

CROWN HOLDINGS INC
Form 10-Q
November 05, 2010

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2010

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 0-50189

CROWN HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

Pennsylvania
(State or other jurisdiction of incorporation or organization)

75-3099507
(I.R.S. Employer Identification No.)

One Crown Way, Philadelphia, PA
(Address of principal executive offices)

19154-4599
(Zip Code)

215-698-5100

(registrant's telephone number, including area code)

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

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the

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preceding 12 months (or such shorter period that the registrant was required to submit such files). Yes No

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

Large accelerated filer Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

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

There were 159,343,846 shares of Common Stock outstanding as of November 1, 2010.

Crown Holdings, Inc.

PART I FINANCIAL INFORMATION

CONSOLIDATED STATEMENTS OF OPERATIONS

(In millions except share and per share data)

(Unaudited)

Three months ended September 30	2010	2009
Net sales	\$2,205	\$2,282
Cost of products sold, excluding depreciation and amortization	1,788	1,868
Depreciation and amortization	40	49
Gross profit	377	365
Selling and administrative expense	82	95
Provision for asbestos	15	
Provision for restructuring	17	40
Asset impairments and sales	(11)	(1)
Loss from early extinguishments of debt	16	27
Interest expense	55	66
Interest income	(3)	(1)
Translation and foreign exchange	(2)	(5)
Income before income taxes and equity earnings	208	144
Provision for income taxes	47	3
Net income	161	141
Net income attributable to noncontrolling interests	(35)	(33)
Net income attributable to Crown Holdings	\$126	\$108
Earnings per common share attributable to Crown Holdings:		
Basic	\$0.79	\$0.68
Diluted	\$0.78	\$0.67
Weighted average common shares outstanding:		
Basic	159,181,133	159,208,879
Diluted	161,674,329	162,120,722

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The accompanying notes are an integral part of these consolidated financial statements.

Crown Holdings, Inc.

CONSOLIDATED STATEMENTS OF OPERATIONS

(In millions except share and per share data)

(Unaudited)

Nine months ended September 30	2010	2009
Net sales	\$5,992	\$6,021
Cost of products sold, excluding depreciation and amortization	4,902	4,936
Depreciation and amortization	128	142
Gross profit	962	943
Selling and administrative expense	256	274
Provision for asbestos	15	
Provision for restructuring	41	42
Asset impairments and sales	(18)	(2)
Loss from early extinguishments of debt	16	27
Interest expense	147	189
Interest income	(6)	(4)
Translation and foreign exchange	(4)	(1)
Income before income taxes and equity earnings	515	418
Provision for income taxes	143	71
Equity loss in affiliates		(4)
Net income	372	343
Net income attributable to noncontrolling interests	(93)	(90)
Net income attributable to Crown Holdings	\$279	\$253
Earnings per common share attributable to Crown Holdings:		
Basic	\$1.74	\$1.59
Diluted	\$1.71	\$1.56
Weighted average common shares outstanding:		
Basic	160,280,362	158,876,444
Diluted	162,683,432	161,714,586

The accompanying notes are an integral part of these consolidated financial statements.

Crown Holdings, Inc.

CONSOLIDATED BALANCE SHEETS (Condensed)

(In millions)

(Unaudited)

	September 30, 2010	December 31, 2009
Assets		
Current assets		
Cash and cash equivalents	\$415	\$459
Receivables, net	1,274	714
Inventories	1,068	960
Prepaid expenses and other current assets	122	109
Total current assets	2,879	2,242
Goodwill	1,998	2,050
Property, plant and equipment, net	1,524	1,509
Other non-current assets	745	731
Total	\$7,146	\$6,532
Liabilities and equity		
Current liabilities		
Short-term debt	\$299	\$30
Current maturities of long-term debt	156	29
Accounts payable and accrued liabilities	1,974	1,866
Total current liabilities	2,429	1,925
Long-term debt, excluding current maturities	2,774	2,739
Postretirement and pension liabilities	1,011	1,037
Other non-current liabilities	465	448
Commitments and contingent liabilities <i>(Note K)</i>		
Noncontrolling interests	328	389
Crown Holdings shareholders' equity/(deficit)	139	(6)
Total equity	467	383
Total	\$7,146	\$6,532

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The accompanying notes are an integral part of these consolidated financial statements.

Crown Holdings, Inc.

CONSOLIDATED STATEMENTS OF CASH FLOWS (Condensed)

(In millions)

(Unaudited)

Nine months ended September 30	2010	2009
Cash flows from operating activities		
Net income	\$372	\$343
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	128	142
Provision for restructuring	41	42
Asset impairments and sales	(18)	(2)
Loss on early extinguishments of debt	16	27
Pension expense	83	94
Pension contributions	(43)	(42)
Stock-based compensation	17	14
Changes in assets and liabilities:		
Receivables	(564)	(285)
Inventories	(120)	(63)
Accounts payable and accrued liabilities	48	(92)
Other, net	79	2
Net cash provided by operating activities	39	180
Cash flows from investing activities		
Capital expenditures	(187)	(108)
Proceeds from sale of property, plant and equipment	20	2
Other	3	(4)
Net cash used for investing activities	(164)	(110)
Cash flows from financing activities		
Proceeds from long-term debt	718	399
Payments of long-term debt	(714)	(577)
Net change in revolving credit facility and short-term debt	448	7
Common stock issued	6	9
Common stock repurchased	(105)	(4)
Purchase of noncontrolling interests	(168)	
Dividends paid to noncontrolling interests	(77)	(53)
Other	(22)	(17)
Net cash provided by/(used for) financing activities	86	(236)
Effect of exchange rate changes on cash and cash equivalents	(5)	8

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Net change in cash and cash equivalents	(44)	(158)
Cash and cash equivalents at January 1	459	596
Cash and cash equivalents at September 30	\$415	\$438

The accompanying notes are an integral part of these consolidated financial statements.

Crown Holdings, Inc.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS EQUITY AND COMPREHENSIVE INCOME/(LOSS)

(In millions) (Unaudited)

	Crown Holdings, Inc. Shareholders Equity				Equity			
	Common Stock	Paid-in Capital	Accumulated Earnings/ (Deficit)	Accumulated Other Comprehensive Loss	Treasury Stock	Total Crown Equity	Noncontrolling Interests	Total
Balance at January 1, 2009	\$929	\$1,510	(\$428)	(\$2,195)	(\$133)	(\$317)	\$353	\$36
Comprehensive income:								
Net income			253			253	90	343
Translation adjustments				72		72	4	76
Amortization of net loss and prior service cost included in pension and postretirement cost				49		49		49
Derivatives qualifying as hedges				57		57	(2)	55
Total comprehensive income						431	92	523
Dividends paid							(53)	(53)
Restricted stock awarded		(3)			3			
Stock-based compensation		14				14		14
Common stock issued		4			5	9		9
Common stock repurchased		(3)			(1)	(4)		(4)
Acquisition of business							2	2
Balance at September 30, 2009	\$929	\$1,522	(\$175)	(\$2,017)	(\$126)	\$133	\$394	\$527
Balance at January 1, 2010	\$929	\$1,536	(\$94)	(\$2,255)	(\$122)	(\$6)	\$389	\$383
Comprehensive income:								
Net income			279			279	93	372
Translation adjustments							(3)	(3)
Amortization of net loss and prior service cost included in pension and postretirement cost				50		50		50
Derivatives qualifying as hedges				3		3	(2)	1
Total comprehensive income						332	88	420
Dividends paid							(77)	(77)
Restricted stock awarded		(3)			3			
Stock-based compensation		17				17		17
Common stock issued		3			3	6		6
Common stock repurchased		(88)			(17)	(105)		(105)
Purchase of noncontrolling interests		(114)		9		(105)	(63)	(168)
Sale of business							(9)	(9)
Balance at September 30, 2010	\$929	\$1,351	\$185	(\$2,193)	(\$133)	\$139	\$328	\$467

The accompanying notes are an integral part of these consolidated financial statements.

Crown Holdings, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(In millions, except per share and statistical data)

(Unaudited)

A. Statement of Information Furnished

The consolidated financial statements include the accounts of Crown Holdings, Inc. and its consolidated subsidiaries (the "Company"). The accompanying unaudited interim consolidated financial statements have been prepared by the Company in accordance with Form 10-Q instructions. In the opinion of management, these consolidated financial statements contain all adjustments of a normal and recurring nature necessary for a fair statement of the financial position of Crown Holdings, Inc. as of September 30, 2010 and the results of its operations for the three and nine month periods ended September 30, 2010 and 2009 and of its cash flows for the nine months ended September 30, 2010 and 2009. The results reported in these consolidated financial statements are not necessarily indicative of the results that may be expected for the entire year. These results have been determined on the basis of accounting principles generally accepted in the United States of America ("GAAP").

Certain information and footnote disclosures normally included in financial statements presented in accordance with GAAP have been condensed or omitted. The year-end condensed balance sheet data was derived from audited financial statements, but does not include all disclosures required by GAAP. The accompanying consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2009. Certain reclassifications of prior years' data have been made to conform to the current year presentation.

B. Recent Accounting and Reporting Pronouncements

Effective January 1, 2010, the Company adopted the FASB's amended guidance on transfers of financial assets. The guidance removes the concept of a qualifying special-purpose entity, establishes a new participating interest definition that must be met for transfers of portions of financial assets to be eligible for sale accounting and clarifies and amends the derecognition criteria for a transfer to be accounted for as a sale. As a result of adopting the guidance, the Company's current receivables securitization and certain factoring facilities are now accounted for as secured borrowings. The impact of adopting the new guidance on the Company's Consolidated Balance Sheet was to increase both the Company's receivables and short-term debt as of September 30, 2010 by \$246. The impact of adopting the new guidance on the Company's Consolidated Statement of Cash Flows was to both increase net cash used for operating activities and net cash provided by financing activities by \$246 for the nine months ended September 30, 2010. The adoption of the guidance did not materially impact the Company's results of operations. In accordance with the guidance, prior period amounts have not been restated. See Note D for additional information.

Effective January 1, 2010, the Company adopted the FASB's amended guidance on the consolidation of variable interest entities (VIEs). The guidance requires an entity to qualitatively assess the determination of the primary beneficiary of a VIE based on whether the entity (1) has the power to direct the activities of a VIE that most significantly impact the entity's economic performance and (2) has the obligation to absorb losses of the entity or the right to receive benefits from the entity that could potentially be significant to the VIE. Also, the guidance requires an ongoing reconsideration of the primary beneficiary and amends the events that trigger a reassessment of whether an entity is a VIE. The adoption of the guidance had no impact on the Company's financial statements.

The FASB provided guidance that requires new disclosures about fair value measurements and clarifies existing disclosure requirements. The new disclosures include (1) transfers in and out of level 1 and level 2 fair value measurements and (2) a gross presentation of activities within level 3 fair value measurements. The clarifications to existing disclosures include a requirement to provide fair value measurement disclosures for each class of assets and liabilities. A class is often a subset of assets or liabilities within a line item in the statement of financial position. A reporting entity is also required to provide disclosures about the valuation techniques and inputs used to measure fair value for both recurring and nonrecurring fair value measurements in either level 2 or level 3. The disclosures were required for the Company beginning with the quarter ended March 31, 2010 except for the requirement to disclose gross presentation of activities within level 3, which is not effective until the first quarter of 2011.

Crown Holdings, Inc.

The disclosure requirement for transfers in and out of level 1 and level 2 had no impact on the Company. The requirement to disclose gross presentation of activities within level 3 is expected to affect only the Company's level 3 pension assets. See Note F for additional information.

C. Stock-Based Compensation

During the first nine months of 2010, the Company awarded 373,149 shares of restricted stock to certain senior executives, including 143,525 shares with time-vesting requirements and 229,624 shares with a market performance feature. The time-vested awards vest ratably over three years and had a grant-date fair value of \$26.80 per share. The performance shares vest at the end of three years based on the results of a market performance criterion. The number of performance shares that will ultimately vest is based on the level of performance achieved, ranging between 0% and 200% of the shares awarded, and will be settled in stock. The estimated fair value of each performance share was calculated as \$36.25 using a Monte Carlo valuation model. During the first nine months of 2010, 246,693 shares of previously issued service-based awards and 136,003 shares of previously issued performance-based shares vested. The weighted average fair value of these shares on the vesting date was \$26.10 per share. Also during the first nine months of 2010, 108,177 performance-based shares were issued because the Company exceeded the target level of performance shares established on the original date of the related awards by approximately 80%. These shares were issued without restriction.

As of September 30, 2010, outstanding stock options included 5,177,295 shares that were fully vested or expected to vest of which 3,404,457 were exercisable. The weighted average exercise price of the options that were fully vested or expected to vest was \$16.73, the aggregate intrinsic value was \$62, and the weighted average remaining contractual life was 4.8 years. The weighted average exercise price of options that were currently exercisable was \$13.21, the aggregate intrinsic value was \$53, and the weighted average remaining contractual life was 4.0 years.

At September 30, 2010, unrecognized compensation cost related to unvested stock options and restricted stock was \$12 and \$7, respectively. The weighted average period over which the expense is expected to be recognized is 2.4 years for stock options and 1.2 years for restricted stock.

The Company received cash proceeds of \$2 and \$6 from the exercise of stock options in the third quarters of 2010 and 2009, respectively, and \$6 and \$9 in the first nine months of 2010 and 2009, respectively.

D. Receivables

The Company utilizes receivable securitization facilities in the normal course of business as part of its management of cash flow activities. Under its committed \$200 North American facility, the Company sells receivables, on a revolving basis, to a wholly-owned, bankruptcy-remote subsidiary. The subsidiary was formed for the sole purpose of buying and selling receivables generated by the Company and, in turn, sells undivided percentage ownership interests in the pool of purchased receivables to a syndicate of financial institutions. The Company generally retains an ownership interest in the pool of receivables that is subordinated to the ownership interests in the pool of receivables that are sold to third parties. Accordingly, the Company has determined that transactions under these facilities do not qualify for sale accounting and has therefore accounted for the transactions as secured borrowings.

Under the Company's committed 120 European securitization facility, certain subsidiaries in the U.K. and France sell receivables to an entity formed in France for the sole purpose of buying receivables from the selling subsidiaries. The buying entity finances the purchase of receivables through the issuance of senior units to a third party. Since the units issued to the third party are senior to the interests retained by the Company, the Company has determined that transactions under these facilities do not qualify for sale accounting and has therefore accounted for the transactions as secured borrowings.

In addition, the Company utilizes receivables factoring arrangements in the normal course of business as part of managing cash flow activities for its European operations. Under the arrangements, the Company sells its entire interest in specified receivables to various third parties. Where the Company has surrendered control over factored receivables, the Company has accounted for the transfers as sales.

Crown Holdings, Inc.

The Company's continuing involvement in factored receivables accounted for as sales is limited to servicing the receivables. The Company receives adequate compensation for servicing the receivables; therefore, no servicing asset or liability was recorded.

At September 30, 2010, the Company's Consolidated Balance Sheet included \$246 of receivables that were securitized or factored and \$246 of associated liabilities. In addition, at September 30, 2010, the Company derecognized receivables of \$207 related to factoring arrangements accounted for as sales. At December 31, 2009, receivables of \$392 securitized or factored under the Company's facilities were accounted for as sales and reported as a reduction of receivables in the Company's Consolidated Balance Sheet.

For the three and nine month periods ended September 30, 2010, the Company recorded expenses related to securitization and factoring facilities of \$3 and \$7 as interest expense. For the three and nine month periods ended September 30, 2009, the Company recorded expenses related to securitization and factoring facilities of \$1 and \$3 as interest expense.

Collections from customers on securitized or factored receivables and related fees and costs are included in operating activities in the Consolidated Statements of Cash Flows. Proceeds and repayments from issuances of ownership interests in the consolidated entity that buys and sells the Company's receivables under its securitization facilities as well as amounts received from factors for transactions that do not qualify for sale accounting are included in financing activities in the Consolidated Statements of Cash Flows.

E. Inventories

Inventories are stated at the lower of cost or market, with cost for U.S. inventories principally determined under the first-in, first-out (FIFO) method. Non-U.S. inventories are principally determined under the average cost method.

	September 30, 2010	December 31, 2009
Finished goods	\$418	\$368
Work in process	147	102
Raw materials and supplies	503	490
	\$1,068	\$960

F. Fair Value Measurements

Under GAAP a framework exists for measuring fair value, providing a three-tier hierarchy of pricing inputs used to report assets and liabilities that are adjusted to fair value. Level 1 includes inputs such as quoted prices which are available in active markets for identical assets or liabilities as of the report date. Level 2 includes inputs other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable as of the report date. Level 3 includes unobservable pricing inputs that are not corroborated by market data or other objective sources. The Company has no items valued using Level 3 inputs other than certain pension plan assets.

Crown Holdings, Inc.

The following table sets forth the fair value hierarchy of the Company's financial assets and liabilities that were accounted for at fair value on a recurring basis as of September 30, 2010 and December 31, 2009, respectively.

	Sep. 30, 2010	Dec. 31, 2009	Fair value at reporting date using			
			Level 1		Level 2	
	Sep. 30, 2010	Dec. 31, 2009	Sep. 30, 2010	Dec. 31, 2009	Sep. 30, 2010	Dec. 31, 2009
Assets						
Derivative instruments:						
Foreign exchange	\$42	\$14			\$42	\$14
Commodities	42	31	\$42	\$31		
Total	\$84	\$45	\$42	\$31	\$42	\$14
Liabilities						
Derivative instruments:						
Cross-currency swaps	\$38	\$49			\$38	\$49
Foreign exchange	29	17			29	17
Commodities	2	1	\$2	\$1		
Total	\$69	\$67	\$2	\$1	\$67	\$66

The Company utilizes market data or assumptions that market participants would use in pricing the asset or liability. The Company's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of assets and liabilities measured at fair value and their placement within the fair value hierarchy.

The Company applies a market approach to value its commodity price hedge contracts. Prices from observable markets are used to develop the fair value of these financial instruments and they are reported under Level 1. The Company uses an income approach to value its outstanding cross-currency swaps and foreign exchange forward contracts. These contracts are valued using a discounted cash flow model that calculates the present value of future cash flows under the terms of the contracts using market information as of the reporting date, such as prevailing interest rates and foreign exchange spot and forward rates, and are reported under Level 2 of the fair value hierarchy.

Refer to Note G for further discussion of the Company's use of derivative instruments and their fair values.

G. Derivative Financial Instruments

In the normal course of business the Company is subject to risk from adverse fluctuations in foreign exchange, interest rates and commodity prices. The Company manages these risks through a program that includes the use of derivative financial instruments, primarily swaps and forwards. Counterparties to these contracts are major financial institutions. The Company is exposed to credit loss in the event of nonperformance by these counterparties. The Company does not use derivative instruments for trading or speculative purposes.

The Company's objective in managing exposure to market risk is to limit the impact on earnings and cash flow. The extent to which the Company uses such instruments is dependent upon its access to these contracts in the financial markets and its success using other methods, such as netting exposures in the same currencies to mitigate foreign exchange risk and using sales agreements that permit the pass-through of commodity price and foreign exchange rate risk to customers.

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For derivative financial instruments accounted for as hedging instruments, the Company formally designates and documents, at inception, the financial instrument as a hedge of a specific underlying exposure, the risk management objective and the manner in which effectiveness will be assessed. The Company formally assesses, both at inception and at least quarterly thereafter, whether the derivative financial instruments used in hedging transactions are effective in offsetting changes in fair value or cash flows of the related underlying exposures. Any ineffective portion of the change in fair value of the instruments is recognized immediately in earnings.

Crown Holdings, Inc.
Cash Flow Hedges

The Company designates certain derivative financial instruments as cash flow hedges. No components of the hedging instruments are excluded from the assessment of hedge effectiveness. Changes in fair value of outstanding derivatives accounted for as cash flow hedges, except any ineffective portion, are recorded in other comprehensive income until earnings are impacted by the hedged transaction. Classification of the gain or loss in the Consolidated Statements of Operations upon release from comprehensive income is the same as that of the underlying exposure. Contracts outstanding at September 30, 2010 mature between one and thirty months.

When the Company discontinues hedge accounting because it is no longer probable that an anticipated transaction will occur in the originally specified period, changes to fair value accumulated in other comprehensive income are recognized immediately in earnings.

The Company may use cross-currency and interest rate swaps to manage its portfolio of fixed and variable debt, including foreign-currency denominated intercompany debt, and to manage the impact of debt on local cash flows. Currently the Company has one cross-currency swap outstanding, which matures in November 2010, with a notional value of \$235. The swap is effective in mitigating the risk of changes in foreign exchange and interest rates because the critical terms of the swap, including notional amount, interest reset date, maturity date and underlying market index, match those of the foreign currency-denominated debt.

The Company uses commodity forwards to hedge anticipated purchases of various commodities, including aluminum, fuel oil and natural gas. Information about commodity price exposure is derived from supply forecasts submitted by customers and these exposures are hedged by a central treasury unit. The aggregate U.S. dollar-equivalent notional value of commodity contracts designated as cash flow hedges at September 30, 2010 and December 31, 2009 was \$303 and \$167.

The Company also designates certain foreign exchange contracts as cash flow hedges of anticipated foreign-currency-denominated sales or purchases. The Company manages these risks at the operating unit level. Often the hedging of foreign currency risk is performed in concert with related commodity price hedges. The aggregate U.S. dollar-equivalent notional value of foreign exchange contracts designated as cash flow hedges at September 30, 2010 and December 31, 2009 was \$538 and \$283.

The following table sets forth financial information about the impact on Accumulated Other Comprehensive Income (AOCI) and earnings from changes in fair value related to derivative instruments accounted for as cash flow hedges.

	Amount of gain/(loss) recognized in AOCI (effective portion)		Amount of gain/(loss) reclassified from AOCI into earnings		
	Quarter Ended Sep. 30, 2010	Nine Months Ended Sep. 30, 2010	Quarter Ended Sep. 30, 2010	Nine Months Ended Sep. 30, 2010	
Derivatives in cash flow hedges					
Cross-currency swap	(\$28)	\$11	(\$27)	\$14	(1)
Foreign exchange contracts	(4)	1		3	(2)
Commodity contracts	24	12	(2)	4	(3)
Total	(\$8)	\$24	(\$29)	\$21	

Crown Holdings, Inc.

Derivatives in cash flow hedges	Amount of gain/(loss) recognized in AOCI (effective portion)		Amount of gain/(loss) reclassified from AOCI into earnings		
	Quarter Ended Sep. 30, 2009	Nine Months Ended Sep. 30, 2009	Quarter Ended Sep. 30, 2009	Nine Months Ended Sep. 30, 2009	
Cross-currency swap	(\$20)	(\$22)	(\$16)	(\$14)	(4)
Foreign exchange contracts		6	4	7	(5)
Commodity contracts	5	5	(26)	(61)	(6)
Total	(\$15)	(\$11)	(\$38)	(\$68)	

- (1) Within the Statement of Operations for the nine months ended September 30, 2010, \$14 was credited to translation and foreign exchange. During the three months ended September 30, 2010, \$27 was charged to translation and foreign exchange.
- (2) Within the Statement of Operations for the nine months ended September 30, 2010, \$1 was credited to net sales and \$2 was credited to cost of products sold. During the three months ended September 30, 2010, \$1 was charged to net sales and \$1 was credited to cost of products sold.
- (3) Within the Statement of Operations for the nine months ended September 30, 2010, \$6 was credited to cost of products sold and for the three and nine months ended September 30, 2010 \$2 was charged to income tax expense.
- (4) Within the Statement of Operations for the nine months ended September 30, 2009, \$20 was charged to translation and foreign exchange and \$6 was credited to interest expense. During the three months ended September 30, 2009, \$16 was charged to translation and foreign exchange.
- (5) Within the Statement of Operations for the nine months ended September 30, 2009, \$2 was credited to net sales and \$5 was credited to cost of products sold. During the three months ended September 30, 2009, \$4 was credited to net sales.
- (6) Within the Statement of Operations for the nine months ended September 30, 2009, \$81 was charged to cost of products sold and \$20 was credited to income tax expense. During the three months ended September 30, 2009, \$31 was charged to cost of products sold and \$5 was credited to income tax expense.

During the twelve months ending September 30, 2011, a net gain of \$25 (\$19, net of tax) is expected to be reclassified to earnings. The actual amount that will be reclassified may differ from this amount due to changing market conditions. No amounts were reclassified during the three and nine months ended September 30, 2010 and 2009 in connection with anticipated transactions that were no longer considered probable and the ineffective portion recorded in earnings was less than \$1.

Fair Value Hedges and Contracts Not Designated as Hedges

The Company designates certain derivative financial instruments as fair value hedges of recognized foreign-denominated assets and liabilities, generally trade accounts receivable and payable and unrecognized firm commitments. The notional values and maturity dates of the derivative

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instruments coincide with those of the hedged items. Changes in fair value of the derivative financial instruments, excluding time value, are offset by changes in fair value of the related hedged items. Other than for firm commitments, amounts related to time value are excluded from the assessment and measurement of hedge effectiveness and are reported in earnings. Less than \$1 was reported in earnings for the three and nine months ended September 30, 2010. The U.S. dollar-equivalent notional value of foreign exchange contracts designated as fair value hedges at September 30, 2010 and December 31, 2009 was \$332 and \$114.

Crown Holdings, Inc.

Certain derivative financial instruments, including foreign exchange contracts related to intercompany debt, were not designated or did not qualify for hedge accounting; however, they are effective economic hedges as the changes in their fair value, except for time value, are offset by changes in remeasurement of the related hedged items. The Company's primary use of these derivative instruments is to offset the earnings impact that fluctuations in foreign exchange rates have on certain monetary assets and liabilities denominated in nonfunctional currencies. Changes in fair value of these derivative instruments are immediately recognized in earnings as foreign exchange adjustments. The aggregate U.S. dollar-equivalent notional value of these contracts at September 30, 2010 and December 31, 2009 was \$652 and \$575.

The impact on earnings of foreign exchange contracts designated as fair value hedges was a gain of \$10 and a gain of \$2 for the three and nine months ended September 30, 2010 and a gain of less than \$1 for each of the three and nine months ended September 30, 2009. The impact on earnings of foreign exchange contracts not designated as hedges was a loss of \$8 and a gain of \$17 for the three and nine months ended September 30, 2010 and losses of \$6 and \$52 for the three and nine months ended September 30, 2009. These items were reported as translation and foreign exchange and were offset by changes in the fair value of the related hedged items.

The fair values of outstanding derivative instruments in the Consolidated Balance Sheet at September 30, 2010 and December 31, 2009 were:

	September 30, 2010		December 31, 2009	
<u>Assets</u>				
Derivatives designated as hedges:				
Foreign exchange	\$18	(7)	\$4	(7)
Commodities	42	(8)	31	(8)
Derivatives not designated as hedges:				
Foreign exchange	24	(7)	10	(7)
Total	\$84		\$45	
<u>Liabilities</u>				
Derivatives designated as hedges:				
Cross-currency swaps	\$38	(9)	\$49	(9)
Foreign exchange	18	(9)	4	(9)
Commodities	2	(9)	1	(9)
Derivatives not designated as hedges:				
Foreign exchange	11	(9)	13	(9)
Total	\$69		\$67	

(7) Reported in other current assets.

(8) \$26 and \$14 reported in other current assets at September 30, 2010 and December 31, 2009 and \$16 and \$17 reported in other non-current assets at September 30, 2010 and December 31, 2009.

(9) Reported in accounts payable and accrued liabilities.

Crown Holdings, Inc.
H. Restructuring

The components of the outstanding restructuring reserve and movements within these components during the nine months ended September 30, 2010 and 2009, respectively, were as follows:

	Termination benefits	Other exit costs	Asset writedowns	Total
Balance at January 1, 2009	\$11	\$1		\$12
Provision	37	3	\$2	42
Payments	(8)	(3)		(11)
Reclassified to other accounts	(11)		(2)	(13)
Foreign currency translation and other	1			1
Balance at September 30, 2009	\$30	\$1	\$0	\$31
Balance at January 1, 2010	\$25	\$0	\$0	\$25
Provision	23	8	10	41
Payments	(12)	(7)		(19)
Reclassified to other accounts	(5)		(10)	(15)
Balance at September 30, 2010	\$31	\$1	\$0	\$32

The provision of \$41 in 2010 included \$10 for asset writedowns, \$5 for pension and postretirement plan curtailment charges and \$5 for severance costs related to the closure of a Canadian plant in the Company's North America Food segment, \$5 for strip and clean costs from prior restructuring actions in the Company's North America Food segment, \$13 for severance costs covering administrative headcount reductions in the Company's European division and \$3 for other related costs.

In connection with the closure of the Canadian plant in 2010, the Company expects to incur future additional charges of approximately \$21 including \$17 for pension settlements when the Company receives regulatory approval and settles these obligations. The Company expects the total cash cost of the closure to be \$16 including \$8 for the pension settlement.

In connection with prior restructuring actions in Canada, the Company expects to incur future additional charges of approximately \$38 including \$33 for pension settlements when the Company receives regulatory approval and settles these obligations and \$5 for strip and clean costs. The Company expects the total cash cost of these prior restructuring actions to be \$12 including \$7 for the pension settlement.

The provision of \$42 in 2009 included \$20 for the closure of two food can plants and an aerosol plant in Canada, \$19 for severance costs covering headcount reductions in the Company's European division and \$3 for costs related to a prior restructuring action in Canada.

I. Debt

In June 2010, the Company amended its existing senior secured credit facilities to extend the maturity date of its revolving facilities and increase from \$800 to \$1,200 the aggregate principal amount available thereunder. The Company's amended senior secured credit facilities now include new revolving facilities that mature on June 15, 2015 as well as the existing term loan facilities, which mature on November 15, 2012. The new revolving credit facilities are subject to a pricing grid and have an initial pricing of 2.25% above Libor or Euribor, respectively.

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Lenders under the new senior secured revolving credit facilities include certain lenders under the existing senior secured revolving credit facilities who elected to convert their commitments under the existing senior secured revolving credit facilities into commitments under the new senior secured revolving credit facilities, as well as new lenders. To the extent that lenders under the existing senior secured revolving credit facilities did not participate as lenders under the new senior secured revolving credit facilities, the existing senior secured revolving credit facilities remain outstanding, subject to their maturity on May 15, 2011. The available capacity under the existing revolving facilities is now \$194. Prior to maturity of the existing revolving facilities, borrowings under the existing revolving facilities and the new revolving facilities are limited to \$1,200 in the aggregate. At September 30, 2010, the Company had borrowings of \$323 under its revolving credit facilities, of which \$25 related to the facility that matures on May 15, 2011 and was classified as short-term debt. At September 30, 2010, the Company's available borrowing capacity under the facilities was \$804, equal to the facilities' aggregate capacity of \$1,200 less \$323 of borrowings and \$73 of outstanding letters of credit.

Crown Holdings, Inc.

In June 2010, the Company repaid \$200 of its existing U.S. dollar term loan facility and the equivalent of \$200 of its existing Euro loan facility.

In July 2010, the Company sold \$500 principal amount of 7.125% senior unsecured notes due 2018. The notes were issued at par by Crown European Holdings SA, a wholly owned subsidiary of the Company. The notes are senior obligations of Crown European Holdings SA and are unconditionally guaranteed on a senior basis by the Company and each of the Company's present and future U.S. subsidiaries that guarantees obligations under the Company's credit facilities and, subject to applicable law, each of Crown European Holdings SA's subsidiaries that guarantee obligations under the Company's credit facilities.

In August 2010, the Company purchased through a tender offer \$65 principal amount of Crown European Holdings SA's \$150 6.25% first priority senior secured notes due 2011. The Company also purchased \$10 principal amount of the first priority senior secured notes in the first quarter of 2010. In August 2010, the Company redeemed all of the outstanding \$200 principal amount of 7.625% senior notes due 2013 of Crown Americas LLC and Crown Americas Capital Corp., each a wholly-owned subsidiary of the Company. The Company recorded a loss from early extinguishments of debt of \$16 primarily related to redemption premiums and the write-off of deferred financing fees.

The Company's outstanding debt at September 30, 2010 and December 31, 2009 was as follows.

	Sep. 30 2010	Dec. 31 2009
<u>Short-term debt</u>	\$299	\$30
<u>Long-term debt</u>		
Revolving credit facility borrowings	\$298	\$113
Senior secured notes:		
Euro (\$85 at September 30, 2010) 6.25% first priority due 2011	116	229
First priority term loans:		
U.S. dollar at LIBOR plus 1.75% due 2012	150	350
Euro (\$111 at September 30, 2010) at EURIBOR plus 1.75% due 2012	151	394
Senior notes and debentures:		
U.S. dollar 7.625% due 2013		200
U.S. dollar 7.75% due 2015	600	600
U.S. dollar 7.625% due 2017	400	400
Euro (\$500 at September 30, 2010) 7.125% first priority due 2018	682	
U.S. dollar 7.375% due 2026	350	350
U.S. dollar 7.50% due 2096	64	64
Other indebtedness in various currencies	132	82
Unamortized discounts	(13)	(14)
Total long-term debt	2,930	2,768
Less: current maturities	(156)	(29)
Total long-term debt, less current maturities	\$2,774	\$2,739

J. Asbestos-Related Liabilities

Crown Cork & Seal Company, Inc. (Crown Cork) is one of many defendants in a substantial number of lawsuits filed throughout the United States by persons alleging bodily injury as a result of exposure to asbestos. These claims arose from the insulation operations of a U.S. company,

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the majority of whose stock Crown Cork purchased in 1963. Approximately ninety days after the stock purchase, this U.S. company sold its insulation assets and was later merged into Crown Cork.

Crown Holdings, Inc.

Prior to 1998, amounts paid to asbestos claimants were covered by a fund made available to Crown Cork under a 1985 settlement with carriers insuring Crown Cork through 1976, when Crown Cork became self-insured. The fund was depleted in 1998 and the Company has no remaining coverage for asbestos-related costs.

During 2010, the states of Nebraska and South Dakota enacted legislation that limits asbestos-related liabilities under state law of companies such as Crown Cork that allegedly incurred these liabilities because they are successors by corporate merger to companies that had been involved with asbestos.

Similar legislation was enacted in Florida, Georgia, Indiana, Mississippi, North Dakota, Ohio, Oklahoma, South Carolina and Wisconsin in recent years. The legislation, which applies to future and, with the exception of Georgia, South Carolina and South Dakota, pending claims, caps asbestos-related liabilities at the fair market value of the predecessor's total gross assets adjusted for inflation. Crown Cork has paid significantly more for asbestos-related claims than the total value of its predecessor's assets adjusted for inflation. Crown Cork has integrated the legislation into its claims defense strategy. The Company cautions, however, that the legislation may be challenged and there can be no assurance regarding the ultimate effect of the legislation on Crown Cork.

In June 2003, the State of Texas enacted legislation that limits the asbestos-related liabilities in Texas courts of companies such as Crown Cork that allegedly incurred these liabilities because they are successors by corporate merger to companies that had been involved with asbestos. The Texas legislation, which applies to future claims and pending claims, caps asbestos-related liabilities at the total gross value of the predecessor's assets adjusted for inflation. Crown Cork has paid significantly more for asbestos-related claims than the total adjusted value of its predecessor's assets.

On October 22, 2010, the Texas Supreme Court, in a 6-2 decision, reversed a lower court decision, *Barbara Robinson v. Crown Cork & Seal Company, Inc.*, No. 14-04-00658-CV, Fourteenth Court of Appeals, Texas, which had upheld the dismissal of an asbestos-related case against Crown Cork. The Texas Supreme Court held that the Texas legislation was unconstitutional under the Texas Constitution when applied to asbestos-related claims pending against Crown Cork when the legislation was enacted in June of 2003. In the third quarter, the Company recorded a pre-tax charge of \$15 including estimated legal fees to increase its accrual for asbestos related costs for claims pending in Texas on June 11, 2003. The Company believes that the decision of the Texas Supreme Court is limited to retroactive application of the Texas legislation to asbestos-related cases that were pending against Crown Cork in Texas on June 11, 2003 and therefore continues to assign no value to claims filed after June 11, 2003.

In December 2001, the Commonwealth of Pennsylvania enacted legislation that limits the asbestos-related liabilities of Pennsylvania corporations that are successors by corporate merger to companies involved with asbestos. The legislation limits the successor's liability for asbestos to the acquired company's asset value adjusted for inflation. Crown Cork has paid significantly more for asbestos-related claims than the acquired company's adjusted asset value. In November 2004, the legislation was amended to address a Pennsylvania Supreme Court decision (*Ieropoli v. AC&S Corporation, et. al.*, No. 117 EM 2002) which held that the statute violated the Pennsylvania Constitution due to retroactive application. On February 6, 2009, the Superior Court of Pennsylvania affirmed, due to the plaintiff's lack of standing, the Philadelphia Court of Common Pleas' dismissal of three cases against Crown Cork raising federal and state constitutional challenges to the amended statute (*Stea v. A.W. Chesterton, Inc., et. al.*, No. 2956 EDA 2006). The Pennsylvania Supreme Court has accepted an appeal of this decision. The Company cautions that the limitations of the statute, as amended, are subject to litigation and may not be upheld. Adverse rulings in cases challenging the constitutionality of the Pennsylvania statute could have a material impact on the Company.

At December 31, 2009, the Company had 50,000 claims outstanding. Of these claims, approximately 15,000 relate to claimants alleging first exposure to asbestos after 1964 and 35,000 relate to claimants alleging first exposure to asbestos before or during 1964, of which approximately 12,000 were filed in Texas, 2,000 were filed in Pennsylvania, 6,000 were filed in other states that have enacted asbestos legislation and 15,000 were filed in other states. Historically (1977-2009), Crown Cork estimates that approximately one-quarter of all asbestos-related claims made against it have been asserted by claimants who claim first exposure to asbestos after 1964.

Crown Holdings, Inc.

With respect to claimants alleging first exposure to asbestos before or during 1964, the Company does not include in its accrual any amounts for settlements in states where the Company's liability is limited by statute.

With respect to post-1964 claims, regardless of the existence of asbestos legislation, the Company does not include in its accrual any amounts for settlement of these claims because of increased difficulty of establishing identification of relevant insulation products as the cause of injury. Given our settlement experience with post-1964 claims, we do not believe that an adverse ruling in the Texas or Pennsylvania asbestos litigation cases, or in any other state that has enacted asbestos legislation, would have a material adverse impact on the Company with respect to such claims.

Of the approximately 50,000 claims outstanding at the end of 2009, 2008 and 2007 approximately 16%, 15% and 15%, respectively, relate to claims alleging serious diseases (primarily mesothelioma and other malignancies).

During the nine months ended September 30, 2010, Crown Cork received approximately 1,800 new claims, settled or dismissed approximately 1,300 claims for a total of \$7, and had approximately 49,500 claims outstanding at the end of the period. Settlement amounts include amounts committed to be paid in future periods. The outstanding claims at September 30, 2010 exclude 33,000 pending claims involving plaintiffs who allege that they are, or were, maritime workers subject to exposure to asbestos, but whose claims the Company believes will not have a material effect on the Company's consolidated results of operations, financial position or cash flow. The outstanding claims at September 30, 2010 also exclude approximately 19,000 inactive claims. Due to the passage of time, the Company considers it unlikely that the plaintiffs in these cases will pursue further action. The exclusion of these inactive claims had no effect on the calculation of the Company's accrual as the claims were filed in states, as described above, where the Company's liability is limited by statute.

As of September 30, 2010, the Company's accrual for pending and future asbestos-related claims and related legal costs was \$231, including \$166 for unasserted claims and \$1 for committed settlements that will be paid over time. The Company's accrual includes estimates for probable costs for claims through the year 2019. Potential estimated additional claims costs of \$38 beyond 2019 have not been included in the Company's accrual, as the Company believes cost projections beyond ten years are inherently unreliable due to potential changes in the litigation environment and other factors whose impact cannot be known or reasonably estimated.

Crown Cork has entered into arrangements with plaintiffs' counsel in certain jurisdictions with respect to claims which are not yet filed, or asserted, against us. However, Crown Cork expects claims under these arrangements to be filed or asserted against Crown Cork in the future. The projected value of these claims is included in the Company's estimated liability as of September 30, 2010.

While it is not possible to predict the ultimate outcome of asbestos-related claims and settlements, the Company believes that resolution of these matters is not expected to have a material adverse effect on the Company's financial position. The Company cautions, however, that estimates for asbestos cases and settlements are difficult to predict and may be influenced by many factors. In addition, there can be no assurance regarding the validity or correctness of the Company's assumptions or beliefs underlying its accrual. Unfavorable court decisions or other adverse developments may require the Company to substantially increase its accrual or change its estimate. Accordingly, these matters, if resolved in a manner different from the estimate, could have a material effect on the Company's results of operations, financial position or cash flow.

K. Commitments and Contingent Liabilities

The Company, along with others in most cases, has been identified by the EPA or a comparable state environmental agency as a Potentially Responsible Party (PRP) at a number of sites and has recorded aggregate accruals of \$6 for its share of estimated future remediation costs at these sites. The Company has been identified as having either directly or indirectly disposed of commercial or industrial waste at the sites subject to the accrual, and where appropriate and supported by available information, generally has agreed to be responsible for a percentage of future remediation costs based on an estimated volume of materials disposed in proportion to the total materials disposed at each site. The Company has not had monetary sanctions imposed nor has the Company been notified of any potential monetary sanctions at any of the sites.

Crown Holdings, Inc.

The Company has also recorded aggregate accruals of \$12 for remediation activities at various worldwide locations that are owned by the Company and for which the Company is not a member of a PRP group. Although the Company believes its accruals are adequate to cover its portion of future remediation costs, there can be no assurance that the ultimate payments will not exceed the amount of the Company's accruals and will not have a material effect on its results of operations, financial position and cash flow. Any possible loss or range of potential loss that may be incurred in excess of the recorded accruals cannot be estimated.

The Company is subject to antitrust investigations in Europe. In August 2010, the Spanish National Antitrust Commission issued a Proposal for Resolution (*Propuesta de Resolución*) alleging that Crown European Holdings SA, a wholly-owned subsidiary of the Company, and one of its subsidiaries violated Spanish and European competition law by coordinating certain commercial terms and exchanging information with competitors in Spain. The Proposal for Resolution does not constitute a decision on the merits and was replied to by the Company. The investigation phase of the proceeding has now ended and the proceeding has entered the resolution phase before the Board of the Spanish National Antitrust Commission. If the Antitrust Commission finds that the Company's subsidiaries violated competition law, the Antitrust Commission has the authority to levy fines. The Company believes that the allegations in Spain are without merit and intends to defend its position vigorously. However, the Company is unable to predict the ultimate outcome of the investigation or their impact on the Company. The Company expects that a final decision from the Board of Spanish National Antitrust Commission may be issued by February 2011. This decision would be subject to appeal to the Spanish courts.

Also in July 2010, a subsidiary of the Company became aware of an investigation by the Netherlands Competition Authority in relation to competition law matters. No allegations have been made at this stage by the Dutch authorities.

The Company and its subsidiaries are also subject to various other lawsuits and claims with respect to labor, environmental, securities, vendor and other matters arising out of the normal course of business. While the impact on future financial results is not subject to reasonable estimation because considerable uncertainty exists, management believes that the ultimate liabilities resulting from such lawsuits and claims will not materially affect the Company's consolidated results of operations, financial position or cash flow.

The Company has various commitments to purchase materials, supplies and utilities as part of the ordinary conduct of business. The Company's basic raw materials for its products are steel and aluminum, both of which are purchased from multiple sources. The Company is subject to fluctuations in the cost of these raw materials and has periodically adjusted its selling prices to reflect these movements. There can be no assurance, however, that the Company will be able to fully recover any increases or fluctuations in raw material costs from its customers. The Company also has commitments for standby letters of credit and for purchases of capital assets.

In January 2010, the Company received a net one time payment of \$20 as part of an overall resolution of a long-time dispute unrelated to the Company's ongoing operations and recorded a gain of \$20 in the first quarter of 2010 within selling and administrative expense.

At September 30, 2010, the Company had certain indemnification agreements covering environmental remediation, lease payments and other potential costs associated with properties sold or businesses divested. For agreements with defined liability limits, the maximum potential amount of future liability was \$16. The Company accrues for costs related to these items when it is probable that a liability has been incurred and the amount can be reasonably estimated. At September 30, 2010, the Company also had guarantees of \$32 related to the residual values of leased assets.

Crown Holdings, Inc.

L. Earnings Per Share

The following table summarizes the computations of basic and diluted earnings per share attributable to Crown Holdings for the periods ended September 30, 2010 and 2009, respectively:

	Three Months Ended		Nine Months Ended	
	September 30 2010	2009	September 30 2010	2009
Net income attributable to Crown Holdings	\$126	\$108	\$279	\$253
Weighted average shares outstanding:				
Basic	159.2	159.2	160.3	158.9
Add: dilutive stock options and restricted stock	2.5	2.9	2.4	2.8
Diluted	161.7	162.1	162.7	161.7
Basic earnings per share	\$0.79	\$0.68	\$1.74	\$1.59
Diluted earnings per share	\$0.78	\$0.67	\$1.71	\$1.56

Excluded from the computation of diluted earnings per share were common shares contingently issuable upon the exercise of outstanding stock options, amounting to 0.2 million shares and 2.3 million shares for the three and nine months ended September 30, 2010 and 3.3 million shares and 3.6 million shares for the same periods in 2009 because the effect would have been antidilutive.

M. Pension and Other Postretirement Benefits

The components of net periodic pension and other postretirement benefits costs for the three and nine months ended September 30 were as follows:

Pension Benefits U.S. Plans	Three Months Ended		Nine Months Ended	
	September 30 2010	2009	September 30 2010	2009
Service cost	\$3	\$2	\$7	\$6
Interest cost	18	20	54	60
Expected return on plan assets	(20)	(18)	(60)	(53)
Recognized prior service cost		1	1	2
Recognized net loss	16	20	50	59
Net periodic cost	\$17	\$25	\$52	\$74

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Pension Benefits Non-U.S. Plans	2010	2009	2010	2009
Service cost	\$7	\$6	\$20	\$15
Interest cost	39	38	115	108
Expected return on plan assets	(45)	(43)	(133)	(120)
Recognized prior service credit	(2)	(1)	(4)	(4)
Recognized net loss	10	7	33	21
Curtailement		11	5	11
Net periodic cost	\$9	\$18	\$36	\$31

Crown Holdings, Inc.

Other Postretirement Benefits	Three Months Ended		Nine Months Ended	
	September 30 2010	2009	September 30 2010	2009
Service cost	\$2	\$2	\$6	\$6
Interest cost	7	7	22	22
Recognized prior service credit	(5)	(6)	(16)	(17)
Recognized net loss		2	5	6
Curtailment		1		1
Net periodic cost	\$4	\$6	\$17	\$18

N. Income Taxes

During the nine months ended September 30, 2010, the Company recorded net tax charges of \$143 on pre-tax income of \$515 for an effective rate of 28%. The difference between pre-tax income at the statutory rate of 35%, or \$180, and the tax charge of \$143 is primarily explained as follows: \$42 of decrease from lower tax rates in non-U.S. jurisdictions, \$10 of decrease due to valuation allowance adjustments and \$7 of decrease for the nontaxable settlement benefit of a legal dispute unrelated to the Company's ongoing operations, partially offset by \$7 of increase to recognize the tax impact of the new U.S. health care legislation, \$3 of increase due to foreign tax law changes, \$7 of increase to the valuation allowance in Canada for the tax benefit of current year losses that are not expected to be realized and \$5 of increase due to other net differences.

During the three months ended September 30, 2010, the Company recorded net tax charges of \$47 on pre-tax income of \$208 for an effective rate of 23%. The difference between pre-tax income at the U.S. statutory rate of 35%, or \$73, and the tax charge of \$47 is primarily explained as follows: \$18 of decrease from lower tax rates in non-U.S. jurisdictions and \$10 of decrease due to valuation allowance adjustments partially offset by \$2 of increase due to foreign tax law changes.

The \$10 of valuation allowance adjustments includes releases of valuation allowance of \$8 in Belgium and \$2 in the Netherlands.

During the third quarter of 2010, the Company released \$8 of valuation allowance for a Belgian subsidiary based on projections of future taxable income. The subsidiary generated positive income in 2009 and through September 30, 2010 and is projecting positive income in future years sufficient to realize the deferred tax assets. The deferred tax assets are primarily tax loss carryforwards that do not expire. The Company continues to maintain a valuation allowance of \$13 for deferred tax assets in a dormant entity in Belgium that the Company does not believe at this time it will be able to utilize.

During the third quarter of 2010, the Company released \$2 of valuation allowance for a Dutch subsidiary based on projections of future taxable income. The subsidiary generated positive income in 2009 and through September 30, 2010 and is projecting positive income in future years sufficient to realize the deferred tax assets. The Company continues to maintain a valuation allowance of \$9 for tax loss carryforwards that expire in 2014 and that the Company does not believe at this time it will be able to utilize.

O. Purchase of Noncontrolling Interests

In September 2010, the Company acquired from affiliates of Swire Pacific Limited their approximately 45% interest in the holding company for Crown's four joint venture facilities in China and their 49% interest in the holding company for Crown's joint venture facility in Hanoi, Vietnam for an aggregate purchase price of \$150. The holding companies are now wholly-owned subsidiaries of Crown.

In September 2010, the Company acquired an additional ownership in its beverage can business in Greece for \$13. The Company now owns approximately 85% of its beverage can business in Greece. Also in September 2010, the Company submitted a tender offer for the remaining ownership interests in its beverage can business in Greece. There can be no assurances that the tender offer will be consummated upon the terms or timing of the offer as currently contemplated, if at all. Also during the quarter, the Company increased its ownership interests in affiliates in

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Vietnam (Dong Nai) and Senegal to 92% and 100%, respectively, for an aggregate purchase price of \$5.

Crown Holdings, Inc.

The excess of the purchase price over the carrying amount of the noncontrolling interests has been recognized in equity.

P. Accelerated Share Repurchase

In August 2010, the Company entered into an agreement with Citigroup to purchase shares of its common stock under an accelerated share repurchase program. Pursuant to the agreement, the Company initially purchased 3,182,461 shares, initially estimated to be approximately 90 percent of the shares to be repurchased, from Citigroup for \$100. The final number of shares to be repurchased and the aggregate cost to the Company will be based on the Company's volume-weighted average stock price during the term of the transaction. At termination of the transaction, the Company may receive additional shares or may be required to pay a price adjustment based on the volume-weighted average stock price. The Company may elect to settle the price adjustment, if any, in shares or in cash.

Q. Segment Information

The Company evaluates performance and allocates resources based on segment income. Segment income, which is not a defined term under GAAP, is defined by the Company as gross profit less selling and administrative expenses. Segment income should not be considered in isolation or as a substitute for net income data prepared in accordance with GAAP and may not be comparable to calculations of similarly titled measures by other companies. Transactions between operating segments are not material.

The tables below present information about operating segments for the three and nine months ended September 30, 2010 and 2009:

	External Sales Three Months Ended September 30		External Sales Nine Months Ended September 30	
	2010	2009	2010	2009
Americas Beverage	\$547	\$483	\$1,576	\$1,370
North America Food	275	313	686	760
European Beverage	411	427	1,164	1,219
European Food	558	647	1,383	1,502
European Specialty Packaging	108	116	296	305
Total reportable segments	1,899	1,986	5,105	5,156
Non-reportable segments	306	296	887	865
Total	\$2,205	\$2,282	\$5,992	\$6,021
	Segment Income Three Months Ended September 30		Segment Income Nine Months Ended September 30	
	2010	2009	2010	2009
Americas Beverage	\$74	\$59	\$204	\$162
North America Food	42	52	91	99
European Beverage	70	74	197	219

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European Food	83	85	182	208
European Specialty Packaging	12	10	23	19
Total reportable segments	\$281	\$280	\$697	\$707

Crown Holdings, Inc.

A reconciliation of segment income of reportable segments to income before income taxes and equity earnings for the three and nine months ended September 30, 2010 and 2009 follows:

	Segment Income Three Months Ended September 30		Segment Income Nine Months Ended September 30	
	2010	2009	2010	2009
Segment income of reportable segments	\$281	\$280	\$697	\$707
Segment income of non-reportable segments	57	46	149	134
Corporate and unallocated items	(43)	(56)	(140)	(172)
Provision for asbestos	(15)		(15)	
Provision for restructuring	(17)	(40)	(41)	(42)
Asset impairments and sales	11	1	18	2
Loss from early extinguishments of debt	(16)	(27)	(16)	(27)
Interest expense	(55)	(66)	(147)	(189)
Interest income	3	1	6	4
Translation and foreign exchange	2	5	4	1
Income before income taxes and equity earnings	\$208	\$144	\$515	\$418

Corporate and unallocated items includes corporate and division administrative costs, technology costs, and unallocated items such as the U.S. and U.K. pension plan costs.

R. Subsequent Event

In October 2010, the Company amended its prescription drug benefits plan. Effective January 1, 2011, the Company will no longer provide prescription drug coverage to Medicare-eligible retirees. As a result of the amendment, the Company will reduce its postretirement benefit liability by approximately \$100. The benefit of the amendment will be amortized in the Company's Consolidated Statements of Operations in future periods.

Crown Holdings, Inc.

S. Condensed Combining Financial Information

Crown European Holdings SA (Issuer), a 100% owned subsidiary of the Company, has outstanding first priority senior secured notes and senior unsecured notes that are fully and unconditionally guaranteed by Crown Holdings, Inc. (Parent) and certain subsidiaries. The guarantors are 100% owned by the Company and the guarantees are made on a joint and several basis. The guarantor column includes financial information for all subsidiaries in the United States (except for an insurance subsidiary and a receivable securitization subsidiary), substantially all subsidiaries in Belgium, Canada, France, Germany, Mexico, Switzerland and the United Kingdom, and a subsidiary in the Netherlands. The following condensed combining financial statements:

- statements of operations for the three and nine months ended September 30, 2010 and 2009,

- balance sheets as of September 30, 2010 and December 31, 2009, and

- statements of cash flows for the nine months ended September 30, 2010 and 2009

are presented on the following pages to comply with the Company's requirements under Rule 3-10 of Regulation S-X.

CONDENSED COMBINING STATEMENT OF OPERATIONS

For the three months ended September 30, 2010

(in millions)

	Parent	Issuer	Guarantors	Non-Guarantors	Eliminations	Total Company
Net sales			\$1,256	\$949		\$2,205
Cost of products sold, excluding depreciation and amortization		\$(4)	1,027	765		1,788
Depreciation and amortization			21	19		40
Gross profit		4	208	165		377
Selling and administrative expense			62	20		82
Provision for asbestos			15			15
Provision for restructuring			17			17
Asset impairments and sales		(1)	(12)	2		(11)
Loss from early extinguishments of debt		5	11			16
Net interest expense		14	34	4		52
Technology royalty			(11)	11		
Translation and foreign exchange				(2)		(2)
Income/(loss) before income taxes		(14)	92	130		208

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Provision for income taxes			10	37		47
Equity earnings in affiliates	\$126	92	44		\$(262)	
Net income	126	78	126	93	(262)	161
Net income attributable to noncontrolling interests				(35)		(35)
Net income attributable to Crown Holdings	\$126	\$78	\$126	\$58	\$(262)	\$126

Crown Holdings, Inc.

CONDENSED COMBINING STATEMENT OF OPERATIONS

For the three months ended September 30, 2009

(in millions)

	Parent	Issuer	Guarantors	Non-Guarantors	Eliminations	Total Company
Net sales			\$1,281	\$1,001		\$2,282
Cost of products sold, excluding depreciation and amortization		\$(3)	1,059	812		1,868
Depreciation and amortization			25	24		49
Gross profit		3	197	165		365
Selling and administrative expense			68	27		95
Provision for restructuring			26	14		40
Asset impairments and sales			(1)			(1)
Loss from early extinguishments of debt		17	10			27
Net interest expense		4	54	7		65
Technology royalty			(12)	12		
Translation and foreign exchange		1	(3)	(3)		(5)
Income/(loss) before income taxes		(19)	55	108		144
Provision/(benefit) for income taxes			(21)	24		3
Equity earnings in affiliates	\$108	118	32		\$(258)	
Net income	108	99	108	84	(258)	141
Net income attributable to noncontrolling interests				(33)		(33)
Net income attributable to Crown Holdings	\$108	\$99	\$108	\$51	\$(258)	\$108

Crown Holdings, Inc.

CONDENSED COMBINING STATEMENT OF OPERATIONS

For the nine months ended September 30, 2010

(in millions)

	Parent	Issuer	Guarantors	Non-Guarantors	Eliminations	Total Company
Net sales			\$3,464	\$2,528		\$5,992
Cost of products sold, excluding depreciation and amortization		\$(10)	2,878	2,034		4,902
Depreciation and amortization			66	62		128
Gross profit		10	520	432		962
Selling and administrative expense		(1)	183	74		256
Provision for asbestos			15			15
Provision for restructuring			41			41
Asset impairments and sales			(14)	(4)		(18)
Loss from early extinguishments of debt		5	11			16
Net interest expense		18	112	11		141
Technology royalty			(27)	27		
Translation and foreign exchange			(2)	(2)		(4)
Income/(loss) before income taxes		(12)	201	326		515
Provision for income taxes			69	74		143
Equity earnings in affiliates	\$279	199	147		\$(625)	
Net income	279	187	279	252	(625)	372
Net income attributable to noncontrolling interests				(93)		(93)
Net income attributable to Crown Holdings	\$279	\$187	\$279	\$159	\$(625)	\$279

Crown Holdings, Inc.

CONDENSED COMBINING STATEMENT OF OPERATIONS

For the nine months ended September 30, 2009

(in millions)

	Parent	Issuer	Guarantors	Non-Guarantors	Eliminations	Total Company
Net sales			\$3,460	\$2,561		\$6,021
Cost of products sold, excluding depreciation and amortization		\$(8)	2,878	2,066		4,936
Depreciation and amortization			73	69		142
Gross profit		8	509	426		943
Selling and administrative expense		(2)	202	74		274
Provision for restructuring			28	14		42
Asset impairments and sales			(2)			(2)
Loss from early extinguishments of debt		17	10			27
Net interest expense		18	150	17		185
Technology royalty			(29)	29		
Translation and foreign exchange		5	(5)	(1)		(1)
Income/(loss) before income taxes		(30)	155	293		418
Provision for income taxes			7	64		71
Equity earnings/(loss) in affiliates	\$253	243	105		\$(605)	(4)
Net income	253	213	253	229	(605)	343
Net income attributable to noncontrolling interests				(90)		(90)
Net income attributable to Crown Holdings	\$253	\$213	\$253	\$139	\$(605)	\$253

Crown Holdings, Inc.

CONDENSED COMBINING BALANCE SHEET

As of September 30, 2010

(in millions)

	Parent	Issuer	Guarantors	Non-Guarantors	Eliminations	Total Company
Assets						
Current assets						
Cash and cash equivalents			\$39	\$376		\$415
Receivables, net		\$80	218	976		1,274
Intercompany receivables		1	106	69	\$(176)	
Inventories			573	495		1,068
Prepaid expenses and other current assets	\$1	20	70	31		122
Total current assets	1	101	1,006	1,947	(176)	2,879
Intercompany debt receivables		1,458	2,793	340	(4,591)	
Investments	402	3,041	(408)		(3,035)	
Goodwill			1,416	582		1,998
Property, plant and equipment, net			617	907		1,524
Other non-current assets		17	702	26		745
Total	\$403	\$4,617	\$6,126	\$3,802	\$(7,802)	\$7,146
Liabilities and equity						
Current liabilities						
Short-term debt		\$34	\$30	\$235		\$299
Current maturities of long-term debt		120	5	31		156
Accounts payable and accrued liabilities	\$18	64	1,075	817		1,974
Intercompany payables		3	66	107	\$(176)	
Total current liabilities	18	221	1,176	1,190	(176)	2,429
Long-term debt, excluding current maturities		829	1,848	97		2,774
Long-term intercompany debt	246	2,437	1,372	536	(4,591)	
Postretirement and pension liabilities			993	18		1,011
Other non-current liabilities			334	131		465
Commitments and contingent liabilities						
Noncontrolling interests			1	327		328
Crown Holdings shareholders' equity	139	1,130	402	1,503	(3,035)	139
Total equity	139	1,130	403	1,830	(3,035)	467

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Total	\$403	\$4,617	\$6,126	\$3,802	\$(7,802)	\$7,146
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Crown Holdings, Inc.

CONDENSED COMBINING BALANCE SHEET

As of December 31, 2009

(in millions)

	Parent	Issuer	Guarantors	Non-Guarantors	Eliminations	Total Company
Assets						
Current assets						
Cash and cash equivalents		\$5	\$49	\$405		\$459
Receivables, net		77	101	536		714
Intercompany receivables		2	59	32	\$(93)	
Inventories			529	431		960
Prepaid expenses and other current assets	\$2		81	26		109
Total current assets	2	84	819	1,430	(93)	2,242
Intercompany debt receivables		1,833	2,433	432	(4,698)	
Investments	174	2,571	(69)		(2,676)	
Goodwill			1,443	607		2,050
Property, plant and equipment, net			671	838		1,509
Other non-current assets		2	715	14		731
Total	\$176	\$4,490	\$6,012	\$3,321	\$(7,467)	\$6,532
Liabilities and equity						
Current liabilities						
Short-term debt		\$2	\$1	\$27		\$30
Current maturities of long-term debt		4	6	19		29
Accounts payable and accrued liabilities	\$21	54	1,000	791		1,866
Intercompany payables		2	30	61	\$(93)	
Total current liabilities	21	62	1,037	898	(93)	1,925
Long-term debt, excluding current maturities		619	2,063	57		2,739
Long-term intercompany debt	161	2,797	1,389	351	(4,698)	
Postretirement and pension liabilities			1,019	18		1,037
Other non-current liabilities			330	118		448
Commitments and contingent liabilities						
Noncontrolling interests				389		389
Crown Holdings shareholders' equity/(deficit)	(6)	1,012	174	1,490	(2,676)	(6)
Total equity/(deficit)	(6)	1,012	174	1,879	(2,676)	383

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Total	\$176	\$4,490	\$6,012	\$3,321	\$(7,467)	\$6,532
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Crown Holdings, Inc.

CONDENSED COMBINING STATEMENT OF CASH FLOWS

For the nine months ended September 30, 2010

(in millions)

	Parent	Issuer	Guarantors	Non-Guarantors	Eliminations	Total Company
Net cash provided by/(used for) operating activities	\$14	\$(4)	\$166	\$(137)		\$39
Cash flows from investing activities						
Capital expenditures			(43)	(144)		(187)
Intercompany investing activities		(190)	433	35	\$(278)	
Proceeds from sale of property, plant and equipment			9	11		20
Other			1	2		3
Net cash provided by/(used for) investing activities		(190)	400	(96)	(278)	(164)
Cash flows from financing activities						
Proceeds from long-term debt		650		68		718
Payments of long-term debt		(301)	(401)	(12)		(714)
Net change in revolving credit facility and short-term debt		31	212	205		448
Net change in long-term intercompany balances	85	34	(379)	260		
Common stock issued	6					6
Common stock repurchased	(105)					(105)
Purchase of noncontrolling interests				(168)		(168)
Dividends paid		(211)		(67)	278	
Dividends paid to noncontrolling interests				(77)		(77)
Other		(14)	(8)			(22)
Net cash provided by/(used for) financing activities	(14)	189	(576)	209	278	86
Effect of exchange rate changes on cash and cash equivalents				(5)		(5)
Net change in cash and cash equivalents		(5)	(10)	(29)		(44)
Cash and cash equivalents at January 1		5	49	405		459
Cash and cash equivalents at September 30	\$0	\$0	\$39	\$376	\$0	\$415

Crown Holdings, Inc.

CONDENSED COMBINING STATEMENT OF CASH FLOWS

For the nine months ended September 30, 2009

(in millions)

	Parent	Issuer	Guarantors	Non-Guarantors	Eliminations	Total Company
Net cash provided by/(used for) operating activities	\$7	\$(41)	\$204	\$10		\$180
Cash flows from investing activities						
Capital expenditures			(37)	(71)		(108)
Proceeds from sale of property, plant and equipment			2			2
Intercompany investing activities			133	(77)	\$(56)	
Other				(4)		(4)
Net cash provided by/(used for) investing activities			98	(152)	(56)	(110)
Cash flows from financing activities						
Proceeds from long-term debt			388	11		399
Payments of long-term debt		(362)	(201)	(14)		(577)
Net change in revolving credit facility and short-term debt		18		(11)		7
Net change in long-term intercompany balances	(12)	332	(567)	247		
Common stock issued	9					9
Common stock repurchased	(4)					(4)
Dividends paid				(56)	56	
Dividends paid to noncontrolling interests				(53)		(53)
Other		(24)	7			(17)
Net cash provided by/(used for) financing activities	(7)	(36)	(373)	124	56	(236)
Effect of exchange rate changes on cash and cash equivalents			2	6		8
Net change in cash and cash equivalents		(77)	(69)	(12)		(158)
Cash and cash equivalents at January 1		77	138	381		596
Cash and cash equivalents at September 30	\$0	\$0	\$69	\$369	\$0	\$438

Crown Holdings, Inc.

Crown Cork & Seal Company, Inc. (Issuer), a 100% owned subsidiary, has outstanding registered debt that is fully and unconditionally guaranteed by Crown Holdings, Inc. (Parent). No other subsidiary guarantees the debt. The following condensed combining financial statements:

- statements of operations for the three and nine months ended September 30, 2010 and 2009,
 - balance sheets as of September 30, 2010 and December 31, 2009, and
 - statements of cash flows for the nine months ended September 30, 2010 and 2009
- are presented on the following pages to comply with the Company's requirements under Rule 3-10 of Regulation S-X.

CONDENSED COMBINING STATEMENT OF OPERATIONS**For the three months ended September 30, 2010****(in millions)**

	Parent	Issuer	Non-Guarantors	Eliminations	Total Company
Net sales			\$2,205		\$2,205
Cost of products sold, excluding depreciation and amortization			1,788		1,788
Depreciation and amortization			40		40
Gross profit			377		377
Selling and administrative expense		\$2	80		82
Provision for asbestos		15			15
Provision for restructuring			17		17
Asset impairments and sales			(11)		(11)
Loss from early extinguishments of debt			16		16
Net interest expense		20	32		52
Translation and foreign exchange			(2)		(2)
Income/(loss) before income taxes		(37)	245		208
Provision for/(benefit from) income taxes		(2)	49		47
Equity earnings in affiliates	\$126	161		\$(287)	
Net income	126	126	196	(287)	161
Net income attributable to noncontrolling interests			(35)		(35)

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Net income attributable to Crown Holdings	\$126	\$126	\$161	\$(287)	\$126
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Crown Holdings, Inc.

CONDENSED COMBINING STATEMENT OF OPERATIONS

For the three months ended September 30, 2009

(in millions)

	Parent	Issuer	Non-Guarantors	Eliminations	Total Company
Net sales			\$2,282		\$2,282
Cost of products sold, excluding depreciation and amortization			1,868		1,868
Depreciation and amortization			49		49
Gross profit			365		365
Selling and administrative expense		\$2	93		95
Provision for restructuring			40		40
Asset impairments and sales			(1)		(1)
Loss from early extinguishments of debt		6	21		27
Net interest expense		22	43		65
Translation and foreign exchange			(5)		(5)
Income/(loss) before income taxes		(30)	174		144
Provision for/(benefit from) income taxes			15		3
Equity earnings/(loss) in affiliates	\$108	126	(1)	\$(233)	
Net income	108	108	158	(233)	141
Net income attributable to noncontrolling interests			(33)		(33)
Net income attributable to Crown Holdings	\$108	\$108	\$125	\$(233)	\$108

Crown Holdings, Inc.

CONDENSED COMBINING STATEMENT OF OPERATIONS

For the nine months ended September 30, 2010

(in millions)

	Parent	Issuer	Non-Guarantors	Eliminations	Total Company
Net sales			\$5,992		\$5,992
Cost of products sold, excluding depreciation and amortization			4,902		4,902
Depreciation and amortization			128		128
Gross profit			962		962
Selling and administrative expense		\$(14)	270		256
Provision for asbestos		15			15
Provision for restructuring			41		41
Asset impairments and sales			(18)		(18)
Loss from early extinguishments of debt			16		16
Net interest expense		62	79		141
Translation and foreign exchange			(4)		(4)
Income/(loss) before income taxes		(63)	578		515
Provision for/(benefit from) income taxes		(2)	145		143
Equity earnings in affiliates	\$279	340		\$(619)	
Net income	279	279	433	(619)	372
Net income attributable to noncontrolling interests			(93)		(93)
Net income attributable to Crown Holdings	\$279	\$279	\$340	\$(619)	\$279

Crown Holdings, Inc.

CONDENSED COMBINING STATEMENT OF OPERATIONS

For the nine months ended September 30, 2009

(in millions)

	Parent	Issuer	Non-Guarantors	Eliminations	Total Company
Net sales			\$6,021		\$6,021
Cost of products sold, excluding depreciation and amortization			4,936		4,936
Depreciation and amortization			142		142
Gross profit			943		943
Selling and administrative expense		\$8	266		274
Provision for restructuring			42		42
Asset impairments and sales			(2)		(2)
Loss from early extinguishments of debt		6	21		27
Net interest expense		63	122		185
Translation and foreign exchange			(1)		(1)
Income/(loss) before income taxes		(77)	495		418
Provision for/(benefit from) income taxes		(30)	101		71
Equity earnings/(loss) in affiliates	\$253	300	(5)	\$(552)	(4)
Net income	253	253	389	(552)	343
Net income attributable to noncontrolling interests			(90)		(90)
Net income attributable to Crown Holdings	\$253	\$253	\$299	\$(552)	\$253

Crown Holdings, Inc.

CONDENSED COMBINING BALANCE SHEET

As of September 30, 2010

(in millions)

	Parent	Issuer	Non-Guarantors	Eliminations	Total Company
Assets					
Current assets					
Cash and cash equivalents			\$415		\$415
Receivables, net			1,274		1,274
Inventories			1,068		1,068
Prepaid expenses and other current assets	\$1		121		122
Total current assets	1		2,878		2,879
Intercompany debt receivables			864	\$(864)	
Investments	402	\$1,202		(1,604)	
Goodwill			1,998		1,998
Property, plant and equipment, net			1,524		1,524
Other non-current assets		514	231		745
Total	\$403	\$1,716	\$7,495	\$(2,468)	\$7,146
Liabilities and equity					
Current liabilities					
Short-term debt			\$299		\$299
Current maturities of long-term debt			156		156
Accounts payable and accrued liabilities	\$18	\$41	1,915		1,974
Total current liabilities	18	41	2,370		2,429
Long-term debt, excluding current maturities		412	2,362		2,774
Long-term intercompany debt	246	618		\$(864)	
Postretirement and pension liabilities			1,011		1,011
Other non-current liabilities		243	222		465
Commitments and contingent liabilities					
Noncontrolling interests			328		328
Crown Holdings shareholders' equity	139	402	1,202	(1,604)	139
Total equity	139	402	1,530	(1,604)	467
Total	\$403	\$1,716	\$7,495	\$(2,468)	\$7,146

Crown Holdings, Inc.

CONDENSED COMBINING BALANCE SHEET

As of December 31, 2009

(in millions)

	Parent	Issuer	Non-Guarantors	Eliminations	Total Company
Assets					
Current assets					
Cash and cash equivalents			\$459		\$459
Receivables, net			714		714
Inventories			960		960
Prepaid expenses and other current assets	\$2		107		109
Total current assets	2		2,240		2,242
Intercompany debt receivables			826	\$(826)	
Investments	174	\$961		(1,135)	
Goodwill			2,050		2,050
Property, plant and equipment, net			1,509		1,509
Other non-current assets		567	164		731
Total	\$176	\$1,528	\$6,789	\$(1,961)	\$6,532
Liabilities and equity					
Current liabilities					
Short-term debt			\$30		\$30
Current maturities of long-term debt			29		29
Accounts payable and accrued liabilities	\$21	\$38	1,807		1,866
Total current liabilities	21	38	1,866		1,925
Long-term debt, excluding current maturities		412	2,327		2,739
Long-term intercompany debt	161	665		\$(826)	
Postretirement and pension liabilities			1,037		1,037
Other non-current liabilities		239	209		448
Commitments and contingent liabilities					
Noncontrolling interests			389		389
Crown Holdings shareholders' equity/(deficit)	(6)	174	961	(1,135)	(6)
Total equity/(deficit)	(6)	174	1,350	(1,135)	383
Total	\$176	\$1,528	\$6,789	\$(1,961)	\$6,532

Crown Holdings, Inc.

CONDENSED COMBINING STATEMENT OF CASH FLOWS

For the nine months ended September 30, 2010

(in millions)

	Parent	Issuer	Non-Guarantors	Eliminations	Total Company
Net cash provided by operating activities	\$14	\$1	\$24		\$39
Cash flows from investing activities					
Capital expenditures			(187)		(187)
Proceeds from sale of property, plant and equipment.			20		20
Intercompany investing activities		46		\$(46)	
Other			3		3
Net cash provided by/(used for) investing activities		46	(164)	(46)	(164)
Cash flows from financing activities					
Proceeds from long-term debt			718		718
Payments of long-term debt			(714)		(714)
Net change in revolving credit facility and short-term debt			448		448
Net change in long-term intercompany balances	85	(47)	(38)		
Common stock issued	6				6
Common stock repurchased	(105)				(105)
Purchase of noncontrolling interests			(168)		(168)
Dividends paid			(46)	46	
Dividend paid to noncontrolling interests			(77)		(77)
Other			(22)		(22)
Net cash provided by/(used for) financing activities	(14)	(47)	101	46	86
Effect of exchange rate changes on cash and cash equivalents			(5)		(5)
Net change in cash and cash equivalents			(44)		(44)
Cash and cash equivalents at January 1			459		459
Cash and cash equivalents at September 30	\$0	\$0	\$415	\$0	\$415

Crown Holdings, Inc.

CONDENSED COMBINING STATEMENT OF CASH FLOWS

For the nine months ended September 30, 2009

(in millions)

	Parent	Issuer	Non-Guarantors	Eliminations	Total Company
Net cash provided by/(used for) operating activities	\$7	\$(25)	\$198		\$180
Cash flows from investing activities					
Capital expenditures			(108)		(108)
Proceeds from sale of property, plant and equipment			2		2
Other		36	(4)	\$(36)	(4)
Net cash provided by/(used for) investing activities		36	(110)	(36)	(110)
Cash flows from financing activities					
Proceeds from long-term debt			399		399
Payments of long-term debt		(200)	(377)		(577)
Net change in revolving credit facility and short-term debt			7		7
Net change in long-term intercompany balances	(12)	189	(177)		
Common stock issued	9				9
Common stock repurchased	(4)				(4)
Dividends paid			(36)	36	
Dividend paid to noncontrolling interests			(53)		(53)
Other			(17)		(17)
Net cash used for financing activities	(7)	(11)	(254)	36	(236)
Effect of exchange rate changes on cash and cash equivalents			8		8
Net change in cash and cash equivalents			(158)		(158)
Cash and cash equivalents at January 1			596		596
Cash and cash equivalents at September 30	\$0	\$0	\$438	\$0	\$438

Crown Holdings, Inc.

Crown Americas, LLC, Crown Americas Capital Corp. and Crown Americas Capital Corp. II (collectively, the Issuers), 100% owned subsidiaries of the Company, have outstanding senior unsecured notes that are fully and unconditionally guaranteed by Crown Holdings, Inc. (Parent) and substantially all subsidiaries in the United States. The guarantors are 100% owned by the Company and the guarantees are made on a joint and several basis. The following condensed combining financial statements:

- statements of operations for the three and nine months ended September 30, 2010 and 2009,
 - balance sheets as of September 30, 2010 and December 31, 2009, and
 - statements of cash flows for nine months ended September 30, 2010 and 2009
- are presented on the following pages to comply with the Company's requirements under Rule 3-10 of Regulation S-X.

CONDENSED COMBINING STATEMENT OF OPERATIONS

For the three months ended September 30, 2010

(in millions)

	Parent	Issuer	Guarantors	Non-Guarantors	Eliminations	Total Company
Net sales			\$612	\$1,593		\$2,205
Cost of products sold, excluding depreciation and amortization			503	1,285		1,788
Depreciation and amortization			10	30		40
Gross profit			99	278		377
Selling and administrative expense		\$2	28	52		82
Provision for asbestos			15			15
Provision for restructuring				17		17
Asset impairments and sales		(2)	2	(11)		(11)
Loss from early extinguishments of debt		11		5		16
Net interest expense		10	24	18		52
Technology royalty			(13)	13		
Translation and exchange				(2)		(2)
Income/(loss) before income taxes		(21)	43	186		208
Provision for/(benefit from) income taxes		(8)	13	42		47
Equity earnings in affiliates	\$126	59	96		\$(281)	

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Net income	126	46	126	144	(281)	161
Net income attributable to noncontrolling interests				(35)		(35)
Net income attributable to Crown Holdings	\$126	\$46	\$126	\$109	\$(281)	\$126

Crown Holdings, Inc.

CONDENSED COMBINING STATEMENT OF OPERATIONS

For the three months ended September 30, 2009

(in millions)

	Parent	Issuer	Guarantors	Non-Guarantors	Eliminations	Total Company
Net sales			\$614	\$1,668		\$2,282
Cost of products sold, excluding depreciation and amortization			517	1,351		1,868
Depreciation and amortization			11	38		49
Gross profit			86	279		365
Selling and administrative expense		\$2	32	61		95
Provision for restructuring				40		40
Asset impairments and sales				(1)		(1)
Loss from early extinguishments of debt		5	5	17		27
Net interest expense		14	30	21		65
Technology royalty			(16)	16		
Translation and foreign exchange				(5)		(5)
Income/(loss) before income taxes		(21)	35	130		144
Provision for/(benefit from) income taxes		(8)	22	(11)		3
Equity earnings in affiliates	\$108	39	95		\$(242)	
Net income	108	26	108	141	(242)	141
Net income attributable to noncontrolling interests				(33)		(33)
Net income attributable to Crown Holdings	\$108	\$26	\$108	\$108	\$(242)	\$108

Crown Holdings, Inc.

CONDENSED COMBINING STATEMENT OF OPERATIONS

For the nine months ended September 30, 2010

(in millions)

	Parent	Issuer	Guarantors	Non-Guarantors	Eliminations	Total Company
Net sales			\$1,731	\$4,261		\$5,992
Cost of products sold, excluding depreciation and amortization			1,448	3,454		4,902
Depreciation and amortization			30	98		128
Gross profit			253	709		962
Selling and administrative expense		\$3	83	170		256
Provision for asbestos			15			15
Provision for restructuring				41		41
Asset impairments and sales		(2)	2	(18)		(18)
Loss from early extinguishments of debt		11		5		16
Net interest expense		28	74	39		141
Technology royalty			(32)	32		
Translation and foreign exchange				(4)		(4)
Income/(loss) before income taxes		(40)	111	444		515
Provision for/(benefit from) income taxes		(15)	57	101		143
Equity earnings in affiliates	\$279	125	225		\$(629)	
Net income	279	100	279	343	(629)	372
Net income attributable to noncontrolling interests				(93)		(93)
Net income attributable to Crown Holdings	\$279	\$100	\$279	\$250	\$(629)	\$279

Crown Holdings, Inc.

CONDENSED COMBINING STATEMENT OF OPERATIONS

For the nine months ended September 30, 2009

(in millions)

	Parent	Issuer	Guarantors	Non-Guarantors	Eliminations	Total Company
Net sales			\$1,699	\$4,322		\$6,021
Cost of products sold, excluding depreciation and amortization			1,458	3,478		4,936
Depreciation and amortization			33	109		142
Gross profit			208	735		943
Selling and administrative expense		\$4	100	170		274
Provision for restructuring				42		42
Asset impairments and sales			(1)	(1)		(2)
Loss from early extinguishments of debt		5	5	17		27
Net interest expense		36	86	63		185
Technology royalty			(38)	38		
Translation and foreign exchange				(1)		(1)
Income/(loss) before income taxes		(45)	56	407		418
Provision for/(benefit from) income taxes		(17)	49	39		71
Equity earnings/(loss) in affiliates	\$253	65	246		\$(568)	(4)
Net income	253	37	253	368	(568)	343
Net income attributable to noncontrolling interests				(90)		(90)
Net income attributable to Crown Holdings	\$253	\$37	\$253	\$278	\$(568)	\$253

Crown Holdings, Inc.

CONDENSED COMBINING BALANCE SHEET

As of September 30, 2010

(in millions)

	Parent	Issuer	Guarantors	Non-Guarantors	Eliminations	Total Company
Assets						
Current assets						
Cash and cash equivalents		\$20	\$1	\$394		\$415
Receivables, net		1	8	1,265		1,274
Intercompany receivables			59	12	\$(71)	
Inventories			265	803		1,068
Prepaid expenses and other current assets	\$1	1	7	113		122
Total current assets	1	22	340	2,587	(71)	2,879
Intercompany debt receivables		1,300	1,213	262	(2,775)	
Investments	402	1,149	692		(2,243)	
Goodwill			453	1,545		1,998
Property, plant and equipment, net		1	285	1,238		1,524
Other non-current assets		27	511	207		745
Total	\$403	\$2,499	\$3,494	\$5,839	\$(5,089)	\$7,146
Liabilities and equity						
Current liabilities						
Short-term debt		\$25		\$274		\$299
Current maturities of long-term debt		4	\$1	151		156
Accounts payable and accrued liabilities	\$18	42	339	1,575		1,974
Intercompany payables			12	59	\$(71)	
Total current liabilities	18	71	352	2,059	(71)	2,429
Long-term debt, excluding current maturities		1,397	413	964		2,774
Long-term intercompany debt	246	718	1,342	469	(2,775)	
Postretirement and pension liabilities			705	306		1,011
Other non-current liabilities			280	185		465
Commitments and contingent liabilities						
Noncontrolling interests				328		328
Crown Holdings shareholders' equity	139	313	402	1,528	(2,243)	139
Total equity	139	313	402	1,856	(2,243)	467

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Total	\$403	\$2,499	\$3,494	\$5,839	\$(5,089)	\$7,146
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Crown Holdings, Inc.

CONDENSED COMBINING BALANCE SHEET

As of December 31, 2009

(in millions)

	Parent	Issuer	Guarantors	Non-Guarantors	Eliminations	Total Company
Assets						
Current assets						
Cash and cash equivalents		\$27	\$1	\$431		\$459
Receivables, net			17	697		714
Intercompany receivables			46	10	\$(56)	
Inventories			260	700		960
Prepaid expenses and other current assets	\$2	1	36	70		109
Total current assets	2	28	360	1,908	(56)	2,242
Intercompany debt receivables		1,671	1,094	256	(3,021)	
Investments	174	1,031	572		(1,777)	
Goodwill			453	1,597		2,050
Property, plant and equipment, net		1	295	1,213		1,509
Other non-current assets		22	545	164		731
Total	\$176	\$2,753	\$3,319	\$5,138	\$(4,854)	\$6,532
Liabilities and equity						
Current liabilities						
Short-term debt				\$30		\$30
Current maturities of long-term debt		\$4	\$1	24		29
Accounts payable and accrued liabilities	\$21	19	300	1,526		1,866
Intercompany payables			10	46	\$(56)	
Total current liabilities	21	23	311	1,626	(56)	1,925
Long-term debt, excluding current maturities		1,616	413	710		2,739
Long-term intercompany debt	161	901	1,395	564	(3,021)	
Postretirement and pension liabilities			746	291		1,037
Other non-current liabilities			280	168		448
Commitments and contingent liabilities						
Noncontrolling interests				389		389
Crown Holdings shareholders' equity/(deficit)	(6)	213	174	1,390	(1,777)	(6)
Total equity/(deficit)	(6)	213	174	1,779	(1,777)	383

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Total	\$176	\$2,753	\$3,319	\$5,138	\$(4,854)	\$6,532
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Crown Holdings, Inc.

CONDENSED COMBINING STATEMENT OF CASH FLOWS

For the nine months ended September 30, 2010

(in millions)

	Parent	Issuer	Guarantors	Non-Guarantors	Eliminations	Total Company
Net cash provided by/(used for) operating activities	\$14	\$7	\$167	\$(149)		\$39
Cash flows from investing activities						
Capital expenditures			(20)	(167)		(187)
Proceeds from sale of property, plant and equipment			1	19		20
Intercompany investing activities		2	15	35	\$(52)	
Other, net			1	2		3
Net cash provided by/(used for) investing activities		2	(3)	(111)	(52)	(164)
Cash flows from financing activities						
Proceeds from long-term debt				718		718
Payments of long-term debt		(400)	(1)	(313)		(714)
Net change in revolving credit facility and short-term debt		205		243		448
Net change in long-term intercompany balances	85	189	(163)	(111)		
Common stock issued	6					6
Common stock repurchased	(105)					(105)
Purchase of noncontrolling interest				(168)		(168)
Dividends paid				(52)	52	
Dividends paid to noncontrolling interests				(77)		(77)
Other		(10)		(12)		(22)
Net cash provided by/(used for) financing activities	(14)	(16)	(164)	228	52	86
Effect of exchange rate changes on cash and cash equivalents				(5)		(5)
Net change in cash and cash equivalents		(7)		(37)		(44)
Cash and cash equivalents at January 1		27	1	431		459
Cash and cash equivalents at September 30	\$0	\$20	\$1	\$394	\$0	\$415

Crown Holdings, Inc.

CONDENSED COMBINING STATEMENT OF CASH FLOWS

For the nine months ended September 30, 2009

(in millions)

	Parent	Issuer	Guarantors	Non-Guarantors	Eliminations	Total Company
Net cash provided by operating activities	\$7	\$10	\$40	\$123		\$180
Cash flows from investing activities						
Capital expenditures			(19)	(89)		(108)
Proceeds from sale of property, plant and equipment			2			2
Intercompany investing activities		4	41		\$(45)	
Other				(4)		(4)
Net cash provided by/(used for) investing activities		4	24	(93)	(45)	(110)
Cash flows from financing activities						
Proceeds from long-term debt		388		11		399
Payments of long-term debt			(201)	(376)		(577)
Net change in revolving credit facility and short-term debt				7		7
Net change in long-term intercompany balances	(12)	(445)	136	321		
Common stock issued	9					9
Common stock repurchased	(4)					(4)
Dividends paid				(45)	45	
Dividends paid to noncontrolling interests				(53)		(53)
Other		(8)		(9)		(17)
Net cash used for financing activities	(7)	(65)	(65)	(144)	45	(236)
Effect of exchange rate changes on cash and cash equivalents				8		8
Net change in cash and cash equivalents		(51)	(1)	(106)		(158)
Cash and cash equivalents at January 1		92	3	501		596
Cash and cash equivalents at September 30	\$0	\$41	\$2	\$395	\$0	\$438

Crown Holdings, Inc.

PART I FINANCIAL INFORMATION

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

(in millions)

Introduction

The following discussion presents management's analysis of the results of operations for the three and nine months ended September 30, 2010 compared to the corresponding periods in 2009 and the changes in financial condition and liquidity from December 31, 2009. This discussion should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2009, along with the consolidated financial statements and related notes included in and referred to within this report.

Executive Overview

The Company's principal areas of focus include improving segment income and cash flow from operations. Segment income is a non-GAAP measure defined by the Company as gross profit less selling and administrative expenses. See Note Q to the consolidated financial statements for information regarding segment income.

Improving segment income is primarily dependent on the Company's ability to increase revenues and manage costs. Key strategies for expanding sales include targeting geographic markets with strong growth potential, such as Asia, South America, Eastern Europe and the Middle East, improving selling prices in certain product lines and developing innovative packaging products using proprietary technology. The Company's cost control efforts focus on improving operating efficiencies and managing material and labor costs, including pension and other benefit costs.

The Company continues to consider opportunities to reduce leverage. The Company's total debt of \$3,229 at September 30, 2010 increased \$4 from \$3,225 at September 30, 2009, primarily due to the issuance of \$500 principal amount of 7.125% senior unsecured notes due 2018 and incremental borrowings on the Company's revolving credit facilities as described in Note I, for which a portion of the proceeds was used to repay borrowings, repurchase shares of the Company's common stock as described in Note P and to purchase additional ownership interests in certain affiliates as described in Note O. In addition, total debt increased \$246 due to new accounting guidance related to securitizations, partially offset by \$30 of foreign currency translation.

The Company considers possible transactions such as acquisitions (which, if effected, may increase the Company's indebtedness or involve the issuance of Company securities), dispositions, refinancings or the repurchase of Company common stock pursuant to Board approved repurchase authorizations (under which \$367 was available at September 30, 2010) and the Company is currently considering a potential acquisition and stock repurchases. Such transactions would be subject to compliance with the Company's debt agreements. The Company also expects capital expenditures of approximately \$300 in 2010, with particular focus on increasing beverage can production capacity in Asia and Brazil.

The cost of aluminum and steel, the primary raw materials used to manufacture the Company's products, has been subject to significant volatility in recent years. Moreover, future steel supply contracts may provide for prices that fluctuate or adjust rather than provide a fixed price during a one-year period. The Company attempts to pass-through these costs to its customers through provisions that adjust the selling prices to certain customers based on changes in the market price of the applicable raw material, or through surcharges where no such provision exists. The Company recognizes revenue related to selling price increases when all of the revenue recognition criteria has been met. There can be no assurance that the Company will be able to fully recover from its customers the impact of any increased aluminum and steel costs. In addition, decreased costs resulting from raw material price fluctuations may be passed through to customers, which would in turn result in decreases to the Company's revenue.

Crown Holdings, Inc.

Item 2. Management's Discussion and Analysis (Continued)

Results of Operations

The foreign currency translation impacts referred to below were primarily due to changes in the euro and pound sterling in the European Division operating segments and the Canadian dollar in the Americas Division operating segments.

Net Sales

Net sales decreased from \$2,282 in the third quarter of 2009 to \$2,205 in the third quarter of 2010 primarily due to the pass-through of lower raw material costs and \$59 from foreign currency translation, partially offset by an increase in global sales unit volumes. Net sales decreased from \$6,021 for the first nine months of 2009 to \$5,992 for the first nine months of 2010 primarily due to the pass-through of lower raw material costs, partially offset by an increase in global sales unit volumes and \$3 from foreign currency translation. Approximately 71% of net sales were generated outside the U.S. in the first nine months of 2010 compared to 72% in the same 2009 period. Sales of beverage cans and ends accounted for 51.1% and sales of food cans and ends accounted for 31.4% of consolidated net sales in the first nine months of 2010 compared to 47.8% and 34.3%, respectively, in 2009.

Net sales in the Americas Beverage segment increased from \$483 in the third quarter of 2009 to \$547 in the third quarter of 2010, primarily due to an 11% increase in sales unit volumes and \$5 from the impact of foreign currency translation. Net sales increased from \$1,370 in the first nine months of 2009 to \$1,576 in the first nine months of 2010, primarily due to a 9% increase in sales unit volumes and \$36 from the impact of foreign currency translation.

Net sales in the North America Food segment decreased from \$313 in the third quarter of 2009 to \$275 in the third quarter of 2010, primarily due to the pass-through of lower raw material costs, partially offset by \$2 from the impact of foreign currency translation and a 1% increase in sales unit volumes. Net sales decreased from \$760 in the first nine months of 2009 to \$686 in the first nine months of 2010, primarily due to the pass through of lower raw material costs and a 2% decrease in sales unit volumes, partially offset by \$10 from the impact of foreign currency translation.

Net sales in the European Beverage segment decreased from \$427 in the third quarter of 2009 to \$411 in the third quarter of 2010, primarily due to the pass through of lower raw material costs and \$20 from the impact of foreign currency translation, partially offset by an increase in sales unit volumes. Net sales decreased from \$1,219 in the first nine months of 2009 to \$1,164 in the first nine months of 2010, primarily due to the pass-through of lower raw material costs and \$15 from the impact of foreign currency translation, partially offset by a 4% increase in sales unit volumes.

Net sales in the European Food segment decreased from \$647 in the third quarter of 2009 to \$558 in the third quarter of 2010, primarily due to the pass-through of lower raw material costs, \$46 from the impact of foreign currency translation and a 3% decrease in sales unit volumes. Net sales decreased from \$1,502 in the first nine months of 2009 to \$1,383 in the first nine months of 2010, primarily due to the pass-through of lower raw material costs and \$39 from the impact of foreign currency translation.

Net sales in the European Specialty Packaging segment decreased from \$116 in the third quarter of 2009 to \$108 in the third quarter of 2010, primarily due to the pass-through of lower raw material costs and \$9 from the impact of foreign currency translation, partially offset by an increase in sales unit volumes. Net sales decreased from \$305 in the first nine months of 2009 to \$296 in the first nine months of 2010, primarily due to the pass-through of lower raw material costs and \$8 from the impact of foreign currency translation, partially offset by an increase in sales unit volumes.

Cost of Products Sold (Excluding Depreciation and Amortization)

Cost of products sold, excluding depreciation and amortization, decreased from \$1,868 in the third quarter of 2009 to \$1,788 in the third quarter of 2010 primarily due to lower raw material costs and \$47 from the impact of foreign currency translation, partially offset by higher sales unit volumes.

Crown Holdings, Inc.

Item 2. Management's Discussion and Analysis (Continued)

Cost of products sold, excluding depreciation and amortization, decreased from \$4,936 in the first nine months of 2009 to \$4,902 in the first nine months of 2010 primarily due to lower raw material costs, partially offset by higher sales unit volumes and \$10 from the impact of foreign currency translation.

As a result of steel and aluminum price increases in recent years, the Company has implemented significant price increases to many of its customers. However, there can be no assurance that the Company will be able to fully recover from its customers the impact of any price increases or surcharges. In addition, if the Company is unable to purchase steel or aluminum for a significant period of time, the Company's operations would be disrupted.

Depreciation and Amortization

Depreciation and amortization was \$40 and \$128 in the third quarter and first nine months of 2010 compared to \$49 and \$142 in the prior year periods, primarily due to lower capital expenditures in recent years.

Selling and Administrative Expense

Selling and administrative expense was \$82 in the third quarter of 2010 compared to \$95 for the same period in 2009. The decrease in 2010 primarily reflects lower salary and benefit costs and also includes a reduction of \$4 from foreign currency translation.

Selling and administrative expense was \$256 in the first nine months of 2010 compared to \$274 for the same period in 2009. The decrease in 2010 was primarily due to \$20 from the settlement of a legal dispute unrelated to the Company's ongoing operations and \$2 from the impact of foreign currency translation.

Provision for Asbestos

During the third quarter and first nine months of 2010, the Company recorded a charge of \$15 to increase its accrual for asbestos-related costs for claims in Texas that were pending on June 11, 2003 as further described in Note J to the consolidated financial statements. The Company anticipates that settlement of these claims will extend over a number of years.

Provision for Restructuring

The provision of \$41 in 2010 included \$10 for asset writedowns, \$5 for pension and postretirement plan curtailment charges and \$5 for severance costs related to the closure of a Canadian plant in the Company's North America Food segment, \$5 for strip and clean costs from prior restructuring actions in the Company's North America Food segment, \$13 for severance costs covering administrative headcount reductions in the Company's European division and \$3 for other related costs.

In connection with the closure of the Canadian plant in 2010, the Company expects to incur future additional charges of approximately \$21 including \$17 for pension settlements when the Company receives regulatory approval and settles these obligations. The Company expects the total cash cost of the closure to be \$16 including \$8 for the pension settlement.

In connection with prior restructuring actions in Canada, the Company expects to incur future additional charges of approximately \$38 including \$33 for pension settlements when the Company receives regulatory approval and settles these obligations and \$5 for strip and clean costs. The Company expects the total cash cost of these prior restructuring actions to be \$12 including \$7 for the pension settlement.

The provision of \$42 in 2009 included \$20 for the closure of two food can plants and an aerosol plant in Canada, \$19 for severance costs covering headcount reductions in the Company's European division and \$3 for costs related to a prior restructuring action in Canada.

Crown Holdings, Inc.

Item 2. Management's Discussion and Analysis (Continued)

Segment Income

Segment income in the Americas Beverage segment increased from \$59 in the third quarter of 2009 to \$74 in the third quarter of 2010 and from \$162 in the first nine months of 2009 to \$204 in the first nine months of 2010. The increases were primarily due to increased sales unit volumes in the U.S. and Brazil.

Segment income in the North America Food segment decreased from \$52 in the third quarter of 2009 to \$42 in the third quarter of 2010 and from \$99 in the first nine months of 2009 to \$91 in the first nine months of 2010. The decreases were primarily due to inventory holding gains from 2009 that did not recur in 2010.

Segment income in the European Beverage segment decreased from \$74 in the third quarter of 2009 to \$70 in the third quarter of 2010 primarily due to the impact of foreign currency translation. Segment income decreased from \$219 in the first nine months of 2009 to \$197 in the first nine months of 2010 primarily due to pricing adjustments including inventory holding gains from 2009 that did not recur in 2010.

Segment income in the European Food segment decreased from \$85 in the third quarter of 2009 to \$83 in the third quarter of 2010 and included \$5 from the impact of foreign currency translation. Segment income decreased from \$208 in the first nine months of 2009 to \$182 in the first nine months of 2010 primarily due to inventory holding gains from 2009 that did not recur in 2010 and \$5 from the impact of foreign currency translation.

Segment income in the European Specialty Packaging segment increased from \$10 in the third quarter of 2009 to \$12 in the third quarter of 2010 and increased from \$19 in the first nine months of 2009 to \$23 in the first nine months of 2010 primarily due to increased sales unit volumes and cost reductions, including plant operating efficiencies.

Interest Expense

Interest expense decreased from \$66 in the third quarter of 2009 to \$55 in the third quarter of 2010 and from \$189 in the first nine months of 2009 to \$147 for the same period in 2010 primarily due to lower average debt outstanding.

Taxes on Income

During the nine months ended September 30, 2010, the Company recorded net tax charges of \$143 on pre-tax income of \$515 for an effective rate of 28%. The difference between pre-tax income at the statutory rate of 35% or \$180, and the tax charge of \$143 is primarily explained as follows: \$42 of decrease from lower tax rates in non-U.S. jurisdictions, \$10 of decrease due to valuation allowance adjustments and \$7 of decrease for the nontaxable settlement benefit of a legal dispute unrelated to the Company's ongoing operations, partially offset by \$7 of increase to recognize the tax impact of the new U.S. health care legislation, \$3 of increase due to foreign tax law changes, \$7 of increase to the valuation allowance in Canada for the tax benefit of current year losses that are not expected to be realized and \$5 of increase due to other net differences.

During the three months ended September 30, 2010, the Company recorded net tax charges of \$47 on pre-tax income of \$208 for an effective rate of 23%. The difference between pre-tax income at the U.S. statutory rate of 35% or \$73, and the tax charge of \$47 is primarily explained as follows: \$18 of decrease from lower tax rates in non-U.S. jurisdictions and \$10 of decrease due to valuation allowance adjustments partially offset by \$2 of increase due to foreign tax law changes.

The \$10 of valuation allowance adjustments includes releases of valuation allowance of \$8 in Belgium and \$2 in the Netherlands.

Crown Holdings, Inc.

Item 2. Management's Discussion and Analysis (Continued)

During the third quarter of 2010, the Company released \$8 of valuation allowance for a Belgian subsidiary based on projections of future taxable income. The subsidiary generated positive income in 2009 and through September 30, 2010 and is projecting positive income in future years sufficient to realize the deferred tax assets. The deferred tax assets are primarily tax loss carryforwards that do not expire. The Company continues to maintain a valuation allowance of \$13 for deferred tax assets in a dormant entity in Belgium that the Company does not believe at this time it will be able to utilize.

During the third quarter of 2010, the Company released \$2 of valuation allowance for a Dutch subsidiary based on projections of future taxable income. The subsidiary generated positive income in 2009 and through September 30, 2010 and is projecting positive income in future years sufficient to realize the deferred tax assets. The Company continues to maintain a valuation allowance of \$9 for tax loss carryforwards that expire in 2014 and that the Company does not believe at this time it will be able to utilize.

During the first quarter of 2010, the Company recorded a charge of \$7 to recognize the tax impact of the new U.S. health care legislation on the company's deferred taxes. Under the legislation, federal subsidies received by the Company related to payments made for retiree prescription drug benefits must be offset against the Company's deduction for health care expenses beginning in 2013. In addition to the one-time charge of \$7, the Company expects that the legislation will increase its 2010 annual tax provision by approximately \$2 compared to 2009.

The Company recorded tax expense of \$1 and \$6 in the third quarter and first nine months of 2010 due to the expiration of a U.S. tax law provision that allowed certain dividends and interest to be paid between affiliated foreign subsidiaries without giving rise to a current tax in the U.S. The Company expects that the expired tax provision will increase its 2010 annual tax expense by approximately \$9 compared to 2009.

The third quarter of 2009 included net tax charges of \$3 on pre-tax income of \$144. The difference of \$47 between pre-tax income at the U.S. statutory rate of 35% or \$50, and the tax charge of \$3, was primarily due to benefits of \$21 from lower tax rates in certain non-U.S. jurisdictions and \$37 for valuation allowance adjustments, partially offset by charges of \$11 for withholding taxes, state taxes and other items. The valuation allowance adjustments of \$37 included a credit of \$40 for the release of the valuation allowances in France based on the Company's estimate of future profits.

The first nine months of 2009 included net tax charges of \$71 on pre-tax income of \$418 for an effective rate of 17.0%. The difference of \$75 between pre-tax income at the U.S. statutory rate of 35% or \$146, and the tax charge of \$71, was primarily due to benefits of \$52 from lower tax rates in certain non-U.S. jurisdictions and \$50 from valuation allowance adjustments, partially offset by charges of \$27 for withholding taxes, state taxes and other items. The valuation allowance adjustments of \$50 included a credit of \$40 for the release of valuation allowances in France based on the Company's estimate of future profits.

Net Income Attributable to Noncontrolling Interests

Net income attributable to noncontrolling interests increased from \$33 and \$90 in the third quarter and first nine months of 2009 to \$35 and \$93 in the third quarter and first nine months of 2010 primarily due to increased earnings in Brazil within the Americas Beverage segment.

Liquidity and Capital Resources

Cash from Operations

Cash provided by operating activities decreased from \$180 to \$39 in the first nine months of 2010 compared to 2009 primarily due to a higher change in working capital of \$196 including \$246 from a change in accounting guidance requiring the Company's securitization facilities and a portion of its factoring facilities to be accounted for as secured borrowings, partially offset by \$20 received from a legal settlement unrelated to the Company's ongoing operations and lower interest payments primarily due to lower average debt outstanding.

Crown Holdings, Inc.

Item 2. Management's Discussion and Analysis (Continued)

Investing Activities

Cash used by investing activities increased from \$110 to \$164 in the first nine months of 2010 compared to 2009 primarily due to higher capital expenditures, partially offset by higher proceeds from the sales of property, plant and equipment and from the sale of a business. The Company expects its full year capital expenditures to be approximately \$300 compared to \$180 in 2009, with the difference primarily due to beverage can production capacity expansion in Asia and Brazil.

Financing Activities

Cash provided by financing activities increased from \$236 used for financing activities in the first nine months of 2009 to \$86 provided by financing activities in the same period of 2010 as proceeds from the issuance of senior unsecured notes and increased borrowings under the Company's revolving credit facilities were used, in part, to repay long-term borrowings, repurchase shares of the Company's stock and to purchase noncontrolling interests. In addition, cash provided by financing activities increased \$246 due to a change in accounting guidance for securitization and certain factoring activities in 2010 that required the Company's securitization facilities and a portion of its factoring facilities to be accounted for as secured borrowings. Other financing activities of \$22 in 2010 are primarily due to \$28 of financing fees to amend the Company's revolving credit facilities and costs related to the issuance of \$500 principal amount of 7.125% senior unsecured notes due 2018 and repayments of long-term borrowings as discussed in Note I to the consolidated financial statements, partially offset by \$6 of payments received related to the settlement of foreign currency derivatives used to hedge intercompany debt obligations.

Liquidity

In June 2010, the Company amended its existing senior secured credit facilities to extend the maturity date of its revolving facilities and increase from \$800 to \$1,200 the aggregate principal amount available thereunder. The Company's amended senior secured credit facilities now include new revolving facilities that mature on June 15, 2015 as well as the existing term loan facilities, that mature on November 15, 2012. The new revolving credit facilities are subject to a pricing grid and have an initial pricing of 2.25% above Libor or Euribor, respectively.

Lenders under the new senior secured revolving credit facilities include certain lenders under the existing senior secured revolving credit facilities who elected to convert their commitments under the existing senior secured revolving credit facilities into commitments under the new senior secured revolving credit facilities, as well as new lenders. To the extent that lenders under the existing senior secured revolving credit facilities did not participate as lenders under the new senior secured revolving credit facilities, the existing senior secured revolving credit facilities remain outstanding, subject to their maturity on May 15, 2011. The available capacity under the existing revolving facilities is now \$194. Prior to maturity of the existing revolving facilities, borrowings under the existing revolving facilities and the new revolving facilities are limited to \$1,200 in the aggregate. At September 30, 2010, the Company had borrowings of \$323 under its revolving credit facilities, of which \$25 related to the facility that matures on May 15, 2011 and was classified as short-term debt. At September 30, 2010, the Company's available borrowing capacity under the facilities was \$804, equal to the facilities' aggregate capacity of \$1,200 less \$323 of borrowings and \$73 of outstanding letters of credit.

In June 2010, the Company repaid \$200 of its existing U.S. dollar term loan facility and the equivalent of \$200 of its existing Euro loan facility.

In July 2010, the Company sold \$500 principal amount of 7.125% senior unsecured notes due 2018. The notes were issued at par by Crown European Holdings SA, a wholly owned subsidiary of the Company. The notes are senior obligations of Crown European Holdings SA and are unconditionally guaranteed on a senior basis by the Company and each of the Company's present and future U.S. subsidiaries that guarantees obligations under the Company's credit facilities and, subject to applicable law, each of Crown European Holdings SA's subsidiaries that guarantee obligations under the Company's credit facilities.

In August 2010, the Company purchased through a tender offer \$65 principal amount of Crown European Holdings SA's \$150 6.25% first priority senior secured notes due 2011. The Company also purchased \$10 principal amount of the first priority senior secured notes in the first quarter of 2010. In August 2010, the

Crown Holdings, Inc.

Item 2. Management's Discussion and Analysis (Continued)

Company redeemed all of the outstanding \$200 principal amount of 7.625% senior notes due 2013 of Crown Americas LLC and Crown Americas Capital Corp., each a wholly-owned subsidiary of the Company. The Company recorded a loss from early extinguishments of debt of \$16 primarily related to redemption premiums and the write-off of deferred financing fees.

The Company's debt agreements contain covenants that provide limits on the ability of the Company and its subsidiaries to, among other things, incur additional debt, pay dividends or repurchase capital stock, make certain other restricted payments, create liens and engage in sale and leaseback transactions. These restrictions are subject to a number of exceptions, however, allowing the Company to incur additional debt or make otherwise restricted payments. The Company's revolving credit facility and first priority term loans also contain various financial covenants.

Contractual Obligations

During the third quarter of 2010, purchase obligations covering new agreements for raw materials and other consumables increased \$262 for 2012, \$256 for 2013 and \$110 for 2014, compared to amounts provided within Part II, Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations of the Company's Annual Report on Form 10-K for the year ended December 31, 2009. The level of contractual obligations was also impacted by changes in debt as discussed in Note I to the consolidated financial statements.

Off Balance Sheet Arrangements

The Company has certain guarantees and indemnification agreements that could require the payment of cash upon the occurrence of certain events. The guarantees and agreements are further discussed under Note K to the consolidated financial statements.

The Company also utilizes receivables securitization and factoring facilities and derivative financial instruments as further discussed under Note D and Note G, respectively, to the consolidated financial statements. As discussed in Note B to the consolidated financial statements, the Company changed its accounting for its securitization and factoring facilities in 2010 due to new accounting guidance.

Commitments and Contingent Liabilities

Information regarding the Company's commitments and contingent liabilities appears in Part I within Item 1 of this report under Note K, entitled Commitments and Contingent Liabilities, to the consolidated financial statements, which information is incorporated herein by reference.

Critical Accounting Policies

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States which require that management make numerous estimates and assumptions. Actual results could differ from these estimates and assumptions, impacting the reported results of operations and financial condition of the Company. Part II, Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations and Note A to the consolidated financial statements contained in the Company's Annual Report on Form 10-K for the year ended December 31, 2009 describe the significant accounting estimates and policies used in the preparation of the consolidated financial statements. There have been no significant changes in the Company's critical accounting policies during the first nine months of 2010. The discussion below supplements the discussion from the Company's Annual Report on Form 10-K for the year ended December 31, 2009 with respect to asbestos-related liabilities. The discussion below should be read in conjunction with Note J to the consolidated financial statements.

Asbestos Liabilities

The Company's potential liability for asbestos cases is highly uncertain due to the difficulty of forecasting many factors, including the level of future claims, the rate of receipt of claims, the jurisdiction in which claims are filed, the nature of future claims (including the seriousness of alleged disease, whether claimants allege

Crown Holdings, Inc.

Item 2. Management's Discussion and Analysis (Continued)

first exposure to asbestos before or during 1964 and the alleged link to Crown Cork), the terms of settlements of other defendants with asbestos-related liabilities, the bankruptcy filings of other defendants (which may result in additional claims and higher settlement demands for non-bankrupt defendants), potential liabilities for claims filed after the Company's ten-year projection period and the effect of state asbestos legislation (including the validity and applicability of the Pennsylvania legislation to non-Pennsylvania jurisdictions, where the substantial majority of the Company's asbestos cases are filed). See Note J to the consolidated financial statements for additional information regarding the provision for asbestos-related costs.

At the end of each quarter, the Company considers whether there have been any material developments that would cause it to update its asbestos liability accrual calculations. Absent any significant developments in the asbestos litigation environment in general or with respect to the Company specifically, the Company updates its accrual calculations in the fourth quarter of each year. The Company's asbestos liability accrual is calculated as the sum of its outstanding and expected future claims, multiplied by the five-year average settlement cost of those claims, plus estimated legal fees. Claims in those states where the Company's liability is limited by statute and claims alleging first exposure to asbestos after 1964 are included in the number of outstanding claims but are assumed to have no value. The expected number of claims and the average settlement cost per claim are calculated using projections based on the actual data for the most recent five years.

The five year average settlement cost per claim was \$6,600, \$5,900 and \$5,300 for 2009, 2008 and 2007, respectively. The average settlement cost per claim increased due to higher settlement costs for claims alleging serious disease (primarily mesothelioma and other malignancies) in Crown Cork's settlement pool during the most recent five-year period. Of the approximately 50,000 claims outstanding at the end of 2009, 2008 and 2007 approximately 16%, 15% and 15%, respectively, relate to claims alleging serious diseases. Because claims are not submitted or settled evenly throughout the year, it is difficult to predict at any time during the year whether the number of claims or average settlement cost over the five year period ending December 31 of such year will increase compared to the prior five year period.

The Company's asbestos liability is calculated using a ten-year projection and the Company therefore expects to incur an annual charge to account for projected claims in the new tenth year. The inclusion of an additional year in the ten-year projection combined with the increased settlement costs per claim, which was partially offset by a projected decrease in the number of future claims led the Company to record a charge of \$55 in 2009 compared to \$25 in 2008 and \$28 in 2007, in each case to increase the Company's accrual for probable costs for claims through the following ten-year period. During 2009, 2008 and 2007, respectively, the Company made asbestos-related payments of \$26, \$25 and \$26. If the recent trend of settling claims alleging serious disease (primarily mesothelioma and other malignancies) for higher amounts continues, average settlement costs per claim are likely to increase and, if not offset by a reduction in overall claims and settlements, the Company may record additional charges in the future. A 10% change in either the average cost per claim or the number of projected claims would increase or decrease the estimated liability at December 31, 2009 by \$23 for the following ten-year period. A 10% increase or decrease in these two factors at the same time would increase or decrease the estimated liability at December 31, 2009 by \$48 and \$44, respectively, for the following ten-year period.

Forward Looking Statements

Statements included herein in Management's Discussion and Analysis of Financial Condition and Results of Operations, including, but not limited to, in the discussions of asbestos in Note J and commitments and contingencies in Note K to the consolidated financial statements included in this Quarterly Report on Form 10-Q and also in Part I, Item 1: Business and Item 3: Legal Proceedings and in Part II, Item 7: Management's Discussion and Analysis of Financial Condition and Results of Operations, within the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2009, which are not historical facts (including any statements concerning plans and objectives of management for future operations or economic performance, or assumptions related thereto), are forward-looking statements within the meaning of the federal securities laws. In addition, the Company and its representatives may, from time to time, make oral or written statements which are also forward-looking statements.

Crown Holdings, Inc.

Item 2. Management's Discussion and Analysis (Continued)

These forward-looking statements are made based upon management's expectations and beliefs concerning future events impacting the Company and, therefore, involve a number of risks and uncertainties. Management cautions that forward-looking statements are not guarantees and that actual results could differ materially from those expressed or implied in the forward-looking statements.

While the Company periodically reassesses material trends and uncertainties affecting the Company's results of operations and financial condition in connection with the preparation of Management's Discussion and Analysis of Financial Condition and Results of Operations and certain other sections contained in the Company's quarterly, annual or other reports filed with the Securities and Exchange Commission (SEC), the Company does not intend to review or revise any particular forward-looking statement in light of future events.

A discussion of important factors that could cause the actual results of operations or financial condition of the Company to differ from expectations has been set forth in the Company's Annual Report on Form 10-K for the year ended December 31, 2009 within Part II, Item 7: Management's Discussion and Analysis of Financial Condition and Results of Operations under the caption Forward Looking Statements and is incorporated herein by reference. Some of the factors are also discussed elsewhere in this Form 10-Q and in prior Company filings with the SEC. In addition, other factors have been or may be discussed from time to time in the Company's SEC filings.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

In the normal course of business the Company is subject to risk from adverse fluctuations in foreign exchange and interest rates and commodity prices. The Company manages these risks through a program that includes the use of derivative financial instruments, primarily swaps and forwards. Counterparties to these contracts are major financial institutions. The Company is exposed to credit loss in the event of nonperformance by the counterparties. These instruments are not used for trading or speculative purposes. The extent to which the Company uses such instruments is dependent upon its access to these contracts in the financial markets and its success in using other methods, such as netting exposures in the same currencies to mitigate foreign exchange risk and using sales arrangements that permit the pass-through of commodity prices and foreign exchange rate risks to customers. The Company's objective in managing its exposure to market risk is to limit the impact on earnings and cash flow. For further discussion of the Company's use of derivative instruments and their fair values at September 30, 2010, see Note G to the consolidated financial statements included in this Quarterly Report on Form 10-Q.

As of September 30, 2010, the Company had approximately \$871 million principal floating interest rate debt. A change of 0.25% in these floating interest rates would change annual interest expense by approximately \$2.2 million before tax.

Item 4. Controls and Procedures

As of the end of the period covered by this Quarterly Report on Form 10-Q, management, including the Company's Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the design and operation of its disclosure controls and procedures. Based upon that evaluation and as of the end of the quarter for which this report is made, the Company's Chief Executive Officer and Chief Financial Officer concluded that the disclosure controls and procedures were effective. Disclosure controls and procedures ensure that information to be disclosed in reports that the Company files and submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and terms of the Securities and Exchange Commission, and ensure that information required to be disclosed in the reports that the Company files or submits under the Exchange Act is accumulated and communicated to the Company's management, including its Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

There has been no change in internal controls over financial reporting that occurred during the period covered by this report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Crown Holdings, Inc.

PART II OTHER INFORMATION

Item 1. Legal Proceedings

For information regarding the Company's potential asbestos-related liabilities and other litigation, see Note J entitled "Asbestos-Related Liabilities" and Note K entitled "Commitments and Contingent Liabilities," respectively, to the consolidated financial statements within Item 1 of this Quarterly Report on Form 10-Q, which information is incorporated herein by reference.

Item 1A. Risk Factors

In addition to the other information set forth in this report, carefully consider the factors discussed in Item 1A to Part II in the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2010, which could materially affect the Company's business, financial condition or future results. The risks described in the Company's Quarterly Report on Form 10-Q are not the only risks facing the Company. Additional risks and uncertainties not currently known to the Company or that the Company currently deems to be immaterial also may materially adversely affect the Company's business, financial condition and/or operating results.

Item 2. Unregistered Sale of Equity Securities and Use of Proceeds

The Company made no purchases of its equity securities during the first six months of 2010.

The following table provides information about the Company's purchase of equity securities during the quarter ended September 30, 2010.

	Total Number of		Total Number of Shares Purchased as Part of Publicly Announced Programs	Approximate Dollar Value of Shares that May Yet Be Purchased under the Programs
	Shares Purchased	Average Price Per Share		As of the end of the period (millions of dollars)
August	3,182,461	\$ 28.28	3,182,461	\$367
Total	3,182,461	\$ 28.28	3,182,461	\$367

In August 2010, the Company entered into an agreement with Citigroup to purchase shares of its common stock under an accelerated share repurchase program. Pursuant to the agreement, the Company initially purchased 3,182,461 shares, currently estimated to be approximately 90 percent of the shares to be repurchased, from Citigroup for \$100 million. The final number of shares to be repurchased and the aggregate cost to the Company will be based on the Company's volume-weighted average stock price during the term of the transaction. At termination of the transaction, the Company may receive additional shares or may be required to pay a price adjustment based on the volume-weighted average stock price. The Company may elect to settle the price adjustment, if any, in shares or in cash.

On February 28, 2008, the Company's Board of Directors authorized the repurchase of up to \$500 million of the Company's outstanding common stock from time to time through December 31, 2010, in the open market or through privately negotiated transactions, subject to the terms of the Company's debt agreements, market conditions, the Company's ability to generate operating cash flow, alternative uses of operating cash flow (including the reduction of indebtedness) and other factors. This authorization replaces and supersedes all previous outstanding authorizations to repurchase shares. The Company is not obligated to acquire any shares of common stock and the share repurchase plan may be suspended or terminated at any time at the Company's discretion. The repurchased shares are expected to be used for the Company's stock-based benefit plans,

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as required, and for other general corporate purposes. As of September 30, 2010, \$367 million of shares remained eligible for repurchase under this authorization.

Crown Holdings, Inc.

Item 4. (Removed and Reserved.)

Item 5. Other Information

None.

Item 6. Exhibits

- a) 4.1 Indenture, dated as of July 28, 2010, by and among Crown European Holdings SA, as Issuer, the Guarantors names therein and The Bank of New York Mellon, as Trustee, relating to the 7 1/8% Senior Notes due 2018 (incorporated by reference to Exhibit 4.1 of the Registrant's Current Report on Form 8-K dated July 28, 2010 (File No. 0-50189)).
- 4.10 First Amendment to Second Amended and Restated Euro Intercreditor and Collateral Agency Agreement, dated as of June 15, 2010, among Deutsche Bank AG New York Branch, as U.K. Administrative Agent, The Bank of Nova Scotia, as Canadian Administrative Agent, Deutsche Bank AG New York Branch, as Euro Collateral Agent, Crown European Holdings SA, and each of the subsidiaries of Crown European Holdings identified therein (incorporated by reference to Exhibit 4.9 of the Registrant's Current Report on Form 8-K dated June 15, 2010 (File No. 0-50189)).
- 10.1 Purchase Agreement, dated as of July 21, 2010, by and among the Registrant, Crown European Holdings SA, Merrill Lynch International as Representative, the Initial Purchasers (as defined therein) and the Guarantors (as defined therein) (incorporated by reference to Exhibit 10.1 of the Registrant's Current Report on Form 8-K dated July 21, 2010 (File No. 0-50189)).
- 31.1 Certification of Chief Executive Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 31.2 Certification of Chief Financial Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 32 Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, executed by John W. Conway, Chairman of the Board, President and Chief Executive Officer of Crown Holdings, Inc. and Timothy J. Donahue, Executive Vice President and Chief Financial Officer of Crown Holdings, Inc.
- 101 The following financial information from the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2010 formatted in XBRL (eXtensible Business Reporting Language): (i) Consolidated Statements of Operations for the three and nine months ended September 30, 2010 and 2009, (ii) Consolidated Balance Sheets as of September 30, 2010 and December 31, 2009, (iii) Consolidated Statements of Cash Flows for the nine months ended September 30, 2010 and 2009, (iv) Consolidated Statements of Changes in Equity and Comprehensive Income/(Loss) for the nine months ended September 30, 2010 and 2009 and (v) Notes to Consolidated Financial Statements.

Crown Holdings, Inc.

SIGNATURE

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.

Crown Holdings, Inc.
Registrant

By: /s/ Kevin C. Clothier
Kevin C. Clothier
Vice President and Corporate Controller

Date: November 5, 2010