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

x 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
o 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	36-4062333
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
14901 South Orange Blossom Trail, Orlando, Florida	32837
(Address of principal executive offices)	(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 x No o

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 x No o

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

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

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)

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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(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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(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, 2012	December 31, 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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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
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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 Asia Pacific Tupperware North America	Primarily design-centric preparation, storage and serving solutions for the kitchen and home through the Tupperware® brand. Europe also includes Avroy Shlain® and Nutrimetics® units that sell beauty and personal care products. Asia Pacific also sells beauty and personal care 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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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.

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	September 29, 2012		December 31, 2011	
(in millions)	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:

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

	December 31, 2011			
	Asset derivatives		Liability derivatives	
Derivatives not designated as hedging instruments (in millions)	Balance sheet location	Fair value	Balance sheet location	Fair value
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)	Other expense	$ (19.8)	$ 23.7

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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)	
Cash flow hedging relationships	2012	2011		2012	2011		2012	2011
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)	
Cash flow hedging relationships	2012	2011		2012	2011		2012	2011
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)

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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.

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

	Outstanding		Exercisable	
	Shares subject to option	Weighted average exercise price per share	Options exercisable at end of period	Weighted average exercise price per share
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.

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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Condensed Consolidating Balance Sheet

	September 29, 2012				
(In millions)	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					
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

	December 31, 2011				
(In millions)	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					
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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TUPPERWARE BRANDS CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Unaudited)

Consolidating Statement of Income

	13 Weeks Ended September 29, 2012				
(In millions)	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

	13 Weeks Ended October 1, 2011				
(In millions)	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

	39 Weeks Ended September 29, 2012				
(In millions)	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

	40 Weeks Ended October 1, 2011				
(In millions)	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