

FIRST AMENDMENT TO GLOBAL REVOLVING CREDIT AGREEMENT (5-YEAR)

The First Amendment to Global Revolving Credit Agreement (5-Year) (the "Amendment") dated as of March 16, 1999 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 (which was formerly known as W. R. Grace & Co.) 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 (5-Year) dated as of March 30, 1998 (the "Credit Agreement"); and

WHEREAS, the parties hereto desire to 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. The first paragraph of Section 1.04(a) of the Credit Agreement, clauses (i), (ii) and (iii) thereof and Section 1.04(d) of the Credit Agreement are hereby amended in their entirety and as so amended shall read as follows:

> Section 1.04. Bid Loans. (a) Each Bank severally agrees that the Company may request Bid Borrowings denominated in Dollars comprised of either Absolute Rate Bid Loans or Eurodollar Rate Bid Loans under this Section 1.04 to be made from time to time on any Business Day during the period from the Effective Date until the date occurring one day prior to the Final Maturity Date, in the manner set forth below; provided that, following the making of each Bid Borrowing, the aggregate Original Dollar Amount of all Loans outstanding hereunder plus the aggregate amount of all Letter of Credit Outstandings at such time shall not exceed the Total Commitment in effect at such time. Each Bid Borrowing shall be in an aggregate amount not less than $5,000,000 or an integral multiple of $1,000,000 in excess thereof.
>
> (i) The Company may request a Bid Borrowing by delivering to the Administrative Agent by telecopier or telex, a notice of a Bid Borrowing (a "Notice of Bid Borrowing"), in substantially the form of Exhibit A-2 hereto, specifying the date and aggregate amount of the proposed Bid Borrowing, whether such Bid Borrowing is to consist of Absolute Rate Bid Loans or Eurodollar Rate Bid Loans, the maturity date for repayment of each Bid Loan to be made as part of such Bid Borrowing (which maturity date may be the date occurring between one and 180 days after the date of such Bid Borrowing, in the case of Absolute Rate Bid Loans, and one, two, three or six months after the date of such Bid Borrowing, in the case of Eurodollar Rate Bid Loans, and in any case no later than the Final Maturity Date), the interest payment date or dates relating thereto (which shall occur at least every 3 months, in the case of Eurodollar Rate Bid Loans, and at least every 90 days, in the case of Absolute Rate Bid Loans), and any other terms to be applicable to such Bid Borrowing, not later than 9:00 A.M. (New York time) (A) at least one Business Day prior to the date of the proposed Bid Borrowing, in the case of an Absolute Rate Bid Loan and (B) at least five Business Days prior to the date of the proposed Bid Borrowing, in the case of a Eurodollar Rate Bid Loan. The Company may request Bid Borrowings for more than one maturity date in a single Notice of Bid Borrowing. The Administrative Agent shall in turn promptly notify each Bank of each request for a Bid Borrowing received by it from the Company by sending such Bank a copy of the related Notice of Bid Borrowing.
>
> (ii) Each Bank may, if, in its sole discretion, it elects to do so, irrevocably offer to make one or more Bid Loans to the Company as part of such proposed Bid Borrowing at, in the case of Absolute Rate Bid Loans, a rate or rates of interest

(an "Absolute Rate") or, in the case of Eurodollar Rate Bid Loans, a margin (expressed as a percentage) above or below the applicable Eurocurrency Rate (a "Bid Rate Margin"), in any case as specified by such Bank in its sole discretion, by notifying the Administrative Agent (which shall give prompt notice thereof to the Company), before 9:00 A.M. (New York time) (A) on the date of such proposed Bid Borrowing, in the case of an Absolute Rate Bid Loan and (B) four Business Days before the date of such proposed Bid Borrowing, in the case of a Eurodollar Rate Bid Loan, of the minimum amount (which must be at least $5,000,000) and maximum amount of each Bid Loan that such Bank would be willing to make as part of such proposed Bid Borrowing (which amounts may, subject to the proviso to the first sentence of this Section 1.04, exceed such Bank's

Commitment), the Absolute Rates or Bid Rate Margins, as the case may be, therefor and the maturity date relating thereto, provided that if the Administrative Agent in its capacity as a Bank shall, in its sole discretion, elect to make any such offer, it shall notify the Company of such offer before 8:45 A.M. (New York time) on the date on which notice of such election is to be given to the Administrative Agent by the other Banks. Subject to Sections 5 and 9, any offer so made shall not be revocable except with the written consent of the Administrative Agent given on the instructions of the Company.

(iii) The Company may, in turn, before 10:00 A.M. (New York time) (A) on the date of such proposed Bid Borrowing, in the case of an Absolute Rate Bid Loan and (B) three Business Days before the date of such proposed Bid Borrowing, in the case of a Eurodollar Rate Bid Loan either

(A) cancel such Bid Borrowing by giving the Administrative Agent notice to that effect,

(B) irrevocably accept one or more of the offers made by any Bank or Banks pursuant to paragraph (ii) above, in its sole discretion, subject only to the provisions of this paragraph (iii), by giving notice to the Administrative Agent of the amount of each Bid Loan (which amount shall be equal to or greater than the minimum amount and equal to or less than the maximum amount, notified to the Company by the Administrative Agent on behalf of such Bank for such Bid Loan pursuant to paragraph (ii) above) to be made by each Bank as part of such Bid Borrowing, and reject any remaining offers with the same maturity date made by Banks pursuant to paragraph (ii) above by giving the Administrative Agent notice to that effect; provided, however, that (x) the Company shall not accept an offer made pursuant to paragraph (ii) above, at any Absolute Rate or

Bid Rate Margin, as the case may be, if the Company shall have, or shall be deemed to have, rejected any other offer with the same maturity date made pursuant to paragraph (ii) above, at a lower Absolute Rate or Bid Rate Margin, as the case may be, (y) if the Company declines to accept, or is otherwise restricted by the provisions of this Agreement from accepting, the maximum aggregate principal amount of Bid Borrowings offered at the same Absolute Rate or Bid Rate Margin, as the case may be, with the same maturity date pursuant to paragraph (ii) above, then the Company shall accept a pro rata portion of each offer made at such Absolute Rate or Bid Rate Margin, as the case may be, with the same maturity date, based as nearly as possible on the ratio of the aggregate principal amount of such offers to be accepted by the Company to the maximum aggregate principal amount of such offers made pursuant to paragraph (ii) above (rounding up or down to the next higher or lower multiple of $1,000,000), and (z) no offer made pursuant to paragraph (ii) above shall be accepted unless the Bid Borrowing in respect of such offer is in an integral multiple of $1,000,000 and the aggregate amount of such offers accepted by the Company is equal to at least $5,000,000, or

(C) reject any or all of such offers either directly by written or telephonic notice to the Administrative Agent or indirectly by taking no action prior to the deadline specified above.

Any offer or offers made pursuant to paragraph (ii) above not expressly accepted or rejected by the Company in accordance with this paragraph (iii) shall be deemed to have been rejected by the Company. Determinations by the Company of the amount of Bid Loans shall be conclusive in the absence of demonstrable error.

(d) The Company shall pay interest on the unpaid principal amount of each Bid Loan from the date of such Bid Loan to (but not including) the date the principal amount of such Bid Loan is repaid in full, at a rate per annum equal to, in the case of an Absolute Rate Bid Loan, the Absolute Rate quoted by the Bank making such Bid Loan and, in the case of a Eurodollar Rate Bid Loan, the sum of the applicable Eurocurrency Rate determined for such Bid Loan plus (or minus) the Bid Rate Margin quoted by the Bank making such Bid Loan, payable in arrears on the interest payment date or dates specified by the Company for such Bid Loan in the related Notice of Bid Borrowing delivered pursuant to subsection (a)(i) above.

2. Section 1.12 of the Credit Agreement is hereby amended by:

(a) inserting immediately after the words "Eurocurrency Loans" appearing in the sixth, ninth, thirteenth, and seventeenth lines thereof the following ", Eurodollar Rate Bid Loans"; and

(b) inserting immediately after the word "Borrowing" appearing in the tenth line thereof the following: ", Notice of Bid Borrowing."

3. Section 6 of the Credit Agreement is hereby amended by inserting immediately following Section 6.18 a new Section 6.19 as follows:

Section 6.19. Year 2000 Compliance. The Company has reviewed the areas within its consolidated business and operations (and has initiated a review of suppliers, vendors and customers) that could be adversely affected by, and has developed and is carrying out a plan to address on a timely basis, the "Year 2000 Problem" (that is, the risk that computer applications used by the Company and its Subsidiaries may be unable to recognize and perform properly date-sensitive functions involving certain dates on or prior to, and any date after December 31, 1999). Based on such review and plan, the Company reasonably believes that the "Year 2000 Problem" will not have a Material Adverse Effect.

4. The defined terms "Applicable Margin" and "Eurocurrency Rate" 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	.220%
Category B Period	.255%
Category C Period	.300%
Category D Period	.350%
Category E Period	.475%
Category F Period	.550%

"Eurocurrency Rate" shall mean the offered quotation to first-class banks in the London interbank eurocurrency market by ABN AMRO for deposits of amounts in Dollars or the relevant Eurocurrency, as appropriate, in immediately available funds comparable to, in the case of a Borrowing of Revolving Loans, the principal amount of the Eurocurrency Loan of ABN AMRO for which the Eurocurrency Rate is being determined or, in the case of a Eurodollar Rate Bid Loan, the principal amount of the Bid Rate

Loan for which the Eurocurrency Rate is being determined, with maturities comparable to, in the case of a Borrowing of Revolving Loans, the Interest Period applicable to such Eurocurrency Loan or, in the case of a Eurodollar Rate Bid Loan, the maturity date thereof, as of 11:00 A.M. (London time) on the date which is two Business Days prior to the commencement of such Interest Period or the date of making such Eurodollar Bid Rate Loan, as the case may be.

5. Section 10.01 of the Credit Agreement is hereby further amended by inserting in proper alphabetical order the following new defined terms:

"Absolute Rates" shall have the meaning provided in Section 1.04(a).

"Absolute Rate Bid Loan" means a Bid Loan in connection with which the rates of interest offered by the Banks pursuant to Section 1.04 shall be Absolute Rates per annum and with a term of 1 to 180 days.

"Bid Rate Margins" shall have the meaning provided in Section 1.04(a).

"Eurodollar Rate Bid Loan" means a Bid Loan in connection with which Bid Rate Margins and the Eurocurrency Rate shall be the basis used by the Banks in determining the rates of interest to be offered by them pursuant to Section 1.04 and with a term of 1, 2, 3 or 6 months.

6. Exhibit A-2 to the Credit Agreement is hereby amended in its entirety and as so amended shall be as set forth as Exhibit A-2 to this Amendment.

7. This Amendment shall become effective as of the opening of business on March 29, 1999 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, each Domestic Subsidiary that is a Borrower and each Guarantor dated no more than 10 Business Days prior to March 29, 1999 certifying that attached thereto is a true and complete copy of resolutions adopted by the Board of Directors of such Borrower or Guarantor, as applicable, authorizing the execution, delivery and performance of this Amendment and certifying the names and true signatures of the officers of such Borrower or Guarantor, as applicable, authorized to sign this Amendment and (ii) such supporting documents as the Administrative Agent may reasonably request; and

(c) the opinion of H. Katherine White, General Counsel to the Company and certain of the Borrowers and Guarantors in form and substance satisfactory to the Administrative Agent.

If this Amendment becomes effective, the changes in the Applicable Margin shall take effect with respect to any Loans and Letters of Credit outstanding on March 29, 1999 and on each day thereafter, but any payment of interest or Letter of Credit Fees due on or after March 29, 1999 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.

8.1. To induce the Administrative Agent and the Banks to enter into this Amendment, each Borrower and Guarantor represents and warrants to the Administrative Agent and the Banks 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.

8.2. 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.

8.3. 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.

8.4. 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/ William V. Hickey

Title President

SEALED AIR CORPORATION (US),
as Borrower and Guarantor

By /s/ William V. Hickey

Title President

CRYOVAC, INC., as Borrower and Guarantor

By /s/ William V. Hickey

Title Vice President

By H. Katherine White

Title Vice 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 Vice President

BANK OF AMERICA NATIONAL TRUST AND SAVINGS
ASSOCIATION

By /s/ Deborah J. Graziano

Title Vice President

BANKERS TRUST COMPANY

By /s/ Gregory P. Shefrin

Title Principal

CITIBANK, N.A.

By /s/ William G. Martens

Title Vice President

COMMERZBANK AG, NEW YORK BRANCH

By /s/ Robert Donohue

Title Sr. Vice President

By /s/ David T. Whitworth

Title Sr. Vice President

CREDIT LYONNAIS NEW YORK BRANCH

By /s/ Vladimir Labun

Title First Vice President - Manager

FLEET NATIONAL BANK

By /s/ Christopher W. Criswell

Title Senior Vice President

SUMMIT BANK

By /s/ Wayne Trotman

Title Senior Vice President

TORONTO DOMINION (TEXAS) INC.

By /s/ Mark A. Baird

Title Vice President

BANCA DI ROMA

By /s/ Steven Paley

Title Vice President

By /s/ Nicola Dell'Edera

Title AT

THE BANK OF NEW YORK

By /s/ Ernest Fung

Title Vice President

THE BANK OF NOVA SCOTIA

By /s/ Stephen Lockhart

Title Vice President

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

By /s/ Giulio Giovine

Title Vice President

By /s/ Leonardo Valentini

Title First Vice President

COMPAGNIE FINANCIERE DE CIC ET
DE L'UNION EUROPEENNE

By /s/ Eric Longuet

Title Vice President

By /s/ Albert Calo

Title Vice President

THE FIRST NATIONAL BANK OF CHICAGO

By /s/ Juan J. Duarte

Title Vice President

FIRST UNION NATIONAL BANK

By /s/ Christopher M. Mclaughlin

Title Vice President

MARINE MIDLAND BANK

By /s/ Diane Zieske

Title Assistant Vice President

WACHOVIA BANK N.A.

By /s/ M. Eugene Wood, III

Title Senior Vice President

THE NORTHERN TRUST COMPANY

By /s/ Mark E. Taylor

Title Second Vice President

BANK AUSTRIA AKTIENGESELLSCHAFT

By

Title

By

Title

THE BANK OF TOKYO-MITSUBISHI, LTD.

By /s/ William DiNicola

Title Attorney-in-Fact

BANQUE NATIONALE DE PARIS

By /s/ Richard L. Sted

Title Senior Vice President

By /s/ Richard Pace

Title Vice President
Corporate Banking Division

CARIPLO-CASSA DI RISPARMIO DELLE PROVINCIE LOMBARDE SPA

By /s/ Anthony Giobbi

Title F.V.P.

By /s/ Maria Elena Greene

Title A.V.P.

UNI CREDITO ITALIANO S.P.A.

By /s/ Giansranco Bisagni

Title First Vice President

By /s/ Sayed Abbas

Title Asst. Vice President

KBC BANK N.V.

By /s/ Robert Snauffer

Title First Vice President

By /s/ Robert M. Surdam Jr.

Title Vice President

MELLON BANK, N.A.

By /s/ Maria Sisto

Title Assistant Vice President

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

By /s/ G. Natalicchi

Title Supervisor & General Manager

By /s/ Brian R. Landy

Title Vice President

NORDDEUTSCHE LANDESBANK GIROZENTRALE

By /s/ Stephen K. Hunter

Title SVP

By /s/ Josef Haas

Title VP

SUNTRUST BANK, ATLANTA

By /s/ Armen Karozichian

Title Vice President

By

Title

ISTITUTO BANCARIO SAN PAOLO DI
TORINO ISTITUTO MOBILIARE
ITALIANO S.P.A.

By /s/ Luca Sacchi

Title Vice President

By /s/ Alex Guzzo

Title Vice President

CREDIT AGRICOLE INDOSUEZ

By /s/ Rene LeBlanc

Title Vice President, Sr. Rel. Mgr.

By /s/ Richard Manix

Title First Vice President

BANCA POPOLARE DI MILANO

By /s/ Anthony Franco

Title Executive Vice President
& General Manager

By /s/ Esperanza Quintero

Title Vice President

BANCA COMMERCIALE ITALIANA
NEW YORK BRANCH

By /s/ Charles Dougherty

Title VP

By /s/ Karen Purelis

Title Vice President

REPUBLIC NATIONAL BANK

By

Title

EXHIBIT A-2

NOTICE OF BID BORROWING

[Date]

ABN AMRO Bank N.V., as Administrative Agent
for the Banks party to
the Credit Agreement
referred to below

1325 Avenue of the Americas
New York, New York 10019
Attention: Agency Services

Gentlemen:

The undersigned refers to the Global Revolving Credit Agreement (5-Year), dated as of March 30, 1998 (as amended, modified or supplemented from time to time, the "Credit Agreement"; the terms defined therein being used herein as therein defined), among Sealed Air Corporation, Cryovac, Inc., as the initial Subsidiary Borrower, and each additional Subsidiary Borrower, the Company and certain Domestic Subsidiaries, as Guarantors, the lenders from time to time party thereto (the "Banks"), you, as Administrative Agent for such Banks, Bankers Trust Company, as Documentation Agent, and Bank of America National Trust and Savings Association, as Syndication Agent, and hereby gives you notice, irrevocably, pursuant to Section 1.04(a) of the Credit Agreement, that the undersigned hereby requests a Borrowing under the Credit Agreement, and in that connection sets forth below the information relating to such Borrowing (the "Proposed Borrowing") as required by Section 1.04(a) of the Credit Agreement:

(i) The date of the Proposed Bid Borrowing[1] ______________

(ii) The Proposed Bid Borrowing is to be of ______________
[Absolute Rate Bid Loans, and Banks should quote an Absolute Rate]

[Eurodollar Rate Bid Loans, and Banks should quote a Bid Rate Margin (indicating whether "Plus" or "Minus" the applicable Eurocurrency Rate)]

- -----------
1 At least one Business Day's prior notice is required for a Proposed Bid Borrowing of Absolute Rate Bid Loans and at least five Business Days' prior notice is required for a Proposed Bid Borrowing of Eurodollar Rate Bid Loans.

(iii) Aggregate Principal Amount of each Proposed Bid Borrowing[2] ______________

(iv) Maturity Date for each Proposed Bid Borrowing[3] ______________

(v) Interest Payment Dates for each Proposed Bid Borrowing ______________

The undersigned hereby certifies that the following statements will be true on the date of the Proposed Borrowing:

(A) the representations and warranties contained in the Credit Agreement (other than Section 6.05) and in the other Credit Documents will be true and correct in all material respects, both before and after giving effect to the Proposed Borrowing and to the application of the proceeds thereof, with the same effect as though such representations and warranties had been made on and as of the date of such Proposed Borrowing (it being understood 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); and

(B) no Default has occurred and is continuing, or would result from such Proposed Borrowing or from the application of the proceeds thereof.

Very truly yours,

SEALED AIR CORPORATION

By

Name:
Title:

- ------------

2 Not less than $5,000,000 or an integral multiple of $1,000,000 in excess thereof.

3 Must be 1 to 180 days, in the case of Absolute Rate Bid Loans, and one, two, three or six months, in the case of Eurodollar Rate Bid Loans, after the date of such Proposed Bid Borrowing and in any case of no later than the Final Maturity Date.

FIRST AMENDMENT TO GLOBAL REVOLVING CREDIT AGREEMENT (364-DAY)

The First Amendment to Global Revolving Credit Agreement (364-Day) (the "Amendment") dated as of March 16, 1999 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 (which was formerly known as W. R. Grace & Co.) 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 (the "Credit Agreement"); and

WHEREAS, the parties hereto desire to 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. The first paragraph of Section 1.04(a) of the Credit Agreement, clauses (i), (ii) and (iii) thereof and Section 1.04(d) of the Credit Agreement are hereby amended in their entirety and as so amended shall read as follows:

> Section 1.04. Bid Loans. (a) Each Bank severally agrees that the Company may request Bid Borrowings denominated in Dollars comprised of either Absolute Rate Bid Loans or Eurodollar Rate Bid Loans under this Section 1.04 to be made from time to time on any Business Day during the period from the Effective Date until the date occurring one day prior to the Final Maturity Date, in the manner set forth below; provided that, following the making of each Bid Borrowing, the aggregate Original Dollar Amount of all Loans outstanding hereunder plus the aggregate amount of all Letter of Credit Outstandings at such time shall not exceed the Total Commitment in effect at such time. Each Bid Borrowing shall be in an aggregate amount not less than $5,000,000 or an integral multiple of $1,000,000 in excess thereof.
>
> (i) The Company may request a Bid Borrowing by delivering to the Administrative Agent by telecopier or telex, a notice of a Bid Borrowing (a "Notice of Bid Borrowing"), in substantially the form of Exhibit A-2 hereto, specifying the date and aggregate amount of the proposed Bid Borrowing, whether such Bid Borrowing is to consist of Absolute Rate Bid Loans or Eurodollar Rate Bid Loans, the maturity date for repayment of each Bid Loan to be made as part of such Bid Borrowing (which maturity date may be the date occurring between one and 180 days after the date of such Bid Borrowing, in the case of Absolute Rate Bid Loans, and one, two, three or six months after the date of such Bid Borrowing, in the case of Eurodollar Rate Bid Loans, and in any case no later than the Final Maturity Date), the interest payment date or dates relating thereto (which shall occur at least every 3 months, in the case of Eurodollar Rate Bid Loans, and at least every 90 days, in the case of Absolute Rate Bid Loans), and any other terms to be applicable to such Bid Borrowing, not later than 9:00 A.M. (New York time) (A) at least one Business Day prior to the date of the proposed Bid Borrowing, in the case of an Absolute Rate Bid Loan and (B) at least five Business Days prior to the date of the proposed Bid Borrowing, in the case of a Eurodollar Rate Bid Loan. The Company may request Bid Borrowings for more than one maturity date in a single Notice of Bid Borrowing. The Administrative Agent shall in turn promptly notify each Bank of each request for a Bid Borrowing received by it from the Company by sending such Bank a copy of the related Notice of Bid Borrowing.
>
> (ii) Each Bank may, if, in its sole discretion, it elects to do so, irrevocably offer to make one or more Bid Loans to the Company as part of such proposed Bid Borrowing at, in the

case of Absolute Rate Bid Loans, a rate or rates of interest (an "Absolute Rate") or, in the case of Eurodollar Rate Bid Loans, a margin (expressed as a percentage) above or below the applicable Eurocurrency Rate (a "Bid Rate Margin"), in any case as specified by such Bank in its sole discretion, by notifying the Administrative Agent (which shall give prompt notice thereof to the Company), before 9:00 A.M. (New York time) (A) on the date of such proposed Bid Borrowing, in the case of an Absolute Rate Bid Loan and (B) four Business Days before the date of such proposed Bid Borrowing, in the case of a Eurodollar Rate Bid Loan, of the minimum amount (which must be at least $5,000,000) and maximum amount of each Bid Loan that such Bank would be willing to make as part of such proposed Bid Borrowing (which amounts may, subject to the proviso to the first sentence of this Section 1.04, exceed such Bank's

Commitment), the Absolute Rates or Bid Rate Margins, as the case may be, therefor and the maturity date relating thereto, provided that if the Administrative Agent in its capacity as a Bank shall, in its sole discretion, elect to make any such offer, it shall notify the Company of such offer before 8:45 A.M. (New York time) on the date on which notice of such election is to be given to the Administrative Agent by the other Banks. Subject to Sections 5 and 9, any offer so made shall not be revocable except with the written consent of the Administrative Agent given on the instructions of the Company.

(iii) The Company may, in turn, before 10:00 A.M. (New York time) (A) on the date of such proposed Bid Borrowing, in the case of an Absolute Rate Bid Loan and (B) three Business Days before the date of such proposed Bid Borrowing, in the case of a Eurodollar Rate Bid Loan either

(A) cancel such Bid Borrowing by giving the Administrative Agent notice to that effect,

(B) irrevocably accept one or more of the offers made by any Bank or Banks pursuant to paragraph (ii) above, in its sole discretion, subject only to the provisions of this paragraph (iii), by giving notice to the Administrative Agent of the amount of each Bid Loan (which amount shall be equal to or greater than the minimum amount and equal to or less than the maximum amount, notified to the Company by the Administrative Agent on behalf of such Bank for such Bid Loan pursuant to paragraph (ii) above) to be made by each Bank as part of such Bid Borrowing, and reject any remaining offers with the same maturity date made by Banks pursuant to paragraph (ii) above by giving the Administrative Agent notice to that effect; provided, however, that (x) the Company shall not accept an offer made pursuant to paragraph (ii) above, at any Absolute Rate or Bid Rate Margin, as the case may be, if the Company shall have, or shall be deemed to have, rejected any other offer with the same maturity date made pursuant to paragraph (ii) above, at a lower Absolute Rate or

Bid Rate Margin, as the case may be, (y) if the Company declines to accept, or is otherwise restricted by the provisions of this Agreement from accepting, the maximum aggregate principal amount of Bid Borrowings offered at the same Absolute Rate or Bid Rate Margin, as the case may be, with the same maturity date pursuant to paragraph (ii) above, then the Company shall accept a pro rata portion of each offer made at such Absolute Rate or Bid Rate Margin, as the case may be, with the same maturity date, based as nearly as possible on the ratio of the aggregate principal amount of such offers to be accepted by the Company to the maximum aggregate principal amount of such offers made pursuant to paragraph (ii) above (rounding up or down to the next higher or lower multiple of $1,000,000), and (z) no offer made pursuant to paragraph (ii) above shall be accepted unless the Bid Borrowing in respect of such offer is in an integral multiple of $1,000,000 and the aggregate amount of such offers accepted by the Company is equal to at least $5,000,000, or

(C) reject any or all of such offers either directly by written or telephonic notice to the Administrative Agent or indirectly by taking no action prior to the deadline specified above.

Any offer or offers made pursuant to paragraph (ii) above not expressly accepted or rejected by the Company in accordance with this paragraph (iii) shall be deemed to have been rejected by the Company. Determinations by the Company of the amount of Bid Loans shall be conclusive in the absence of demonstrable error.

(d) The Company shall pay interest on the unpaid principal amount of each Bid Loan from the date of such Bid Loan to (but not including) the date the principal amount of such Bid Loan is repaid in full, at a rate per annum equal to, in the case of an Absolute Rate Bid Loan, the Absolute Rate quoted by the Bank making such Bid Loan and, in the case of a Eurodollar Rate Bid Loan, the sum of the applicable Eurocurrency Rate determined for such Bid Loan plus (or minus) the Bid Rate Margin quoted by the Bank making such Bid Loan, payable in arrears on the interest payment date or dates specified by the Company for such Bid Loan in the related Notice of Bid Borrowing delivered pursuant to subsection (a)(i) above.

2. Section 1.12 of the Credit Agreement is hereby amended by:

(a) inserting immediately after the words "Eurocurrency Loans" appearing in the sixth, ninth, thirteenth, and seventeenth lines thereof the following ", Eurodollar Rate Bid Loans"; and

(b) inserting immediately after the word "Borrowing" appearing in the tenth line thereof the following: " Notice of Bid Borrowing."

3. Section 3.01(a) of the Credit Agreement is hereby amended in its entirety and as so amended shall read as follows:

Section 3.01. Fees. (a) The Company agrees to pay to the Administrative Agent for distribution to each Bank a Facility Fee (the "Facility Fee") for the period from the Effective Date to but not including the Final Maturity Date (or such earlier date as the Total Commitment shall have been terminated) on the daily average Commitment of such Bank, at a rate of:

(i) 0.075% per annum for each day Category A Period exists,

(ii) 0.100% per annum for each day Category B Period exists,

(iii) 0.125% per annum for each day Category C Period exists,

(iv) 0.200% per annum for each day Category D Period exists,

(v) 0.250% per annum for each day Category E Period exists, and

(vi) 0.500% per annum for each day Category F Period exists.

Accrued Facility Fee shall be due and payable quarterly in arrears on the last business Day of each March, June, September and December of each year, and on the Final Maturity Date (or upon such earlier date as the Total Commitment is terminated).

4. Section 6 of the Credit Agreement is hereby amended by inserting immediately following Section 6.18 a new Section 6.19 as follows:

Section 6.19. Year 2000 Compliance. The Company has reviewed the areas within its consolidated business and operations (and has initiated a review of suppliers, vendors and customers) that could be adversely affected by, and has developed and is carrying out a plan to address on a timely basis, the "Year 2000 Problem" (that is, the risk that computer applications used by the Company and its Subsidiaries may be unable to recognize and perform properly date-sensitive functions involving certain dates on or prior to, and any date after December 31, 1999). Based on such review and plan, the Company reasonably believes that the "Year 2000 Problem" will not have a Material Adverse Effect.

5. The defined terms "Applicable Margin," "Eurocurrency Rate" and "Final Maturity Date" 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	.400%
Category B Period	.450%
Category C Period	.525%
Category D Period	.700%
Category E Period	1.000%
Category F Period	1.500%

"Eurocurrency Rate" shall mean the offered quotation to first-class banks in the London interbank eurocurrency market by ABN AMRO for deposits of amounts in Dollars or the relevant Eurocurrency, as appropriate, in immediately available funds comparable to, in the case of a Borrowing of Revolving Loans, the principal amount of the Eurocurrency Loan of ABN AMRO for which the Eurocurrency Rate is being determined or, in the case of a Eurodollar Rate Bid Loan, the principal amount of the Bid Rate Loan for which the Eurocurrency Rate is being determined, with maturities comparable to, in the case of a Borrowing of Revolving Loans, the Interest Period applicable to such Eurocurrency Loan or, in the case of a Eurodollar Rate Bid Loan, the maturity date thereof, as of 11:00 A.M. (London time) on the date which is two Business Days prior to the commencement of such Interest Period or the date of making such Eurodollar Bid Rate Loan, as the case may be.

"Final Maturity Date" shall mean March 27, 2000.

6. Section 10.01 of the Credit Agreement is hereby further amended by inserting in proper alphabetical order the following new defined terms:

"Absolute Rates" shall have the meaning provided in Section 1.04(a).

"Absolute Rate Bid Loan" means a Bid Loan in connection with which the rates of interest offered by the Banks pursuant to

Section 1.04 shall be Absolute Rates per annum and with a term of 1 to 180 days.

"Bid Rate Margins" shall have the meaning provided in Section 1.04(a).

"Eurodollar Rate Bid Loan" means a Bid Loan in connection with which Bid Rate Margins and the Eurocurrency Rate shall be the basis used by the Banks in determining the rates of interest to be offered by them pursuant to Section 1.04 and with a term of 1, 2, 3 or 6 months.

7. Exhibit A-2 to the Credit Agreement is hereby amended in its entirety and as so amended shall be as set forth as Exhibit A-2 to this Amendment.

8. Subject to satisfaction of the conditions precedent contained in paragraph 9 hereof, Banks that are party to the Credit Agreement immediately prior to the Effective Time (as defined in paragraph 9) 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 $600,000,000. 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.

9. This Amendment shall become effective as of the opening of business on March 29, 1999 (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, each Domestic

Subsidiary that is a Borrower and each Guarantor dated no more than 10 Business Days prior to March 29, 1999 certifying that attached thereto is a true and complete copy of resolutions adopted by the Board of Directors of such Borrower or Guarantor, as applicable, authorizing the execution, delivery and performance of this Amendment and certifying the names and true signatures of the officers of such Borrower or Guarantor, as applicable, authorized to sign this Amendment and (ii) such supporting documents as the Administrative Agent may reasonably request;

(c) the opinion of H. Katherine White, General Counsel to the Company and certain of the Borrowers and Guarantors in form and substance satisfactory to the Administrative Agent; 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 29, 1999 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 Applicable Margins and the Facility Fee shall take effect with respect to any Loans, Letters of Credit and the amount of the Commitments outstanding on March 29, 1999 and on each day thereafter, but any payment of interest, Letter of Credit Fees or Facility Fees due on or after March 29, 1999 with respect to Loans or Letters of Credit outstanding or the amount of the Commitments on account of any day prior thereto shall be computed on the basis of the Applicable Margin and Facility Fee in effect prior to such effectiveness.

10.1. To induce the Administrative Agent and the Banks to enter into this Amendment, each Borrower and Guarantor represents and warrants to the Administrative Agent and the Banks 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.

10.2. 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.

10.3. 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.

10.4. 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/ William V. Hickey

Title President

SEALED AIR CORPORATION (US),
as Borrower and Guarantor

By /s/ William V. Hickey

Title President

CRYOVAC, INC., as Borrower and Guarantor

By /s/ William V. Hickey

Title President

By /s/ H. Katherine White

Title Vice President

CRYOVAC UK LIMITED, as Borrower

By /s/ Mark T. Becker

Title Controller Europe

CRYOVAC AG, as Borrower

By /s/ Mark T. Becker

Title Controller Europe

CRYOVAC S.P.A., as Borrower

By /s/ Domenico Bertani

Title CFO/Managing Director

CRYOVAC AUSTRALIA PTY.
LIMITED, as Borrower

By /s/ H. Katherine White

Title Director

SEALED AIR S.A., as Borrower

By /s/ S. Froelich

Title Managing Director

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/ Andre Schmidt

Title Controller

SEALED AIR (NZ) LIMITED, as Borrower

By /s/ H. Katherine White

Title Director

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/ H. Katherine White

Title Director

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

By /s/ John W. Deegan

Title Group Vice President

By /s/ Pauline McHugh

Title Vice President

BANK OF AMERICA NATIONAL TRUST AND
SAVINGS ASSOCIATION

By /s/ Deborah J. Graziano

Title Vice President

BANKERS TRUST COMPANY

By /s/ Gregory P. Shefrin

Title Principal

CITIBANK, N.A.

By /s/ William G. Martens

Title V.P.

COMMERZBANK AG, NEW YORK BRANCH

By /s/ Robert Donohue

Title Sr. Vice President

By /s/ David T. Whitworth

Title Sr. Vice President

CREDIT LYONNAIS NEW YORK BRANCH

By /s/ Vladimir Labun

Title First Vice President - Manager

FLEET NATIONAL BANK

By /s/ Christopher W. Criswell

Title Senior Vice President

SUMMIT BANK

By /s/ Wayne Trotman

Title Senior Vice President

TORONTO DOMINION (TEXAS) INC.

By /s/ Mark A. Baird

Title Vice President

BANCA DI ROMA

By /s/ Steven Paley

Title VP

By /s/ Nicola Dell'Edera

Title AT

THE BANK OF NEW YORK

By /s/ Ernest Fung

Title Vice President

THE BANK OF NOVA SCOTIA

By /s/ Stephen Lockhart

Title Vice President

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

COMPAGNIE FINANCIERE DE CIC ET
DE L'UNION EUROPEENNE

By /s/ Eric Longuet

Title Vice President

By /s/ Albert Calo

Title Vice President

THE FIRST NATIONAL BANK OF CHICAGO

By /s/ Juan J. Duarte

Title Vice President

FIRST UNION NATIONAL BANK

By Christopher M. Mclaughlin

Title Vice President

MARINE MIDLAND BANK

By /s/ Diane Zieske

Title Assistant Vice President

WACHOVIA BANK N.A.

By /s/ M. Eugene Wood, III

Title Senior Vice President

THE NORTHERN TRUST COMPANY

By /s/ Marke E. Taylor

Title Second Vice President

THE BANK OF TOKYO-MITSUBISHI, LTD.

By /s/ William DiNicola

Title Attorney-in-Fact

BANQUE NATIONALE DE PARIS

By /s/ Richard L. Sted

Title Senior Vice President

By /s/ Richard Pace

Title Vice President
Corporate Banking Division

CARIPLO-CASSA DI RISPARMIO DELLE
PROVINCIE LOMBARDE SPA

By /s/ Anthony Giobbi

Title F.V.P.

By /s/ Maria Elena Greene

Title A.V.P.

UNI CREDITO ITALIANO S.P.A.

By /s/ Giansranco Bisagni

Title First Vice President

By /s/ Sayed Abbas

Title Asst. Vice President

KBC BANK N.V.

By /s/ Robert Snauffer

Title First Vice President

By /s/ Robert M. Surdam Jr.

Title Vice President

MELLON BANK, N.A.

By /s/ Maria Sisto

Title Assistant Vice President

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

By /s/ G. Natalicchi

Title Supervisor & General Manager

By /s/ Brian R. Landy

Title Vice President

NORDDEUTSCHE LANDESBANK GIROZENTRALE

By Stephen K. Hunter

Title SVP

By /s/ Josef Haas

Title VP

SUNTRUST BANK, ATLANTA

By /s/ Armen Karozichian

Title Vice President

By

Title

ISTITUTO BANCARIO SAN PAOLO DI
TORINO ISTITUTO MOBILIARE
ITALIANO S.P.A.

By /s/ Luca Sacchi

Title Vice President

By /s/ Alex Guzzo

Title Vice President

CREDIT AGRICOLE INDOSUEZ

By Rene LeBlanc

Title Vice President, Sr. Rel. Mgr.

By /s/ Richard Manix

Title First Vice President

BANCA COMMERCIALE ITALIANA
NEW YORK BRANCH

By /s/ Charles Dougherty

Title

By /s/ Karen Purelis

Title Vice President

SCHEDULE 1.01

COMMITMENTS

BANK NAME	COMMITMENT
ABN AMRO Bank N.V.	30,000,000.00
Bank of America National Trust and Savings Association	30,000,000.00
Bankers Trust Company	30,000,000.00
Banca Nazionale del Lavoro S.p.A. -- New York Branch	23,000,000.00
Citibank, N.A.	23,000,000.00
Commerzbank AG, New York Branch	23,000,000.00
Credit Agricole Indosuez	23,000,000.00
Credit Lyonnais, New York Branch	23,000,000.00
First Union National Bank	23,000,000.00
Fleet National Bank	23,000,000.00
Marine Midland Bank	23,000,000.00
Summit Bank	23,000,000.00
SunTrust Bank, Atlanta	23,000,000.00
The Bank of New York	23,000,000.00
The Bank of Nova Scotia	23,000,000.00
Toronto Dominion (Texas), Inc.	23,000,000.00
Wachovia Bank N.A.	23,000,000.00

Banca Commerciale Italiana	18,000,000.00
Banca di Roma	18,000,000.00
Banque Nationale de Paris	18,000,000.00
Compagne Financiere de CIC et de L'Union Europeene	18,000,000.00
KBC Bank N.V.	18,000,000.00
The First National Bank of Chicago	18,000,000.00
Banca Monte dei Paschi di Siena, S.p.A.	10,000,000.00
Cariplo-Cassa di Risparmio delle Provincie Lombarde SpA	10,000,000.00
Istituto Bancario San Paolo di Torino Istituto Mobiliare Italiano SpA	10,000,000.00
Mellon Bank, N.A.	10,000,000.00
Norddeutsche Landesbank Girozentrale	10,000,000.00
The Northern Trust Company	10,000,000.00
The Bank of Tokyo-Mitsubishi, Ltd.	10,000,000.00
UNI Credito Italiano S.p.A.	10,000,000.00

EXHIBIT A-2

NOTICE OF BID BORROWING

[Date]

ABN AMRO Bank N.V., as Administrative Agent
for the Banks party to
the Credit Agreement
referred to below

1325 Avenue of the Americas
New York, New York 10019
Attention: Agency Services

Gentlemen:

The undersigned refers to the Global Revolving Credit Agreement (364-Day), dated as of March 30, 1998 (as amended, modified or supplemented from time to time, the "Credit Agreement"; the terms defined therein being used herein as therein defined), among Sealed Air Corporation, Cryovac, Inc., as the initial Subsidiary Borrower, and each additional Subsidiary Borrower, the Company and certain Domestic Subsidiaries, as Guarantors, the lenders from time to time party thereto (the "Banks"), you, as Administrative Agent for such Banks, Bankers Trust Company, as Documentation Agent, and Bank of America National Trust and Savings Association, as Syndication Agent, and hereby gives you notice, irrevocably, pursuant to Section 1.04(a) of the Credit Agreement, that the undersigned hereby requests a Borrowing under the Credit Agreement, and in that connection sets forth below the information relating to such Borrowing (the "Proposed Borrowing") as required by Section 1.04(a) of the Credit Agreement:

(i) The date of the Proposed Bid Borrowing[1] ______________

(ii) The Proposed Bid Borrowing is to be of ______________
[Absolute Rate Bid Loans, and Banks should quote an Absolute Rate]

[Eurodollar Rate Bid Loans, and Banks should quote a Bid Rate Margin (indicating whether "Plus" or "Minus" the applicable Eurocurrency Rate)]

(iii) Aggregate Principal Amount of each Proposed

- -----------

1 At least one Business Day's prior notice is required for a Proposed Bid Borrowing of Absolute Rate Bid Loans and at least five Business Days' prior notice is required for a Proposed Bid Borrowing of Eurodollar Rate Bid Loans.

Bid Borrowing2 ______________

(iv) Maturity Date for each Proposed Bid Borrowing3 ______________

(v) Interest Payment Dates for each Proposed Bid Borrowing ______________

The undersigned hereby certifies that the following statements will be true on the date of the Proposed Borrowing:

(A) the representations and warranties contained in the Credit Agreement (other than Section 6.05) and in the other Credit Documents will be true and correct in all material respects, both before and after giving effect to the Proposed Borrowing and to the application of the proceeds thereof, with the same effect as though such representations and warranties had been made on and as of the date of such Proposed Borrowing (it being understood 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); and

(B) no Default has occurred and is continuing, or would result from such Proposed Borrowing or from the application of the proceeds thereof.

Very truly yours,

SEALED AIR CORPORATION

By ------------------------------------

Name: ------------------------------

Title: -----------------------------

- ------------

2 Not less than $5,000,000 or an integral multiple of $1,000,000 in excess thereof.

3 Must be 1 to 180 days, in the case of Absolute Rate Bid Loans, and one, two, three or six months, in the case of Eurodollar Rate Bid Loans, after the date of such Proposed Bid Borrowing and in any case of no later than the Final Maturity Date

The schedule contains summary information extracted from the consolidated statement of earnings for the three months ended March 31, 1999 and the consolidated balance sheet at March 31, 1999 and is qualified in its entirety by reference to such financial statements.

0001012100
SEALED AIR CORPORATION

3-MOS
DEC-31-1999
MAR-31-1999
85,280,000
0
449,204,000
19,079,000
269,504,000
875,614,000
1,906,812,000
836,003,000
4,018,620,000
703,275,000
0
1,789,707,000
0
8,380,000
429,635,000
4,018,620,000
678,937,000
678,937,000
433,239,000
433,239,000
140,865,000
0
14,719,000
87,950,000
41,336,000
46,614,000
0
0
0
46,614,000
.34
.34