

TUPPERWARE BRANDS CORP

Form 10-Q

November 06, 2012

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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the 13 weeks ended September 29, 2012

OR

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the Transition period from _____ to _____
Commission file number 1-11657

TUPPERWARE BRANDS CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

36-4062333

(I.R.S. Employer
Identification No.)

14901 South Orange Blossom Trail, Orlando, Florida

(Address of principal executive offices)

32837

(Zip Code)

Registrant's telephone number, including area code: (407) 826-5050

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 preceding 12 months (or for such shorter period that the registrant was required to submit and post 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 definition 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 Rule 12b-2 of the Exchange Act). Yes No

As of November 1, 2012, 55,292,875 shares of the common stock, \$0.01 par value, of the registrant were outstanding.

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Item 1. Financial Statements (Unaudited)

TUPPERWARE BRANDS CORPORATION
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

(Dollars in millions, except per share amounts)	13 weeks ended September 29, 2012	13 weeks ended October 1, 2011	39 weeks ended September 29, 2012	40 weeks ended October 1, 2011
Net sales	\$ 594.4	\$ 602.6	\$ 1,872.8	\$ 1,908.9
Cost of products sold	199.5	201.7	619.3	636.2
Gross margin	394.9	400.9	1,253.5	1,272.7
Delivery, sales and administrative expense	318.0	328.7	986.1	1,012.3
Re-engineering and impairment charges	2.0	2.2	4.0	4.7
Impairment of goodwill and intangible assets	—	36.1	76.9	36.1
Gains on disposal of assets, including insurance recoveries	0.3	—	8.0	0.7
Operating income	75.2	33.9	194.5	220.3
Interest income	0.6	0.8	1.9	2.5
Interest expense	8.5	8.0	27.0	41.1
Other expense	—	0.7	0.1	0.6
Income before income taxes	67.3	26.0	169.3	181.1
Provision for income taxes	19.8	15.5	50.8	49.7
Net income	\$ 47.5	\$ 10.5	\$ 118.5	\$ 131.4
Earnings per share:				
Basic	\$ 0.86	\$ 0.18	\$ 2.14	\$ 2.15
Diluted	0.85	0.17	2.09	2.10
Weighted-average shares outstanding:				
Basic	55.2	59.1	55.5	61.1
Diluted	56.2	60.5	56.6	62.5
Dividends declared per common share	\$ 0.36	\$ 0.30	\$ 1.08	\$ 0.90

See accompanying Notes to Consolidated Financial Statements (Unaudited).

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TUPPERWARE BRANDS CORPORATION
 CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
 (Unaudited)

(Dollars in millions, except per share amounts)	13 weeks ended September 29, 2012	13 weeks ended October 1, 2011	39 weeks ended September 29, 2012	40 weeks ended October 1, 2011
Net income	\$ 47.5	\$ 10.5	\$ 118.5	\$ 131.4
Foreign currency translation adjustments	37.6	(78.1	) 19.6	(32.5)
Deferred (loss) gain on cash flow hedges, net of tax (benefit) provision of (\$0.4) for the third quarter of 2012 and (\$0.1) and \$8.1 million for the year-to-date periods of 2012 and 2011, respectively.	(1.8	) 2.6	(0.5	) 16.5
Pension and other post-retirement costs, net of tax provision of \$0.2 and \$0.4 million for the third quarters of 2012 and 2011, respectively, and \$0.4 and \$1.2 million for the year-to-date periods, respectively.	0.2	1.6	2.3	1.9
Comprehensive income (loss)	\$ 83.5	\$ (63.4	) \$ 139.9	\$ 117.3

See accompanying Notes to Consolidated Financial Statements (Unaudited).

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TUPPERWARE BRANDS CORPORATION
CONSOLIDATED BALANCE SHEETS
(Unaudited)

(Dollars in millions, except share amounts)	September 29, 2012	December 31, 2011
ASSETS		
Cash and cash equivalents	\$ 113.8	\$ 138.2
Accounts receivable, less allowances of \$31.0 million in 2012 and \$26.8 million in 2011	188.1	163.7
Inventories	340.5	302.5
Deferred income tax benefits, net	95.5	94.2
Non-trade amounts receivable, net	38.9	47.5
Prepaid expenses and other current assets	32.9	23.3
Total current assets	809.7	769.4
Deferred income tax benefits, net	326.0	339.2
Property, plant and equipment, net	287.7	273.1
Long-term receivables, less allowances of \$23.6 million in 2012 and \$23.3 million in 2011	23.7	23.2
Trademarks and tradenames	139.6	157.1
Other intangible assets, net	5.5	7.2
Goodwill	195.5	241.4
Other assets, net	35.5	33.6
Total assets	\$ 1,823.2	\$ 1,844.2
LIABILITIES AND SHAREHOLDERS' EQUITY		
Accounts payable	\$ 115.3	\$ 157.2
Short-term borrowings and current portion of long-term debt and capital lease obligations	241.3	195.7
Accrued liabilities	322.0	320.5
Total current liabilities	678.6	673.4
Long-term debt and capital lease obligations	414.5	415.2
Other liabilities	221.4	254.8
Shareholders' equity:		
Preferred stock, \$0.01 par value, 200,000,000 shares authorized; none issued	—	—
Common stock, \$0.01 par value, 600,000,000 shares authorized; 63,607,090 shares issued	0.6	0.6
Paid-in capital	144.9	126.8
Retained earnings	1,122.6	1,091.7
Treasury stock 8,168,965 and 7,099,345 shares in 2012 and 2011, respectively, at cost	(485.3	) (422.8)
Accumulated other comprehensive loss	(274.1	) (295.5)
Total shareholders' equity	508.7	500.8
Total liabilities and shareholders' equity	\$ 1,823.2	\$ 1,844.2

See accompanying Notes to Consolidated Financial Statements (Unaudited).

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TUPPERWARE BRANDS CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

(In millions)	39 weeks ended September 29, 2012	40 weeks ended October 1, 2011
Operating Activities:		
Net income	\$ 118.5	\$ 131.4
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation and amortization	36.5	38.3
Equity compensation	11.3	10.2
Amortization of deferred debt costs	0.7	1.3
Interest rate swap impairment	—	18.9
Net (gain) loss on disposal of assets, including insurance recoveries	(8.0	) 1.1
Provision for bad debts	8.4	8.9
Write-down of inventories	11.1	10.8
Non-cash impact of re-engineering and impairment costs	76.9	36.1
Net change in deferred income taxes	(3.1	) (13.5)
Excess tax benefits from share-based payment arrangements	(11.9	) (8.1)
Changes in assets and liabilities:		
Accounts and notes receivable	(33.3	) (17.3)
Inventories	(47.1	) (68.2)
Non-trade amounts receivable	1.1	(4.8)
Prepaid expenses	(8.8	) (8.3)
Other assets	(4.2	) (2.9)
Accounts payable and accrued liabilities	(18.9	) (14.0)
Income taxes payable	(20.1	) (16.4)
Other liabilities	0.3	(6.5)
Proceeds from insurance recoveries, net of costs	0.2	—
Net cash impact from hedging activity	1.9	(4.2)
Other	—	(0.1)
Net cash provided by operating activities	111.5	92.7
Investing Activities:		
Capital expenditures	(51.0	) (49.3)
Proceeds from disposal of property, plant and equipment	9.8	3.2
Net cash used in investing activities	(41.2	) (46.1)
Financing Activities:		
Dividend payments to shareholders	(57.5	) (56.1)
Net proceeds from issuance of senior notes ⁽¹⁾	—	393.3
Proceeds from exercise of stock options	9.7	15.2
Repurchase of common stock	(104.3	) (337.8)
Repayment of long-term debt and capital lease obligations	(1.8	) (406.9)
Net change in short-term debt	47.4	213.7
Debt issuance costs	—	(3.0)
Excess tax benefits from share-based payment arrangements	11.9	8.1
Net cash used in financing activities	(94.6	) (173.5)
Effect of exchange rate changes on cash and cash equivalents	(0.1) (11.6)
Net change in cash and cash equivalents	(24.4) (138.5)

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Cash and cash equivalents at beginning of year	138.2	248.7
Cash and cash equivalents at end of period	\$ 113.8	\$ 110.2

⁽¹⁾Net proceeds from issuance of senior notes are net of \$2.6 million in non-cash debt issuance costs.

See accompanying Notes to Consolidated Financial Statements (Unaudited).

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TUPPERWARE BRANDS CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 1: Summary of Significant Accounting Policies

Basis of Presentation: The condensed consolidated financial statements include the accounts of Tupperware Brands Corporation and its subsidiaries, collectively “Tupperware” or the “Company”, with all intercompany transactions and balances having been eliminated. These condensed consolidated financial statements and related notes should be read in conjunction with the 2011 audited financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2011.

Certain prior year amounts have been reclassified to conform with current year presentation.

These condensed consolidated financial statements are unaudited and have been prepared following the rules and regulations of the United States Securities and Exchange Commission and, in the Company's opinion, reflect all adjustments, including normal recurring items that are necessary for a fair statement of the results for the interim periods. Certain information and note disclosures normally included in the statement of financial position, results of operations, comprehensive income and cash flows prepared in conformity with accounting principles generally accepted in the United States of America have been condensed or omitted as permitted by such rules and regulations. Operating results of any interim period presented herein are not necessarily indicative of the results that may be expected for a full fiscal year.

The Company's fiscal year ends on the last Saturday of December and, as a result, the 2012 fiscal year will contain 52 weeks, as compared with 53 weeks for fiscal 2011. The year-to-date period ending September 29, 2012 contained 39 weeks, as compared with the year-to-date period ending October 1, 2011 that contained 40 weeks.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ materially from these estimates.

Note 2: Shipping and Handling Costs

The cost of products sold line item includes costs related to the purchase and manufacture of goods sold by the Company. Among these costs are inbound freight charges, purchasing and receiving costs, inspection costs, depreciation expense, internal transfer costs and warehousing costs of raw material, work in process and packing materials. The warehousing and distribution costs of finished goods are included in delivery, selling and administrative expense (“DS&A”). Distribution costs are comprised of outbound freight and associated labor costs. Fees billed to customers associated with the distribution of products are classified as revenue. The distribution costs included in DS&A expense for the third quarters of 2012 and 2011 were \$35.1 million and \$36.3 million, respectively, and were \$109.8 million and \$113.7 million for the year-to-date periods ended September 29, 2012 and October 1, 2011, respectively.

Note 3: Promotional Accruals

The Company frequently makes promotional offers to members of its independent sales force to encourage them to fulfill specific goals or targets for sales levels, party attendance, recruiting of new sales force members or other business-critical functions. The awards offered are in the form of cash, product awards, special prizes or trips. The Company accrues for the costs of these awards during the period over which the sales force qualifies for the award and reports these costs primarily as a component of DS&A expense. These accruals require estimates as to the cost of the awards, based upon estimates of achievement and actual cost to be incurred. During the qualification period, actual results are monitored, and changes to the original estimates are made when known. Promotional and other sales force compensation expenses included in DS&A expense totaled \$100.0 million and \$106.9 million for the third quarters of 2012 and 2011, respectively, and \$319.5 million and \$331.8 million for the year-to-date periods

ended September 29, 2012 and October 1, 2011, respectively.

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TUPPERWARE BRANDS CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

(Unaudited)

Note 4: Inventories

	September 29, 2012	December 31, 2011
	(in millions)	
Finished goods	\$ 272.8	\$ 241.0
Work in process	25.3	22.0
Raw materials and supplies	42.4	39.5
Total inventories	\$ 340.5	\$ 302.5

Note 5: Net Income Per Common Share

Basic per share information is calculated by dividing net income by the weighted average number of shares outstanding. Diluted per share information is calculated by also considering the impact of potential common stock on both net income and the weighted average number of shares outstanding. The Company's potential common stock consists of employee and director stock options, restricted stock, restricted stock units and performance share units. Performance share awards are included in the diluted per share calculation when the performance criteria are achieved. The Company's potential common stock is excluded from the basic per share calculation and is included in the diluted per share calculation when doing so would not be anti-dilutive.

The elements of the earnings per share computations were as follows (in millions, except per share amounts):

	13 weeks ended September 29, 2012	13 weeks ended October 1, 2011	39 weeks ended September 29, 2012	40 weeks ended October 1, 2011
Net income	\$ 47.5	\$ 10.5	\$ 118.5	\$ 131.4
Weighted-average shares of common stock outstanding	55.2	59.1	55.5	61.1
Common equivalent shares:				
Assumed exercise of dilutive options, restricted shares, restricted stock units and performance share units	1.0	1.4	1.1	1.4
Weighted-average common and common equivalent shares outstanding	56.2	60.5	56.6	62.5
Basic earnings per share	\$ 0.86	\$ 0.18	\$ 2.14	\$ 2.15
Diluted earnings per share	\$ 0.85	\$ 0.17	\$ 2.09	\$ 2.10
Shares excluded from the determination of potential common stock because inclusion would have been anti-dilutive	0.4	0.1	0.3	0.2

Note 6: Re-engineering Costs

The Company recorded \$2.0 million and \$2.2 million in re-engineering and impairment charges during the third quarters of 2012 and 2011, respectively, and \$4.0 million and \$4.7 million for the respective year-to-date periods. In both years, these charges were primarily related to severance incurred for headcount reductions in several of the Company's operations in connection with changes in its management and organizational structures, and in 2012, the decision to cease operating its Nutrimetics businesses in Greece and the United Kingdom, as well as the relocation of the Company's office in Poland. In 2011, re-engineering charges also included costs in connection with ceasing operations in the Nutrimetics business in Malaysia.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Unaudited)

The balances included in accrued liabilities related to re-engineering and impairment charges as of September 29, 2012 and December 31, 2011 were as follows (in millions):

	September 29, December 31,	
	2012	2011
Beginning of the year balance	\$ 3.0	\$ 2.4
Provision	4.0	7.9
Cash expenditures:		
Severance	(2.7	) (5.7
Other	(1.3	) (1.1
Non-cash asset impairments	—	(0.5
End of period balance	\$ 3.0	\$ 3.0

The accrual balance as of September 29, 2012, relates primarily to severance payments to be made by the end of the second quarter of 2013. In connection with the decision to cease operating the Nutrimetics businesses in Greece and the United Kingdom in 2012 and Nutrimetics Malaysia in 2011, the Company recorded charges of \$0.5 million and \$1.7 million, respectively, to cost of sales for inventory obsolescence.

Also in connection with liquidation of the Nutrimetics business in the United Kingdom, the Company expects to incur a \$16 million non-cash charge in the fourth quarter of 2012 related to the reclassification of currency translation adjustments from accumulated other comprehensive income into operating income.

Note 7: Goodwill and Intangible Assets

The Company's goodwill and intangible assets relate primarily to the December 2005 acquisition of the direct selling businesses of Sara Lee Corporation and the October 2000 acquisition of BeautiControl. Certain tradenames are allocated between multiple reporting units.

The Company does not amortize its goodwill or tradename intangible assets. Instead, the Company performs an assessment to test these assets for impairment annually, or more frequently if events or changes in circumstances indicate they may be impaired.

The annual process for goodwill begins with an assessment for each entity of qualitative factors to determine whether the two-step goodwill impairment test is necessary. Further testing is only performed if the Company determines that it is more likely than not that the reporting unit's fair value is less than its carrying value. The qualitative factors evaluated by the Company include: macro-economic conditions of the local business environment, overall financial performance, sensitivity analysis from the most recent step one fair value test, and other entity specific factors as deemed appropriate. When the Company determines the two-step goodwill impairment test is necessary, a first step is performed, which involves comparing the fair value of a reporting unit to its carrying amount, including goodwill, after any intangible asset impairment charges. If the carrying amount of the reporting unit exceeds its fair value, a second step is required to measure for any goodwill impairment loss. This step revalues all assets and liabilities of the reporting unit to their current fair value and then compares the implied fair value of the reporting unit's goodwill to the carrying amount of that goodwill. If the carrying amount of the reporting unit's goodwill exceeds the implied fair value of the goodwill, an impairment loss is recognized in an amount equal to the excess.

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TUPPERWARE BRANDS CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

(Unaudited)

The impairment test for the Company's tradenames involves comparing the estimated fair value of the assets to the carrying amounts, to determine if fair value is lower and a write-down required. If the carrying amount of a tradename exceeds its estimated fair value, an impairment charge is recognized in an amount equal to the excess. The Company has early adopted Accounting Standards Update 2012-02, "Testing Indefinite-Lived Intangibles for Impairment" ("the ASU") in connection with the performance of its annual impairment testing of its tradenames. Under the ASU, entities are provided the option of first performing a qualitative assessment on some or all of their indefinite-lived intangible assets to determine whether further quantitative impairment testing is necessary based on whether the existence of events and circumstances indicate that it is more likely than not that the indefinite-lived intangible asset is impaired. During the second quarter of 2012, the Company completed its annual impairment test of the BeautiControl reporting units, resulting in an impairment charge of \$38.9 million related to the goodwill in the BeautiControl United States and Canada business as a result of the rates of growth of sales, profit and cash flow and expectations for future performance that were below the Company's previous projections. Also in the second quarter, the financial performance of the Nutrimetics reporting units fell below their previous trend line and it became apparent that they would fall significantly short of previous expectations for the year. Additionally, reductions in the forecasted operating trends of NaturCare relating to declines in the rates of growth of sales, profit and cash flows in the Japanese market led to interim impairment testing in both these businesses, as of the end of May and June 2012, respectively. The result of these tests was to record tradename impairments of \$13.8 million for Nutrimetics and \$9.0 million for NaturCare, primarily due to the use of lower estimated royalty rates in light of lower sales and profit forecasts for these units, as well as macroeconomic factors that increased the discount rates used in the valuations versus those used previously. In addition, the Company wrote off the \$7.2 million and \$7.7 million carrying value of the goodwill of the Nutrimetics Asia Pacific and Nutrimetics Europe reporting units, respectively, in light of current operating trends and expected future results, as well as the macroeconomic factors that increased the discount rates used in the valuations. In the third quarter of 2012, the Company completed the annual impairment assessments for all of the reporting units and tradename intangibles, except for BeautiControl which was completed in the second quarter, noting no impairment.

Fair value of the BeautiControl United States and Canada, Nutrimetics and NaturCare reporting units was determined by the Company in the second quarter using a combination of the income and market approaches with generally a greater weighting on the income approach (75 percent). The income approach, or discounted cash flow approach, requires significant assumptions to determine the fair value of each reporting unit. These include estimates regarding future operations and the ability to generate cash flows, including projections of revenue, costs, utilization of assets and capital requirements, along with an estimate as to the appropriate discount rate to be used. The most sensitive estimate in this valuation is the projection of operating cash flows, as these provide the basis for the fair market valuation. The Company's cash flow model uses forecasts for periods of about 10 years and a terminal value. The significant assumptions for these forecasts included annual revenue growth rates ranging from negative 7 percent to positive 10 percent with an average growth rate of positive 3 percent. The growth rates were determined by reviewing historical results of these units and the historical results of the Company's other business units that are similar to those of the reporting units, along with the expected contribution from growth strategies implemented in the units. Terminal values for all reporting units were calculated using a long-term growth rate of 3 percent. In estimating the fair value of the reporting units, the Company applied discount rates to the projected cash flows ranging from 12.5 to 14.0 percent. The discount rate at the high end of this range was for the Nutrimetics Asia Pacific reporting unit due to higher country-specific risks. The market approach relies on an analysis of publicly-traded companies similar to Tupperware and deriving a range of revenue and profit multiples. The publicly-traded companies used in the market approach were selected based on their having similar product lines of consumer goods, beauty products and/or companies using a direct-selling distribution method. The resulting multiples were then applied to the revenue and profit of the reporting units to determine fair value.

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TUPPERWARE BRANDS CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

(Unaudited)

The fair values of the Nutrimetics and NaturCare tradenames were determined in the second quarter of 2012 using the relief from royalty method, which is a form of the income approach. In this method, the value of the asset is calculated by selecting royalty rates, which are estimates of which a company would be willing to pay for the use of the asset. These rates were applied to the projected revenue, tax affected and discounted to present value. Royalty rates used were selected by reviewing comparable trademark licensing agreements in the market and the forecasted performance of the business. As a result, the royalty rates were reduced to 1.5 percent from 3.0 percent for Nutrimetics and 3.75 percent from 4.75 percent for NaturCare. In estimating the fair value of the tradenames, the Company applied discount rates of 15.2 and 13.5 percent, respectively, and annual revenue growth ranging from negative 7 percent to positive 7 percent, with an average growth rate of positive 2 percent and a long-term terminal growth rate of 3 percent. With the tradename impairment recorded in the current year for Nutrimetics and NaturCare, these assets are at a higher risk of additional impairments in future periods if changes in certain assumptions occur. There is no longer a goodwill balance recorded on the books related to Nutrimetics or BeautiControl United States and Canada. The estimated fair value of the NaturCare reporting unit exceeded the carrying value by 29 percent. Given the sensitivity of the valuations to changes in cash flow or market multiples, the Company may be required to recognize an impairment of goodwill or intangible assets in the future due to changes in market conditions or other factors related to the Company's performance. Actual results below forecasted results or a decrease in the forecasted future results of the Company's business plans or changes in discount rates could also result in an impairment charge, as could changes in market characteristics including declines in valuation multiples of comparable publicly-traded companies. Further impairment charges would have an adverse impact on the Company's net income and shareholders' equity.

Note 8: Segment Information

The Company manufactures and distributes a broad portfolio of products, primarily through independent direct sales consultants. Certain operating segments have been aggregated based upon consistency of economic substance, geography, products, production process, class of customers and distribution method.

The Company's reportable segments include the following:

Europe	Primarily design-centric preparation, storage and serving solutions for the kitchen and home
Asia Pacific	through the Tupperware® brand. Europe also includes Avroy Shlain® and Nutrimetics® units
Tupperware	that sell beauty and personal care products. Asia Pacific also sells beauty and personal care
North America	products in some of its units under the NaturCare®, Nutrimetics® and Fuller® brands.
Beauty North America	Premium cosmetics, skin care and personal care products marketed under the Armand Dupree® and BeautiControl® brands in the United States, Canada and Puerto Rico and the Armand Dupree® and Fuller Cosmetics® brands in Mexico and Central America.
South America	Both housewares and beauty products under the Fuller®, Nuvo® and Tupperware® brands.

Worldwide sales of beauty and personal care products totaled \$146.7 million and \$168.0 million in the third quarters of 2012 and 2011, respectively, and \$443.6 million and \$513.7 million in the year-to-date periods ended September 29, 2012 and October 1, 2011, respectively.

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TUPPERWARE BRANDS CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

(Unaudited)

(In millions)	13 weeks ended September 29, 2012	13 weeks ended October 1, 2011	39 weeks ended September 29, 2012	40 weeks ended October 1, 2011
Net sales:				
Europe	\$ 157.8	\$ 169.0	\$ 570.2	\$ 623.8
Asia Pacific	197.5	180.3	561.5	515.9
Tupperware North America	78.9	82.3	253.3	267.1
Beauty North America	83.8	99.4	257.0	303.0
South America	76.4	71.6	230.8	199.1
Total net sales	\$ 594.4	\$ 602.6	\$ 1,872.8	\$ 1,908.9
Segment profit:				
Europe	\$ 12.7	\$ 16.3	\$ 80.9	\$ 98.2
Asia Pacific	44.0	38.8	118.7	100.2
Tupperware North America	14.1	13.3	45.3	42.3
Beauty North America	6.0	4.7	23.0	27.3
South America	15.6	12.9	42.2	33.3
Total segment profit	\$ 92.4	\$ 86.0	\$ 310.1	\$ 301.3
Unallocated expenses	(15.5	) (14.5	) (42.8	) (41.5
Re-engineering and impairment charges (a)	(2.0	) (2.2	) (4.0	) (4.7
Impairment of goodwill and intangible assets (b)	—	(36.1	) (76.9	) (36.1
Gains on disposal of assets, including insurance recoveries	0.3	—	8.0	0.7
Interest expense, net	(7.9	) (7.2	) (25.1	) (38.6
Income before taxes	\$ 67.3	\$ 26.0	\$ 169.3	\$ 181.1
Identifiable assets:			September 29, 2012	December 31, 2011
Europe			\$ 391.6	\$ 395.9
Asia Pacific			339.6	330.6
Tupperware North America			145.9	130.4
Beauty North America			339.9	373.7
South America			122.3	105.4
Corporate			483.9	508.2
Total identifiable assets			\$ 1,823.2	\$ 1,844.2

(a) See Note 6 to the Consolidated Financial Statements for a discussion of re-engineering and impairment charges.

(b) See Note 7 to the Consolidated Financial Statements for a discussion of the impairment of goodwill and intangible assets.

Note 9: Debt

On June 2, 2011, the Company completed the sale of \$400 million in aggregate principal amount of 4.750% senior notes due June 1, 2021 (the "Notes") at an issue price of 98.989%, pursuant to a purchase agreement, dated as of May 25, 2011, that included the Company and its wholly-owned subsidiary, Dart Industries Inc. (the "Guarantor"). As security for its obligations under the guarantee of the Notes, the Guarantor has granted a security interest in certain "Tupperware" trademarks and service marks.

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Also on June 2, 2011, the Company and its wholly owned subsidiary Tupperware International Holdings B.V. (the “Subsidiary Borrower”), entered into a multicurrency Credit Agreement (the “Credit Agreement”) with a consortium of lenders. The Credit Agreement makes available to the Company and the Subsidiary Borrower a committed five-year credit facility in an aggregate amount of \$450 million (the “Facility Amount”). The Credit Agreement provides (i) a revolving credit facility, available up to the full amount of the Facility Amount, (ii) a letter of credit facility, available up to \$50 million of the Facility Amount, and (iii) a swingline facility, available up to \$50 million of the Facility Amount. Each of such facilities is fully available to the Company and is available to the Subsidiary Borrower up to an aggregate amount not to exceed \$225 million. With the agreement of its lenders, the Company is permitted to increase, on up to three occasions, the Facility Amount by a total of up to \$200 million (for a maximum aggregate Facility Amount of \$650 million), subject to certain conditions. As of September 29, 2012, the Company had \$238.9 million of borrowings outstanding under its \$450 million Credit Agreement with \$137.6 million denominated in euros. The Company routinely increases its revolver borrowings under the Credit Agreement during each quarter to fund operating, investing and financing activities, and uses cash available at the end of each quarter to reduce borrowing levels. As a result, the Company has higher foreign exchange exposure on the value of its cash during each quarter than at the end of each quarter.

Loans taken under the Credit Agreement bear interest under a formula that includes, at the Company's option, one of three different base rates, plus an applicable spread. The Company generally selects the London interbank offered rate (“LIBOR”). As of September 29, 2012, the Credit Agreement dictated a spread of 150 basis points, which gave the Company a weighted average interest rate at that time of 1.94 percent on borrowings under the Credit Agreement. The Credit Agreement contains customary covenants, including financial covenants requiring a minimum level of interest coverage and allowing a maximum amount of leverage. As of September 29, 2012, and currently, the Company had considerable leeway under its financial covenants.

The Guarantor unconditionally guarantees all obligations and liabilities of the Company and the Subsidiary Borrower relating to this Credit Agreement through a security interest in certain “Tupperware” trademarks and service marks. At September 29, 2012, the Company had \$318.0 million of unused lines of credit, including \$208.0 million under the committed, secured \$450 million Credit Agreement, and \$110.0 million available under various uncommitted lines around the world.

Note 10: Derivative Instruments and Hedging Activities

The Company markets its products in almost 100 countries and is exposed to fluctuations in foreign currency exchange rates on the earnings, cash flows and financial position of its international operations. Although this currency risk is partially mitigated by the natural hedge arising from the Company's local manufacturing in many markets, a strengthening U.S. dollar generally has a negative impact on the Company. In response to this fact, the Company uses financial instruments to hedge certain of its exposures and to manage the foreign exchange impact to its financial statements. At its inception, a derivative financial instrument used for hedging is designated as a fair value, cash flow or net equity hedge.

Fair value hedges are entered into with financial instruments such as forward contracts, with the objective of limiting exposure to certain foreign exchange risks primarily associated with accounts payable and non-permanent intercompany transactions. For derivative instruments that are designated and qualify as fair value hedges, the gain or loss on the derivative, as well as the offsetting gain or loss on the hedged item attributable to the hedged risk, are recognized in current earnings. In assessing hedge effectiveness, the Company excludes forward points, which are considered to be a component of interest expense. The forward points on fair value hedges resulted in pretax gains of \$2.5 million and \$1.6 million in the third quarters of 2012 and 2011, respectively, and pretax gains of \$8.1 million and \$5.7 million for the respective year-to-date periods.

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The Company also uses derivative financial instruments to hedge foreign currency exposures resulting from certain forecasted purchases and classifies these as cash flow hedges. The Company generally enters into cash flow hedge contracts for periods ranging from three to twelve months. The effective portion of the gain or loss on the hedging instrument is recorded in other comprehensive loss and is reclassified into earnings as the transactions being hedged are recorded. As such, the balance at the end of each reporting period in other comprehensive loss will be reclassified into earnings within the next twelve months. The associated asset or liability on the open hedges is recorded in other current assets or accrued liabilities, as applicable. In assessing hedge effectiveness, the Company excludes forward points, which are included as a component of interest expense. Forward points on cash flow hedges resulted in pretax losses of \$0.6 million and \$0.4 million in the third quarters of 2012 and 2011, respectively, and in pretax losses of \$1.8 million and \$1.6 million in the respective year-to-date periods.

The Company also uses financial instruments, such as forward contracts, to hedge a portion of its net equity investment in international operations and classifies these as net equity hedges. Changes in the value of these derivative instruments, excluding any ineffective portion of the hedges, are included in foreign currency translation adjustments within accumulated other comprehensive loss. The Company recorded a net (loss) gain associated with these hedges, in other comprehensive income, net of tax, of (\$12.8) million and \$18.2 million in the third quarters of 2012 and 2011, respectively, and a net (loss) gain of (\$8.2) million and \$7.1 million for the respective year-to-date periods. Due to the permanent nature of the investments, the Company does not anticipate reclassifying any portion of these amounts to the income statement in the next 12 months. In assessing hedge effectiveness, the Company excludes forward points, which are included as a component of interest expense. For the third quarters of 2012 and 2011, forward points on net equity hedges resulted in pretax losses of \$3.1 million and \$2.5 million, respectively, and pretax losses of \$10.4 million and \$7.9 million in the respective year-to-date periods.

While the Company's net equity and fair value hedges of non-permanent intercompany balances mitigate its exposure to foreign exchange gains or losses, they result in an impact to operating cash flows as they are settled, whereas the hedged items do not generate offsetting cash flows. The net cash flow impact of these currency hedges was an inflow of \$1.9 million and an outflow of \$4.2 million for the year-to-date periods ended September 29, 2012 and October 1, 2011, respectively.

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Following is a listing of the Company's outstanding derivative financial instruments at fair value as of September 29, 2012 and December 31, 2011. Related to the forward contracts, the “buy” amounts represent the U.S. dollar equivalent of commitments to purchase foreign currencies, and the “sell” amounts represent the U.S. dollar equivalent of commitments to sell foreign currencies, all translated at the period-end market exchange rates for the U.S. dollar. All forward contracts are hedging net investments in certain foreign subsidiaries, cross-currency intercompany loans that are not permanent in nature, cross-currency external payables and receivables or forecasted purchases. Some amounts are between two foreign currencies:

Forward Contracts (in millions)	September 29, 2012		December 31, 2011	
	Buy	Sell	Buy	Sell
U.S. dollar	\$ 87.4		\$ 48.5	
Euro	23.7		61.4	
Malaysian ringgit	8.6		5.0	
Philippine peso	7.5		4.2	
Brazilian real	2.5		6.3	
New Zealand dollar	1.4		4.6	
Singapore dollar	0.8			\$ 1.3
Japanese yen		\$ 28.8		28.4
Swiss franc		24.6		39.2
Turkish lira		16.0		14.4
Australian dollar		14.0		17.5
Mexican peso		10.5	1.8	
Russian ruble		5.5		9.3
British pound		4.7		3.8
Hungarian forint		4.2		2.0
Canadian dollar		4.0		8.6
Polish zloty		3.8		1.5
Thai baht		3.2		2.6
Czech koruna		3.1		1.9
Croatian kuna		2.5		2.5
Norwegian krone		2.1		2.0
Danish krone		1.7		—
Swedish krona		1.4		1.5
Indonesian rupiah		1.0	6.6	
Argentine peso		0.9		4.3
Indian rupee		0.8		2.0
Ukrainian hryvnia		0.8		1.3
South Korean won		0.4	6.8	
South African rand		0.2	0.5	
Kazakhstani tenge		—		0.3
Other currencies (net)		2.3		0.6
	\$ 131.9	\$ 136.5	\$ 145.7	\$ 145.0

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In agreements to sell foreign currencies in exchange for U.S. dollars, for example, an appreciating dollar versus the opposing currency would generate a cash inflow for the Company at settlement, with the opposite result in agreements to buy foreign currencies for U.S. dollars. The above noted notional amounts change based upon changes in the Company's outstanding currency exposures.

At the time the Company entered into the Credit Agreement in the second quarter of 2011, it had four out-of-the-money interest rate swaps that were hedging a portion of its borrowing under its previous credit facility. The swaps became ineffective at that time. They expired in the third quarter of 2012.

The following tables summarize the Company's derivative positions and the impact they have on the Company's financial position as of September 29, 2012 and December 31, 2011:

Derivatives designated as hedging instruments (in millions)	September 29, 2012		Liability derivatives	
	Asset derivatives		Fair value	Fair value
	Balance sheet location			
Foreign exchange contracts	Non-trade amounts receivable	\$ 13.2	Accrued liabilities	\$ 16.9
Total derivatives instruments		\$ 13.2		\$ 16.9

Derivatives not designated as hedging instruments (in millions)	December 31, 2011		Liability derivatives	
	Asset derivatives		Fair value	Fair value
	Balance sheet location			
Interest rate contracts	Non-trade amounts receivable	\$—	Accrued liabilities	\$ 10.2
Derivatives designated as hedging instruments (in millions)				
Foreign exchange contracts	Non-trade amounts receivable	21.4	Accrued liabilities	18.7
Total derivatives designated as hedging instruments		\$ 21.4		\$ 28.9

The following tables summarize the Company's derivative positions and the impact they had on the Company's results of operations and comprehensive income for the third quarters of 2012 and 2011:

Derivatives designated as fair value hedges (in millions)	Location of gain or (loss) recognized in income on derivatives	Amount of gain or (loss) recognized in income on derivatives		Location of gain or (loss) recognized in income on related hedged items	Amount of gain or (loss) recognized in income on related hedged items	
		2012	2011		2012	2011
		Foreign exchange contracts	Other expense		\$ 19.9	\$ (23.9)

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Derivatives designated as cash flow and net equity hedges (in millions)	Amount of gain or (loss) recognized in OCI on derivatives (effective portion)		Location of gain or (loss) reclassified from accumulated OCI into income (effective portion)	Amount of gain or (loss) reclassified from accumulated OCI into income (effective portion)		Location of gain or (loss) recognized in income on derivatives (ineffective portion and amount excluded from effectiveness testing)	Amount of gain or (loss) recognized in income on derivatives (ineffective portion and amount excluded from effectiveness testing)	
	2012	2011		2012	2011		2012	2011
Cash flow hedging relationships								
Foreign exchange contracts	\$ (2.0)	\$ 2.7	Cost of products sold and DS&A	\$ 0.5	\$ 0.8	Interest expense	\$ (0.6)	\$ (0.4)
Net equity hedging relationships								
Foreign exchange contracts	(20.2)	28.4	Other expense	—	—	Interest expense	(3.1)	(2.5)

The following tables summarize the Company's derivative positions and the impact they had on the Company's results of operations and comprehensive income for the year-to-date periods ended September 29, 2012 and October 1, 2011:

Derivatives designated as fair value hedges (in millions)	Location of gain or (loss) recognized in income on derivatives	Amount of gain or (loss) recognized in income on derivatives		Location of gain or (loss) recognized in income on related hedged items	Amount of gain or (loss) recognized in income on related hedged items	
		2012	2011		2012	2011
Foreign exchange contracts	Other expense	\$ 9.7	\$ (3.1)	Other expense	\$ (9.6)	\$ 3.1

Derivatives designated as cash flow and net equity hedges (in millions)	Amount of gain or (loss) recognized in OCI on derivatives (effective portion)		Location of gain or (loss) reclassified from accumulated OCI into income (effective portion)	Amount of gain or (loss) reclassified from accumulated OCI into income (effective portion)		Location of gain or (loss) recognized in income on derivatives (ineffective portion and amount excluded from effectiveness testing)	Amount of gain or (loss) recognized in income on derivatives (ineffective portion and amount excluded from effectiveness testing)	
	2012	2011		2012	2011		2012	2011
Cash flow hedging relationships								
Interest rate contracts	\$ —	\$ 4.1	Interest expense	\$ —	\$ —	Interest expense	\$ —	\$ (18.9)
Foreign exchange contracts	(0.6)	(0.2)	Cost of products sold and DS&A	0.8	2.5	Interest expense	(1.8)	(1.6)

Net equity hedging
relationships
Foreign exchange
contracts

(12.8) 11.1

Other expense

— —

Interest expense

(10.4) (7.9)

17

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Note 11: Fair Value Measurements

The following table presents those assets and liabilities recorded at fair value on a recurring basis:

Description of Assets (in millions)	September 29, 2012	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market funds	\$ 2.1	\$ 2.1	\$—	\$—
Foreign currency derivative contracts	13.2	—	13.2	—
Total	\$ 15.3	\$ 2.1	\$ 13.2	\$—

Description of Liabilities (in millions)

Foreign currency derivative contracts	\$ 16.9	\$—	\$ 16.9	\$—
Total	\$ 16.9	\$—	\$ 16.9	\$—

Description of Assets (in millions)	December 31, 2011	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market funds	\$ 9.5	\$ 9.5	\$—	\$—
Foreign currency derivative contracts	21.4	—	21.4	—
Total	\$ 30.9	\$ 9.5	\$ 21.4	\$—

Description of Liabilities (in millions)

Interest rate swaps	\$ 10.2	\$—	\$ 10.2	\$—
Foreign currency derivative contracts	18.7	—	18.7	—
Total	\$ 28.9	\$—	\$ 28.9	\$—

The Company uses financial instruments to hedge certain of its exposures and to manage the foreign exchange impact to its financial statements. As of September 29, 2012 and December 31, 2011, the Company held foreign currency forward contracts to hedge various currencies which had a net fair value, determined based on third party quotations, of negative \$3.7 million and positive \$2.7 million, respectively. Changes in fair market value are recorded either in other comprehensive income or earnings, depending on the designation of the hedge as outlined in Note 10 to the Consolidated Financial Statements.

The fair value of interest rate swap contracts was based on the discounted net present value of the swap using third party quotes. Changes in fair market value were recorded in other comprehensive income through the termination date of the related credit facility in the second quarter of 2011. The changes resulting from ineffectiveness during the year-to-date period ended September 29, 2012, which were not material, have been recorded in current earnings. These contracts expired during the third quarter of 2012.

Included in the Company's cash equivalents balances as of September 29, 2012 and December 31, 2011 were \$2.1 million and \$9.5 million, respectively, in money market funds, which are highly liquid investments with a maturity of three months or less. These assets are classified within Level 1 of the fair value hierarchy, as the money market funds are valued using quoted market prices in active markets.

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Fair Value of Financial Instruments

Due to their short maturities or their insignificance, the carrying amounts of cash and cash equivalents, accounts and notes receivable, accounts payable, accrued liabilities and short-term borrowings approximated their fair values at September 29, 2012 and December 31, 2011. The Company estimates that, based on current market conditions, the value of its 4.750% 2021 Notes was \$425 million at September 29, 2012, compared with the carrying value of \$396 million. The higher fair value resulted from changes, since issuance, in the corporate bond market and investor preferences. The fair value of debt is classified as a Level 2 liability and is estimated using quoted market prices as provided in secondary markets which consider the Company's credit risk and market related conditions.

Note 12: Retirement Benefit Plans

Components of net periodic benefit cost for the third quarter and year-to-date periods ended September 29, 2012 and October 1, 2011 were as follows (in millions):

	Third Quarter				Year-to-Date			
	Pension benefits		Postretirement benefits		Pension benefits		Postretirement benefits	
	2012	2011	2012	2011	2012	2011	2012	2011
Service cost	\$2.4	\$2.6	\$—	\$—	\$7.2	\$7.8	\$0.1	\$0.1
Interest cost	2.2	2.6	0.4	0.4	6.7	7.8	1.1	1.3
Expected return on plan assets	(1.4)	(1.7)	—	—	(4.2)	(5.0)	—	—
Settlement/Curtailment	1.0	—	—	—	1.0	1.0	—	—
Net amortization	1.1	1.0	—	(0.1)	3.2	2.8	—	(0.3)
Net periodic benefit cost	\$5.3	\$4.5	\$0.4	\$0.3	\$13.9	\$14.4	\$1.2	\$1.1

During the year-to-date periods ended September 29, 2012 and October 1, 2011, approximately \$4.2 million and \$3.5 million, respectively, were reclassified from other comprehensive income to a component of net periodic benefit cost. As they relate to foreign plans, the Company uses current exchange rates to make these reclassifications. The impact of exchange rate fluctuations is included on the net amortization line of the table above.

Note 13: Income Taxes

As of September 29, 2012 and December 31, 2011, the Company's gross unrecognized tax benefit was \$24.7 million and \$28.6 million, respectively. During the third quarter of 2012, the Company reduced its accrual for uncertain tax positions by \$6.2 million due to the expiration of statutes of limitation in various jurisdictions. Of the reduction, \$2.1 million did not impact tax expense. The accrual for uncertain tax positions increased for positions being taken in various global tax filings. The Company estimates that approximately \$21.3 million of the unrecognized tax benefits, if recognized, would impact the effective tax rate. Interest and penalties related to uncertain tax positions in the Company's global operations are recorded as a component of the provision for income taxes. Accrued interest and penalties were \$6.9 million and \$5.8 million as of September 29, 2012 and December 31, 2011, respectively.

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The Company estimates that it may settle one or more foreign audits in the next twelve months that may result in a decrease in the amount of accrual for uncertain tax positions of up to \$4.0 million. For the remaining balance as of September 29, 2012, the Company is not able to reliably estimate the timing or ultimate settlement amount. While the Company does not currently expect material changes, it is possible that the amount of unrecognized benefit with respect to the uncertain tax positions will significantly increase or decrease related to audits in various foreign jurisdictions that may conclude during that period or new developments that could also, in turn, impact the Company's assessment relative to the establishment of valuation allowances against certain existing deferred tax assets. These valuation allowances relate to tax assets in jurisdictions where it is management's best estimate that there is not a greater than 50 percent probability that the benefit of the assets will be realized in the associated tax returns. Subject to certain developments, it is reasonably possible that the Company will reverse a material portion of the valuation allowance in the next 12 months. This would result in a corresponding income tax benefit. If this occurs, the Company expects it would implement other tax planning strategies that would partially or fully offset the income statement impact of such a valuation allowance reversal. The likelihood of realizing the benefit of deferred tax assets is assessed on an ongoing basis. This assessment requires estimates as to future operating results, as well as an evaluation of the effectiveness of the Company's tax planning strategies. At this time, the Company is not able to make a reasonable estimate of the range of impact on the balance of unrecognized tax benefits or the impact on the effective tax rate related to these items.

The effective tax rate for the third quarter of 2012 was 29.4 percent, compared with 59.3 percent for the comparable 2011 period. The higher third quarter 2011 rate was primarily due to impairment charges related to intangible assets recorded in the third quarter of 2011, for which no tax benefit was available. The effective tax rate for the year-to-date period ended September 29, 2012 was 30.0 percent, compared with 27.4 percent for the comparable 2011 period. The higher year-to-date rate was primarily due to higher impairment charges related to intangible assets recorded in the second quarter of 2012 as compared to 2011, for which limited tax benefits were available. In addition the 2011 rate was lower due to certain changes in Mexican tax legislation.

Note 14: Statement of Cash Flow Supplemental Disclosure

Under the Company's stock incentive programs, employees are allowed to use shares retained by the Company to satisfy minimum statutorily required withholding taxes. In the year-to-date periods ended September 29, 2012 and October 1, 2011, 70,183 and 30,108 shares, respectively, were retained to fund withholding taxes, with values totaling \$4.3 million and \$1.6 million, respectively, which were included as a component of stock repurchases in the Consolidated Statement of Cash Flows. For the year-to-date period ended September 29, 2012, the Company acquired \$1.2 million of property, plant and equipment under capital lease arrangements. There were no such capital lease arrangements initiated in the year-to-date period ended October 1, 2011.

Note 15: Stock Based Compensation

The Company records compensation expense using the applicable accounting guidance for share-based payments related to stock options, restricted stock, restricted stock units and performance share awards granted to directors and employees. Compensation expense for share-based awards is recorded straight line over the required service period, based on the fair value of the award.

Stock Options

Stock options to purchase the Company's common stock are granted to employees, upon approval by the Company's Board of Directors, with an exercise price equal to the fair market value of the stock on the date of grant. Options generally become exercisable in three years, in equal installments beginning one year from the date of grant, and generally expire 10 years from the date of grant. In February 2012, the Company granted a stock option on 24,300 shares. The fair value of the Company's stock option was estimated on the date of grant using the Black-Scholes option-pricing model. The following assumptions were used to value the 2012 option grant: dividend yield of 2.4

percent; expected volatility of 40 percent; risk-free interest rate of 1.6 percent; and expected life of 8 years. The grant date fair value of the stock option granted during the first quarter of 2012 was \$20.83 per share. No stock options were granted in the second or third quarters of 2012 or in the year-to-date period of 2011. Compensation expense associated with all outstanding stock option awards was \$0.6 million and \$0.5 million in the third quarters of 2012 and 2011, respectively, and \$1.8 million and \$1.4 million in the respective year-to-date periods.

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Stock option activity for 2012, under all of the Company's incentive plans, is summarized in the following table:

	Outstanding	Weighted	Exercisable	Weighted
	Shares subject	average exercise	Options	average exercise
	to option	price per share	exercisable at	price per share
			end of period	
December 31, 2011	3,153,506	\$31.43	2,405,638	\$25.85
Granted	24,300	62.20		
Expired / Forfeited	—	—		
Exercised	(461,020	) 20.96		
September 29, 2012	2,716,786	\$33.48	1,983,802	\$26.84

The intrinsic value of options exercised totaled \$3.2 million and \$1.9 million in the third quarters of 2012 and 2011, respectively, and \$18.3 million and \$23.1 million in the respective year-to-date periods.

Performance Awards, Restricted Stock and Restricted Stock Units

The Company also grants performance awards, restricted stock and restricted stock units to employees and directors. The Company has time-vested and performance-vested awards, which typically have initial vesting periods ranging from one to six years. Compensation expense associated with restricted stock and restricted stock units is equal to the market value of the Company's common stock on the date of grant, and for time-vested awards, is recorded straight-line over the required service period. For performance-vested awards, expense is recorded over the required service period, subject to a probability assessment of achieving the performance criteria.

The Company granted 68,000 and 73,975 performance-vested awards shares under its performance share plan in February 2012 and 2011, respectively. The Company's performance-vested awards provide incentive opportunity based on the overall success of the Company, as reflected through cash flow and earnings per share achieved over a three year performance period. The program is based upon a pre-defined number of performance share units. Depending on achievement under the performance measures, the actual payout can be up to 150 percent of shares initially granted.

In January 2011, the Company granted 101,000 shares of time-vested restricted stock with a fair value of \$56.67 per share that vest over an average period of 3 years. There were no such awards in the year-to-date period ending September 29, 2012.

The Company also granted 17,600 and 18,707 time-vested restricted stock units in May 2012 and 2011, respectively, with fair values of \$53.99 and \$66.05 per share, respectively, that vest over one year from date of grant.

In August of 2012, the Company granted 2,000 time-vested restricted stock units with a fair value of \$54.51 per share that will vest in 3 years from the date of grant. There were no such awards in the year-to-date period of 2011.

For the third quarters of 2012 and 2011, compensation expense associated with all employee and director restricted stock and restricted stock unit awards outstanding, including performance shares, was \$3.5 million and \$2.9 million, respectively. Such expense was \$9.5 million and \$8.8 million for the year-to-date periods of 2012 and 2011, respectively.

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Restricted stock, restricted stock units, and performance share award activity for 2012 under all of the Company's incentive plans is summarized in the following table:

	Shares outstanding	Weighted average grant date fair value
December 31, 2011	945,265	\$34.93
Granted	87,600	60.37
Performance share adjustments	8,812	55.29
Vested	(233,112)	21.78
Forfeited	(3,261)	48.77
September 29, 2012	805,304	\$41.87

The fair value of performance awards, restricted stock and restricted stock units vested in the year-to-date periods 2012 and 2011 was \$14.3 million and \$11.2 million, respectively. There were no such amounts vested in the third quarters of 2012 or 2011.

As of September 29, 2012, total unrecognized stock based compensation expense related to all stock based awards was \$17.7 million, which is expected to be recognized over a weighted average period of 1.7 years. The average remaining contractual life on outstanding and exercisable stock options was 5.9 years and 5.0 years, respectively.

Note 16: Allowance for Long-Term Receivables

The Company maintains current receivable amounts with most of its independent distributors and sales force in certain markets. It also maintains long-term receivable amounts with certain of these customers. The Company regularly monitors and assesses its risk of not collecting amounts owed to it by customers. This evaluation is based upon an analysis of amounts current and past due, along with relevant history and facts particular to the customer. It is also based upon estimates of distributor business prospects, particularly related to the evaluation of the recoverability of long-term amounts due. This evaluation is performed market by market and account by account, based upon historical experience, market penetration levels, access to alternative channels and similar factors. It also considers collateral of the customer that could be recovered to satisfy debts. The Company records its allowance for uncollectible accounts based on the results of this analysis. The analysis requires the Company to make significant estimates and as such, changes in facts and circumstances could result in material changes in the allowance for doubtful accounts. The Company considers any receivable balance not collected within its contractual terms past due. As of September 29, 2012, \$25.9 million of long-term receivables from both active and inactive customers were considered past due, the majority of which were reserved through the Company's allowance for uncollectible accounts. The balance of the allowance for long-term receivables as of September 29, 2012 was as follows (in millions):

December 31, 2011	\$23.3
Write-offs	(1.7)
Provision	2.0
Currency translation adjustment	—
September 29, 2012	\$23.6

Note 17: Guarantor Information

The Company's payment obligations under the Notes are fully and unconditionally guaranteed by certain "Tupperware" trademarks and service marks owned by the Guarantor, as discussed in Note 9 to the Consolidated Financial Statements.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

(Unaudited)

Condensed consolidated financial information as of September 29, 2012 and December 31, 2011 and for the quarterly and year-to-date periods ended September 29, 2012 and October 1, 2011 for Tupperware Brands Corporation (the "Parent"), Dart Industries Inc. (the "Guarantor") and all other subsidiaries (the "Non-Guarantors") is as follows. Each entity in the consolidating financial information follows the same accounting policies as described in the consolidated financial statements, except for the use by the Parent and Guarantor of the equity method of accounting to reflect ownership interests in subsidiaries that are eliminated upon consolidation. The Guarantor is 100% owned by the Parent, and there are certain entities within the Non-Guarantors classification which the Parent owns directly. There are no significant restrictions on the ability of either the Parent or the Guarantor from obtaining adequate funds from their respective subsidiaries by dividend or loan that should interfere with their ability to meet their operating needs or debt repayment obligations.

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TUPPERWARE BRANDS CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

(Unaudited)

Condensed Consolidating Balance Sheet

(In millions)	September 29, 2012				
	Parent	Guarantor	Non-Guarantors	Eliminations	Total
ASSETS					
Cash and cash equivalents	\$—	\$0.3	\$ 113.5	\$—	\$ 113.8
Accounts receivable, net	—	—	188.1	—	188.1
Inventories	—	—	340.5	—	340.5
Deferred income tax benefits, net	5.5	40.9	50.0	(0.9)	95.5
Non-trade amounts receivable, net	—	2.4	36.5	—	38.9
Intercompany receivables	2,067.4	4,067.7	725.7	(6,860.8)	—
Prepaid expenses and other current assets	1.5	108.8	102.0	(179.4)	32.9
Total current assets	2,074.4	4,220.1	1,556.3	(7,041.1)	809.7
Deferred income tax benefits, net	80.9	138.6	107.1	(0.6)	326.0
Property, plant and equipment, net	—	30.5	257.2	—	287.7
Long-term receivables, net	—	0.1	23.6	—	23.7
Trademarks and tradenames	—	—	139.6	—	139.6
Other intangible assets, net	—	—	5.5	—	5.5
Goodwill	—	3.0	192.5	—	195.5
Investments in subsidiaries	2,868.7	2,256.7	—	(5,125.4)	—
Intercompany notes receivable	63.8	570.1	1,760.0	(2,393.9)	—
Other assets, net	4.6	7.9	81.0	(58.0)	35.5
Total assets	\$5,092.4	\$7,227.0	\$ 4,122.8	\$ (14,619.0)	\$1,823.2
LIABILITIES AND SHAREHOLDERS' EQUITY					
EQUITY					
Accounts payable	\$—	\$1.2	\$ 114.1	\$—	\$ 115.3
Short-term borrowings and current portion of long-term debt and capital lease obligations	61.0	—	180.3	—	241.3
Intercompany payables	3,605.2	2,777.7	477.9	(6,860.8)	—
Accrued liabilities	132.5	88.4	281.4	(180.3)	322.0
Total current liabilities	3,798.7	2,867.3	1,053.7	(7,041.1)	678.6
Long-term debt and capital lease obligations	396.4	—	18.1	—	414.5
Intercompany notes payable	368.5	1,391.5	633.9	(2,393.9)	—
Other liabilities	20.1	70.7	189.2	(58.6)	221.4
Shareholders' equity	508.7	2,897.5	2,227.9	(5,125.4)	508.7
Total liabilities and shareholders' equity	\$5,092.4	\$7,227.0	\$ 4,122.8	\$ (14,619.0)	\$1,823.2

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TUPPERWARE BRANDS CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

(Unaudited)

Condensed Consolidating Balance Sheet

(In millions)	December 31, 2011				
	Parent	Guarantor	Non-Guarantors	Eliminations	Total
ASSETS					
Cash and cash equivalents	\$—	\$ 1.9	\$ 136.3	\$—	\$ 138.2
Accounts receivable, net	—	—	163.7	—	163.7
Inventories	—	—	302.5	—	302.5
Deferred income tax benefits, net	5.5	44.6	44.1	—	94.2
Non-trade amounts receivable, net	0.4	10.1	37.0	—	47.5
Intercompany receivables	1,674.7	3,757.3	257.7	(5,689.7)	—
Prepaid expenses and other current assets	31.1	1.6	92.1	(101.5)	23.3
Total current assets	1,711.7	3,815.5	1,033.4	(5,791.2)	769.4
Deferred income tax benefits, net	68.7	128.7	141.8	—	339.2
Property, plant and equipment, net	—	28.7	244.4	—	273.1
Long-term receivables, net	—	0.1	23.1	—	23.2
Trademarks and tradenames	—	—	157.1	—	157.1
Other intangible assets, net	—	—	7.2	—	7.2
Goodwill	—	2.9	238.5	—	241.4
Investments in subsidiaries	2,695.0	1,734.6	—	(4,429.6)	—
Intercompany notes receivable	85.9	506.0	1,088.5	(1,680.4)	—
Other assets, net	4.7	7.9	120.9	(99.9)	33.6
Total assets	\$4,566.0	\$ 6,224.4	\$ 3,054.9	\$(12,001.1)	\$ 1,844.2
LIABILITIES AND SHAREHOLDERS' EQUITY					
EQUITY					
Accounts payable	\$—	\$—	\$ 157.2	\$—	\$ 157.2
Short-term borrowings and current portion of long-term debt and capital lease obligations	—	—	195.7	—	195.7
Intercompany payables	3,270.0	2,415.5	4.2	(5,689.7)	—
Accrued liabilities	35.5	116.1	270.4	(101.5)	320.5
Total current liabilities	3,305.5	2,531.6	627.5	(5,791.2)	673.4
Long-term debt and capital lease obligations	396.1	—	19.1	—	415.2
Intercompany notes payable	342.9	1,337.5	—	(1,680.4)	—
Other liabilities	20.7	112.9	221.1	(99.9)	254.8
Shareholders' equity	500.8	2,242.4	2,187.2	(4,429.6)	500.8
Total liabilities and shareholders' equity	\$4,566.0	\$ 6,224.4	\$ 3,054.9	\$(12,001.1)	\$ 1,844.2

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Unaudited)

Consolidating Statement of Income

(In millions)	13 Weeks Ended September 29, 2012				
	Parent	Guarantor	Non-Guarantors	Eliminations	Total
Net sales	\$—	\$—	\$ 597.1	\$ (2.7	) \$594.4
Other revenue	—	22.9	5.5	(28.4) —
Cost of products sold	—	5.5	225.1	(31.1	) 199.5
Gross margin	—	17.4	377.5	—	394.9
Delivery, sales and administrative expense	4.1	19.0	294.9	—	318.0
Re-engineering and impairment charges	—	—	2.0	—	2.0
Gains on disposal of assets, including insurance recoveries	—	0.3	—	—	0.3
Operating (loss) income	(4.1	) (1.3	) 80.6	—	75.2
Interest income	0.4	7.7	1.2	(8.7	) 0.6
Interest expense	7.1	4.9	5.2	(8.7	) 8.5
Income from equity investments in subsidiaries	54.4	52.1	—	(106.5) —
Income before income taxes	43.6	53.6	76.6	(106.5	) 67.3
(Benefit) provision for income taxes	(3.9	) (0.5	) 24.2	—	19.8
Net income	\$47.5	\$54.1	\$ 52.4	\$ (106.5	) \$47.5
Comprehensive income	\$83.5	\$89.8	\$ 62.0	\$ (151.8	) \$83.5

Consolidating Statement of Income

(In millions)	13 Weeks Ended October 1, 2011				
	Parent	Guarantor	Non-Guarantors	Eliminations	Total
Net sales	\$—	\$—	\$ 603.4	\$ (0.8	) \$602.6
Other revenue	—	13.6	3.9	(17.5) —
Cost of products sold	—	3.9	216.1	(18.3	) 201.7
Gross margin	—	9.7	391.2	—	400.9
Delivery, sales and administrative expense	3.6	12.3	312.8	—	328.7
Re-engineering and impairment charges	—	—	2.2	—	2.2
Impairment of goodwill and intangible assets	—	—	36.1	—	36.1
Operating (loss) income	(3.6	) (2.6	) 40.1	—	33.9
Interest income	0.5	8.2	2.7	(10.6	) 0.8
Interest expense	7.4	3.9	7.3	(10.6	) 8.0
Income from equity investments in subsidiaries	17.1	23.3	—	(40.4) —
Other expense	—	0.1	0.6	—	0.7
Income before income taxes	6.6	24.9	34.9	(40.4	) 26.0
(Benefit) provision for income taxes	(3.9) 7.6	11.8	—	15.5
Net income	\$10.5	\$17.3	\$ 23.1	\$ (40.4) \$10.5
Comprehensive loss	\$(63.4) \$(56.5) \$ (12.3) \$ 68.8) \$(63.4

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TUPPERWARE BRANDS CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

(Unaudited)

Consolidating Statement of Income

(In millions)	39 Weeks Ended September 29, 2012				
	Parent	Guarantor	Non-Guarantors	Eliminations	Total
Net sales	\$—	\$—	\$ 1,878.3	\$ (5.5)	) \$ 1,872.8
Other revenue	—	74.9	14.0	(88.9)) —
Cost of products sold	—	14.0	699.7	(94.4)	) 619.3
Gross margin	—	60.9	1,192.6	—	) 1,253.5
Delivery, sales and administrative expense	11.0	46.1	929.0	—	) 986.1
Re-engineering and impairment charges	—	—	4.0	—	) 4.0
Impairment of goodwill and intangible assets	—	—	76.9	—	) 76.9
Gains on disposal of assets, including insurance recoveries	—	0.5	7.5	—	) 8.0
Operating (loss) income	(11.0)	) 15.3	190.2	—	) 194.5
Interest income	1.3	23.2	3.6	(26.2)	) 1.9
Interest expense	21.2	14.7	17.3	(26.2)	) 27.0
Income from equity investments in subsidiaries	138.3	119.9	—	(258.2)) —
Other expense	—	—	0.1	—	) 0.1
Income before income taxes	107.4	143.7	176.4	(258.2)	) 169.3
(Benefit) provision for income taxes	(11.1)	) 5.7	56.2	—	) 50.8
Net income	\$ 118.5	\$ 138.0	\$ 120.2	\$ (258.2)) \$ 118.5
Comprehensive income	\$ 139.9	\$ 158.7	\$ 113.1	\$ (271.8)) \$ 139.9

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TUPPERWARE BRANDS CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

(Unaudited)

Consolidating Statement of Income

(In millions)	40 Weeks Ended October 1, 2011				
	Parent	Guarantor	Non-Guarantors	Eliminations	Total
Net sales	\$—	\$—	\$ 1,911.3	\$ (2.4	) \$ 1,908.9
Other revenue	—	70.4	10.4	(80.8) —
Cost of products sold	—	10.4	709.0	(83.2	) 636.2
Gross margin	—	60.0	1,212.7	—	1,272.7
Delivery, sales and administrative expense	10.7	43.9	957.7	—	1,012.3
Re-engineering and impairment charges	—	—	4.7	—	4.7
Impairment of goodwill and intangible assets	—	—	36.1	—	36.1
Gains on disposal of assets, including insurance recoveries	—	—	0.7	—	0.7
Operating (loss) income	(10.7	) 16.1	214.9	—	220.3
Interest income	1.4	25.7	8.5	(33.1	) 2.5
Interest expense	40.2	10.8	23.2	(33.1	) 41.1
Income from equity investments in subsidiaries	163.1	155.1	—	(318.2) —
Other expense	—	0.1	0.5	—	0.6
Income before income taxes	113.6	186.0	199.7	(318.2	) 181.1
(Benefit) provision for income taxes	(17.8	) 25.7	41.8	—	49.7
Net income	\$ 131.4	\$ 160.3	\$ 157.9	\$ (318.2) \$ 131.4
Comprehensive income	\$ 117.3	\$ 130.8	\$ 152.6	\$ (283.4) \$ 117.3

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TUPPERWARE BRANDS CORPORATION
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
 (Unaudited)

Condensed Consolidating Statement of Cash Flows

(In millions)	39 Weeks Ended September 29, 2012				
	Parent	Guarantor	Non-Guarantors	Eliminations	Total
Operating Activities:					
Net cash provided by operating activities	\$ 31.5	\$ 15.6	\$ 161.8	\$ (97.4	) \$ 111.5
Investing Activities:					
Capital expenditures	—	(7.0	) (44.0	) —	(51.0)
Proceeds from disposal of property, plant and equipment	—	0.3	9.5	—	9.8
Net cash used in investing activities	—	(6.7	) (34.5	) —	(41.2)
Financing Activities:					
Dividend payments to shareholders	(57.5	) —	—	—	(57.5)
Dividend payments to parent	—	—	(68.9	) 68.9	—
Proceeds from exercise of stock options	9.7	—	—	—	9.7
Repurchase of common stock	(104.3	) —	—	—	(104.3)
Repayment of long-term debt and capital lease obligations	—	—	(1.8	) —	(1.8)
Net change in short-term debt	61.0	—	(13.6	) —	47.4
Excess tax benefits from share-based payment arrangements	11.9	—	—	—	11.9
Net intercompany notes payable (receivable)	47.7	(11.3	) (64.9	) 28.5	—
Net cash used in financing activities	(31.5	) (11.3	) (149.2	) 97.4	(94.6)
Effect of exchange rate changes on cash and cash equivalents	—	0.8	(0.9	) —	(0.1)
Net change in cash and cash equivalents	—	(1.6	) (22.8	) —	(24.4)
Cash and cash equivalents at beginning of year	—	1.9	136.3	—	138.2
Cash and cash equivalents at end of period	\$ —	\$ 0.3	\$ 113.5	\$ —	\$ 113.8

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Unaudited)

Condensed Consolidating Statement of Cash Flows

(In millions)	40 Weeks Ended October 1, 2011				
	Parent	Guarantor	Non-Guarantors	Eliminations	Total
Operating Activities:					
Net cash provided by (used in) operating activities	\$ 51.5	\$ (25.7)	\$ 51.5	\$ 15.4	\$ 92.7
Investing Activities:					
Capital expenditures	—	(5.5)	(43.8)	—	(49.3)
Proceeds from disposal of property, plant and equipment	—	—	3.2	—	3.2
Net cash used in investing activities	—	(5.5)	(40.6)	—	(46.1)
Financing Activities:					
Dividend payments to shareholders	(56.1)	—	—	—	(56.1)
Dividend payments to parent	—	—	(12.0)	12.0	—
Net proceeds from issuance of senior notes	393.4	—	(0.1)	—	393.3
Proceeds from exercise of stock options	15.2	—	—	—	15.2
Repurchase of common stock	(337.8)	—	—	—	(337.8)
Repayment of long-term debt and capital lease obligations	(405.0)	—	(1.9)	—	(406.9)
Net change in short-term debt	213.7	—	—	—	213.7
Debt issuance costs	(3.0)	—	—	—	(3.0)
Excess tax benefits from share-based payment arrangements	8.1	—	—	—	8.1
Net intercompany notes payable (receivable)	100.0	(20.9)	(51.7)	(27.4)	—
Net cash used in financing activities	(71.5)	(20.9)	(65.7)	(15.4)	(173.5)
Effect of exchange rate changes on cash and cash equivalents	—	—	(11.6)	—	(11.6)
Net change in cash and cash equivalents	(20.0)	(52.1)	(66.4)	—	(138.5)
Cash and cash equivalents at beginning of year	20.0	52.2	176.5	—	248.7
Cash and cash equivalents at end of period	\$ —	\$ 0.1	\$ 110.1	\$ —	\$ 110.2

Note 18: New Accounting Pronouncements

In December 2011, the FASB issued an amendment to existing guidance regarding disclosures about offsetting financial assets and liabilities. The amendment requires an entity to disclose information about offsetting and related arrangements to enable users of its financial statements to understand the effect of those arrangements on its financial position. The amendment is effective for annual reporting periods beginning on or after January 1, 2013 and interim periods within those annual periods. As the Company does not intend to use the right of offset in presenting its assets or liabilities, the amendment should not have an impact on its Consolidated Financial Statements.

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TUPPERWARE BRANDS CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

(Unaudited)

In July 2012, the FASB issued amendments to existing guidance regarding indefinite-lived intangible asset impairment testing. The amendments permit an entity to first make an assessment using qualitative factors to determine whether it is more likely than not that the fair value of an indefinite-lived intangible asset is less than its carrying amount, as a basis for determining whether it is necessary to perform a quantitative impairment test. The amendment is effective for annual and interim impairment tests performed for fiscal years beginning after September 15, 2012, but early adoption is permitted. The Company adopted this guidance for its annual impairment testing completed during the third quarter 2012. The amendment did not have an impact on the Consolidated Financial Statements.

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

The following is a discussion of the results of operations for the 13 and 39 weeks ended September 29, 2012 compared with the 13 and 40 weeks ended October 1, 2011 and changes in financial condition during the 39 weeks ended September 29, 2012. The Company's fiscal year ends on the last Saturday of December and, as a result, the 2012 fiscal year will contain 52 weeks as compared with 53 weeks for fiscal 2011.

The Company's primary means of distributing its products is through independent sales organizations and individuals, which in many cases are also its customers. The majority of the Company's products are, in turn, sold to end customers who are not members of its sales force. The Company is largely dependent upon these independent sales organizations and individuals to reach end consumers, and any significant disruption of this distribution network would have a negative financial impact on the Company and its ability to generate sales, earnings and operating cash flows. The Company's primary business drivers are the size, activity and productivity of its independent sales organizations.

As exchange rates are an important factor in understanding period-to-period comparisons, the Company believes the presentation of results on a local currency basis, as a supplement to reported results, helps improve readers' ability to understand the Company's operating results and evaluate performance in comparison with prior periods. The Company presents local currency information that compares results between periods as if current period exchange rates had been the exchange rates in the prior period. The Company uses results on a local currency basis as one measure to evaluate performance. The Company generally refers to such amounts as calculated on a "local currency" basis, or "excluding the impact of foreign currency." These results should be considered in addition to, not as a substitute for, results reported in accordance with generally accepted accounting principles in the United States ("GAAP"). Results on a local currency basis may not be comparable to similarly titled measures used by other companies and are not measures of performance presented in accordance with GAAP.

Overview

	13 weeks ended	13 weeks ended	Change		Change excluding the impact of foreign exchange	Foreign exchange impact
Dollars in millions, except per share amounts	September 29, 2012	October 1, 2011				
Net sales	\$ 594.4	\$ 602.6	(1	)%	6	% \$(39.2)
Gross margin as percent of sales	66.4	% 66.5	% (0.1	)	pp	na
DS&A as percent of sales	53.5	% 54.5	% (1.0	)	pp	na
Impairment of goodwill and intangible assets	\$ —	\$ 36.1	na		na	na
Operating income	75.2	33.9	+		+	\$(7.3)
Net income	47.5	10.5	+		+	(5.6)
Net income per diluted share	0.85	0.17	+		+	(0.09)

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	39 weeks ended	40 weeks ended	Change		Change excluding the impact of foreign exchange	Foreign exchange impact
Dollars in millions, except per share amounts	September 29, 2012	October 1, 2011				
Net sales	\$ 1,872.8	\$ 1,908.9	(2	)%	5	% \$(121.0)
Gross margin as percent of sales	66.9	% 66.7	% 0.2	pp	na	na
DS&A as percent of sales	52.7	% 53.0	% (0.3	)	pp	na
Impairment of goodwill and intangible assets	\$ 76.9	\$ 36.1	na		na	na
Operating income	194.5	220.3	(12	)%	1	% \$(26.9)
Net income	118.5	131.4	(10	)	7	(20.6)
Net income per diluted share	2.09	2.10	—		17	(0.33)

na not applicable

pp percentage points

+ Increase greater than 100 percent

Reported sales decreased 1 percent in the third quarter of 2012. Excluding the impact of foreign currency exchange rates, sales increased 6 percent. The Company defines its established markets as Western Europe including Scandinavia, Australia, Canada, Japan, New Zealand, and the United States. All other markets are classified as emerging markets. The Company's businesses operating in emerging market economies achieved strong growth in the quarter with an 11 percent sales increase in local currency. The Company's units that operate in established economy markets, as a group, had a 3 percent sales decrease in local currency compared with 2011.

Among the emerging market units, the main increases were in Brazil, China, India, Indonesia, Malaysia/Singapore, Tupperware Mexico, Turkey and Venezuela. These increases were partially offset by a decrease in Fuller Mexico. Among the established market businesses, there were decreases at Tupperware Japan and Tupperware United States and Canada, which were partially offset by a strong increase in Germany. Operating income and net income increased substantially in the third quarter of 2012. This primarily reflected the benefit of not having the \$36.1 million of pretax impairment of goodwill and intangible assets recorded in the third quarter of last year, as well as improvements in the Company's Asia Pacific, South America, Beauty North America and Tupperware North America segments. These were partially offset by a decrease in Europe.

Reported sales for the year-to-date period decreased 2 percent. Excluding the impact of foreign currency exchange rates, there was a 5 percent increase. The units impacting the year-to-date sales comparison largely mirrored those impacting the third quarter along with lower year-to-date sales in Tupperware Australia, Tupperware France and Tupperware South Africa, as well as an estimated 1 to 2 percentage points negative impact from one less week in the first quarter of the current year under the Company's fiscal calendar.

The factors impacting the year-to-date operating and net income comparisons were similar to those impacting the third quarter comparisons except for \$76.9 million of pretax impairment of goodwill and intangible assets of BeautiControl, NaturCare and Nutrimetics recorded in the second quarter of 2012, year-to-date losses in Beauty North America, as well as the benefit of not having the \$19.8 million charge for the impairment of interest rate swaps and debt issuance costs recorded in the second quarter of 2011.

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The Company's net working capital position increased by \$35.1 million compared with the end of 2011. This included increases in accounts receivable and inventory and a decrease in accounts payable. Also included in the change in net working capital was a \$70 million reduction from lower cash and cash equivalents and higher short-term borrowings and current portion of long term debt, which together with cash flow from operating activities, funded the cash outflow in the first nine months of the year for investing activities, dividends and share repurchases. Net cash provided by operating activities was \$111.5 million and \$92.7 million in 2012 and 2011, respectively. The favorable comparison, despite about even net income before the impacts of non-cash charges for goodwill and intangible assets in both periods, gains on disposal of assets in 2012 and non-cash interest rate swap impairments in 2011, was primarily related to less of an increase in inventory, partially offset by a higher outflow in 2012 from trade receivables.

Net Sales

Reported sales decreased 1 percent in the third quarter of 2012. Excluding the impact of foreign currency exchange rates, sales increased 6 percent. The improvement in local currency sales was mainly in the Company's emerging markets, which accounted for 66 percent and 63 percent of the Company's reported sales for the third quarters of 2012 and 2011, respectively. Total sales for the emerging markets increased \$9.7 million, or 3 percent, which included a negative \$28.5 million impact from foreign currency exchange rate changes. Excluding the impact of foreign currency, sales grew 11 percent in these markets.

The strong increase in local currency sales in the Company's emerging markets in the third quarter of 2012 was primarily in Brazil, China, India, Indonesia, Malaysia/Singapore, Tupperware Mexico, Turkey and Venezuela. This primarily reflected increases in total and active sales forces in these markets, other than in Venezuela where the increase primarily reflected inflation related price increases. The sales growth in these markets was partially offset by a decrease in Fuller Mexico due to a smaller and less active sales force.

Sales in the established markets decreased \$17.9 million, or 8 percent, which included a negative \$10.8 million impact from changes in foreign currency exchange rates. Among these units, there were local currency decreases in Tupperware Japan and Tupperware United States and Canada, primarily due to less productive sales forces. These decreases were partially offset by a strong increase in Germany, reflecting a larger, more active and productive sales force.

On a year-to-date basis, emerging markets accounted for 62 percent and 59 percent of total Company sales for 2012 and 2011, respectively. Total sales on a reported basis in the emerging markets increased \$28.1 million, or 2 percent. This reflected a negative impact of changes in foreign currency exchange rates of \$87.6 million. Excluding the impact of foreign currency, there was an 11 percent increase. Total sales for the established markets decreased \$64.2 million, or 8 percent, for the year-to-date period of 2012, compared with the same period of 2011, which included a negative \$33.5 million impact from foreign currency exchange rate changes. Excluding the impact of foreign currency, sales decreased in these markets by 4.0 percent. The sources of the year-to-date fluctuations largely followed those of the quarter, except in the established markets of Nutrimetics Australia, Tupperware France and Tupperware South Africa, as trends in these markets improved on a sequential basis. The year-to-date sales comparison, under the Company's fiscal calendar, was also negatively impacted by an estimated 1 to 2 percentage points from one less week in the first quarter of the current year.

A more detailed discussion of the sales results for the Company's reporting segments is included in the segment results section below.

As discussed in Note 3 to the Consolidated Financial Statements, the Company includes promotional costs in delivery, sales and administrative expense (DS&A). As a result, the Company's net sales may not be comparable with other companies that treat these costs as a reduction of revenue.

Re-engineering and Impairment Expenses

Refer to Note 6 to the Consolidated Financial Statements for a discussion of re-engineering activities and related accruals.

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The Company recorded \$2.0 million and \$2.2 million in re-engineering and impairment charges during the third quarters of 2012 and 2011, respectively, and \$4.0 million and \$4.7 million for the respective year-to-date periods. In both years, these charges were primarily related to severance incurred for headcount reductions in several of the Company's operations in connection with changes in its management and organizational structures, and in 2012, the decision to cease operating its Nutrimetics businesses in Greece and the United Kingdom, as well as the relocation of the Company's office in Poland. In 2011, re-engineering charges also included costs in connection with ceasing operations in the Nutrimetics business in Malaysia.

In the fourth quarter of 2012, the Company expects to incur approximately \$2 million of such costs, mainly related to headcount reductions, as well as a \$16 million non-cash charge related to the reclassification of currency translation adjustments from accumulated other comprehensive income into operating income in connection with the liquidation of the Nutrimetics business in the United Kingdom.

The Company's goodwill and intangible assets relate primarily to the December 2005 acquisition of the direct selling businesses of Sara Lee Corporation and the October 2000 acquisition of BeautiControl. The Company does not amortize its goodwill or tradename intangible assets. Instead, the Company performs an assessment to test these assets for impairment annually, or more frequently if events or changes in circumstances indicate they may be impaired.

During the second quarter, the Company completed its annual impairment test of the BeautiControl reporting units, resulting in an impairment charge of \$38.9 million related to the goodwill in the BeautiControl United States and Canada business as a result of the rates of growth of sales, profit and cash flow and expectations for future performance that were below the Company's projections. Also in the second quarter, the financial performance of the Nutrimetics reporting units fell below their previous trend line and it became apparent that they would fall significantly short of expectations for the year. Additionally, reductions in the forecasted operating trends of NaturCare relating to the decline in the rates of growth of sales, profits and cash flows in the Japanese market led to interim impairment testing in these businesses as of the end of May and June 2012, respectively. The result of these tests was to record tradename impairments of \$13.8 million for Nutrimetics and \$9.0 million for NaturCare, primarily due to the use of lower estimated royalty rates in light of lower sales and profit forecasts for these units, as well as macroeconomic factors that resulted in increases in the discount rates used in the valuations. In addition, the Company wrote off the \$7.2 million and \$7.7 million carrying value of the goodwill of Nutrimetics Asia Pacific and Nutrimetics Europe reporting units, respectively, in light of current operating trends and expected future results, as well as the macroeconomic factors that resulted in increases in the discount rates used in the valuations.

In the third quarter of 2012, the Company completed the annual impairment assessments for all of the reporting units and tradename intangibles, except for BeautiControl which was completed in the second quarter, noting no impairment.

Refer to Note 7 to the Consolidated Financial Statements for further discussions of goodwill and tradename impairments.

Gross Margin

Gross margin as a percentage of sales was 66.4 percent and 66.5 percent in the third quarters of 2012 and 2011, respectively. The decrease of 0.1 percentage points reflected higher product costs due to lower volume in certain markets (0.7 pp), unfavorable sales mix from higher sales in certain countries with lower margins (0.3 pp), unfavorable impact of foreign exchange rates (0.1 pp), partially offset by favorable product mix and pricing (0.4 pp), improved margin on business to business sales (0.3 pp), lower resin costs (0.2 pp) and lower inventory obsolescence (0.1 pp).

For the year-to-date periods, gross margin as a percentage of sales was 66.9 percent and 66.7 percent in 2012 and 2011, respectively. The 0.2 percentage point increase resulted primarily from favorable product mix, as well as lower resin costs and inventory obsolescence, partially offset by unfavorable sales mix from higher sales in certain countries with lower margins.

As discussed in Note 2 to the Consolidated Financial Statements, the Company includes costs related to the distribution of its products in delivery, sales and administrative expense (DS&A). As a result, the Company's gross margin may not be comparable with other companies that include these costs in costs of products sold.

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Costs and Expenses

DS&A as a percentage of sales was 53.5 percent for the third quarter of 2012 compared with 54.5 percent in 2011. This decrease primarily reflected lower promotional spending in Fuller Mexico than in 2011, as well as lower marketing and commission costs. For the year-to-date periods, DS&A as a percentage of sales also decreased, to 52.7 percent from 53.0 percent in 2011. This decrease primarily related to more efficient promotional spending, including lower spending by Fuller Mexico.

Specific segment impacts are discussed in the segment results section.

Net Interest Expense

Net interest expense was \$7.9 million for the third quarter of 2012, compared with \$7.2 million in 2011. For the year-to-date periods, net interest expense was \$25.1 million for 2012, compared with \$38.6 million in 2011. Excluding the impact of the non-cash interest rate swap impairment charge recorded in the second quarter of 2011 of \$18.9 million and the write-off of deferred debt issuance costs of \$0.9 million, interest expense increased in both of the year over year comparisons from higher borrowing levels and for the year-to-date period, higher weighted average interest rates.

For a discussion of forward points, which are considered to be a component of interest expense, refer to Note 10 to the Consolidated Financial Statements.

Tax Rate

The effective tax rate for the third quarter of 2012 was 29.4 percent, compared with 59.3 percent for the comparable 2011 period. The higher third quarter 2011 rate was primarily due to impairment charges related to intangible assets recorded in the third quarter of 2011 for which no tax benefit was available. The effective tax rate for the year-to-date period ended September 29, 2012 was 30.0 percent, compared with 27.4 percent for the comparable 2011 period. The higher year-to-date rate was primarily due to higher impairment charges related to intangible assets recorded in the second quarter of 2012 as compared to 2011, for which limited tax benefits were available. In addition the 2011 rate was lower due to certain changes in Mexican tax legislation.

As discussed in Note 13 to the Consolidated Financial Statements, the Company's uncertain tax positions increase the potential for volatility in its tax rate. As such, it is reasonably possible that the effective tax rates in any individual quarter will vary from the full year expectation. At this time, the Company is unable to estimate what impact that may have on any individual quarter.

Net Income

Net income in the third quarter of 2012 increased \$37.0 million compared with 2011, mainly reflected the absence of 2011's impairment charge related to the goodwill and intangible assets of Nutrimetics. In addition, net income was negatively impacted by changes in foreign currency exchange rates by \$5.6 million. The local currency net income comparison benefited from strong sales growth in the Asia Pacific and South America segments, along with lower DS&A expense from more efficient promotional spending by Fuller Mexico. The profit decrease in Europe, despite higher sales, reflected a lower gross margin from low manufacturing volume and higher promotional spending. Net income for the year-to-date period decreased 10 percent compared with 2011, including a 17 percentage point impact from changes in foreign currency rates. Excluding the impact from foreign currencies, net income increased 7 percent. The factors impacting the year-to-date net income comparison were similar to those impacting the third quarter comparison, except for higher goodwill and impairment charges in 2012, as well as a year-to-date decrease in segment profit in the Beauty North America segment.

International operations in the third quarter generated 90 percent of sales in both years and 90 percent and 89 percent of sales in the respective year-to-date periods of 2012 and 2011. In both the third quarter and year-to-date periods of 2012 and 2011, these units generated 100 and 99 percent of net segment profit, respectively.

The sale of beauty products generated 25 percent and 24 percent of sales in the third quarter and year-to-date periods of 2012, respectively, compared with 28 percent and 27 percent of sales in the respective 2011 periods.

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Segment Results

Europe

dollars in millions	13 weeks	13 weeks	Change	Change excluding the impact of foreign exchange	Foreign exchange impact	Percent of total	
	ended September 29, 2012	ended October 1, 2011				2012	2011
Net sales	\$ 157.8	\$ 169.0	(7)%	4	% \$(16.7)	27	28
Segment profit	12.7	16.3	(22)	(12)	(1.8)	14	19
Segment profit as percent of sales	8.0	% 9.6	% (1.6)	pp na	na	na	na

dollars in millions	39 weeks	40 weeks	Change	Change excluding the impact of foreign exchange	Foreign exchange impact	Percent of total	
	ended September 29, 2012	ended October 1, 2011				2012	2011
Net Sales	\$ 570.2	\$ 623.8	(9)%	—	% \$(56.2)	30	33
Segment profit	80.9	98.2	(18)	(9)	(9.7)	26	33
Segment profit as percent of sales	14.2	% 15.7	% (1.5)	pp na	na	na	na

na not applicable
pp percentage points

Reported sales decreased 7 percent compared with the third quarter of 2011. Excluding the impact of foreign currency exchange rates, sales increased 4 percent. On a local currency basis, the established market units' sales increased by 3 percent, reflecting strong growth in Germany, due to a larger and slightly more active and productive sales force driven by a higher sales leader base, as well as smaller contributions in the Scandinavian units. These increases were partially offset by a decrease in Tupperware Italy due to a less active sales force. The emerging market units' sales increased by 5 percent in local currency in the quarter. This primarily reflected significant growth in Turkey due to a larger and more active sales force, resulting from strong recruiting and promotions, as well as strong growth in Russia and Avroy Shlain from larger and more active and productive sales forces.

Segment profit decreased \$3.6 million, or 22 percent, during the third quarter of 2012, and excluding the impact of foreign currency, was 12 percent lower. The decrease primarily reflected lower gross margin due to low production volume and the impact of depreciation of other currencies in Europe versus the euro, as well as increased promotional expenses in France and South Africa, in part due to timing. These impacts were partially offset by increased profit from higher sales in Avroy Shlain, Germany and Scandinavia, as well as an increase in Russia due to lower operating costs.

The year-to-date sales and segment profit variances largely mirrored those of the quarter, except for year-to-date decreases at Tupperware France and Tupperware South Africa, as well as the impact of the extra week in the 2011 year-to-date period.

The euro and South African rand were the main currencies that impacted the year over year comparisons.

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Asia Pacific

dollars in millions	13 weeks ended	13 weeks ended	Change		Change excluding the impact of foreign exchange	Foreign exchange impact	Percent of total	
	September 29, 2012	October 1, 2011					2012	2011
Net sales	\$ 197.5	\$ 180.3	10	%	14	% \$(7.8)	33	30
Segment profit	44.0	38.8	14		21	(2.4)	48	45
Segment profit as percent of sales	22.3	% 21.5	% 0.8		pp na	na	na	na

dollars in millions	39 weeks ended	40 weeks ended	Change		Change excluding the impact of foreign exchange	Foreign exchange impact	Percent of total	
	September 29, 2012	October 1, 2011					2012	2011
Net Sales	\$ 561.5	\$ 515.9	9	%	12	% \$(15.7)	30	27
Segment profit	118.7	100.2	18		25	(5.5)	38	33
Segment profit as percent of sales	21.1	% 19.4	% 1.7		pp na	na	na	na

na not applicable
pp percentage points

Reported sales increased 10 percent compared with the third quarter of 2011. Excluding the impact of foreign currency exchange rates, sales increased 14 percent. Emerging markets accounted for \$152.7 million and \$131.5 million, or 77 and 73 percent, of the reported sales in the segment in the third quarters of 2012 and 2011, respectively. Versus 2011, emerging market sales were negatively impacted by \$7.2 million from changes in foreign currency rates. Excluding the impact of changes in foreign currency rates, sales increased 23 percent in these markets. The most significant contributions to the overall increase were in China, India, Indonesia and Malaysia/Singapore, as a result of leveraging larger, more active sales forces and higher productivity in India. This reflected the impact of brand building activities and successful promotional activities with strong recruiting and retention in India and Indonesia. China ended the quarter with almost 3,700 outlets, which was 13 percent more than at the end of the third quarter of 2011. The improvements achieved in the emerging market businesses were partially offset by a decline in reported sales in the established markets. Tupperware Japan had a double-digit percentage decrease from lower productivity as it continued to shift its product mix toward core housewares categories that on average have lower price points than non-core categories. Nutrimetics Australia was down slightly during the period after having been down more significantly in recent quarters.

Total segment profit increased significantly in the third quarter of 2012. Excluding the impact of changes in foreign currency rates, segment profit increased 21 percent. The increase was mainly from the improved sales volume in the emerging markets and the leverage these higher sales had on the fixed components of DS&A spending as well as more efficient promotional spending. These were partially offset by a decrease in profit at Nutrimetics Australia and Tupperware Japan reflecting the lower sales volume as well as lower profit from Tupperware Australia from higher promotional costs and lower gross profit.

The year-to-date sales and segment profit variances largely mirrored those of the quarter, except for the impact of the extra week in the 2011 year-to-date period.

The Indonesian rupiah and Indian rupee were the main currencies that led to the foreign currency impact on the year-over-year comparisons.

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Tupperware North America

dollars in millions	13 weeks ended	13 weeks ended	Change	Change excluding the impact of foreign exchange	Foreign exchange impact	Percent of total	
	September 29, 2012	October 1, 2011				2012	2011
Net sales	\$ 78.9	\$ 82.3	(4)%	(2)%	\$(1.6)	13	14
Segment profit	14.1	13.3	6	9	(0.4)	15	16
Segment profit as percent of sales	17.9	% 16.2	% 1.7	pp na	na	na	na

dollars in millions	39 weeks ended	40 weeks ended	Change	Change excluding the impact of foreign exchange	Foreign exchange impact	Percent of total	
	September 29, 2012	October 1, 2011				2012	2011
Net Sales	\$ 253.3	\$ 267.1	(5)%	(2)%	\$(9.6)	14	14
Segment profit	45.3	42.3	7	14	(2.6)	15	14
Segment profit as percent of sales	17.9	% 15.8	% 2.1	pp na	na	na	na

na not applicable
pp percentage points

Reported sales decreased 4 percent in the third quarter of 2012. Excluding the impact of changes in foreign currency exchange rates, sales decreased 2 percent. The decrease in sales was primarily due to a smaller sales force in the Tupperware United States and Canada business reflecting a lower number of recruits earlier in the year, and less aggressive promotional activity. This sales decrease was partially offset by an increase at Tupperware Mexico, reflecting a larger sales force.

Notwithstanding the decrease in sales in the segment, profit increased \$0.8 million in the quarter. The higher profit reflected the sales increase in Mexico, along with the profit benefit of the less aggressive promotional activity in the Tupperware United States and Canada unit.

The year-to-date sales and segment profit variances largely mirrored those of the quarter, except that in the United States and Canada unit a better gross margin percentage and lower operating expenses led to higher profit on lower sales. There was also an impact on the comparison from the impact of the extra week in the 2011 year-to-date period. The Mexican peso was the main foreign currency that impacted the year-over-year comparisons.

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Beauty North America

dollars in millions	13 weeks ended	13 weeks ended	Change	Change excluding the impact of foreign exchange	Foreign exchange impact	Percent of total	
	September 29, 2012	October 1, 2011				2012	2011
Net sales	\$ 83.8	\$99.4	(16)%	(12)%	\$(3.6)	14	16
Segment profit	6.0	4.7	24	35	(0.4)	6	5
Segment profit as percent of sales	7.2	% 4.7	% 2.5	pp na	na	na	na

dollars in millions	39 weeks ended	40 weeks ended	Change	Change excluding the impact of foreign exchange	Foreign exchange impact	Percent of total	
	September 29, 2012	October 1, 2011				2012	2011
Net Sales	\$ 257.0	\$303.0	(15)%	(10)%	\$(18.7)	14	16
Segment profit	23.0	27.3	(16)	(4)	(3.4)	7	9
Segment profit as percent of sales	8.9	% 9.0	% (0.1)	pp na	na	na	na

na not applicable
pp percentage points

Reported sales for the segment decreased 16 percent in the third quarter of 2012, and excluding the impact of changes in foreign currency exchange rates decreased 12 percent. The decrease in local currency sales was primarily due to a smaller and less active sales force in Fuller Mexico, reflecting continued sales force recruiting and pricing pressures in the competitive environment, as well as aggressive sales force recruiting programs that grew the sales force significantly in the third quarter of 2011.

Segment profit was \$1.3 million higher in the third quarter of 2012 on a reported basis, and excluding the negative impact of a weaker Mexican peso, increased 35 percent. Local currency profit was higher despite the sales decrease, reflecting value chain improvements at BeautiControl, as well as the benefit of not spending as much on sales force recruiting as in 2011 at Fuller Mexico.

In addition to the impact of the extra week in 2011, the year-to-date sales variance largely mirrored the third quarter, although BeautiControl had a larger percentage sales decrease on a year-to-date basis, as sales were almost even with 2011 in the third quarter. The comparison at Fuller Mexico was much worse in the third quarter than in the first half of the year due to the third quarter incremental promotional investment in 2011.

The year-to-date profit decrease compared to the same period of 2011, reflected the year-to-date sales decreases as the lower investment in sales force recruiting in Fuller Mexico had less impact on the year-to-date comparison, partially offset by the value chain improvements at BeautiControl.

The Mexican peso was the main currency that impacted the year-over-year comparisons.

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South America

dollars in millions	13 weeks ended September 29, 2012	13 weeks ended October 1, 2011	Change		Change excluding the impact of foreign exchange	Foreign exchange impact	Percent of total	
							2012	2011
Net sales	\$ 76.4	\$ 71.6	7	%	23	% \$(9.5)	13	12
Segment profit	15.6	12.9	22		45	(2.1)	17	15
Segment profit as percent of sales	20.4	% 18.0	% 2.4	pp	na	na	na	na

dollars in millions	39 weeks ended September 29, 2012	40 weeks ended October 1, 2011	Change		Change excluding the impact of foreign exchange	Foreign exchange impact	Percent of total	
							2012	2011
Net Sales	\$ 230.8	\$ 199.1	16	%	29	% \$(20.8)	12	10
Segment profit	42.2	33.3	27		46	(4.3)	14	11
Segment profit as percent of sales	18.3	% 16.7	% 1.6	pp	na	na	na	na

na not applicable
pp percentage points

Reported sales for the segment increased 7 percent in the third quarter of 2012, and excluding the impact of foreign currency exchange rates on the comparison, increased 23 percent. The increase was mainly in Brazil and Venezuela. In Brazil, about half of the increase was from continued strength in recruiting and sales force activation, with the other half from higher prices reflecting inflation and the impact on the value chain of non-income tax increases in part of the country, while in Venezuela the increase was due primarily to higher prices in light of consumer inflation. For the whole segment, the Company estimates that about two-thirds of the local currency sales increase was a result of higher pricing.

Segment profit increased in the third quarter of 2012, primarily due to the contribution margin from the significantly higher sales volume and the leverage these higher sales had on the fixed components of the value chain.

The year-to-date sales and segment profit variances largely mirrored those of the quarter, except for the impact of the extra week in the 2011 year-to-date period.

The Company had expected to implement the registration of certain of its independent sales force members under new requirements of the social security system in Brazil effective in the third quarter. While some of the changes involved in the process were implemented in the third quarter, due to changes to some of the governmental regulations and process the remainder of the implementation is now expected to take place in the fourth quarter. While there will be a modest financial impact to the Company, the ultimate reaction of the sales force is not yet known.

The Brazilian real was the main currency that impacted the year-over-year comparisons.

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The Company uses the "banded" exchange rate of 5.3 to translate the value of the Venezuelan bolivar versus the U.S. dollar. There were no changes to this rate in the third quarter of 2012. Venezuela continues to be deemed hyper-inflationary. As a result, any gains or losses from translation of the financial statements would be recorded in earnings. As of the end of the third quarter of 2012, the Company had about \$13 million in net monetary assets denominated in Venezuelan bolivars, including \$20.6 million in cash and cash equivalents, which would be directly impacted by any change in the exchange rate. To illustrate the sensitivity to potential future changes in the exchange rate, if the exchange rate in Venezuela were to further devalue to a rate of 14.5 bolivars to U.S. dollar, the Company estimates the negative impact on the remainder of its 2012 pretax earnings would be \$15 million, which includes an \$8 million impact related to the \$13 million bolivar net asset position.

Financial Condition

Liquidity and Capital Resources Net working capital increased by \$35.1 million in the third quarter, which included a \$2 million decrease from changes in foreign currency exchange rates and, most significantly, an increase in accounts receivable due to level and timing of sales around the end of each period, an increase in inventory, reflecting expectations for future sales and a decrease in accounts payable due to the timing of payments around year-end. Also included in the change in net working capital was a \$70 million reduction from lower cash and cash equivalents and higher short-term borrowings and current portion of long term debt, which together with cash flow from operating activities, funded the cash outflow in the first nine months of the year for investing activities, dividends and share repurchases.

On June 2, 2011, the Company completed the sale of \$400 million in aggregate principal amount of 4.750% Senior Notes due June 1, 2021 (the "Notes") at an issue price of 98.989%, as well as entered into a new \$450 million multicurrency revolving Credit Agreement (the "Credit Agreement"). The Company is permitted to request on up to three separate occasions an increase to its borrowing capacity under the Credit Agreement by up to \$200 million in the aggregate (for a maximum aggregate Facility Amount of \$650 million).

The Company's wholly-owned subsidiary, Dart Industries Inc. (the "Guarantor"), has granted a security interest for the Notes and the Credit Agreement in certain "Tupperware" trademarks and service marks owned by the Guarantor. Loans taken under the Credit Agreement bear interest under a formula that includes, at the Company's option, one of three different base rates, plus an applicable spread. The Company generally selects the London interbank offered rate ("LIBOR"). As of September 29, 2012, the Credit Agreement dictated a spread of 150 basis points, which gave the Company an interest rate of 1.94 percent on \$238.9 million of borrowings under the Credit Agreement with \$137.6 million denominated in euros. The Company routinely increases its revolver borrowings under the Credit Agreement during each quarter to fund operating, investing and financing activities, and uses cash available at the end of each quarter to reduce borrowing levels. As a result, the Company has higher foreign exchange exposure on the value of its cash during each quarter than at the end of each quarter.

The Credit Agreement contains customary covenants including financial covenants requiring a minimum level of interest coverage and allowing a maximum amount of leverage. As of September 29, 2012, and currently, the Company had considerable leeway under its financial covenants. However, economic conditions, adverse changes in foreign exchange rates, lower than foreseen sales, profit and/or cash flow generation, share repurchases or the occurrence of other events discussed under "Forward Looking Statements" and elsewhere could cause noncompliance. See Note 9 to the Consolidated Financial Statements for further details regarding the Company's debt.

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The Company monitors the third-party depository institutions that hold its cash and cash equivalents and diversifies its cash and cash equivalents among counterparties, which minimizes exposure to any one of these entities. Furthermore, the Company is exposed to financial market risk resulting from changes in interest rates, foreign currency rates and the possible liquidity and credit risks of its counterparties. The Company believes that it has sufficient liquidity to fund its working capital and capital spending needs and its current dividend. This liquidity includes its 2012 third quarter end cash and cash equivalents balance of \$113.8 million, cash flows from operating activities, and access to its \$450 million Credit Agreement. As of September 29, 2012, the Company had \$208.0 million available under its Credit Agreement and \$110.0 million available under other uncommitted lines of credit. The Company has not experienced any limitations on its ability to access its committed facility although the current issues arising out of the sovereign debt crisis in Europe may limit the ability of certain banks to fulfill their commitments under the Company's lines of credit in the future.

Cash and cash equivalents ("cash") totaled \$113.8 million as of September 29, 2012. Of this amount, \$112 million was held by foreign subsidiaries. About a third of this cash held outside of the United States was not eligible for repatriation due to the level of past statutory earnings by the foreign unit in which the cash was held. The remaining cash is subject to repatriation tax effects. The Company's current intent is to indefinitely reinvest the earnings of these foreign operations, as it does not anticipate needing them in the United States. In the event circumstances change, leading to the conclusion that these funds will not be indefinitely reinvested, the Company would need to provide at that time for the income taxes that would be triggered upon their repatriation.

The Company's most significant exposures are to the euro and the Mexican peso. Business units in which the Company generated at least \$100 million of sales in 2011 included Brazil, Tupperware France, Germany, Indonesia, Fuller Mexico, Tupperware Mexico, and Tupperware United States and Canada. A significant downturn in the Company's business in these markets would adversely impact the Company's ability to generate operating cash flows. Operating Activities Net cash provided by operating activities was \$111.5 million in the year-to-date period of 2012 compared with \$92.7 million for the same period of 2011. The favorable comparison, despite about even net income before the impacts of non-cash charges for goodwill and intangible assets in both periods, gains on disposal of assets in 2012 and non-cash interest rate swap impairments in 2011, was primarily related to less of an increase in inventory, partially offset by a higher outflow in 2012 from trade receivables.

Investing Activities During the year-to-date periods of 2012 and 2011, the Company had \$51.0 million and \$49.3 million, respectively, of capital expenditures. In 2012, capital expenditures mainly related to molds, the purchase of a new office in Venezuela for \$5.6 million to support expanding operations and as a natural hedge against possible currency devaluation, the expansion of warehouse space in Indonesia, new vehicles for the sales force in South Africa, as well as for manufacturing capacity in India and Brazil. In 2011, expenditures mainly related to molds for new products, expansion of warehouse space in South Africa and increased production capacity in Brazil.

Financing Activities Dividends paid to shareholders were \$57.5 million and \$56.1 million in the year-to-date periods of 2012 and 2011, respectively. The amounts were about the same as a reduction in the number of shares outstanding resulting from the Company's share repurchase program offset an increase in quarterly dividend per share compared with 2011. Proceeds received from the exercise of stock options were \$9.7 million and \$15.2 million for the year-to-date periods of 2012 and 2011, respectively. The Company also increased borrowings under its Credit Agreement by \$47.4 million.

Through open market repurchases, and under its stock incentive programs, the Company repurchased in the year-to-date periods of 2012 and 2011, 1.8 million and 5.5 million shares for a total of \$104.3 million and \$337.8 million, respectively.

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Open market repurchases are being made under an authorization that runs until February 1, 2015 and allows up to \$1.2 billion to be spent. Under this program, the Company repurchased 1.7 million and 5.5 million shares for \$100.0 million and \$336.2 million in the year-to-date periods of 2012 and 2011, respectively, and program to date through the end of September 2012, had spent \$727.7 million to repurchase 13.9 million shares. Going forward, in setting share repurchase amounts, the Company expects to target over time a debt-to-EBITDA ratio of 1.5 times (as defined in the Company's Credit Agreement). For the four quarters ended September 2012, this ratio was slightly below the targeted 1.5 times. The Company expects to spend \$100 million on open market share repurchases in the fourth quarter of 2012.

Repurchases under the Company's stock incentive programs are made when employees use shares to satisfy the minimum statutorily required withholding taxes. In the year-to-date periods of 2012 and 2011, 70,183 and 30,108 shares were retained to fund withholding taxes, totaling \$4.3 million and \$1.6 million, respectively.

New Pronouncements

Refer to Note 18 to the Consolidated Financial Statements for a discussion of new pronouncements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

One of the Company's market risks is its exposure to the impact of interest rate changes on its borrowings. The Company's borrowings under the Credit Agreement carry a variable interest rate. The Company has elected to manage this risk through the maturity structure of its borrowings and the currencies in which it borrows.

Loans taken under the Credit Agreement bear interest under a formula that includes, at the Company's option, one of three different base rates, plus an applicable spread. The Company generally selects the London interbank offered rate ("LIBOR"). As of September 29, 2012, the Credit Agreement dictated a spread of 150 basis points, which gave the Company an interest rate of 1.94 percent on borrowings under the Credit Agreement. Of the Company's short-term borrowings as of September 29, 2012, \$101.3 million was denominated in U.S. dollars and \$137.6 million in euros. If short-term interest rates varied by 10 percent with all other variables remaining constant, the Company's annual interest expense would not be significantly impacted.

The Company routinely increases its revolver borrowings under the Credit Agreement during each quarter to fund operating, investing and financing activities, and uses cash available at the end of each quarter to reduce borrowing levels. As a result, the Company has higher foreign exchange exposure on the value of its cash during each quarter than at the end of each quarter.

A significant portion of the Company's sales and profit come from its international operations. Although these operations are geographically dispersed, which partially mitigates the risks associated with operating in particular countries, the Company is subject to the usual risks associated with international operations. These risks include local political and economic environments and relations between foreign and U.S. governments.

Another economic risk of the Company is exposure to changes in foreign currency exchange rates on the earnings, cash flows and financial position of its international operations. The Company is not able to project, in any meaningful way, the possible effect of these fluctuations on translated amounts or future earnings. This is due to the Company's constantly changing exposure to various currencies, the fact that all foreign currencies do not react in the same manner in relation to the U.S. dollar and the large number of currencies involved, although the Company's most significant exposures are to the euro and Mexican peso.

Although this currency risk is partially mitigated by the natural hedge arising from the Company's local product sourcing in many markets, a strengthening U.S. dollar generally has a negative impact on the Company. In response to this fact, the Company uses financial instruments, such as forward contracts, to hedge its exposure to certain foreign exchange risks associated with a portion of its investment in international operations. In addition to hedging against the balance sheet impact of changes in exchange rates, the hedge of investments in international operations also has the effect of hedging a portion of cash flows from those operations. The Company also hedges, with these instruments, certain other exposures to various currencies arising from amounts payable and receivable, non-permanent intercompany loans and forecasted purchases. The Company generally does not seek to hedge the impact of currency fluctuations on the translated value of the sales, profit or cash flow generated by its operations.

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While the Company's hedges of its equity in its foreign subsidiaries and its fair value hedges of balance sheet risks all work together to mitigate its exposure to foreign exchange gains or losses, they result in an impact to operating cash flows as they are settled. For the year-to-date periods ending September 29, 2012 and October 1, 2011, the cash flow impact of these currency hedges was an inflow of \$1.9 million and an outflow of \$4.2 million, respectively.

The U.S. dollar equivalent of the Company's most significant net open foreign currency hedge positions as of September 29, 2012 were to buy euro \$23.7 million and U.S. dollars \$87.4 million and to sell Australian dollars \$14.0 million; Japanese yen \$28.8 million; Mexican peso \$10.5 million; Swiss Francs \$24.6 million and Turkish lire \$16.0 million. In agreements to sell foreign currencies in exchange for U.S. dollars, for example, an appreciating dollar versus the opposing currency would generate a cash inflow for the Company at settlement, with the opposite result in agreements to buy foreign currencies for U.S. dollars. The above noted notional amounts change based upon changes in the Company's outstanding currency exposures. Based on rates existing as of September 29, 2012, the Company was in a net payable position of approximately \$3.7 million related to its currency hedges, which, upon settlement, could have a significant impact on the Company's cash flow. The Company records the impact of forward points in net interest expense.

A precise calculation of the impact of currency fluctuations is not practical since some of the contracts are between non-U.S. dollar currencies. The Company continuously monitors its foreign currency exposure and may enter into additional contracts to hedge exposure in the future. See further discussion regarding the Company's hedging activities for foreign currency in Note 10 to the Consolidated Financial Statements.

The Company is subject to credit risks relating to the ability of counterparties of hedging transactions to meet their contractual payment obligations. The risks related to creditworthiness and nonperformance have been considered in the determination of fair value for the Company's foreign currency forward exchange contracts. The Company continues to closely monitor its counterparties and will take action, as appropriate and possible, to further manage its counterparty credit risk.

The Company is also exposed to rising material prices in its manufacturing operations and, in particular, the cost of oil and natural gas-based resins. This is the primary material used in production of most Tupperware® products, and the Company estimates that 2012 cost of sales will include \$160 million for the cost of resin in the Tupperware® brand products it produces. The Company uses many different kinds of resins in its products. About three-fourths of its resins are "polyolefins" (simple chemical structure, easily refined from oil), and as such, the price of these is strongly affected by the underlying price of oil and natural gas. The remaining one-fourth of its resins is more highly engineered, where the price of oil and natural gas plays a less direct role in determining price. With a comparable product mix and exchange rates, a 10 percent fluctuation in the cost of resin would impact the Company's annual cost of sales by about \$16 million compared with the prior year. For the third quarter of 2012, the Company estimates its cost of sales of the Tupperware® products it produced was about \$0.5 million lower on a local currency basis, due to resin cost changes as compared with 2011. For the full year of 2012, the Company estimates its cost of sales of the Tupperware® products it produces will be positively impacted by about \$1 million, on a local currency basis, due to resin cost changes as compared with 2011. The Company partially manages its risk associated with rising resin costs by utilizing a centralized procurement function that is able to take advantage of bulk discounts while maintaining multiple suppliers and also enters into short-term pricing arrangements. It also manages its margin through the pricing of its products, with price increases generally in line with consumer inflation in each market, and its mix of sales through its promotional programs and discount offers. It may also, on occasion, make advance material purchases to take advantage of available favorable pricing. At this point in time, the Company has determined that entering into forward contracts for resin is not practical or cost beneficial and has no such contracts in place. However, should circumstances warrant, the Company may consider such contracts in the future.

The Company has a program to sell land held for development around its Orlando, Florida headquarters. This program is exposed to the risks inherent in the real estate development process. Included among these risks is the ability to obtain all government approvals, the success of buyers in attracting tenants for commercial or residential developments in the Orlando real estate market or obtaining financing and general economic conditions, such as interest rate increases. The Company's land sale program has been negatively impacted by the drivers and ramifications of the credit crisis and real estate market conditions in the United States, which have delayed the

completion of this program.

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Forward-Looking Statements

Certain written and oral statements made or incorporated by reference from time to time by the Company or its representatives in this report, other reports, filings with the Securities and Exchange Commission, press releases, conferences or otherwise are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Statements in this report or elsewhere that are not based on historical facts or information are forward-looking statements. Such forward-looking statements involve risks and uncertainties which may cause actual results to differ materially from those projected in forward-looking statements. Such risks and uncertainties include, among others, the following:

- successful recruitment, retention and productivity levels of the Company's independent sales forces;
- disruptions caused by the introduction of new distributor operating models or sales force compensation systems;
- success of new products and promotional programs;
- the ability to implement appropriate product mix and pricing strategies;
 - governmental regulation of materials used in products coming into contact with food (e.g. polycarbonate) as well as beauty, personal care and nutritional products;
- the impact of changes in consumer spending patterns and preferences, particularly given the global nature of the Company's business;
- the value of long-term assets, particularly goodwill and indefinite lived intangibles associated with acquisitions, and the realizability of the value of recognized tax assets;
- changes in plastic resin prices, other raw materials and packaging components, the cost of converting such items into finished goods and procured finished products and the cost of delivering products to customers;
- the introduction of Company operations in new markets outside the United States;
- general social, economic and political conditions in markets;
- issues arising out of the sovereign debt crisis in Europe, resulting in potential economic and operational challenges for the Company's European supply chain, heightened counterparty credit risk due to adverse effects on customers and suppliers, exchange controls and translation risks due to potential impairments of investments in affected markets and the potential for banks with which the Company maintains lines of credit to be unable to fulfill their commitments;
- disruptions resulting from either internal or external labor strikes, work stoppages, or similar difficulties;
- changes in cash flow resulting from changes in operating results, working capital management, debt payments, share repurchases and hedge settlements;
- the impact of currency fluctuations on the value of foreign operations, including their cash balances, the results of those operations and the cost of sourcing products across geographies and the success of foreign hedging and risk management strategies;
- the impact of natural disasters and epidemic or pandemic disease outbreaks;
- the ability to repatriate, or otherwise make available, cash in the United States and to do so at a favorable foreign exchange rate and with favorable tax ramifications;
- the ability to obtain all government approvals on, and to control the cost of infrastructure obligations associated with, land development;
- the ability to timely and effectively implement, transition, maintain and protect necessary information technology systems and infrastructure;
- the ability to attract and retain certain executive officers and key management personnel;

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the success of land buyers in attracting tenants for commercial and residential development and obtaining financing;
the costs and covenant restrictions associated with the Company's credit arrangements;
integration of non-traditional product lines into Company operations;
the effect of legal, regulatory and tax proceedings, as well as restrictions imposed on the Company's operations or Company representatives by foreign governments, including exposure to tax responsibilities imposed on the sales force and their potential impact on the sales force's value chain and resulting disruption to the business;
the effect of competitive forces in the markets in which the Company operates, particularly related to sales of beauty, personal care and nutritional products, where there are a greater number of competitors;
the impact of changes in tax or other laws;
the Company's access to financing; and
other risks discussed in Item 1A, Risk Factors, of the Company's 2011 Annual Report on Form 10-K, as well as the Company's Consolidated Financial Statements, Notes, other financial information appearing elsewhere in this report and the Company's other filings with the United States Securities and Exchange Commission.

The Company does not intend to update forward-looking information other than in its quarterly earnings releases unless it expects diluted earnings per share for the current quarter, excluding items impacting comparability and the impact of changes in foreign exchange rates, to be significantly below its previous guidance.

Investors should also be aware that while the Company does, from time to time, communicate with securities analysts, it is against the Company's policy to disclose to them any material non-public information or other confidential commercial information. Accordingly, it should not be assumed that the Company agrees with any statement or report issued by any analyst irrespective of the content of the confirming financial forecasts or projections issued by others.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

The Company maintains disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15(d)-15(e)) that are designed to ensure that information required to be disclosed in the Company's reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and that such information is accumulated and communicated to the Company's management, including the Chief Executive Officer and the Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognized that controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives.

As of the end of the period covered by this report, management, under the supervision of the Company's Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the design and operation of the disclosure controls and procedures were effective.

Changes in Internal Controls

There have been no significant changes in the Company's internal control over financial reporting during the Company's third quarter that have materially affected or are reasonably likely to materially affect its internal control over financial reporting, as defined in Rule 13a-15(f) promulgated under the Securities Exchange Act of 1934.

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OTHER INFORMATION

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

	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares that May yet be Purchased Under the Plans or Programs (a)
7/1/12 - 8/4/12	135,791	\$52.61	135,791	\$ 490,173,855
8/5/12 - 9/1/12	332,760	53.66	332,760	472,317,971
9/2/12 - 9/29/12	—	—	—	472,317,971
	468,551	\$53.36	468,551	\$ 472,317,971

(a) Open market repurchases are being made under an authorization that runs until February 1, 2015 and allows up to \$1.2 billion to be spent.

Item 6. Exhibits

(a) Exhibits

- 31.1 Rule 13a-14(a)/15d-14(a) Certification of the Chief Executive Officer
- 31.2 Rule 13a-14(a)/15d-14(a) Certification of the Chief Financial Officer
- 32.1 Certification Pursuant to Section 1350 of Chapter 63 of Title 18 of the United States Code by the Chief Executive Officer
- 32.2 Certification Pursuant to Section 1350 of Chapter 63 of Title 18 of the United States Code by the Chief Financial Officer

101 The following financial statements from Tupperware Brands Corporation's Quarterly Report on Form 10-Q for the quarter ended September 29, 2012, filed on November 6, 2012, formatted in XBRL (eXtensible Business Reporting Language): (i) Consolidated Statements of Income, (ii) Consolidated Statements of Comprehensive Income, (iii) Consolidated Balance Sheets, (iv) Consolidated Statements of Cash Flows, (v) Notes to Consolidated Financial Statements, tagged in detail.

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SIGNATURES

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

TUPPERWARE BRANDS CORPORATION

By: /S/ MICHAEL S. POTESHMAN
Executive Vice President and Chief Financial Officer

By: /S/ NICHOLAS K. POUCHER
Vice President and Controller

Orlando, Florida
November 6, 2012