



Annual Report 2012



Annual Meeting

We cordially invite you to attend the Annual Meeting of Shareholders of Common Stock to be held at 9:30 a.m. on Thursday, April 25, 2013, at the Company's Corporate Headquarters, One Crown Way, Philadelphia, Pennsylvania. A formal notice of this meeting, together with the Proxy Statement and Proxy Card, was mailed to each shareholder of common stock of record as of the close of business on March 5, 2013, and only holders of record on said date will be entitled to vote. The Board of Directors of the Company requests the shareholders of common stock to sign proxies and return them in advance of the meeting or register your vote by telephone or through the internet.

Table of Contents

FINANCIAL HIGHLIGHTS

LETTER TO SHAREHOLDERS

BOARD OF DIRECTORS AND CORPORATE OFFICERS

2012 ANNUAL REPORT ON FORM 10-K

DIVISION OFFICERS

INVESTOR INFORMATION

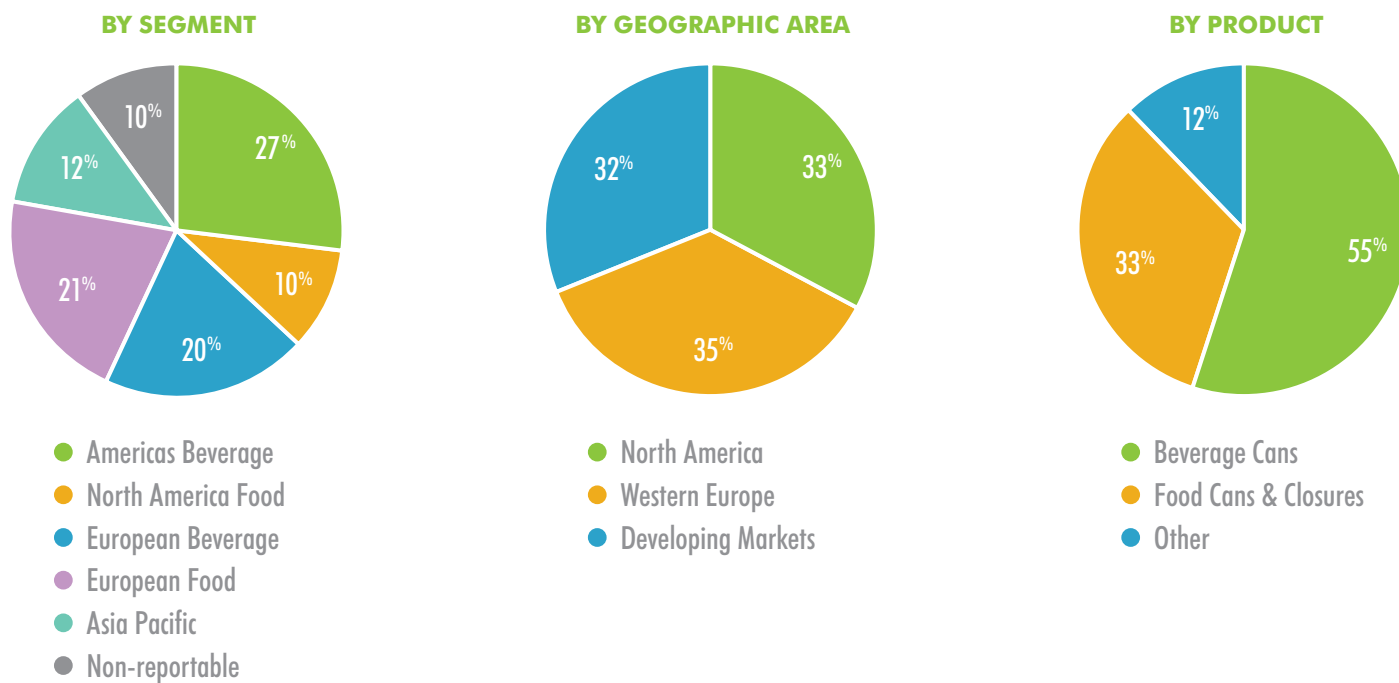
Financial Highlights

(in millions, except share, per share, employee, and statistical data)

	2012	2011	% Change
NET SALES	\$ 8,470	\$ 8,644	(2.0)
GROSS PROFIT	1,277	1,348	(5.3)
INTEREST EXPENSE	226	232	(2.6)
NET INCOME ATTRIBUTABLE TO CROWN HOLDINGS	557	282	97.5
PER AVERAGE COMMON SHARE:			
EARNINGS ATTRIBUTABLE TO CROWN HOLDINGS - DILUTED	\$ 3.75	\$ 1.83	104.9
MARKET PRICE (CLOSING) (1)	36.81	33.58	9.6
TOTAL ASSETS	\$ 7,490	\$ 6,899	8.6
COMMON SHARES REPURCHASED	6,954,968	7,965,176	(12.7)
CASH FLOW FROM OPERATIONS	\$ 621	\$ 379	63.9
CAPITAL EXPENDITURES	324	401	(19.2)
NUMBER OF EMPLOYEES	21,856	20,655	5.8
SHARES OUTSTANDING AT DECEMBER 31	143,136,473	148,449,293	(3.6)
AVERAGE SHARES OUTSTANDING - DILUTED	148,407,801	154,273,649	(3.8)

(1) Source: New York Stock Exchange - Composite Transactions

Net Sales 2012



2012 Chairman's Letter

Dear Fellow Shareholder,

Our results for 2012 once again demonstrate the essential nature of the metal packaging products we offer and the Company's ability to prosper in all environments. While our operating results for 2012 did not meet our initial expectations, primarily due to the effects of unfavorable weather and continued economic weakness in Europe, we successfully adapted to these changing circumstances and exceeded our cash flow target for the year. We returned over \$250 million of that cash to shareholders with the repurchase of 5% of the Company's outstanding common shares, and in 2013 we look forward to even greater cash flow as we see increased contributions from our recent investments in capacity expansions and restructuring actions.

Over the last four years, we have successfully implemented an ambitious capacity expansion program in our beverage can businesses, primarily focused on growing markets in Asia Pacific, Brazil and Eastern Europe. Sales of beverage cans in developing markets accounted for 47% of our total beverage can sales in 2012.

With a 5% increase in global sales unit volumes, driven by growth of 16% in Asia Pacific and 15% in Brazil, beverage cans accounted for 55% of our total revenue in 2012. Our Asia Pacific beverage can business has grown to such an extent that we began reporting the region's results as a separate business segment in the fourth quarter of 2012. In 2013, we are expecting increased volume and contribution from the projects we completed in 2012, including three new beverage can plants in China, a new plant in Turkey, a production line in Cambodia, capacity expansion in Vietnam, and the integration of a beverage can facility in Vietnam that we acquired in the fourth quarter of 2012. In the first half of 2013, we expect to commercialize new beverage can plants in Cambodia, Thailand and Vietnam and add second beverage can production lines in two existing plants in China and Malaysia.

These, as with all of our capacity additions, are being built to meet demand from global and regional beverage companies. Their growth, in turn, is being driven by the growing and aspiring middle class in these markets. At the same time, we are benefiting from our customers' increasing use of the two-piece beverage can to package their products.

Food cans, which remain the safest and most economical way to deliver nutritious and convenient food to consumers, accounted for 29% of our global revenue in 2012. Our North American Food can and closures business turned in another strong performance and we believe remains best-in-class in terms of operating efficiency, margins and profitability. But we can do better. In an effort to spur consumer demand for canned food products we are participating in an industry-sponsored, multi-platform marketing campaign to educate and raise awareness of the benefits and advantages of canned foods over frozen, glass, paper, plastic and flexible packaged food. Simply put, they are better for you, are already prepared and ready to eat or add to a recipe, and need no added preservatives because the airtight can protects them from oxygen, germs and light. This campaign is being coordinated with the fillers and grocery retailers who appreciate the fact that cans ship and warehouse easily, need no refrigeration or freezer, have a longer shelf life, stack and display easily and do not break or shatter.

During 2012, Europe experienced continued macroeconomic challenges as well as one of the coldest, wettest summers on record. Our food can business was not immune to these developments and, in response, our European Food can and closures business took swift action to lower its manufacturing and inventory levels. We began executing a restructuring plan to better align capacity, and as a result, we expect to begin realizing cost savings and productivity increases in the second half of 2013. With more normalized weather patterns in 2013 we would expect a better harvest and filling levels and demand from food canners to increase.

Our non-reportable segment, which now is comprised of our global aerosol, European specialty packaging and equipment manufacturing businesses, posted lower net sales and volumes in 2012. The decrease reflects lower consumer spending for discretionary consumer and household products as well as lower relative demand for paint. With an eye toward increased profitability and operating efficiencies, we initiated restructuring efforts around these businesses in 2012 and expect to see the benefits in the second half of 2013 with the full annualized cost savings coming in 2014.

We will continue to seek growth as opportunities arise through line additions at existing plants, new plants in developing markets that we already know and understand, and potential opportunistic acquisitions in geographic areas and product lines in which we already operate. However, I want to underscore that we always endeavor to be prudent stewards of the Company's capital. We require all of our growth plans to undergo rigorous and continuous analysis and significant risk return hurdles, all with the idea of increasing long-term shareholder value. In 2012, we canceled or postponed four previously announced capital expansion projects in response to changing circumstances.

Sustainability is another important focus for Crown from both an operational and product perspective. On the manufacturing side, our relentless focus on safety, innovation and efficiency has the inherent benefit of increasing the overall sustainability of the manufacturing process. Our efforts to drive down costs increase our energy efficiency, lower transportation expenses and reduce waste. Our products are naturally sustainable from multiple standpoints and, when compared with other packaging materials, steel and aluminum cans win hands down. I have already noted that metal cans are the ultimate container for preventing food spoilage and do so without preservatives, refrigeration or freezing. Unlike many other materials, metal is 100% recyclable, and 75% of all primary aluminum produced in the last 150 years is still in use and available through recycling. Interestingly, emerging and developing markets have the highest recycle rates for metal cans. Our sustainability efforts also are reflected in our commitment to our employees and the diverse communities in which we operate. This enables the Company to attract, protect, develop and maintain the highest quality local workforces around the world.

I have spoken many times over the years about Crown's industry leadership in technology, and we have dedicated two pages to it in this annual report. From our SuperEnd® beverage ends that reduce aluminum use by 10%, to shaped food, beverage and aerosol cans, to easier to open Orbit™ and Ideal Closure® vacuum closures, to our distinctive and advanced finishes – just to name a few – Crown has led the way over the years in breaking new ground to help our customers market their products with better shelf appeal in easier to use packaging. Our dedicated Innovation Team with its forward looking development process clearly demonstrates our commitment to providing Brand-Building Packaging™.

Looking ahead, we recognize the uncertainty surrounding global economic conditions but believe our Company's prospects are excellent. Crown is uniquely positioned with a global footprint that is increasingly weighted toward beverage cans in the most promising developing markets while maintaining a diverse portfolio of high quality metal packaging. Crown has laid a strong foundation for future unit volume and profit growth. These are busy and promising times for all of us at Crown, and we are confidently looking to 2013.

Last May, Chris Homfray stepped down as President of our European Division, a position he held since 2006. He successfully led CROWN Europe during a period of volatile currencies and commodity prices, macroeconomic challenges and significant volume growth in our European Beverage can business. Chris joined Crown in 1995 and the size and scope of our European business reflect his contributions to the organization. We thank Chris for his valuable contributions toward the seamless transition of leadership to Jerry Gifford, who was formerly President of Beverage Packaging North America.

I want to especially thank our almost 22,000 employees in our 149 plants across 41 countries around the world. Their dedication, drive and energy, day-in and day-out, were critical factors in the Company's World-Class Operating Performance and its successes in 2012.

Best regards,



JOHN W. CONWAY

Chairman of the Board and Chief Executive Officer



Brand-Building Packaging™ ... it's **a way of life** at Crown

SO WHAT EXACTLY DOES BRAND-BUILDING PACKAGING™ MEAN? IT MEANS HELPING OUR CUSTOMERS STAND OUT ON THE RETAIL SHELF. BUILD CONSUMER LOYALTY. AND DRIVE BUSINESS REGIONALLY AND GLOBALLY.

It also communicates the unique value that we bring to our customers:

- Innovation leadership;
- Commitment to sustainability, both in terms of *what* we make and *how* we make it;
- Forming collaborative relationships with our customers and providing proactive guidance to enhance their productivity and manufacturing performance; and
- Helping our customers get a foothold in emerging economies.

Breaking **New Ground**

INNOVATION. IT'S WHERE WE STARTED IN 1892 WHEN OUR FOUNDER, WILLIAM PAINTER, INVENTED THE CROWN CORK. AND IT'S STILL AT THE CORE OF WHAT WE DO EVERY DAY.



Whether improving existing products or pioneering a new concept, our research and development efforts focus on delivering innovation that responds directly to consumer needs and, in turn, helps our customers build their brands. These include:

SHELF APPEAL

The majority of consumers make buying decisions at the point-of-sale. Brands that use packaging to surprise and intrigue them have a good chance of making it into shopping carts. We offer a range of decorative finishes and printing techniques on our aerosol, beverage, food and speciality packaging containers, as well as our metal closures, to help brands win the battle.

CONVENIENCE

It's about making everyday life easier for consumers. For some, that means products that are easy to open or reclose. For others, it's about portion control or being able to enjoy their favorite brand on-the-go. Greater functionality is another form of convenience. Uniquely shaped containers that improve ergonomics are just one of the many ways we can help our customers accomplish this goal.

INCREASED ENGAGEMENT

Packaging is a great way to engage consumers. For example, the skirt of a metal closure is an underused but powerful place for brands to communicate key messages to consumers. Another option is to print messages or Quick Response (QR) codes under the cap to drive participation in promotions and contests.



OPPOSITE Gregory Saunders runs a palletizer in one of our food can plants.

Our dedicated Innovation Team executes a phased, **forward-looking development process** to drive new product development. The end result is packaging that is distinctive, efficient to produce and minimizes the amount of time it takes to get to market.



1. IDEAS

Identify market opportunities and technology response



2. CONCEPTS

Evaluate and select a winning technical/commercial concept



3. FEASIBILITY

Challenge the market opportunity and analyze the technical feasibility and risks



4. PRE-PRODUCTION

Demonstrate commercial and technical capability



5. IMPLEMENTATION

Demonstrate production capability and commercial sign-off



6. LAUNCH

Produce in quantity and deliver to customer. Audit and react.



360 End™ ▶

The 360 End™ is the world's first full aperture beverage end. It uses a **COMBINATION OF FOOD AND BEVERAGE CAN TECHNOLOGY** so that the entire lid can be removed, turning the can itself into a drinking cup and eliminating the need for separate glassware.



◀ BICAN®

BICAN® aerosol technology incorporates a plastic inner bag to keep product and propellant completely separate. This separation ensures **PROPELLANT IS NOT EMITTED DURING DISPENSING** and prevents the product from coming in contact with the package itself. The possibility of product drying or hardening is also eliminated, increasing its life span.

Easylid™ ▶

European paint manufacturers seeking the latest in convenience packaging can leverage our Easylid™ closure. Designed to make the **OPENING AND RECLOSING OF PAINT CANS SIGNIFICANTLY EASIER** by eliminating the need for extra tools, the technology made its market debut in Finland and is now available for adoption in other parts of Europe.



Ideal Closure® ▶

Our Ideal Closure® combines the characteristics of metal and plastic to offer superior barrier performance, easier opening for seniors and children and **EXCEPTIONAL BRAND DIFFERENTIATION ON THE SHELF**. Suitable for both glass and plastic containers, the Ideal Closure® also offers a great deal of branding flexibility on the center disk.



◀ Orbit™ Closure

The Orbit™ Closure is a revolutionary step change in convenience. A unique two-part design reduces torque, **MAKING THE CLOSURE SIGNIFICANTLY EASIER TO OPEN** when compared to standard twist-off closures. The closure is available in 63mm, 70mm and 82mm diameters.

Shaped Cans ▶

To stand out from the competition on the supermarket shelf, Nestlé Greece has refreshed the image of its NESCAFÉ® instant coffee using striking shaped cans. The new format **HELPS THE BRAND HIGHLIGHT ITS DISTINCTIVE OFFERING** and maintain its position as the preferred consumer choice.





Protecting the Environment **Every Day**

CANS ARE A TIME-TESTED, HIGHLY DEPENDABLE METHOD OF SAFELY AND EFFICIENTLY DELIVERING FOOD AND BEVERAGES TO CONSUMERS DAILY. CANS STACK EASILY ON STORE SHELVES, ARE SIMPLE TO STORE AND, FOR THE BEVERAGE MARKET, CHILL QUICKLY AND STAY COLD LONGER.

But the can also possesses some unique environmental advantages that many consumers are not aware of. Consider these facts:

- Metal packaging is 100% recyclable.
- Recycled in a true material-to-material loop (i.e. steel to steel), metals retain their original properties regardless of how many times they are recycled. In other words, steel and aluminum never need to be downgraded to less demanding uses after recycling. That makes both materials a **permanent resource** – not just a recycling resource.
- Metal packaging has a well-established recycling infrastructure due to the economic value of the materials. Consumers are able to recycle cans through curbside collection programs or can banks. Metal can also be easily extracted from waste streams.
- Food and beverage cans are made from steel and aluminum produced on average with more than 50% recycled material.
- Metal serves as a barrier to light and oxygen helping extend shelf life, protect product freshness and nutritional value and reduce waste – another hallmark of sustainability.
- Cans require no refrigeration during shipping and storage, reducing energy costs.

OPPOSITE Rod Hartman oversees a closure decorating line.

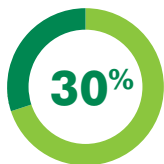
The bottom line is that metal packaging doesn't just hold its own against other forms of packaging in terms of sustainability—it **excels**.

At Crown, environmental commitment and pollution prevention are a fundamental part of our business philosophy. We are committed to policies and manufacturing practices that improve productivity and safety and reduce energy use.

Environmental considerations are also a priority in all technological developments. As a global leader in our industry, we have led the way in reducing the amount of metal used in consumer packaging. This process, called lightweighting, allows can makers to reduce the thickness of can walls without sacrificing the critical barrier and strength properties our customers need.

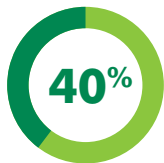
Finally, workplace safety is built into every process, procedure and system of the company and the attitudes and values of every employee. A formal Environmental Health & Safety (EH&S) program serves as the backbone to achieve a "Total Safety Culture."

More details about our commitment to all three dimensions of sustainability can be found in our 2011 Sustainability Report. Visit www.crowncork.com/sustainability to download it.



LIGHTWEIGHTING BY THE NUMBERS

THE WEIGHT OF ALUMINUM CANS HAS BEEN REDUCED BY 30% OVER THE PAST 35 YEARS.



STEEL PACKAGING WEIGHS 40% LESS THAN 30 YEARS AGO.





Superior Sustainability

When Crown introduced the revolutionary SuperEnd® beverage end in the year 2000, it was the first major breakthrough in beverage end technology in nearly 20 years. The end **REDUCES METAL USE BY 10%**, and its unique geometry delivers several key benefits to both fillers and consumers. To date, more than **400 BILLION SUPEREND® BEVERAGE ENDS HAVE BEEN PRODUCED, SAVING OVER 100,000 METRIC TONS OF ALUMINUM, 1,700 METRIC TONS OF COATINGS AND NEARLY 900,000 METRIC TONS OF GREENHOUSE GASES.**

ABOVE Maria Gallegos keeps things moving in an aerosol plant.

BELOW Terrence D. Coleman is part of the team in one of our beverage end facilities.





Customer Service that Lives Up to Its Name

PARTNERING WITH A SUPPLIER THAT OFFERS A WELL-ROUNDED AND EXPERIENCED CUSTOMER SERVICE PROGRAM IS ESSENTIAL AS BRAND OWNERS CONTINUE TO NAVIGATE THROUGH A CHALLENGING ECONOMY.



Crown delivers such a program to its customers around the world by providing support from product concept to launch. Our Customer Technical Service (CTS) team is composed of specialist engineers and food technologists that help customers enhance their production capabilities and address a range of processing issues including thermal processing, microbiology and food safety. They can also assist in resolving any ongoing production problems, filling or trialing issues as they relate to our products or answer questions about new metal packaging requirements.

Other value-added services Crown offers include:

- Our Seaming School provides comprehensive instruction and training for customers that require an update on the very latest in double seam technology. The school also provides training on recommended can closing practices for engineers and those connected with the process, such as quality personnel.
- At Crown's pilot facilities, extensive testing on new packaging products can be conducted in an environment that replicates the conditions in which packaging is filled, processed, used and handled by our customers.
- For closures customers, support includes developing, installing and maintaining capping machinery as well as training to help maximize the efficiency of sterilization, pasteurization and capping processes.
- Co-packing services help our specialty packaging customers add depth and breadth to their product lines without having to invest in specialized equipment. They also help customers keep moving products to retail when their own manufacturing resources are at capacity.



TOP Kenneth Williams, Ron Maloyed and Michelle Hawthorne co-pack products for one of our specialty packaging customers.

MIDDLE Bruce Coberly at the start of the beverage end manufacturing process.

BOTTOM Arturo Gonzales operates a coatings line in one of our decorating centers.

OPPOSITE Betty Jones works in a beverage end quality lab.

Our global footprint is also an asset when it comes to customer service. With 149 plants in 41 countries, we're able to supply high quality products with shorter lead times. This **broad geographic reach** also means we are able to function as a local supplier for many of our customers, helping them reduce shipping expenses and environmental impact.





Expanding Our Footprint

SEVERAL PROJECTS ARE UNDERWAY in our beverage can facilities. Here's a summary:

- Second **PRODUCTION LINES** are being installed in beverage can plants in Putian, China and Bangi, Malaysia.
- Construction on three **NEW BEVERAGE CAN PLANTS** is underway in Danang, Vietnam; Sihanoukville, Cambodia; and Bangkok, Thailand.



Emerging Markets

A BUDDING MIDDLE CLASS IS HELPING PRODUCERS OF A DIVERSE RANGE OF PRODUCTS, INCLUDING FOOD, BEVERAGES AND INDUSTRIAL GOODS, DISCOVER OPPORTUNITIES IN GROWING ECONOMIES IN ASIA, EASTERN EUROPE, SOUTH AMERICA, THE MIDDLE EAST AND AFRICA.

Armed with more disposable income, consumers are demanding more choice, giving packaging a vital role to play. It helps differentiate products on increasingly crowded shelves and, for international brands, ensures a consistent image and protects hard-earned brand equity.

Our team is committed to working closely with both regional and international brands to help them capitalize on opportunities in promising emerging markets with innovative metal packaging.

In some cases, that means investing in new facilities or expanding existing facilities to provide local supply. In others, we supply high quality packaging to customers in mature markets, who then export product to emerging geographies where they will reach consumers. At the end of the day, our goal is to ensure we have capacity when and where our customers need it.

Board of Directors

JENNE K. BRITELL, PH.D. ^(B)
Chairman of United Rentals
and Senior Managing Director
of Brock Capital Group

WILLIAM G. LITTLE ^(A, C, D)
Former Chairman and
Chief Executive Officer of
West Pharmaceutical Services

JOSEF M. MÜLLER ^(B)
President of Swiss Association
of Branded Consumer Goods
'PROMARCA'

JIM L. TURNER ^(C)
Principal of JLT Beverages

JOHN W. CONWAY ^(A)
Chairman of the Board and
Chief Executive Officer of the
Company

HANS J. LÖLIGER ^(C, D)
Vice Chairman of Winter Group

THOMAS A. RALPH ^(A, B, D)
Retired Partner, Dechert

WILLIAM S. URKIEL ^(B)
Former Senior Vice President and
Chief Financial Officer of IKON
Office Solutions

ARNOLD W. DONALD ^(C)
Principal of AWDPLC

JAMES H. MILLER
Former Chairman and
Chief Executive Officer of
PPL Corporation

HUGUES DE ROURET ^(B)
Honorary Chairman of Automobile
Club de France Management
Company; Chairman of the
European School of Management;
and Member of the Chamber of
Commerce and Industry of Paris

COMMITTEES A – EXECUTIVE B – AUDIT C – COMPENSATION D – NOMINATING AND CORPORATE GOVERNANCE

Corporate Officers

JOHN W. CONWAY
Chairman of the Board and
Chief Executive Officer

WILLIAM T. GALLAGHER
Senior Vice President, Secretary
and General Counsel

MICHAEL B. BURNS
Vice President and Treasurer

TORSTEN J. KREIDER
Vice President –
Planning and Development

TIMOTHY J. DONAHUE
President and
Chief Operating Officer

THOMAS A. KELLY
Senior Vice President and
Chief Financial Officer

KEVIN C. CLOTHIER
Vice President and
Corporate Controller

ADAM J. DICKSTEIN
Assistant Corporate Secretary and
Assistant General Counsel

MICHAEL J. ROWLEY
Assistant Corporate Secretary and
Assistant General Counsel

DANIEL A. ABRAMOWICZ
Executive Vice President –
Corporate Technology and
Regulatory Affairs

KAREN E. BERIGAN
Vice President –
Corporate Risk Management

MICHAEL F. DUNLEAVY
Vice President – Corporate Affairs
and Public Relations

ROSEMARY M. HASELROTH
Assistant Corporate Secretary

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2012

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from ___ to ___

COMMISSION FILE NUMBER 0-50189

CROWN HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

Pennsylvania (State or other jurisdiction of incorporation or organization)	75-3099507 (I.R.S. Employer Identification No.)
One Crown Way, Philadelphia, PA (Address of principal executive offices)	19154-4599 (Zip Code)
Registrant's telephone number, including area code: 215-698-5100	

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

<u>Title of each class</u>	<u>Name of each exchange on which registered</u>
Common Stock \$5.00 Par Value	New York Stock Exchange
7 ³ / ₈ % Debentures Due 2026	New York Stock Exchange
7 ¹ / ₂ % Debentures Due 2096	New York Stock Exchange

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT: NONE
(Title of Class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes No

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 filings 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 such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/> (Do not check if a smaller reporting company)	Smaller reporting company	<input type="checkbox"/>

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 June 30, 2012, 148,907,165 shares of the Registrant's Common Stock, excluding shares held in Treasury, were issued and outstanding, and the aggregate market value of such shares held by non-affiliates of the Registrant on such date was \$5,135,808,121 based on the New York Stock Exchange closing price for such shares on that date.

As of February 21, 2013, 143,200,728 shares of the Registrant's Common Stock were issued and outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

<u>Document</u>	<u>Parts Into Which Incorporated</u>
Proxy Statement for the Annual Meeting of Shareholders to be held April 25, 2013	Part III to the extent described therein

2012 FORM 10-K ANNUAL REPORT

TABLE OF CONTENTS

PART I

Item 1	Business	1
Item 1A	Risk Factors	6
Item 1B	Unresolved Staff Comments	20
Item 2	Properties	20
Item 3	Legal Proceedings	22
Item 4	Reserved	22

PART II

Item 5	Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities	23
Item 6	Selected Financial Data	25
Item 7	Management’s Discussion and Analysis of Financial Condition and Results of Operations	26
Item 7A	Quantitative and Qualitative Disclosures About Market Risk	43
Item 8	Financial Statements and Supplementary Data	44
Item 9	Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	111
Item 9A	Controls and Procedures	111
Item 9B	Other Information	112

PART III

Item 10	Directors, Executive Officers and Corporate Governance	112
Item 11	Executive Compensation	112
Item 12	Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	112
Item 13	Certain Relationships and Related Transactions, and Director Independence	112
Item 14	Principal Accounting Fees and Services	112

PART IV

Item 15	Exhibits and Financial Statement Schedules	113
SIGNATURES		122

PART I

ITEM 1. BUSINESS

Crown Holdings, Inc. (the “Company” or the “Registrant”) (where the context requires, the “Company” shall include reference to the Company and its consolidated subsidiary companies) is a Pennsylvania corporation.

The Company is a worldwide leader in the design, manufacture and sale of packaging products for consumer goods. The Company’s primary products include steel and aluminum cans for food, beverage, household and other consumer products and metal vacuum closures and caps. These products are manufactured in the Company’s plants both within and outside the U.S. and are sold through the Company’s sales organization to the soft drink, food, citrus, brewing, household products, personal care and various other industries. At December 31, 2012, the Company operated 149 plants along with sales and service facilities throughout 41 countries and had 21,900 employees. Consolidated net sales for the Company in 2012 were \$8.5 billion with 73% of 2012 net sales derived from operations outside the U.S.

DIVISIONS AND OPERATING SEGMENTS

The Company’s business is organized geographically within three divisions, Americas, Europe and Asia Pacific. Within each Division, the Company is generally organized along product lines. The Company’s reportable segments within the Americas Division are Americas Beverage and North America Food. The Company’s reportable segments within the European Division are European Beverage and European Food. Americas Beverage includes beverage can operations in the U.S., Brazil, Canada, Colombia and Mexico. North America Food includes food can and metal vacuum closure operations in the U.S. and Canada. European Beverage includes beverage can operations in Europe, the Middle East and North Africa. European Food includes food can and metal vacuum closure operations in Europe and Africa.

The Company’s Asia Pacific Division consists of beverage and non-beverage can operations, primarily food cans and specialty packaging. In the fourth quarter of 2012, the Company changed the internal reporting of its Asia Pacific businesses and in connection with the change, began separately reporting Asia Pacific as a reportable segment. Prior to 2012, the Company’s Asia Pacific businesses were included in non-reportable segments. The Company’s non-reportable segments now include its European Specialty Packaging business, its aerosol can businesses in North America and Europe and its tooling and equipment operations in the U.S. and United Kingdom.

Financial information concerning the Company’s operating segments, and within selected geographic areas, is set forth within “Management’s Discussion and Analysis of Financial Condition and Results of Operations” of this Annual Report and under [Note X](#) to the consolidated financial statements.

AMERICAS DIVISION

The Americas Division includes operations in the U.S., Brazil, Canada, the Caribbean, Colombia and Mexico. These operations manufacture beverage, food and aerosol cans and ends, specialty packaging and metal vacuum closures and caps. At December 31, 2012, the division operated 46 plants in 8 countries and had 5,600 employees. In 2012, the Americas Division had net sales of \$3.4 billion. In 2012, 67% of the division’s net sales were derived from within the United States. Within the Americas Division the Company has determined that there are two reportable segments: Americas Beverage and North America Food. North America Aerosol and food can operations in the Caribbean are not included as reportable segments.

Americas Beverage

The Americas Beverage segment manufactures aluminum beverage cans and ends and steel crowns, commonly referred to as “bottle caps.” Americas Beverage had net sales in 2012 of \$2.3 billion (26.8% of consolidated net sales) and segment income (as defined under [Note X](#) to the consolidated financial statements) of \$311 million.

North America Food

The North America Food segment manufactures steel and aluminum food cans and ends and metal vacuum closures. North America Food had net sales in 2012 of \$876 million (10.3% of consolidated net sales) and segment income (as defined under [Note X](#) to the consolidated financial statements) of \$146 million.

EUROPEAN DIVISION

The European Division includes operations in Eastern and Western Europe, the Middle East and North Africa. These operations manufacture beverage, food and aerosol cans and ends, specialty packaging and metal vacuum closures and caps. At December 31, 2012, the division operated 71 plants in 27 countries and had 11,200 employees. Net sales in 2012 were \$4.0 billion. Within the European Division, net sales in the United Kingdom were \$757 million and in France were \$568 million in 2012 or 18.9% and 14.2% of division net sales, respectively.

Within the European Division, the Company has determined that European Beverage and European Food are reportable segments. The Company's European Aerosol and European Specialty Packaging businesses are not included as reportable segments.

European Beverage

The European Beverage segment manufactures steel and aluminum beverage cans and ends. European Beverage had net sales in 2012 of \$1.7 billion (19.5% of consolidated net sales) and segment income (as defined under [Note X](#) to the consolidated financial statements) of \$217 million.

European Food

The European Food segment manufactures steel and aluminum food cans and ends, and metal vacuum closures. European Food had net sales in 2012 of \$1.8 billion (21.2% of consolidated net sales) and segment income (as defined under [Note X](#) to the consolidated financial statements) of \$180 million.

ASIA PACIFIC DIVISION

The Company's Asia Pacific Division consists of beverage can operations in Cambodia, China, Malaysia, Singapore, Thailand and Vietnam and non-beverage can operations, primarily including food cans and specialty packaging in China, Singapore, Thailand and Vietnam. At December 31, 2012, the division operated 32 plants in 6 countries and had 4,300 employees. Net sales in 2012 were \$979 million (11.6% of consolidated net sales) and beverage can and end sales were 83.6% of division sales. During the fourth quarter of 2012, the Company acquired an aluminum beverage can and end production facility in Vietnam and also acquired a controlling interest in Superior Multi-Packaging Ltd., a listed company on the Singapore Exchange, which primarily produces specialty packaging products in China, Singapore and Vietnam.

PRODUCTS

Beverage Cans

The Company supplies beverage cans and ends and other packaging products to a variety of beverage and beer companies, including Anheuser-Busch InBev, Carlsberg, Coca-Cola, Cott Beverages, Dr Pepper Snapple Group, Heineken, National Beverage and Pepsi-Cola, among others. The Company's beverage can business is built around local, regional and global markets, which has served to develop the Company's understanding of global consumer expectations.

The beverage market is dynamic and highly competitive, with each packaging manufacturer working together with its customers to satisfy consumers' ever-changing needs. The Company competes by offering its customers broad market knowledge, resources at all levels of its worldwide organization and extensive research and development capabilities that have enabled the Company to provide its customers with innovative products. The Company meets its customers' beverage packaging needs with an array of two-piece beverage cans and ends and metal bottle caps. Innovations include the SuperEnd® beverage can end and shaped beverage cans which provide size differentiation, such as, slim line cans for low calorie products or larger sizes for high volume consumption. The Company expects to continue to add capacity in many of the growth markets around the world.

Beverage can manufacturing is capital intensive, requiring significant investment in tools and machinery. The Company seeks to effectively manage its invested capital and is continuing its efforts to reduce can and end diameter, lighten its cans, reduce non-metal costs and water and energy usage while improving production processes.

Food Cans and Closures

The Company manufactures a variety of food cans and ends, including two- and three-piece cans in numerous shapes and sizes, and sells food cans to food marketers such as Bonduelle, Cecab, ConAgra, Continentale, Mars, Simmons Foods, Nestlé, Princes Group and Stockmeyer, among others. The Company offers a wide variety of metal vacuum closures and sealing equipment

solutions to leading marketers such as Abbot Laboratories, Danone, H. J. Heinz, Nestlé, Premier Foods, Princes Group and Unilever, among others, from a network of metal vacuum closure plants around the world. The Company supplies total packaging solutions, including metal and composite closures, capping systems and services while working closely with customers, retailers and glass and plastic container manufacturers to develop innovative closure solutions and meet customer requirements.

Technologies used to produce food cans include three-piece welded, two-piece drawn and wall-ironed and two-piece drawn and redrawn. The Company also offers its LIFTOFF™ series of food ends, including its Easylift™ full aperture steel food can ends, and PeelSeam™, a flexible aluminum foil laminated end. The Company offers expertise in closure design and decoration, ranging from quality printing of the closure in up to nine colors, to inside-the-cap printing, which offers customers new promotional possibilities, to better product protection through Ideal Closures™, Orbit™ and Superplus™. The Company's commitment to innovation has led to developments in packaging materials, surface finishes, can shaping, lithography, filling, retorting, sealing and opening techniques and environmental performance. The Company manufactures easy open, vacuum and conventional ends for a variety of heat-processed and dry food products including fruits and vegetables, meat and seafood, soups, ready-made meals, infant formula, coffee and pet food.

Aerosol Cans

The Company's customers for aerosol cans and ends include manufacturers of personal care, food, household and industrial products, including Colgate Palmolive, Procter & Gamble, SC Johnson and Unilever, among others. The aerosol can business is highly competitive. The Company competes by offering its customers a broad range of products including multiple sizes, multiple color schemes and shaped packaging.

Specialty Packaging

The Company's specialty packaging business through 2012 was located primarily in Europe and serves many major European and multinational companies. At the end of 2012 the Company, as discussed above, added operations in China, Singapore and Vietnam with the acquisition of Superior Multi-Packaging, Ltd. The Company produces a wide variety of specialty containers with numerous lid and closure variations. The Company's specialty packaging customers include Abbott Laboratories, Akzo Nobel, Britvic, Kraft, Mars, Nestlé, PPG, Teisseire and United Biscuits, among others.

SALES AND DISTRIBUTION

Global marketers qualify suppliers on the basis of their ability to provide global service, innovative designs and technologies in a cost-effective manner.

With its global reach, the Company markets and sells products to customers through its own sales and marketing staffs. In some instances, contracts with customers are centrally negotiated, but products are ordered through and distributed directly by the Company's local facilities. The Company's facilities are generally located in proximity to their respective major customers. The Company works closely with customers in order to develop new business and to extend the terms of its existing contracts.

Many customers provide the Company with quarterly or annual estimates of product requirements along with related quantities pursuant to which periodic commitments are given. Such estimates assist the Company in managing production and controlling use of working capital. The Company schedules its production to meet customer requirements. Because the production time for the Company's products is short, any backlog of customer orders in relation to overall sales is not significant.

SEASONALITY

The food packaging business is somewhat seasonal with the first quarter tending to be the slowest period as the autumn packing period in the Northern Hemisphere has ended and new crops are not yet planted. The industry generally enters its busiest period in the third quarter when the majority of fruits and vegetables are harvested. Due to this seasonality, inventory levels increase in the first half of the year to meet peak demand in the second and third quarters. Weather represents a substantial uncertainty in the yield of food products and is a major factor in determining the demand for food cans in any given year. Generally, beverage products are consumed in greater amounts during the warmer months of the year and sales and earnings have generally been higher in the second and third quarters of the calendar year.

The Company's other businesses primarily include aerosol and specialty packaging and canmaking equipment, which tend not to be as significantly affected by seasonal variations.

COMPETITION

Most of the Company's products are sold in highly competitive markets, primarily based on price, quality, service and performance. The Company competes with other packaging manufacturers as well as with fillers, food processors and packers, some of whom manufacture containers for their own use and for sale to others. The Company's competitors include, but are not limited to, Ardagh Group, Ball Corporation, BWAY Corporation, Can-Pack S.A., Metal Container Corporation, Mivisa Envases S.A.U., Rexam PLC and Silgan Holdings Inc.

CUSTOMERS

The Company's largest customers consist of many of the leading manufacturers and marketers of packaged consumer products in the world. Consolidation trends among beverage and food marketers have led to a concentrated customer base. The Company's top ten global customers represented in the aggregate 28% of its 2012 net sales. In each of the years in the period 2010 through 2012, no one customer of the Company accounted for more than ten percent of the Company's net sales. Each operating segment of the Company has major customers and the loss of one or more of these major customers could have a material adverse effect on an individual segment or the Company as a whole. Major customers include those listed above under the Products discussion. In addition to sales to Coca-Cola and Pepsi-Cola, the Company also supplies independent licensees of Coca-Cola and Pepsi-Cola.

RESEARCH AND DEVELOPMENT

The Company's principal Research, Development & Engineering (RD&E) Centers are located in Alsip, Illinois and Wantage, England. The Company utilizes its centralized RD&E capabilities to advance and deliver technologies for the Company's worldwide packaging activities that (1) promote development of value-added metal packaging systems for its customers, (2) design cost-efficient manufacturing processes, systems and materials that further the sustainability of metal packaging, (3) provide continuous quality and/or production efficiency improvements in its manufacturing facilities, (4) advance customer and vendor relationships, and (5) provide value-added engineering services and technical support. These capabilities facilitate (1) the identification of new and/or expanded market opportunities by working directly with customers to develop new products or enhance existing products through the application of new technologies that better differentiate products in the retail environment (for example, the creation of new packaging shapes or novel decoration methods) and/or the incorporation of consumer-valued features (for example, improved openability and/or ease of use) and (2) the reduction of manufacturing costs by reducing the material content of the Company's products (while retaining necessary performance characteristics), reducing spoilage, and/or increasing operating efficiencies in our manufacturing facilities.

The Company maintains a substantial portfolio of patents and other intellectual property (IP) in the field of metal packaging systems and is seeking strategic partnerships to extend its IP in existing and emerging markets. As a result, the Company has licensed IP in geographic regions where the Company has a limited market presence today. Existing technologies such as SuperEnd® beverage ends and can shaping have been licensed in Australia, Japan, and Africa to provide customers with more global access to Crown's brand building innovations.

The Company spent \$43 million in 2012, \$43 million in 2011, and \$42 million in 2010 in its centralized RD&E activities. Certain of these activities are expected to improve and expand the Company's product lines in the future. These expenditures include methods developed within the Company's RD&E facilities to improve manufacturing efficiencies, reduce unit costs, and develop new and/or improved value-added packaging systems. However, these expenditures do not include related product and process developments occurring within the Company's decentralized business units.

MATERIALS AND SUPPLIERS

The Company uses various raw materials, primarily aluminum and steel, in its manufacturing operations. In general, these raw materials are purchased in highly competitive, price-sensitive markets which have historically exhibited price and demand cyclicity. These and other materials used in the manufacturing process have historically been available in adequate supply from multiple sources.

Generally, the Company's principal raw materials are obtained from the major suppliers in the countries in which it operates plants. Some plants in less developed countries, which do not have local mills, obtain raw materials from nearby, more developed countries. The Company has agreements for what it considers adequate supplies of raw materials. However, sufficient quantities may not be available in the future due to, among other things, shortages due to excessive demand, weather or other factors, including disruptions in supply caused by raw material transportation or production delays. From time to time, some of the raw materials have been in short supply, but to date, these shortages have not had a significant impact on the Company's operations.

In 2012, consumption of steel and aluminum represented 26% and 38%, respectively, of consolidated cost of products sold, excluding depreciation and amortization. Due to the significance of these raw materials to overall cost of products sold, raw material efficiency is a critical cost component of the products manufactured. Supplier consolidations, changes in ownership, government regulations, political unrest and increased demand for raw materials in the packaging and other industries, among other risk factors, provide uncertainty as to the availability of and the level of prices at which the Company might be able to source such raw materials in the future. Moreover, the prices of aluminum and steel can be subject to significant volatility. The Company's raw material supply contracts vary as to terms and duration, with steel contracts typically one year in duration with fixed prices or set repricing dates, and aluminum contracts typically multi-year in duration with fluctuating prices based on aluminum ingot costs. The Company generally attempts to mitigate its steel and aluminum price risk by matching its purchase obligations with its sales agreements; however, there can be no assurance that the Company will be able to fully mitigate that risk.

The Company, in agreement with customers in many cases, also uses commodity and foreign currency forwards in an attempt to manage its exposure to aluminum price volatility.

There can be no assurance that the Company will be able to fully recover from its customers the impact of aluminum and steel price increases or that the use of derivative instruments will effectively manage the Company's exposure to price volatility. In addition, if the Company is unable to purchase steel and aluminum for a significant period of time, its operations would be disrupted and if the Company was unable to fully recover the higher cost of steel and aluminum, its financial results may be adversely affected. The Company continues to monitor this situation and the effect on its operations. As a result of continuing global supply and demand pressures, other commodity-related costs affecting the Company's business may increase as well, including natural gas, electricity and freight-related costs. The Company intends to increase prices on its products accordingly in order to recover these costs.

In response to the volatility of raw material prices, ongoing productivity and cost reduction efforts in recent years have focused on improving raw material cost management.

The Company's manufacturing facilities are dependent, in varying degrees, upon the availability of water and processed energy, such as natural gas and electricity. Certain of these may become difficult or impossible to obtain on acceptable terms due to external factors which could increase the Company's costs or interrupt its business.

Aluminum and steel, by their very nature, can be recycled at high effectiveness and can be repeatedly reused to form new consumer packaging with minimal or no degradation in performance, quality or safety.

By recycling these metals, large amounts of energy can be saved and significant water use and carbon dioxide emissions avoided.

SUSTAINABILITY AND ENVIRONMENTAL, HEALTH AND SAFETY MATTERS

The Company's operations are subject to numerous laws and regulations governing the protection of the environment, disposal of waste, discharges into water, emissions into the atmosphere and the protection of employee health and safety. Future regulations may impose stricter environmental requirements on the packaging industry and may require additional capital investment. Anticipated future restrictions in some jurisdictions on the use of certain coatings may require the Company to employ additional control equipment or process modifications. The Company has a Corporate Sustainability Policy and a Corporate Environmental Protection Policy. Environmental awareness is a key component of sustainability. Environmental considerations are among the criteria by which the Company evaluates projects, products, processes and purchases. The Company is committed to continuous improvement in product design and manufacturing practices to provide the best outcome for the human and natural environment, both now and in the future. By reducing the per-unit amount of raw materials used in manufacturing its products, the Company can significantly reduce the amount of energy, water and other resources and associated emissions necessary to manufacture metal containers. The Company aims to continue that process of improvement in its manufacturing process to assure that consumers and the environment are best served through the use of metal packaging. The Company is also committed to providing a safe work environment for its employees through programs that emphasize safety awareness and the elimination of injuries and incidents. There can be no assurance that current or future environmental laws or liabilities will not have a material effect on the Company's financial condition, liquidity or results of operations. Discussion of the Company's environmental matters is contained within "Management's Discussion and Analysis of Financial Condition and Results of Operations" of this Annual Report under the caption "Environmental Matters," and under [Note L](#) to the consolidated financial statements.

WORKING CAPITAL

The Company generally uses cash during the first nine months of the year to finance seasonal working capital needs. The Company's working capital requirements are funded by cash on hand, its revolving credit facility, its receivables securitization and factoring programs, and from operations.

Further information relating to the Company's liquidity and capital resources is set forth within "Management's Discussion and Analysis of Financial Condition and Results of Operations" of this Annual Report under the captions "Liquidity" and "Debt Refinancings" and under [Note Q](#) to the consolidated financial statements.

Collection and payment periods tend to be longer for some of the Company's operations located outside the U.S. due to local business practices.

EMPLOYEES

At December 31, 2012, the Company had 21,900 employees. Collective bargaining agreements with varying terms and expiration dates cover 12,200 employees. The Company does not expect that renegotiations of the agreements expiring in 2013 will have a material adverse effect on its consolidated results of operations, financial position or cash flow.

AVAILABLE INFORMATION

The Company's internet website address is www.crowncork.com. Information on the Company's website is not incorporated by reference in this Annual Report on Form 10-K. The Company's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and all amendments to those reports filed by the Company with the U.S. Securities and Exchange Commission pursuant to sections 13(a) and 15(d) of the Securities Exchange Act of 1934, as amended, are accessible free of charge through the Company's website as soon as reasonably practicable after the documents are filed with, or otherwise furnished to, the U. S. Securities and Exchange Commission. The Company's SEC filings are also available for reading and copying at the SEC's Public Reference Room at 100 F Street, NE, Washington, D.C. 20549. Information on the operation of the Public Reference room may be obtained by calling the SEC at 1-800-SEC-0330. In addition, the SEC maintains an internet site (<http://www.sec.gov>) containing reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. The Company's Code of Business Conduct and Ethics, its Corporate Governance Guidelines, and the charters of its Audit, Compensation and Nominating and Corporate Governance committees are available on the Company's website. These documents are also available in print to any shareholder who requests them. Amendments to and waivers of the Code of Business Conduct and Ethics requiring disclosure under applicable SEC rules will be disclosed on the Company's website.

ITEM 1A. RISK FACTORS

In addition to factors discussed elsewhere in this Annual Report and in "Management's Discussion and Analysis of Financial Condition and Results of Operations," the following are some of the important factors that could materially and adversely affect the Company's business, financial condition and results of operations.

The Company's international operations, which generated approximately 73% of its consolidated net sales in 2012, are subject to various risks that may lead to decreases in its financial results.

The Company is an international company, and the risks associated with operating in foreign countries may have a negative impact on the Company's liquidity and net income. The Company's international operations generated approximately 73%, 73% and 72% of its consolidated net sales in 2012, 2011 and 2010, respectively. In addition, the Company's business strategy includes continued expansion of international activities, including within developing markets and areas, such as Asia, Eastern Europe, the Middle East and South America, that may pose greater risk of political or economic instability. Approximately 32%, 30% and 28% of the Company's consolidated net sales in 2012, 2011 and 2010, respectively, were generated outside of the developed markets in Western Europe, the United States and Canada. Furthermore, if the current European sovereign debt crisis continues or further deteriorates, there will likely be a negative effect on the Company's European business, as well as the businesses of the Company's European customers and suppliers. If this crisis ultimately leads to a significant devaluation of the euro, the value of the Company's financial assets that are denominated in euros would be significantly reduced when translated to U.S. dollars for financial reporting purposes. Any of these conditions could ultimately harm the Company's overall business, prospects, operating results, financial condition and cash flows and such harm may be more pronounced if the Company expands in Western Europe through potential acquisitions or otherwise.

Crown Holdings, Inc.

Emerging markets are a focus of the Company's international growth strategy. The developing nature of these markets and the nature of the Company's international operations generally are subject to various risks, including:

- foreign governments' restrictive trade policies;
- inconsistent product regulation or policy changes by foreign agencies or governments;
- duties, taxes or government royalties, including the imposition or increase of withholding and other taxes on remittances and other payments by non-U.S. subsidiaries;
- customs, import/export and other trade compliance regulations;
- foreign exchange rate risks;
- difficulty in collecting international accounts receivable and potentially longer payment cycles;
- increased costs in maintaining international manufacturing and marketing efforts;
- non-tariff barriers and higher duty rates;
- difficulties associated with expatriating cash generated or held abroad in a tax-efficient manner and changes in tax laws;
- difficulties in enforcement of contractual obligations and intellectual property rights and difficulties in protecting intellectual property or sensitive commercial and operations data or information technology systems generally;
- exchange controls;
- national and regional labor strikes;
- the geographic, language and cultural differences between personnel in different areas of the world;
- high social benefit costs for labor, including costs associated with restructurings;
- civil unrest or political, social, legal and economic instability, such as recent political turmoil in the Middle East;
- product boycotts, including with respect to the products of the Company's multi-national customers;
- customer, supplier, and investor concerns regarding operations in areas such as the Middle East;
- taking of property by nationalization or expropriation without fair compensation;
- imposition of limitations on conversions of foreign currencies into dollars or payment of dividends and other payments by non-U.S. subsidiaries;
- hyperinflation and currency devaluation in certain foreign countries where such currency devaluation could affect the amount of cash generated by operations in those countries and thereby affect the Company's ability to satisfy its obligations;
- war, civil disturbance, global or regional catastrophic events, natural disasters, such as flooding in Southeast Asia, widespread outbreaks of infectious diseases, including in emerging markets, and acts of terrorism;
- geographical concentration of the Company's factories and operations and regional shifts in its customer base;
- periodic health epidemic concerns; and
- the complexity of managing global operations.

There can be no guarantee that a deterioration of economic conditions in countries in which the Company operates or may seek to operate in the future would not have a material impact on the Company's results of operations.

As the Company seeks to expand its business globally, growth opportunities may be impacted by greater political, economic and social uncertainty and the continuing and accelerating globalization of businesses could significantly change the dynamics of the Company's competition, customer base and product offerings.

The Company's efforts to grow its businesses depend to a large extent upon access to, and its success in developing market share and operating profitably in, additional geographic markets including but not limited to Asia, Eastern Europe, the Middle East and South America. In some cases, countries in these regions have greater political and economic volatility, greater vulnerability to infrastructure and labor disruptions and differing local customer product preferences and requirements than the Company's other markets. Operating and seeking to expand business in a number of different regions and countries exposes the Company to multiple and potentially conflicting cultural practices, business practices and legal and regulatory requirements that are subject to change, including those related to tariffs and trade barriers, investments, property ownership rights, taxation and repatriation of earnings and advanced technologies. Such expansion efforts may also use capital and other resources of the Company that could be invested in other areas. Expanding business operations globally also increases exposure to currency fluctuations which can materially affect the Company's financial results. As these emerging geographic markets become more important to the Company, its competitors are also seeking to expand their production capacities and sales in these same markets, which may lead to industry overcapacity that could adversely affect pricing, volumes and financial results in such markets. Although the Company is taking measures to adapt to these changing circumstances, the Company's reputation and/or business results could be negatively affected should these efforts prove unsuccessful.

The Company may not be able to manage its anticipated growth, and it may experience constraints or inefficiencies caused by unanticipated acceleration and deceleration of customer demand.

Unanticipated acceleration and deceleration of customer demand for the Company's products may result in constraints or inefficiencies related to the Company's manufacturing, sales force, implementation resources and administrative infrastructure, particularly in emerging markets where the Company is seeking to expand production. Such constraints or inefficiencies may adversely affect the Company as a result of delays, lost potential product sales or loss of current or potential customers due to their dissatisfaction. Similarly, over-expansion, including as a result of overcapacity due to expansion by the Company's competitors, or investments in anticipation of growth that does not materialize, or develops more slowly than the Company expects, could harm the Company's financial results and result in overcapacity.

To manage the Company's anticipated future growth effectively, the Company must continue to enhance its manufacturing capabilities and operations, information technology infrastructure, and financial and accounting systems and controls. Organizational growth and scale-up of operations could strain its existing managerial, operational, financial and other resources. The Company's growth requires significant capital expenditures and may divert financial resources from other projects, such as the development of new products or enhancements of existing products or reduction of the Company's outstanding indebtedness. If the Company's management is unable to effectively manage the Company's growth, its expenses may increase more than expected, its revenue could grow more slowly than expected and it may not be able to achieve its research and development and production goals. The Company's failure to manage its anticipated growth effectively could have a material effect on its business, operating results or financial condition.

The Company's profits will decline if the price of raw materials or energy rises and it cannot increase the price of its products, and the Company's financial results could be adversely affected if the Company was not able to obtain sufficient quantities of raw materials.

The Company uses various raw materials, such as steel, aluminum, tin, water, natural gas, electricity and other processed energy, in its manufacturing operations. Sufficient quantities of these raw materials may not be available in the future or may be available only at increased prices. The Company's raw material supply contracts vary as to terms and duration, with steel contracts typically one year in duration with fixed prices and aluminum contracts typically multi-year in duration with fluctuating prices based on aluminum ingot costs. The availability of various raw materials and their prices depends on global and local supply and demand forces, governmental regulations (including tariffs), level of production, resource availability, transportation, and other factors, including natural disasters such as floods and earthquakes. In particular, in recent years the consolidation of steel suppliers, shortage of raw materials affecting the production of steel and the increased global demand for steel, including in China and other developing countries, have contributed to an overall tighter supply for steel, resulting in increased steel prices and, in some cases, special surcharges and allocated cut backs of products by steel suppliers. In addition, future steel supply contracts may provide for prices that fluctuate or adjust rather than provide a fixed price during a one-year period. As a result of continuing global supply and demand pressures, other commodity-related costs affecting its business may increase as well, including natural gas, electricity and freight-related costs.

The prices of certain raw materials used by the Company, such as steel, aluminum and processed energy, have historically been subject to volatility. In 2012, consumption of steel and aluminum represented 26% and 38%, respectively, of the Company's consolidated cost of products sold, excluding depreciation and amortization. While certain, but not all, of the Company's contracts pass through raw material costs to customers, the Company may be unable to increase its prices to offset increases in raw material costs without suffering reductions in unit volume, revenue and operating income. In addition, any price increases may take effect after related cost increases, reducing operating income in the near term. Significant increases in raw material costs may increase the Company's working capital requirements, which may increase the Company's average outstanding indebtedness and interest expense and may exceed the amounts available under the Company's senior secured credit facilities and other sources of liquidity. In addition, the Company hedges raw material costs on behalf of certain customers and may suffer losses if such customers are unable to satisfy their purchase obligations.

If the Company is unable to purchase steel, aluminum or other raw materials for a significant period of time, the Company's operations would be disrupted and any such disruption may adversely affect the Company's financial results. If customers believe that the Company's competitors have greater access to raw materials, perceived certainty of supply at the Company's competitors may put the Company at a competitive disadvantage regarding pricing and product volumes.

The substantial indebtedness of the Company could prevent it from fulfilling its obligations under its indebtedness.

The Company has substantial outstanding indebtedness. As a result of the Company's substantial indebtedness, a significant portion of the Company's cash flow will be required to pay interest and principal on its outstanding indebtedness, and the Company may not generate sufficient cash flow from operations, or have future borrowings available under its senior secured credit facilities, to enable it to repay its indebtedness, or to fund other liquidity needs. As of December 31, 2012, the Company and its subsidiaries had \$3.7 billion of indebtedness. The Company's ratio of earnings to fixed charges was 3.5 times for the fiscal year ended December 31, 2012, as discussed in Exhibit 12 to this Annual Report. Giving effect to the January 2013 debt issuance and repayments described in Note Y to the consolidated financial statements included in this Annual Report, the Company's current sources of liquidity and borrowings expire or mature as follows: its \$200 million North American securitization facility in December 2015; its \$144 million European securitization facility in July 2017; its \$1,200 million revolving credit facilities in June 2015; its €500 million (\$659 million) 7.125% senior notes in August 2018; its \$700 million 6.25% senior notes in February 2021; its \$1,000 million 4.50% senior notes in January 2023; its \$350 million 7.375% senior notes in December 2026; its \$64 million 7.5% senior notes in December 2096; and \$283 million of other indebtedness in various currencies at various dates through 2019. In addition the Company's term loan facilities mature as follows: \$46 million in June 2013, \$91 million in June 2014, \$137 million in June 2015 and \$138 million in June 2016.

The substantial indebtedness of the Company could:

- increase the Company's vulnerability to general economic and industry conditions, including rising interest rates;
- restrict the Company from making strategic acquisitions or exploiting business opportunities, including any planned expansion in emerging markets;
- limit the Company's ability to make capital expenditures both domestically and internationally in order to grow the Company's business or maintain manufacturing plants in good working order and repair;
- limit, along with the financial and other restrictive covenants under the Company's indebtedness, the Company's ability to obtain additional financing, dispose of assets or pay cash dividends;
- require the Company to dedicate a substantial portion of its cash flow from operations to service its indebtedness, thereby reducing the availability of its cash flow to fund future working capital, capital expenditures, research and development expenditures and other general corporate requirements;
- require the Company to sell assets used in its business;
- limit the Company's ability to refinance its existing indebtedness, particularly during periods of adverse credit market conditions when refinancing indebtedness may not be available under interest rates and other terms acceptable to the Company or at all;
- increase the Company's cost of borrowing;

- limit the Company's flexibility in planning for, or reacting to, changes in its business and the industry in which it operates; and
- place the Company at a competitive disadvantage compared to its competitors that have less debt.

If its financial condition, operating results and liquidity deteriorate, the Company's creditors may restrict its ability to obtain future financing and its suppliers could require prepayment or cash on delivery rather than extend credit which could further diminish the Company's ability to generate cash flows from operations sufficient to service its debt obligations. In addition, the Company's ability to make payments on and refinance its debt and to fund its operations will depend on the Company's ability to generate cash in the future.

Some of the Company's indebtedness is subject to floating interest rates, which would result in the Company's interest expense increasing if interest rates rise.

As of December 31, 2012, \$1.3 billion of the Company's \$3.7 billion of total indebtedness was subject to floating interest rates. Giving effect to the January 2013 debt issuance and repayments described in [Note Y](#) to the consolidated financial statements included in this Annual Report, \$800 million of the Company's total indebtedness was subject to floating interest rates. Changes in economic conditions could result in higher interest rates, thereby increasing the Company's interest expense and reducing funds available for operations or other purposes. The Company's annual interest expense was \$226 million, \$232 million and \$203 million for 2012, 2011 and 2010, respectively. Based on \$800 million of variable rate debt outstanding, a 1% increase in variable interest rates would increase interest expense by \$8 million. Accordingly, the Company may experience economic losses and a negative impact on earnings as a result of interest rate fluctuation. The actual effect of a 1% increase could be more than \$8 million as the Company's average borrowings on its variable rate debt may be higher during the year than \$800 million. In addition, the cost of the Company's securitization facilities would also increase with an increase in floating interest rates. Although the Company may use interest rate protection agreements from time to time to reduce its exposure to interest rate fluctuations in some cases, it may not elect or have the ability to implement hedges or, if it does implement them, there can be no assurance that such agreements will achieve the desired effect. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Market Risk."

Notwithstanding the Company's current indebtedness levels and restrictive covenants, the Company may still be able to incur substantial additional debt or make certain restricted payments, which could exacerbate the risks described above.

The Company may be able to incur additional debt in the future, including in connection with acquisitions or joint ventures. Although the Company's senior secured credit facilities and indentures governing its outstanding notes contain restrictions on the Company's ability to incur indebtedness, those restrictions are subject to a number of exceptions, and, under certain circumstances, indebtedness incurred in compliance with these restrictions could be substantial. The Company may also consider investments in joint ventures or acquisitions or increased capital expenditures, which may increase the Company's indebtedness. Moreover, although the Company's senior secured credit facilities and indentures governing its outstanding notes contain restrictions on the Company's ability to make restricted payments, including the declaration and payment of dividends and the repurchase of the Company's common stock, the Company is able to make such restricted payments under certain circumstances which may increase indebtedness, and the Company may in the future establish a regular dividend on the Company's common stock. Adding new debt to current debt levels or making otherwise restricted payments could intensify the related risks that the Company and its subsidiaries now face.

Restrictive covenants in its debt agreements could restrict the Company's operating flexibility.

The indentures and agreements governing the Company's senior secured credit facilities and outstanding notes contain affirmative and negative covenants that limit the ability of Crown and its subsidiaries to take certain actions. These restrictions may limit Crown's ability to operate its businesses and may prohibit or limit its ability to enhance its operations or take advantage of potential business opportunities as they arise. The Company's senior secured credit facilities require the Company to maintain specified financial ratios and satisfy other financial conditions. The agreements or indentures governing the Company's senior secured credit facilities and outstanding notes restrict, among other things, the ability of the Company and the ability of all or substantially all of its subsidiaries to:

- incur additional debt;
- pay dividends or make other distributions, repurchase capital stock, repurchase subordinated debt and make certain investments or loans;

- create liens and engage in sale and leaseback transactions;
- create restrictions on the payment of dividends and other amounts to the Company from subsidiaries;
- make loans, investments and capital expenditures;
- change accounting treatment and reporting practices;
- enter into agreements restricting the ability of a subsidiary to pay dividends to, make or repay loans to, transfer property to, or guarantee indebtedness of, the Company or any of its subsidiaries;
- sell or acquire assets, enter into leaseback transactions and merge or consolidate with or into other companies; and
- engage in transactions with affiliates.

In addition, the indentures and agreements governing the Company's outstanding notes limit, among other things, the ability of the Company to enter into certain transactions, such as mergers, consolidations, joint ventures, asset sales, sale and leaseback transactions and the pledging of assets. Furthermore, if the Company or certain of its subsidiaries experience specific kinds of changes of control, the Company's senior secured credit facilities will be due and payable and the Company will be required to offer to repurchase outstanding notes.

The breach of any of these covenants by the Company or the failure by the Company to meet any of these ratios or conditions could result in a default under any or all of such indebtedness. If a default occurs under any such indebtedness, all of the outstanding obligations thereunder could become immediately due and payable, which could result in a default under the Company's other outstanding debt and could lead to an acceleration of obligations related to the notes and other outstanding debt. The ability of the Company to comply with these covenants or indentures governing other indebtedness it may incur in the future and its outstanding notes can be affected by events beyond its control and, therefore, it may be unable to meet these ratios and conditions.

The Company is subject to the effects of fluctuations in foreign exchange rates, which may reduce its net sales and cash flow.

The Company is exposed to fluctuations in foreign currencies as a significant portion of its consolidated net sales, its costs, assets and liabilities, are denominated in currencies other than the U.S. dollar. For the fiscal years ended December 31, 2012, 2011 and 2010, the Company derived approximately 73%, 73% and 72%, respectively, of its consolidated net sales from sales in foreign currencies. In its consolidated financial statements, the Company translates local currency financial results into U.S. dollars based on average exchange rates prevailing during a reporting period. During times of a strengthening U.S. dollar, its reported international revenue and earnings will be reduced because the local currency will translate into fewer U.S. dollars. Conversely, a weakening U.S. dollar will effectively increase the dollar-equivalent of the Company's expenses and liabilities denominated in foreign currencies. The Company's translation and exchange adjustments increased reported income before tax by \$1 million in 2012 and \$4 million in 2010 and reduced reported income before tax by \$2 million in 2011. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Market Risk." Although the Company may use financial instruments such as foreign currency forwards from time to time to reduce its exposure to currency exchange rate fluctuations in some cases, it may not elect or have the ability to implement hedges or, if it does implement them, there can be no assurance that such agreements will achieve the desired effect.

For the year-ended December 31, 2012, a 0.10 movement in the average Euro rate (e.g., from 1.29 USD = 1 Euro to 1.19 USD = 1 Euro) would have reduced net income by \$11 million.

Pending and future asbestos litigation and payments to settle asbestos-related claims could reduce the Company's cash flow and negatively impact its financial condition.

Crown Cork, a wholly-owned subsidiary of the Company, is one of many defendants in a substantial number of lawsuits filed throughout the United States by persons alleging bodily injury as a result of exposure to asbestos. In 1963, Crown Cork acquired a subsidiary that had two operating businesses, one of which is alleged to have manufactured asbestos-containing insulation products. Crown Cork believes that the business ceased manufacturing such products in 1963.

The Company recorded pre-tax charges of \$35 million, \$28 million and \$46 million to increase its accrual for asbestos-related liabilities in 2012, 2011 and 2010, respectively. As of December 31, 2012, Crown Cork's accrual for pending and future asbestos-related claims and related legal costs was \$256 million, including \$204 for unasserted claims. Crown Cork's accrual includes estimated probable costs for claims through the year 2022. Crown Cork's accrual excludes potential costs for claims beyond 2022

because the Company believes that the key assumptions underlying its accrual are subject to greater uncertainty as the projection period lengthens. Assumptions underlying the accrual include that claims for exposure to asbestos that occurred after the sale of the subsidiary's insulation business in 1964 would not be entitled to settlement payouts and that state statutes described under [Note K](#) to the Company's audited consolidated financial statements, including Texas and Pennsylvania statutes, are expected to have a highly favorable impact on Crown Cork's ability to settle or defend against asbestos-related claims in those states and other states where Pennsylvania law may apply.

Crown Cork had approximately 51,000 asbestos-related claims outstanding at December 31, 2012. Of these claims, approximately 15,000 claims relate to claimants alleging first exposure to asbestos after 1964 and approximately 36,000 relate to claimants alleging first exposure to asbestos before or during 1964, of which approximately 13,000 were filed in Texas, 2,000 were filed in Pennsylvania, 6,000 were filed in other states that have enacted asbestos legislation and 15,000 were filed in other states. The outstanding claims at December 31, 2012 exclude 3,100 pending claims involving plaintiffs who allege that they are, or were, maritime workers subject to exposure to asbestos, but whose claims the Company believes will not have a material effect on the Company's consolidated results of operations, financial position or cash flow. The outstanding claims at December 31, 2012 also exclude approximately 19,000 inactive claims. Due to the passage of time, the Company considers it unlikely that the plaintiffs in these cases will pursue further action. The exclusion of these inactive claims had no effect on the calculation of the Company's accrual as the claims were filed in states where the Company's liability is limited by statute. The Company devotes significant time and expense to defend against these various claims, complaints and proceedings, and there can be no assurance that the expenses or distractions from operating the Company's businesses arising from these defenses will not increase materially.

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

Crown Cork made cash payments of \$28 million, \$28 million and \$27 million in 2012, 2011 and 2010, respectively, for asbestos-related claims including settlement payments and legal fees. These payments have reduced and any such future payments will reduce the cash flow available to Crown Cork for its business operations and debt payments.

Asbestos-related payments including defense costs may be significantly higher than those estimated by Crown Cork because the outcome of this type of litigation (and, therefore, Crown Cork's reserve) is subject to a number of assumptions and uncertainties, such as the number or size of asbestos-related claims or settlements, the number of financially viable responsible parties, the extent to which state statutes relating to asbestos liability are upheld and/or applied by the courts, Crown Cork's ability to obtain resolution without payment of asbestos-related claims by persons alleging first exposure to asbestos after 1964, and the potential impact of any pending or future asbestos-related legislation. Accordingly, Crown Cork may be required to make payments for claims substantially in excess of its accrual, which could reduce the Company's cash flow and impair its ability to satisfy its obligations. As a result of the uncertainties regarding its asbestos-related liabilities and its reduced cash flow, the ability of the Company to raise new money in the capital markets is more difficult and more costly, and the Company may not be able to access the capital markets in the future. Further information regarding Crown Cork's asbestos-related liabilities is presented within "Management's Discussion and Analysis of Financial Condition and Results of Operations" under the headings, "Provision for Asbestos" and "Critical Accounting Policies" and under [Note K](#) to the Company's audited consolidated financial statements.

The Company has significant pension plan obligations worldwide and significant unfunded postretirement obligations, which could reduce its cash flow and negatively impact its results of operations and its financial condition.

The Company sponsors various pension plans worldwide, with the largest funded plans in the U.K., U.S. and Canada. In 2012, 2011 and 2010, the Company contributed \$102 million, \$404 million and \$79 million, respectively, to its pension plans and currently anticipates its 2013 funding to be approximately \$55 million. Pension expense was \$97 million in 2012 and is expected to be \$78 million in 2013. A 0.25% change in the 2013 expected rate of return assumptions would change 2013 pension expense by approximately \$11 million. A 0.25% change in the discount rates assumptions as of December 31, 2012 would change 2013 pension expense by approximately \$4 million. The Company may be required to accelerate the timing of its contributions under its pension plans. The actual impact of any accelerated funding will depend upon the interest rates required for determining the plan liabilities and the investment performance of plan assets. An acceleration in the timing of pension plan contributions could decrease the Company's cash available to pay its outstanding obligations and its net income and increase the Company's outstanding indebtedness.

Based on current assumptions, the Company expects to make pension contributions of \$85 million in 2013, \$84 million in 2014, \$134 million in 2015, \$120 million in 2016 and \$145 million in 2017 including its supplemental executive retirement plan.

The difference between pension plan obligations and assets, or the funded status of the plans, significantly affects the net periodic benefit costs of the Company's pension plans and the ongoing funding requirements of those plans. Among other factors, significant volatility in the equity markets and in the value of illiquid alternative investments, changes in discount rates, investment returns and the market value of plan assets can substantially increase the Company's future pension plan funding requirements and could have a negative impact on the Company's results of operations and profitability. See [Note V](#) to the Company's audited consolidated financial statements. While its U.S. funded pension plan continues in effect, the Company continues to incur additional pension obligations. The Company's pension plan assets consist primarily of common stocks and fixed income securities and also include alternative investments such as interests in private equity and hedge funds. If the performance of plan assets does not meet the Company's assumptions or discount rates continue to decline, the underfunding of the pension plan may increase and the Company may have to contribute additional funds to the pension plan, and its pension expense may increase. In addition, the Company's supplemental executive retirement plan and retiree medical plans are unfunded.

The Company's U.S. funded pension plan is subject to the Employee Retirement Income Security Act of 1974, or ERISA. Under ERISA, the Pension Benefit Guaranty Corporation, or PBGC, has the authority to terminate an underfunded plan under certain circumstances. In the event its U.S. pension plan is terminated for any reason while the plan is underfunded, the Company will incur a liability to the PBGC that may be equal to the entire amount of the underfunding, which under certain circumstances may be senior to the notes. In addition, as of December 31, 2012 the unfunded accumulated postretirement benefit obligation, as calculated in accordance with U.S. generally accepted accounting principles, for retiree medical benefits was \$352 million, based on assumptions set forth under [Note V](#) to the Company's audited consolidated financial statements.

Acquisitions or investments that the Company is considering or may pursue could be unsuccessful, consume significant resources and require the incurrence of additional indebtedness.

The Company is considering, and in the future may pursue, acquisitions and investments that complement its existing business. These possible acquisitions and investments involve or may involve significant cash expenditures, debt incurrence (including the incurrence of additional indebtedness under the Company's senior secured revolving credit facilities or other secured or unsecured debt), operating losses and expenses that could have a material effect on the Company's financial condition and operating results.

In particular, if the Company incurs additional debt, the Company's liquidity and financial stability could be impaired as a result of using a significant portion of available cash or borrowing capacity to finance an acquisition. Moreover, the Company may face an increase in interest expense or financial leverage if additional debt is incurred to finance an acquisition, which may, among other things, adversely affect the Company's various financial ratios and the Company's compliance with the conditions of its existing indebtedness. In addition, such additional indebtedness may be incurred under the Company's senior secured credit facilities or otherwise secured by liens on the Company's assets.

Acquisitions involve numerous other risks, including:

- diversion of management time and attention;
- failures to identify material problems and liabilities of acquisition targets or to obtain sufficient indemnification rights to fully offset possible liabilities related to the acquired businesses;
- difficulties integrating the operations, technologies and personnel of the acquired businesses;
- inefficiencies and complexities that may arise due to unfamiliarity with new assets, businesses or markets;
- disruptions to the Company's ongoing business;
- inaccurate estimates of fair value made in the accounting for acquisitions and amortization of acquired intangible assets which would reduce future reported earnings;
- the inability to obtain required financing for the new acquisition or investment opportunities and the Company's existing business;
- potential loss of key employees, contractual relationships, suppliers or customers of the acquired businesses or of the Company; and

- inability to obtain required regulatory approvals.

To the extent the Company pursues an acquisition that causes it to incur unexpected costs or that fails to generate expected returns, the Company's financial position, results of operations and cash flows may be adversely affected, and the Company's ability to service its indebtedness may be negatively impacted.

The Company's principal markets may be subject to overcapacity and intense competition, which could reduce the Company's net sales and net income.

Food and beverage cans are standardized products, allowing for relatively little differentiation among competitors. This could lead to overcapacity and price competition among food and beverage can producers, if capacity growth outpaced the growth in demand for food and beverage cans and overall manufacturing capacity exceeded demand. These market conditions could reduce product prices and contribute to declining revenue and net income and increasing debt balances. As a result of industry overcapacity and price competition, the Company may not be able to increase prices sufficiently to offset higher costs or to generate sufficient cash flow. The North American and Western Europe food and beverage can markets, in particular, are considered to be mature markets, characterized by slow growth and a sophisticated distribution system.

Competitive pricing pressures, overcapacity, the failure to develop new product designs and technologies for products, as well as other factors could cause the Company to lose existing business or opportunities to generate new business and could result in decreased cash flow and net income.

The Company is subject to competition from substitute products and decreases in demand for its products, which could result in lower profits and reduced cash flows.

The Company is subject to substantial competition from producers of alternative packaging made from glass, paper, flexible materials and plastic. The Company's sales depend heavily on the volumes of sales by the Company's customers in the food and beverage markets. Changes in preferences for products and packaging by consumers of prepackaged food and beverage cans significantly influence the Company's sales. Changes in packaging by the Company's customers may require the Company to re-tool manufacturing operations, which could require material expenditures. In addition, a decrease in the costs of, or a further increase in consumer demand for, alternative packaging could result in lower profits and reduced cash flows for the Company. For example, increases in the price of aluminum and steel and decreases in the price of plastic resin, which is a petrochemical product and may fluctuate with prices in the oil and gas market, may increase substitution of plastic food and beverage containers for metal containers or increases in the price of steel may increase substitution of aluminum packaging for aerosol products. Moreover, due to its high percentage of fixed costs, the Company may be unable to maintain its gross margin at past levels if it is not able to achieve high capacity utilization rates for its production equipment. In periods of low world-wide demand for its products, the Company experiences relatively low capacity utilization rates in its operations, which can lead to reduced margins during that period and can have an adverse effect on the Company's business.

The Company's business results depend on its ability to understand its customers' specific preferences and requirements, and to develop, manufacture and market products that meet customer demand.

The Company's ability to develop new product offerings for a diverse group of global customers with differing preferences, while maintaining functionality and spurring innovation, is critical to its success. This requires a thorough understanding of the Company's existing and potential customers on a global basis, particularly in potential high growth emerging markets, including the Middle East, South America, Eastern Europe and Asia. Failure to deliver quality products that meet customer needs ahead of competitors could have a significant adverse effect on the Company's business.

The loss of a major customer and/or customer consolidation could reduce the Company's net sales and profitability.

Many of the Company's largest customers have acquired companies with similar or complementary product lines. This consolidation has increased the concentration of the Company's business with its largest customers. In many cases, such consolidation has been accompanied by pressure from customers for lower prices, reflecting the increase in the total volume of product purchased or the elimination of a price differential between the acquiring customer and the company acquired. Increased pricing pressures from the Company's customers may reduce the Company's net sales and net income.

The majority of the Company's sales are to companies that have leading market positions in the sale of packaged food, beverages and household products to consumers. Although no one customer accounted for more than 10% of its net sales in 2012, 2011 or 2010, the loss of any of its major customers, a reduction in the purchasing levels of these customers or an adverse change in the

terms of supply agreements with these customers could reduce the Company's net sales and net income. A continued consolidation of the Company's customers could exacerbate any such loss.

The Company's business is seasonal and weather conditions could reduce the Company's net sales.

The Company manufactures packaging primarily for the food and beverage can market. Its sales can be affected by weather conditions. Due principally to the seasonal nature of the soft drink, brewing, iced tea and other beverage industries, in which demand is stronger during the summer months, sales of the Company's products have varied and are expected to vary by quarter. Shipments in the U.S. and Europe are typically greater in the second and third quarters of the year. Unseasonably cool weather can reduce consumer demand for certain beverages packaged in its containers. In addition, poor weather conditions that reduce crop yields of packaged foods can decrease customer demand for its food containers.

The Company is subject to certain restrictions that may limit its ability to make payments on its debt out of the cash reserves shown in its consolidated financial statements.

The ability of the Company's subsidiaries and joint ventures to pay dividends, make distributions, provide loans or make other payments to the Company may be restricted by applicable state and foreign laws, potentially adverse tax consequences and their agreements, including agreements governing their debt.

In addition, the equity interests of the Company's joint venture partners or other shareholders in the Company's non-wholly owned subsidiaries in any dividend or other distribution made by these entities would need to be satisfied on a proportionate basis with the Company. As a result, the Company may not be able to access their cash flow to service its debt.

The Company is subject to costs and liabilities related to stringent environmental and health and safety standards.

Laws and regulations relating to environmental protection and health and safety may increase the Company's costs of operating and reduce its profitability. The Company's operations are subject to numerous U.S. federal and state and non-U.S. laws and regulations governing the protection of the environment, including those relating to treatment, storage and disposal of waste, the use of chemicals in the Company's products and manufacturing process, discharges into water, emissions into the atmosphere, remediation of soil and groundwater contamination and protection of employee health and safety. Future regulations may impose stricter environmental or employee safety requirements affecting the Company's operations or may impose additional requirements regarding consumer health and safety, such as potential restrictions on the use of bisphenol-A, a starting material used to produce internal and external coatings for some food, beverage, and aerosol containers and metal closures. Although the U.S. FDA currently permits the use of bisphenol-A in food packaging materials and confirmed in a January 2010 update that studies employing standardized toxicity tests have supported the safety of current low levels of human exposure to bisphenol-A, the FDA in that January 2010 update noted that more research was needed, and further suggested reasonable steps to reduce exposure to bisphenol-A. The FDA subsequently entered into a consent decree under which it agreed to issue, by March 31, 2012, a final decision on a citizen's petition requesting the agency take further regulatory steps with regard to bisphenol-A. On March 30, 2012, the FDA denied the request, responding, in part, that the appropriate course of action was to continue scientific study and review of all new evidence regarding the safety of bisphenol-A. In March 2010, the EPA issued an action plan for bisphenol-A, which includes, among other things, consideration of whether to add bisphenol-A to the chemical concern list on the basis of potential environmental effects and use of the EPA's Design for the Environment program to encourage reductions in bisphenol-A manufacturing and use.

Moreover, certain U.S. Congressional bodies, states and municipalities, as well as certain foreign nations and some member states of the European Union, have considered, proposed or already passed, such as Denmark, Belgium and France, legislation banning or suspending the use of bisphenol-A in certain products or requiring warnings regarding bisphenol-A. In July 2012, the FDA banned the use of bisphenol-A in baby bottles and children's drinking cups. In the fourth quarter of 2012, the French Parliament passed a law suspending the use of bisphenol-A in food packaging beginning in 2013 for food intended for children under 3 and in 2015 for all other foods. The law also includes certain product labeling requirements. Further, the U.S. or additional international, federal, state or other regulatory authorities could restrict or prohibit the use of bisphenol-A in the future. For example, on February 13, 2013, the State of California announced its intent to declare bisphenol-A a reproductive system hazard, which, if finalized, would trigger a requirement to include warning labels on consumer items containing bisphenol-A in excess of certain levels. In addition, recent public reports, litigation and other allegations regarding the potential health hazards of bisphenol-A could contribute to a perceived safety risk about the Company's products and adversely impact sales or otherwise disrupt the Company's business. While the Company is exploring various alternatives to the use of bisphenol-A and conversion to alternatives is underway in some applications, there can be no assurance the Company will be completely successful in its efforts or that the alternatives will not be more costly to the Company.

Also, for example, future restrictions in some jurisdictions on air emissions of volatile organic compounds and the use of certain paint and lacquering ingredients may require the Company to employ additional control equipment or process modifications. The Company's operations and properties, both in the U.S. and abroad, must comply with these laws and regulations. In addition, a number of governmental authorities in the U.S. and abroad have introduced or are contemplating enacting legal requirements, including emissions limitations, cap and trade systems or mandated changes in energy consumption, in response to the potential impacts of climate change. Given the wide range of potential future climate change regulations in the jurisdictions in which the Company operates, the potential impact to the Company's operations is uncertain. In addition, the potential impact of climate change on the Company's operations is highly uncertain. The impact of climate change may vary by geographic location and other circumstances, including weather patterns and any impact to natural resources such as water.

A number of governmental authorities both in the U.S. and abroad also have enacted, or are considering, legal requirements relating to product stewardship, including mandating recycling, the use of recycled materials and/or limitations on certain kinds of packaging materials such as plastics. In addition, some companies with packaging needs have responded to such developments, and/or to perceived environmental concerns of consumers, by using containers made in whole or in part of recycled materials. Such developments may reduce the demand for some of the Company's products, and/or increase its costs. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Environmental Matters."

The Company has significant amount of goodwill and a write down of goodwill would result in lower reported net income and a reduction of its net worth.

Impairment of the Company's goodwill would reduce the Company's net income in the period of any such write down. At December 31, 2012, the carrying value of the Company's goodwill was \$2.0 billion. The Company is required to evaluate goodwill reflected on its balance sheet at least annually, or when circumstances indicate a potential impairment. If it determines that the goodwill is impaired, the Company would be required to write off a portion or all of the goodwill.

If the Company fails to retain key management and personnel, the Company may be unable to implement its business plan.

Members of the Company's senior management have extensive industry experience, and it might be difficult to find new personnel with comparable experience. Because the Company's business is highly specialized, the Company believes that it would also be difficult to replace its key technical personnel. The Company believes that its future success depends, in large part, on its experienced senior management team. Losing the services of key members of its management team could limit the Company's ability to implement its business plan. In addition, under the Company's unfunded Senior Executive Retirement Plan certain members of senior management are entitled to lump sum payments upon retirement or other termination of employment and a lump sum death benefit of five times the annual retirement benefit.

A significant portion of the Company's workforce is unionized and labor disruptions could increase the Company's costs and prevent the Company from supplying its customers.

A significant portion of the Company's workforce is unionized and a prolonged work stoppage or strike at any facility with unionized employees could increase its costs and prevent the Company from supplying its customers. In addition, upon the expiration of existing collective bargaining agreements, the Company may not reach new agreements without union action and any such new agreements may not be on terms satisfactory to the Company. Moreover, additional groups of currently non-unionized employees may seek union representation in the future. If the Company is unable to negotiate acceptable collective bargaining agreements, it may become subject to union-initiated work stoppages, including strikes. The National Labor Relations Board ("NLRB") has adopted new regulations concerning the procedures for conducting employee representation elections that, if implemented, could make it significantly easier for labor organizations to prevail in elections. The regulations became effective on April 30, 2012; however, in May 2012, a federal district court found that the regulations were not properly adopted by the NLRB. The NLRB responded to the decision by suspending implementation of the regulations and has not announced if or when the regulations will again go into effect. Additionally, the Employee Free Choice Act, which was passed in the U.S. House of Representatives in 2007, was reintroduced in the U.S. Congress in 2009, but not passed. If reintroduced in the current Congress and enacted in its most recent form, the Employee Free Choice Act could make it significantly easier for union organizing drives to be successful. The Employee Free Choice Act could also give third-party arbitrators the ability to impose terms, which may be harmful to the Company, of collective bargaining agreements upon the Company and a labor union if the Company and such union are unable to agree to the terms of an initial collective bargaining agreement. In addition, the Employee Free Choice Act could increase the penalties the Company may incur if it engages in labor practices in violation of the National Labor Relations Act.

Failure by the Company's joint venture partners to observe their obligations could adversely affect the business and operations of the joint ventures and, in turn, the business and operations of the Company.

A portion of the Company's operations, including certain joint venture beverage can operations in Asia, the Middle East and South America, is conducted through certain joint ventures. The Company participates in these ventures with third parties. In the event that the Company's joint venture partners do not observe their obligations or are unable to commit additional capital to the joint ventures, it is possible that the affected joint venture would not be able to operate in accordance with its business plans or that the Company would have to increase its level of commitment to the joint venture.

If the Company fails to maintain an effective system of internal control, the Company may not be able to accurately report financial results or prevent fraud.

Effective internal controls are necessary to provide reliable financial reports and to assist in the effective prevention of fraud. Any inability to provide reliable financial reports or prevent fraud could harm the Company's business. The Company must annually evaluate its internal procedures to satisfy the requirements of Section 404 of the Sarbanes-Oxley Act of 2002, which requires management and auditors to assess the effectiveness of internal controls. If the Company fails to remedy or maintain the adequacy of its internal controls, as such standards are modified, supplemented or amended from time to time, the Company could be subject to regulatory scrutiny, civil or criminal penalties or shareholder litigation.

In addition, failure to maintain adequate internal controls could result in financial statements that do not accurately reflect the Company's financial condition. There can be no assurance that the Company will be able to complete the work necessary to fully comply with the requirements of the Sarbanes-Oxley Act or that the Company's management and external auditors will continue to conclude that the Company's internal controls are effective.

The Company is subject to litigation risks which could negatively impact its operations and net income.

The Company is subject to various lawsuits and claims with respect to matters such as governmental, environmental and employee benefits laws and regulations, securities, labor, and actions arising out of the normal course of business, in addition to asbestos-related litigation described under the risk factor titled "Pending and future asbestos litigation and payments to settle asbestos-related claims could reduce the Company's cash flow and negatively impact its financial condition." The Company is currently unable to determine the total expense or possible loss, if any, that may ultimately be incurred in the resolution of such legal proceedings. Regardless of the ultimate outcome of such legal proceedings, they could result in significant diversion of time by the Company's management. The results of the Company's pending legal proceedings, including any potential settlements, are uncertain and the outcome of these disputes may decrease its cash available for operations and investment, restrict its operations or otherwise negatively impact its business, operating results, financial condition and cash flow.

The Company's Italian subsidiaries have received assessments for value added taxes and related income taxes from the Italian tax authorities and expect to receive additional assessments for value added taxes resulting from certain third party suppliers' failures to remit required value added tax payments due by those suppliers under Italian law with respect to purchases for resale to the Company. The assessments cover tax periods 2004 through 2007 and additional assessments are expected to cover tax periods 2007 through 2009. The expected total assessments are approximately €25 (\$33 at December 31, 2012) plus any applicable interest and penalties which the Company estimates may be up to approximately €50 (\$66 at December 31, 2012). In early 2012, the Company received one favorable ruling and two unfavorable rulings from lower level Italian courts related to these assessments. These rulings have been appealed. In the fourth quarter of 2012, the Company settled an assessment with respect to 2007 taxes for approximately €2 (\$3 at December 31, 2012). In February 2013, the Company entered into an additional settlement with respect to a 2005 tax assessment for approximately €2 (\$3 at December 31, 2012). As of December 31, 2012, the Company has accrued \$14 related to the assessments. While the Company believes it has meritorious defenses to the remaining Italian tax claims, it is reasonably possible that the Company could incur a loss in excess of its accrual. The Company cannot reasonably estimate the possible loss or range of losses because the application of penalties under Italian law is complex and the amount assessed by the Italian authorities is discretionary. Settlement discussions with the Italian tax authorities are ongoing. The Company intends to continue disputing the assessments with respect to the open matters in judicial proceedings barring any settlement with the Italian tax authorities. There can be no assurance the Company will be successful in settling these matters or prevailing in judicial proceedings, or that the final amount of any additional taxes and related interest and penalties payable to the Italian tax authorities in such settlement or judicial proceedings will be under the Company's accrual.

The recent global credit and financial crisis could have adverse effects on the Company.

The recent global credit and financial crisis could have significant adverse effects on the Company's operations, including as a result of any the following:

- downturns in the business or financial condition of any of the Company's key customers or suppliers, potentially resulting in customers' inability to pay the Company's invoices as they become due or at all or suppliers' failure to fulfill their commitments;
- potential losses associated with hedging activity by the Company for the benefit of the Company's customers including counterparty risk associated with such hedging activity, or cost impacts of changing suppliers;
- a decline in the fair value of the Company's pension assets or a decline in discount rates used to measure the Company's pension obligations, potentially requiring the Company to make significant additional contributions to its pension plans to meet prescribed funding levels;
- the deterioration of any of the lending parties under the Company's senior secured revolving credit facilities or the creditworthiness of the counterparties to the Company's derivative transactions, which could result in such parties' failure to satisfy their obligations under their arrangements with the Company;
- noncompliance with the covenants under the Company's indebtedness as a result of a weakening of the Company's financial position or results of operations; and
- the lack of currently available funding sources, which could have a negative impact upon the liquidity of the Company as well as that of its customers and suppliers.

The Company could also be adversely affected by the negative impact on economic growth resulting from the combination of federal income tax increases that recently came into effect and government spending restrictions that may come into effect during calendar year 2013 in the U.S. (commonly referred to as the "fiscal cliff").

The Company relies on its information technology and the failure or disruption of its information technology could disrupt its operations and adversely affect its results of operations.

The Company's business increasingly relies on the successful and uninterrupted functioning of its information technology systems to process, transmit, and store electronic information. A significant portion of the communication between the Company's personnel around the world, customers, and suppliers depends on information technology. As with all large systems, the Company's information technology systems may be susceptible to damage, disruptions or shutdowns due to failures during the process of upgrading or replacing software, databases or components thereof, power outages, hardware failures, computer viruses, attacks by computer hackers, telecommunication failures, user errors or catastrophic events. In addition, security breaches could result in unauthorized disclosure of confidential information.

The concentration of processes in shared services centers means that any disruption could impact a large portion of the Company's business within the operating zones served by the affected service center. If the Company does not allocate, and effectively manage, the resources necessary to build, sustain and protect the proper technology infrastructure, the Company could be subject to transaction errors, processing inefficiencies, loss of customers, business disruptions, the loss of or damage to intellectual property through security breach, as well as potential civil liability and fines under various states' laws in which the Company does business. The Company's information technology system could also be penetrated by outside parties intent on extracting information, corrupting information or disrupting business processes. In addition, if the Company's information technology systems suffer severe damage, disruption or shutdown and the Company's business continuity plans do not effectively resolve the issues in a timely manner, the Company may lose revenue and profits as a result of its inability to timely manufacture, distribute, invoice and collect payments from its customers, and could experience delays in reporting its financial results, including with respect to the Company's operations in emerging markets. Furthermore, if the Company is unable to prevent security breaches, it may suffer financial and reputational damage because of lost or misappropriated confidential information belonging to the Company or to its customers or suppliers. Failure or disruption of these systems, or the back-up systems, for any reason could disrupt the Company's operations and negatively impact the Company's cash flows or financial condition.

Potential U.S. tax law changes could increase the Company's U.S. tax expense on its overseas earnings which could have a negative impact on its after-tax income and cash flow.

President Obama's Budget of the United States Government for 2013 indicates that legislative proposals may be made to reform the deferral of U.S. taxes on non-U.S. earnings, potentially significantly changing the timing and extent of taxation on the Company's unrepatriated non-U.S. earnings. These reforms include, among other items, a proposal to further limit foreign tax credits and a proposal to defer interest expense deductions allocable to non-U.S. earnings until earnings are repatriated. The proposal to defer interest expense deductions and other deductions for expenses could result in the Company not being able to currently deduct a significant portion of its interest expense. The proposal to defer tax deductions allocable to unrepatriated non-U.S. earnings has been set out in various draft Congressional legislative proposals in recent years which were not enacted, and at this juncture it is unclear whether these proposed tax revisions will be enacted, or, if enacted, what the precise scope of the revisions will be. However, depending on their content, such proposals could have a material adverse effect on the Company's after-tax income and cash flow.

Changes in accounting standards, taxation requirements and other law could negatively affect the Company's financial results.

New accounting standards or pronouncements that may become applicable to the Company from time to time, or changes in the interpretation of existing standards and pronouncements, could have a significant effect on the Company's reported results for the affected periods. The Company is also subject to income tax in the numerous jurisdictions in which the Company operates. Increases in income tax rates or other changes to tax laws could reduce the Company's after-tax income from affected jurisdictions or otherwise affect the Company's tax liability. In addition, the Company's products are subject to import and excise duties and/or sales or value-added taxes in many jurisdictions in which it operates. Increases in indirect taxes could affect the Company's products' affordability and therefore reduce demand for its products.

The Company may experience significant negative effects to its business as a result of new federal, state or local taxes, increases to current taxes or other governmental regulations specifically targeted to decrease the consumption of certain types of beverages.

Public health officials and government officials have become increasingly concerned about the public health consequences associated with over-consumption of certain types of beverages, such as sugar beverages and including those sold by certain of the Company's significant customers. Possible new federal, state or local taxes, increases to current taxes or other governmental regulations specifically targeted to decrease the consumption of these beverages may significantly reduce demand for the beverages of the Company's customers, which could in turn affect demand of the Company's customers for the Company's products. For example, members of the U.S. Congress recently raised the possibility of a federal tax on the sale of certain beverages, including non-diet soft drinks, fruit drinks, teas and flavored waters. Some state governments are also considering similar taxes. If enacted, such taxes could materially adversely affect the Company's business and financial results.

The Company's senior secured credit facilities provide that certain change of control events constitute an event of default. In the event of a change of control, the Company may not be able to satisfy all of its obligations under the senior secured credit facilities or other indebtedness.

The Company may not have sufficient assets or be able to obtain sufficient third party financing on favorable terms to satisfy all of its obligations under the Company's senior secured credit facilities or other indebtedness in the event of a change of control. The Company's senior secured credit facilities provide that certain change of control events constitute an event of default under the senior secured credit facilities. Such an event of default entitles the lenders thereunder to, among other things, cause all outstanding debt obligations under the senior secured credit facilities to become due and payable and to proceed against the collateral securing the senior secured credit facilities. Any event of default or acceleration of the senior secured credit facilities will likely also cause a default under the terms of other indebtedness of the Company.

The loss of the Company's intellectual property rights may negatively impact its ability to compete.

If the Company is unable to maintain the proprietary nature of its technologies, its competitors may use its technologies to compete with it. The Company has a number of patents covering various aspects of its products, including its SuperEnd® beverage can end, whose primary patent expires in 2016, Easylift™ full aperture steel food can ends, PeelSeam™ flexible lidding and Ideal™ product line. The Company's patents may not withstand challenge in litigation, and patents do not ensure that competitors will not develop competing products or infringe upon the Company's patents. Moreover, the costs of litigation to defend the Company's patents could be substantial and may outweigh the benefits of enforcing its rights under its patents. The Company markets its products internationally and the patent laws of foreign countries may offer less protection than the patent laws of the United States. Not all of the Company's domestic patents have been registered in other countries. The Company also relies on trade secrets,

know-how and other unpatented proprietary technology, and others may independently develop the same or similar technology or otherwise obtain access to the Company's unpatented technology. In addition, the Company has from time to time received letters from third parties suggesting that it may be infringing on their intellectual property rights, and third parties may bring infringement suits against the Company, which could result in the Company needing to seek licenses from these third parties or refraining altogether from use of the claimed technology.

Demand for the Company's products could be affected by changes in laws and regulations applicable to food and beverages and changes in consumer preferences.

The Company manufactures and sells packaging primarily for the food and beverage can market. As a result, many of the Company's products come into direct contact with food and beverages. Accordingly, the Company's products must comply with various laws and regulations for food and beverages applicable to its customers. Changes in such laws and regulations could negatively impact customers' demand for the Company's products as they comply with such changes and/or require the Company to make changes to its products. Such changes to the Company's products could include modifications to the coatings and compounds that the Company uses, possibly resulting in the incurrence of additional costs. Additionally, because many of the Company's products are used to package consumer goods, the Company is subject to a variety of risks that could influence consumer behavior and negatively impact demand for the Company's products, including changes in consumer preferences driven by various health-related concerns and perceptions.

ITEM 1B. UNRESOLVED STAFF COMMENTS

There are no unresolved written comments that were received from the SEC staff 180 days or more before the end of the Company's fiscal year relating to its periodic or current reports under the Securities Exchange Act of 1934.

ITEM 2. PROPERTIES

As of December 31, 2012, the Company operated 149 manufacturing facilities of which 32 were leased. The Company has three divisions, defined geographically, within which it manufactures and markets its products. The Americas Division has 46 operating facilities of which 11 are leased. Within the Americas Division, 32 facilities operate in the U.S. of which 8 are leased. The European Division has 71 operating facilities of which 14 are leased and the Asia Pacific Division has 32 operating facilities of which 7 are leased. Certain leases provide renewal or purchase options. The principal manufacturing facilities at December 31, 2012 are listed below and are grouped by product and by division.

In 2012 the Company established a joint venture to acquire shares of Superior Multi-Packaging, Ltd., ("Superior"), a listed company on the Singapore Exchange with operations in China, Singapore and Vietnam. With the acquisition, the Company acquired 9 facilities in China, 1 facility in Singapore and 1 facility in Vietnam. The operations manufacture specialty packaging products.

The Company's Americas and Corporate headquarters are in Philadelphia, Pennsylvania, its European headquarters is in Baar, Switzerland and its Asia Pacific headquarters is in Singapore. The Company maintains research facilities in Alsip, Illinois and in Wantage, England. The Company's North American and European facilities, with certain exceptions, are subject to liens in favor of the lenders under its senior secured credit facility.

Excluded from the list below are operating facilities in unconsolidated subsidiaries as well as service or support facilities. The service or support facilities include machine shop operations, plant operations dedicated to printing for cans and closures, coil shearing, coil coating and RD&E operations. Some operating facilities produce more than one product but have been presented below under the product with the largest contribution to sales.

Crown Holdings, Inc.

	Americas		Europe		Asia Pacific
Beverage and Closures	Lawrence, MA	La Crosse, WI	Custines, France	Agoncillo, Spain	Phnom Penh, Cambodia
	Kankakee, IL	Worland, WY	Korinthos, Greece	Sevilla, Spain	Sihanoukville, Cambodia
	Crawfordsville, IN	Cabreuva, Brazil	Patras, Greece	El Agba, Tunisia	Beijing, China
	Mankato, MN	Estancia, Brazil	Amman, Jordan	Izmit, Turkey	Foshan, China
	Batesville, MS	Manaus, Brazil	Dammam, Saudi Arabia	Osmaniye, Turkey	Huizhou, China
	Dayton, OH	Ponta Grossa, Brazil	Jeddah, Saudi Arabia	Dubai, UAE	Hangzhou, China
	Cheraw, SC	Calgary, Canada	Kosice, Slovakia	Botcherby, UK	Heshan City, China
	Conroe, TX	Weston, Canada		Braunstone, UK	Putian, China
	Fort Bend, TX	Santafe de Bogota,			Shanghai, China
	Winchester, VA	Colombia			Ziyang, China
	Olympia, WA	Guadalajara, Mexico			Bangi, Malaysia
		Carolina, Puerto Rico			Singapore
					Nong Khae, Thailand *
				Danang, Vietnam	
				Dong Nai, Vietnam	
				Hanoi, Vietnam	
				Ho Chi Minh City, Vietnam	
Food and Closures	Winter Garden, FL	Hanover, PA	Carpentras, France	Abidjan, Ivory Coast	Bangpoo, Thailand
	Pulaski Park, MD	Suffolk, VA	Concarneau, France	Toamasina, Madagascar	Haadyai, Thailand
	Owatonna, MN	Seattle, WA	Laon, France	Agadir, Morocco	Samrong, Thailand
	Omaha, NE	Oshkosh, WI	Nantes, France	Casablanca, Morocco	Songkhla, Thailand
	Lancaster, OH	Chatham, Canada	Outreau, France	Goleniow, Poland	
	Massillon, OH	Kingston, Jamaica	Perigueux, France	Pruszcz, Poland	
	Mill Park, OH	La Villa, Mexico	Lubeck, Germany	Alcochete, Portugal	
	Connellsville, PA	Barbados, West Indies	Mühlendorf, Germany	Timashevsk, Russia	
		Trinidad, West Indies	Seesen, Germany (2)	Dakar, Senegal	
			Tema, Ghana	Bellville, South Africa	
			Thessaloniki, Greece	Agoncillo, Spain	
			Nagykoros, Hungary	Molina de Segura, Spain	
			Athy, Ireland	Sevilla, Spain	
			Aprilia, Italy (2)	Vigo, Spain	
			Battipaglia, Italy	Neath, UK	
			Calerno S. Ilario d'Enza, Italy	Poole, UK	
			Nocera Superiore, Italy	Wisbech, UK	
			Parma, Italy	Worcester, UK	
Aerosol	Alsip, IL	Faribault, MN	Spilamberto, Italy	Mijdrecht, Netherlands	
	Decatur, IL	Spartanburg, SC		Sutton, UK	
Specialty Packaging	Belcamp, MD	St. Laurent, Canada	Hoboken, Belgium	Miravalles, Spain	Chengdu, China
			Helsinki, Finland	Montmelo, Spain	Guangzhou, China
			Chatillon-sur-Seine, France	Aesch, Switzerland	Huizhou, China
			Rouen, France	Aintree, UK	Kunshau, China
			Vourles, France	Carlisle, UK	Langfaug, China
			Chignolo Po, Italy	Mansfield, UK	Shanghai, China
			Hoorn, Netherlands	Newcastle, UK	Tianjin, China
					Tongxiang, China
				Zhengzhou, China	
				Singapore	
				Dinh Duong, Vietnam	
Canmaking and Spares	Norwalk, CT		Shiple, UK		

* Plant replaces the Bangkok, Thailand plant which was shut down in 2011 due to damage caused by severe flooding.

The Company's manufacturing and support facilities are designed according to the requirements of the products to be manufactured. Therefore, the type of construction varies from plant to plant. Warehouse space is generally provided at each of the manufacturing locations, although the Company does lease outside warehouses.

Ongoing productivity improvements and cost reduction efforts in recent years have focused on upgrading and modernizing facilities to reduce costs, improve efficiency and productivity and phase out uncompetitive facilities. The Company has also opened new facilities to meet increases in market demand for its products. These actions reflect the Company's continued commitment to realign manufacturing facilities to maintain its competitive position in its markets. The Company continually reviews its operations and evaluates strategic opportunities. Further discussion of the Company's recent restructuring actions and divestitures is contained within "Management's Discussion and Analysis of Financial Condition and Results of Operations" under the captions "Provision for Restructuring," and "Asset Impairments and Sales," and under [Note M](#) and [Note N](#) to the consolidated financial statements.

Utilization of any particular facility varies based upon product demand. While not possible to measure with any degree of certainty or uniformity the productive capacity of these facilities, management believes that, if necessary, production can be increased at several existing facilities through the addition of personnel, capital equipment and, in some facilities, square footage available for production. In addition, the Company may from time to time acquire additional facilities and/or dispose of existing facilities.

ITEM 3. LEGAL PROCEEDINGS

Crown Cork & Seal Company, Inc., a wholly-owned subsidiary of the Company ("Crown Cork"), is one of many defendants in a substantial number of lawsuits filed throughout the U.S. by persons alleging bodily injury as a result of exposure to asbestos. These claims arose from the insulation operations of a U.S. company, the majority of whose stock Crown Cork purchased in 1963. Approximately ninety days after the stock purchase, this U.S. company sold its insulation assets and was later merged into Crown Cork. At December 31, 2011, the accrual for pending and future asbestos claims that are probable and estimable was \$256 million.

The Company's Italian subsidiaries have received assessments for value added taxes and related income taxes from the Italian tax authorities and expect to receive additional assessments for value added taxes resulting from certain third party suppliers' failures to remit required value added tax payments due by those suppliers under Italian law with respect to purchases for resale to the Company. The assessments cover tax periods 2004 through 2007 and additional assessments are expected to cover tax periods 2007 through 2009. The expected total assessments are approximately €25 (\$33 at December 31, 2012) plus any applicable interest and penalties which the Company estimates may be up to approximately €50 (\$66 at December 31, 2012). In early 2012, the Company received one favorable ruling and two unfavorable rulings from lower level Italian courts related to these assessments. These rulings have been appealed. In the fourth quarter of 2012, the Company settled an assessment with respect to 2007 taxes for approximately €2 (\$3 at December 31, 2012). In February 2013, the Company entered into an additional settlement with respect to a 2005 tax assessment for approximately €2 (\$3 at December 31, 2012). As of December 31, 2012, the Company has accrued \$14 related to the assessments. While the Company believes it has meritorious defenses to the remaining Italian tax claims, it is reasonably possible that the Company could incur a loss in excess of its accrual. The Company cannot reasonably estimate the possible loss or range of losses because the application of penalties under Italian law is complex and the amount assessed by the Italian authorities is discretionary. Settlement discussions with the Italian tax authorities are ongoing. The Company intends to continue disputing the assessments with respect to the open matters in judicial proceedings barring any settlement with the Italian tax authorities. There can be no assurance the Company will be successful in settling these matters or prevailing in judicial proceedings, or that the final amount of any additional taxes and related interest and penalties payable to the Italian tax authorities in such settlement or judicial proceedings will be under the Company's accrual.

The Company has been identified by the Environmental Protection Agency as a potentially responsible party (along with others, in most cases) at a number of sites.

Further information on these matters and other legal proceedings is presented within "Management's Discussion and Analysis of Financial Condition and Results of Operations" under the captions "Provision for Asbestos" and "Environmental Matters" and under [Note K](#) and [Note L](#) to the consolidated financial statements.

ITEM 4.

Reserved.

EXECUTIVE OFFICERS OF THE REGISTRANT

Information concerning the principal executive officers of the Company, including their ages and positions, is set forth in "Directors, Executive Officers and Corporate Governance" of this Annual Report.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

The Registrant's common stock is listed on the New York Stock Exchange. On February 21, 2013, there were 4,488 registered shareholders of the Registrant's common stock, including 1,351 participants in the Company's Employee Stock Purchase Plan. The market price of the Registrant's common stock at December 31, 2012 is set forth in Part II of this Annual Report under Quarterly Data (unaudited). The foregoing information regarding the number of registered shareholders of common stock does not include persons holding stock through clearinghouse systems. Details regarding the Company's policy as to payment of cash dividends and repurchase of shares are set forth within "Management's Discussion and Analysis of Financial Condition and Results of Operations" under the caption "Common Stock and Other Equity" and under [Note O](#) to the consolidated financial statements included in this Annual Report. Information with respect to shares of common stock that may be issued under the Company's equity compensation plans is set forth in "Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters," of this Annual Report.

Issuer Purchases of Equity Securities

The following table provides information about the Company's purchase of its equity securities as part of publicly announced programs during the year ended December 31, 2012.

2012	Total Number of Shares Purchased	Average Price Per Share	Total Number of Shares Purchased as Part of Publicly Announced Programs	Approximate Dollar Value of Shares that may yet be Purchased under the Programs as of the end of the Period (millions)
July	5,416,707	\$ 36.92	5,416,707	\$ 94
December	1,341,412	37.27	1,341,412	\$ 800
Total	6,758,119	\$ 36.99	6,758,119	\$ 800

The table above excludes 192,196 shares repurchased by the Company in connection with the surrender of shares to cover taxes on the vesting of restricted stock and 4,653 shares received in April, 2012 in settlement of the Company's December, 2011 accelerated share repurchase program.

In July 2012, the Company entered into an agreement to purchase shares of its common stock under an accelerated repurchase program. Pursuant to the agreement, the Company initially purchased 5,016,190 shares for \$200 million. In November 2012, the Company received an additional 400,517 shares based on its volume-weighted average stock price during the term of the transaction.

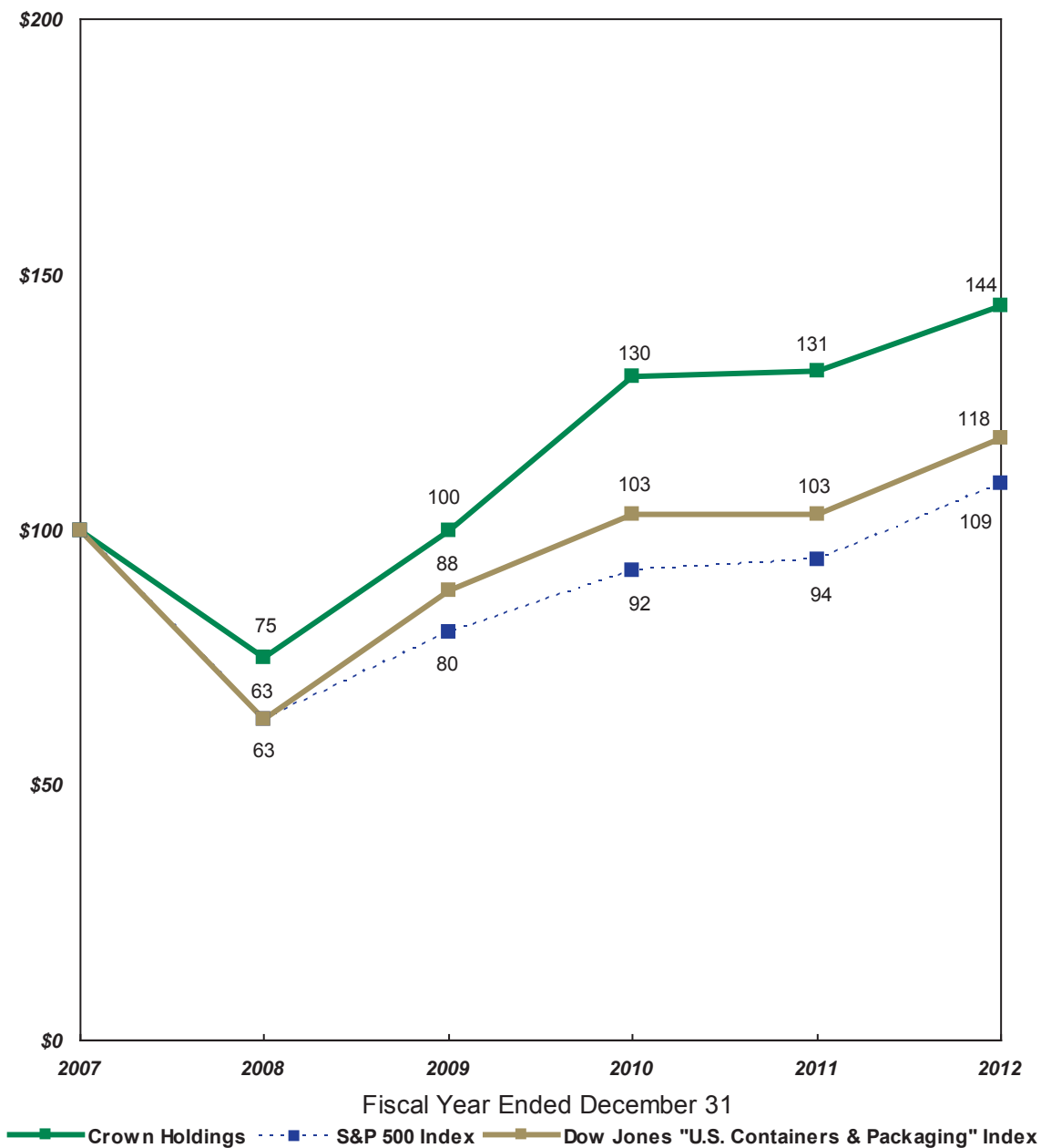
In December 2012, the Company entered into an agreement to repurchase shares of its common stock. Pursuant to the agreement, the Company purchased 1,341,412 shares for \$50 million.

The share repurchases were made pursuant to authorizations from the Company's Board of Directors. In December 2012, the Company's Board of Directors authorized the repurchase of an aggregate amount of \$800 million of the Company's common stock through the end of 2014. This authorization supersedes the previous authorization. Share repurchases under the Company's programs may be made in the open market or through privately negotiated transactions, and at times and in such amounts as management deems appropriate. The timing and actual number of shares repurchased will depend on a variety of factors including price, corporate and regulatory requirements and other market conditions. As of December 31, 2012, \$800 million of the Company's outstanding common stock may be repurchased under the program.

The Company is not obligated to acquire any shares of its common stock and the share repurchase program may be suspended or terminated at any time at the Company's discretion. Share repurchases are subject to the terms of the Company's debt agreements, market conditions and other factors. The repurchased shares, if any, are expected to be used for the Company's stock-based benefit plans, as required, and to offset dilution resulting from the issuance of shares thereunder, and for other general corporate purposes. See [Note O](#) to the consolidated financial statements for additional information regarding the Company's share repurchases.

COMPARATIVE STOCK PERFORMANCE ⁽¹⁾

Comparison of Five-Year Cumulative Total Return (a)
 Crown Holdings, S&P 500 Index, Dow Jones "U.S. Containers & Packaging" Index (b)



- (a) Assumes that the value of the investment in Crown Holdings common stock and each index was \$100 on December 31, 2007 and that all dividends were reinvested.
- (b) Industry index is weighted by market capitalization and is comprised of Crown Holdings, AptarGroup, Ball, Bemis, Greif, MeadWestvaco, Owens-Illinois, Packaging Corp. of America, RockTenn, Sealed Air, Silgan and Sonoco.
- (1) The preceding Comparative Stock Performance Graph is not deemed filed with the SEC and shall not be incorporated by reference in any of the Company's filings under the Security Act of 1933 or the Securities Exchange Act of 1934, whether made before or after the date hereof and irrespective of any general incorporation language in any such filing.

ITEM 6. SELECTED FINANCIAL DATA

(in millions, except per share, ratios and other statistics)	2012	2011	2010	2009	2008
Summary of Operations					
Net sales	\$ 8,470	\$ 8,644	\$ 7,941	\$ 7,938	\$ 8,305
Cost of products sold, excluding depreciation and amortization	7,013	7,120	6,519	6,551	6,885
Depreciation and amortization	180	176	172	194	216
Selling and administrative expense	382	395	360	381	396
Provision for asbestos	35	28	46	55	25
Provision for restructuring	48	77	42	43	21
Asset impairments and sales	(42)	6	(18)	(6)	6
Loss from early extinguishments of debt	—	32	16	26	2
Interest expense, net of interest income	219	221	194	241	291
Translation and exchange adjustments	(1)	2	(4)	(6)	21
Income before income taxes and equity earnings	636	587	614	459	442
Provision for/(benefit from) income taxes	(17)	194	165	7	112
Equity earnings/(loss)	5	3	3	(2)	
Net income	658	396	452	450	330
Net income attributable to noncontrolling interests	(101)	(114)	(128)	(116)	(104)
Net income attributable to Crown Holdings	\$ 557	\$ 282	\$ 324	\$ 334	\$ 226
Financial Position at December 31					
Working capital	\$ 232	\$ 318	\$ 272	\$ 317	\$ 385
Total assets	7,490	6,868	6,899	6,532	6,774
Total cash and cash equivalents	350	342	463	459	596
Total debt	3,665	3,532	3,048	2,798	3,337
Total debt, less cash and cash equivalents, to total capitalization (1)	96.4%	108.1%	91.9%	85.9%	98.7%
Total equity/(deficit)	123	(239)	229	383	36
Common Share Data (dollars per share)					
Earnings:					
Basic	\$ 3.81	\$ 1.86	\$ 2.03	\$ 2.10	\$ 1.42
Diluted	3.75	1.83	2.00	2.06	1.39
Market price on December 31	36.81	33.58	33.38	25.58	19.20
Book value attributable to Crown Holdings based on year-end outstanding shares	(1.13)	(3.19)	(0.62)	(0.04)	(1.99)
Number of shares outstanding at year-end	143.1	148.4	155.3	161.5	159.2
Average shares outstanding					
Basic	146.1	151.7	159.4	159.1	159.6
Diluted	148.4	154.3	162.4	161.9	162.9
Other					
Capital expenditures	\$ 324	\$ 401	\$ 320	\$ 180	\$ 174

Notes: (1) Total capitalization consists of total debt and total equity/(deficit), less cash and cash equivalents.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

(in millions, except per share, average settlement cost per asbestos claim, employee, shareholder and statistical data)

INTRODUCTION

The following discussion summarizes the significant factors affecting the results of operations and financial condition of Crown Holdings, Inc. (the "Company") as of and during the three-year period ended December 31, 2012. This discussion should be read in conjunction with the consolidated financial statements included in this Annual Report.

BUSINESS STRATEGY AND TRENDS

The Company's strategy is to grow its businesses in targeted international growth markets, while improving operations and results in more mature markets through disciplined pricing, manufacturing and productivity improvements, cost control and careful capital allocation.

In recent years, the Company has expanded its beverage can operations in Asia, Brazil and Eastern Europe in response to increased unit volume demand driven by increased per capita incomes and consumption, combined with a shift in packaging mix to two-piece aluminum beverage cans from other packages.

Since the beginning of 2011, the Company has commercialized ten new production lines including six new plant startups in Asia, Brazil and Europe. When fully operational, these facilities are expected to have combined annual production capacity of 8.6 billion beverage cans to meet expected demand. In 2013, the Company expects to commercialize another 3.6 billion in annual beverage can production capabilities to meet existing demand in still growing markets in Cambodia, China, Malaysia, Thailand and Vietnam. There can be no assurance, however, that the Company will be able to implement its expansion plans according to this schedule or at all. The Company continuously monitors these markets and, where necessary, may adjust capital deployment based on economic developments and market-by-market conditions.

Beverage can unit sales volumes in the Company's mature markets have been stable to slightly declining in North America and slightly increasing in Europe. Global food and aerosol can sales unit volumes have been stable to declining in recent years primarily due to lower consumer spending. While the opportunity for organic volume growth in the Company's mature markets is not comparable to that in targeted international growth markets, the Company continues to generate strong returns on invested capital and significant cash flow from these businesses. The Company monitors capacity across all of its businesses and, where necessary, may take action such as closing a plant or reducing headcount to better manage its costs. Any or all of these actions may result in additional restructuring charges in the future which may be material.

As part of the Company's efforts to manage increased cost, it attempts to pass-through increases in the cost of aluminum and steel to its customers. There can be no assurance that the Company will be able to recover from its customers the impact of any such increased costs. Aluminum and steel prices can be subject to significant volatility and there does not appear to be a consistent and predictable trend in pricing.

The Company seeks to increase shareholder value by maximizing operating cash flows which can be reinvested in the business, used for acquisitions, used to repay debt or returned to shareholders through share repurchases or possible future dividends. In assessing the Company's performance, the key performance measure used is segment income, a non-GAAP measure defined by the Company as gross profit less selling and administrative expenses.

RESULTS OF OPERATIONS

The foreign currency translation impacts referred to in the discussion below were primarily due to changes in the euro and pound sterling in the Company's European segments, the Canadian dollar in the Company's Americas segments and the Chinese renminbi and Thai baht in the Company's Asia Pacific segment.

NET SALES AND SEGMENT INCOME

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Net sales	\$ 8,470	\$ 8,644	\$ 7,941
Beverage cans and ends as a percentage of net sales	55%	52%	51%
Food cans and ends as a percentage of net sales	29%	30%	31%

Year ended December 31, 2012 compared to 2011

Net sales decreased primarily due to \$243 from the impact of foreign currency translation and \$65 from lower selling prices including the pass through of lower material costs partially offset by \$133 from sales unit volumes primarily due to organic growth and increased customer demand for beverage cans.

Year ended December 31, 2011 compared to 2010

Net sales increased primarily due to \$432 from the pass-through of higher raw material costs, \$84 from higher net global sales unit volumes due to organic growth and increased customer demand and \$197 from the impact of foreign currency translation.

Discussion and analysis of net sales and segment income by segment follows.

Americas Beverage

The Americas Beverage segment manufactures aluminum beverage cans and ends and steel crowns, commonly referred to as “bottle caps”, and supplies a variety of customers from its operations in the U.S., Brazil, Canada, Colombia and Mexico. The North American beverage can market is a mature market which has experienced slightly declining volumes in recent years. In Brazil, the Company's sales unit volumes have increased in recent years primarily due to market growth. In 2011, the Company completed construction of a new plant in Ponta Grossa, Brazil and commenced commercial operations of a second production line in its plant in Estancia, Brazil.

Net sales and segment income in the Americas Beverage segment are as follows:

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Net sales	\$ 2,274	\$ 2,273	\$ 2,097
Segment income	311	302	275

Year ended December 31, 2012 compared to 2011

Net sales did not change significantly as \$51 from increased sales unit volumes was offset by \$42 from the pass-through of lower aluminum costs and \$8 from the impact of foreign currency translation. Sales unit volume increases in Brazil offset volume declines in North America. The increase in Brazil is primarily the result of recent capacity additions in Ponta Grossa and Estancia. Sales unit volumes in Brazil are higher due to various factors, including its growing middle class and increasing disposable income and shift in packaging mix to two-piece aluminum beverage cans from other packages.

Segment income increased primarily due to \$19 from higher sales unit volumes in Brazil as described above and lower operating costs, including \$12 from reduced post-employment benefits in the U.S. partly due to post-retirement plan amendments, partially offset by lower selling prices primarily due to competitive pricing pressure.

Year ended December 31, 2011 compared to 2010

Net sales increased primarily due to \$113 from the pass-through of higher raw material costs, primarily aluminum, \$48 from increased sales unit volumes due to market growth in Brazil which offset lower sales unit volumes in the U.S. and \$15 from the impact of foreign currency translation. The increase in sales unit volumes is primarily due to the start of commercial operations at the Company's plant in Ponta Grossa, Brazil in the first quarter of 2011 and the start of commercial operations on the second can line at the Company's plant in Estancia, Brazil in the second quarter of 2011.

Segment income increased primarily due to \$19 from increased sales unit volumes and favorable product mix and \$7 from lower operating costs including reduced post-employment benefits in the U.S. partly due to post-retirement plan amendments in 2011.

North America Food

The North America Food segment manufactures steel and aluminum food cans and ends and metal vacuum closures and supplies a variety of customers from its operations in the U.S. and Canada. The North American food can and closures market is a mature market which has experienced stable to slightly declining volumes in recent years.

Net sales and segment income in the North America Food segment are as follows:

	2012	2011	2010
Net sales	\$ 876	\$ 889	\$ 897
Segment income	146	146	120

Year ended December 31, 2012 compared to 2011

Net sales decreased primarily due to \$25 from lower sales unit volumes partially offset by \$13 from the pass-through of higher costs.

Segment income did not change as \$9 from the impact of lower sales unit volumes and \$5 from inventory holding gains in 2011 that did not recur in 2012 were offset by \$8 from improved cost performance and \$6 from reduced post-employment benefits in the U.S. partly due to post-retirement plan amendments in 2011.

Year ended December 31, 2011 compared to 2010

Net sales decreased primarily due to \$54 from lower sales unit volumes as decreased market demand in the U.S. for food cans offset higher sales unit volumes in metal vacuum closures. The decrease was partially offset by \$39 from the pass-through of higher raw material costs, primarily tinplate, and \$7 from the impact of foreign currency translation.

Segment income increased primarily due to \$19 from lower operating costs including the benefits from prior plant closures in Canada and lower postretirement benefits in the U.S. resulting from plan amendments in 2010 and 2011 and \$5 from inventory holding gains from the sale of inventory on hand at the end of 2010.

European Beverage

The Company's European Beverage segment manufactures steel and aluminum beverage cans and ends and supplies a variety of customers from its operations throughout Eastern and Western Europe, the Middle East and North Africa. In recent years, the European beverage can market has been growing. In the second quarter of 2012, the Company commenced commercial operations of a new plant in Osmaniye, Turkey which is expected to add annualized capacity of approximately 700 million cans when fully operational.

Net sales and segment income in the European Beverage segment are as follows:

	2012	2011	2010
Net sales	\$ 1,653	\$ 1,669	\$ 1,524
Segment income	217	210	244

Year ended December 31, 2012 compared to 2011

Net sales decreased primarily due to \$70 from the impact of foreign currency translation partially offset by \$38 from increased sales unit volumes primarily in Greece, Saudi Arabia, Slovakia and Turkey which offset lower volumes in France and Spain and \$16 from increased selling prices. The increase in Turkey is primarily the result of recent capacity additions.

Segment income increased primarily due to the higher sales unit volumes described above partially offset by \$6 from the impact of foreign currency translation.

Year ended December 31, 2011 compared to 2010

Net sales increased primarily due to \$58 from increased sales unit volumes primarily in Slovakia, \$56 from the pass-through of higher raw material costs and \$31 from the impact of foreign currency translation.

Segment income decreased primarily due to increased costs, including lower productivity, which were not fully offset by increases in selling prices and increased volume activity.

European Food

The European Food segment manufactures steel and aluminum food cans and ends, and metal vacuum closures and supplies a variety of customers from its operations throughout Europe and Africa. The European food can market is a mature market which has experienced stable to slightly declining volumes in recent years. In 2011 and 2012, the Company initiated restructuring actions in its European Food segment to reduce manufacturing capacity and headcount. The Company expects these actions to result in annual cost savings of approximately \$16 when fully implemented in 2014. However, there can be no assurance that any such pre-tax savings will be realized.

Net sales and segment income in the European Food segment are as follows:

	2012	2011	2010
Net sales	\$ 1,793	\$ 1,999	\$ 1,841
Segment income	180	239	224

Year ended December 31, 2012 compared to 2011

Net sales decreased primarily due to lower sales unit volumes due in part to ongoing economic uncertainty in Europe and adverse weather conditions and \$130 from the impact of foreign currency translation.

Segment income decreased primarily due to \$41 split between unfavorable sale unit volume mix and the impact of competitive price compression, \$5 from inventory holding gains in 2011 that did not recur in 2012 and \$13 from the impact of foreign currency translation.

Year ended December 31, 2011 compared to 2010

Net sales increased primarily due to \$142 from the pass-through of higher raw material costs, primarily tinplate, and \$86 from the impact of foreign currency translation partially offset by \$70 from lower sales unit volumes.

Segment income increased primarily due to \$24 from lower operating costs, \$5 from inventory holding gains from the sale of inventory on hand at the end of 2010 and \$11 from the impact of foreign currency translation partially offset by \$25 from lower sales unit volumes including the fourth quarter 2010 effects of customers' buying ahead of 2011 tinplate price increases.

Asia Pacific

The Company's Asia Pacific segment consists of beverage and non-beverage can operations, primarily food cans and specialty packaging. In recent years, the Company's beverage can businesses in Asia have experienced significant growth.

In the first quarter of 2012, the Company commenced commercial operations at its new beverage can plant in Putian, China. In the second quarter of 2012, the Company commenced commercial operations at its new beverage can plant in Ziyang, China, completed capacity expansion at its plant in Ho Chi Minh City, Vietnam and began commercial production of beverage can ends at its new plant in Heshan, China. In the third quarter of 2012, the Company began commercial production of beverage cans in Heshan, China.

In the fourth quarter of 2012, the Company acquired an aluminum beverage can and end production facility in Vietnam and also acquired a controlling interest in Superior Multi-Packaging Ltd. ("Superior"), a listed company on the Singapore Exchange. Superior primarily produces specialty packaging containers for consumer products companies at its facilities in China, Singapore and Vietnam. The acquisition of the controlling interest in Superior was made by an indirect 55% owned subsidiary of the Company.

In 2013, the Company has announced plans to complete new beverage can plants in Sihanoukville, Cambodia, Nong Khae, Thailand and Danang, Vietnam and to expand capacity at its existing plants in Malaysia and Putian, China. The additional capacity in Thailand and Malaysia is replacing capacity lost as a result of the 2011 flooding in Thailand. Once the projects are complete, the Company expects to have added 3.6 billion units of annualized capacity.

	2012	2011	2010
Net sales	\$ 979	\$ 861	\$ 704
Segment income	137	125	112

Year ended December 31, 2012 compared to 2011

Net sales increased primarily due to \$129 from increased beverage can sales unit volumes in Cambodia, China, Singapore and Vietnam and food can volumes in Thailand partially offset by \$21 from the pass-through of lower aluminum costs and a competitive pricing environment in China. The increase in sales unit volumes is primarily due to increased regional demand driven by macroeconomic factors such as GDP growth and increased consumer spending.

Segment income increased primarily due to \$29 from increased sales unit volumes partially offset by competitive pricing pressure in China and \$8 of incremental start-up costs from recent capacity additions. During 2012, the Company recognized income of \$18 from insurance proceeds covering incremental costs and lost profits associated with the 2011 flooding in Thailand.

Year ended December 31, 2011 compared to 2010

Net sales increased primarily due to \$93 from increased beverage can sales unit volumes in Cambodia, China and Vietnam, \$40 from the pass-through of higher raw material costs and \$25 from the impact of foreign currency translation.

Segment income increased primarily due to \$7 from increased beverage can sales unit volumes and \$4 from the impact of foreign currency translation.

Non-reportable Segments

The Company's non-reportable segments include its aerosol can businesses in North America and Europe, its specialty packaging business in Europe and its tooling and equipment operations in the U.S. and United Kingdom. In recent years, the Company's specialty packaging business has experienced stable to slightly declining volumes and its aerosol can businesses have experienced slightly declining volumes. In 2011 and 2012, the Company initiated restructuring actions in its European Aerosol and European Specialty Packaging operations to reduce manufacturing capacity and headcount. The Company expects these actions to result in annual cost savings of approximately \$30 when fully implemented in 2014. However, there can be no assurance that any such pre-tax savings will be realized.

Net sales and segment income in non-reportable segments are as follows:

	2012	2011	2010
Net sales	\$ 895	\$ 953	\$ 878
Segment income	98	139	116

Year ended December 31, 2012 compared to 2011

Net sales decreased primarily due to \$33 from lower sales unit volumes in the Company's European Specialty Packaging business reflecting ongoing economic uncertainty in Europe, \$22 from lower sales in the Company's North American and European aerosol businesses primarily due to lower consumer spending partly due to ongoing economic uncertainty in Europe and \$36 from the impact of foreign currency translation, partially offset by \$35 from increased beverage equipment sales to can manufacturers.

Segment income decreased primarily due to \$17 from lower sales unit volumes in the Company's European Specialty Packaging business, \$20 from lower sales in the Company's North American and European aerosol businesses and \$7 from inventory holding gains in 2011 that did not recur in 2012

Year ended December 31, 2011 compared to 2010

Net sales increased primarily due to \$41 from the pass-through of higher raw material costs in the Company's European specialty packaging business and its North American and European aerosol businesses, \$30 from increased beverage equipment sales to can manufacturers and \$33 from the impact of foreign currency translation, partially offset by \$13 from lower sales unit volumes in the Company's North American and European aerosol businesses, \$8 from lower sales unit volumes in the Company's European specialty packaging business and \$10 from the April 2010 sale of the Company's plastic closures business in Brazil.

Segment income increased primarily due to \$8 from increased beverage equipment sales, \$7 from inventory holding gains, \$4 from lower operating costs in the Company's European specialty packaging business and \$3 from the impact of foreign currency translation.

Corporate and Unallocated Expense

	2012	2011	2010
Corporate and unallocated expense	\$ 194	\$ 208	\$ 201

Corporate and unallocated costs decreased in 2012 compared to 2011 primarily due to lower professional fees, lower pension costs and lower insurance costs primarily due to a fire at a Company warehouse in 2011 partially offset by \$6 from legal matters.

Corporate and unallocated costs increased in 2011 compared to 2010 primarily due to a benefit of \$20 in 2010 from the settlement of a legal dispute unrelated to the Company's ongoing operations that did not recur in 2011 and increased insurance costs primarily due to a fire at a Company warehouse in 2011 partially offset by \$15 of lower pension costs.

COST OF PRODUCTS SOLD (EXCLUDING DEPRECIATION AND AMORTIZATION)

Cost of products sold (excluding depreciation and amortization) decreased from \$7,120 in 2011 to \$7,013 in 2012 primarily due to \$207 from the impact of foreign currency translation partially offset by the impact of increased global beverage can sales unit volumes.

Cost of products sold, excluding depreciation and amortization, increased from \$6,519 in 2010 to \$7,120 in 2011, primarily due to increased global sales unit volumes, increased raw material costs and \$166 from the impact of foreign currency translation.

DEPRECIATION AND AMORTIZATION

For the year ended December 31, 2012 compared to 2011, depreciation and amortization increased from \$176 to \$180 primarily due to the impact of recent capacity expansion which offset the impact of foreign currency translation. Depreciation and amortization increased from \$172 in 2010 to \$176 in 2011 primarily due to \$4 from the impact of foreign currency translation.

The Company, with the assistance of a third party appraiser, recently completed an evaluation of the estimated useful lives of its two-piece and three-piece can-making equipment. As a result of the evaluation, effective January 1, 2013, the company increased the estimated useful lives of its can-making equipment to 18 years. The Company believes that the revised useful lives better reflect the actual useful lives of its can-making equipment. The Company currently expects 2013 depreciation and amortization to be approximately \$150.

SELLING AND ADMINISTRATIVE EXPENSE

Selling and administrative expense decreased from \$395 in 2011 to \$382 in 2012 primarily due \$11 from the impact of foreign currency translation.

Selling and administrative expense increased from \$360 in 2010 to \$395 in 2011 primarily due to \$20 of benefit from the settlement of a legal dispute unrelated to the Company's ongoing operations in 2010 that did not recur in 2011 and \$10 from the impact of foreign currency translation.

PROVISION FOR ASBESTOS

Crown Cork & Seal Company, Inc. is one of many defendants in a substantial number of lawsuits filed throughout the U.S. by persons alleging bodily injury as a result of exposure to asbestos. During 2012, 2011 and 2010 the Company recorded charges of \$35, \$28 and \$46, respectively, to increase its accrual for asbestos-related costs and made asbestos-related payments of \$28, \$28 and \$27, respectively. The Company expects 2013 payments to be generally consistent with prior years' levels. See [Note K](#) to the consolidated financial statements for additional information regarding the provision for asbestos-related costs. Also see the Critical Accounting Policies section of this "Management's Discussion and Analysis of Financial Condition and Results of Operations" for a discussion of the Company's policies with respect to asbestos liabilities.

PROVISION FOR RESTRUCTURING

The Company recorded restructuring charges as follows.

	2012	2011	2010
North America Food	3	3	28
European Food	15	9	—
Asia Pacific	4	—	—
Other European operations	18	45	—
European Division Headquarters	3	20	14
Corporate	5	—	—
	<u>\$ 48</u>	<u>\$ 77</u>	<u>\$ 42</u>

See [Note M](#) to the consolidated financial statements for additional information on these charges. See also the discussion of net sales and segment income above for information about the expected savings that may result from the recent restructuring actions in the Company's European Food and other European operations.

LOSS FROM EARLY EXTINGUISHMENTS OF DEBT

During 2011, the Company recorded a charge of \$32 in connection with the repayment of its \$600 outstanding 7.75% senior secured notes due 2015 and its €83 (\$121) 6.25% first priority senior secured notes due 2011.

During 2010, the Company recorded a charge of \$16 in connection with the repayment of €76 (\$101) of its 6.25% first priority senior secured notes due 2011 and its \$200 outstanding 7.625% senior notes due 2013.

In January 2013, the Company issued \$1,000 of 4.5% senior unsecured notes due 2023 and used the proceeds to repay \$500 of indebtedness under its senior secured term loan facilities, to redeem all of its outstanding \$400 7.625% senior secured notes due 2017, to pay related fees, premiums and expenses, and for general corporate purposes. In connection with the transactions, the Company expects to incur a charge of approximately \$32 in the first quarter of 2013 for the related redemption premiums and write-off of deferred financing costs.

INTEREST EXPENSE

Interest expense decreased from \$232 in 2011 to \$226 primarily due to \$4 from the impact of foreign currency translation.

Interest expense increased from \$203 in 2010 to \$232 in 2011 primarily due to \$23 from higher average debt outstanding and \$4 from the impact of foreign currency translation.

TAXES ON INCOME

The Company's effective income tax rate was as follows:

	2012	2011	2010
Income before income taxes	\$ 636	\$ 587	\$ 614
Provision for / (benefit from) income taxes	(17)	194	165
Effective income tax rate	(2.7)%	33.0%	26.9%

The effective income tax rate in 2012 includes a benefit of \$175, net of valuation allowance, related to the recognition of previously unrecognized U.S. foreign tax credits as discussed further in [Note W](#) to the consolidated financial statements. In addition, the effective tax rate includes a benefit of \$10 from the receipt of non-taxable insurance proceeds related to the 2011 flooding in Thailand and the benefit of certain income tax incentives in Brazil as discussed further in [Note W](#).

The effective income tax rate in 2011 was higher than in 2010 primarily due to a net tax charge of \$25 in 2011 in connection with the relocation of the Company's European headquarters and management to Switzerland and a tax benefit of \$7 in 2010, that did not recur in 2011, from the nontaxable settlement of a legal dispute unrelated to the Company's operations.

See [Note W](#) to the consolidated financial statements for additional information regarding income taxes. Also see the Critical Accounting Policies section of this "Management's Discussion and Analysis of Financial Condition and Results of Operations" for a discussion of the Company's policies with respect to valuation allowances.

NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS

Net income attributable to noncontrolling interests decreased from \$114 in 2011 to \$101 in 2012 primarily due to the acquisition of additional ownership interests in certain operations in China, Dubai, Greece, Jordan, Tunisia and Vietnam in the second half of 2011.

Net income attributable to noncontrolling interests decreased from \$128 in 2010 to \$114 in 2011 primarily due to the acquisition of additional ownership interests in certain operations in Beijing, Dubai, Greece, Jordan, Shanghai, Tunisia and Vietnam which offset increased earnings in Brazil.

LIQUIDITY AND CAPITAL RESOURCES

OPERATING ACTIVITIES

Cash provided by operating activities increased from \$379 in 2011 to \$621 in 2012 primarily due to \$301 of lower pension contributions in 2012 partially offset by higher net working capital.

Receivables increased from \$948 in 2011 to \$1,057 in 2012 and used cash of \$113 in 2012 compared to \$36 in 2011. The increase is primarily due to higher raw material costs, expansion in Asia and Brazil and mix of receivables. Days sales outstanding for trade receivables increased from 35 in 2011 to 39 in 2012. The increase is primarily due to mix of receivables and not an increase in overdues.

Inventories increased from \$1,148 in 2011 to \$1,166 in 2012 and used cash of \$119 in 2011 compared to provided cash of \$21 in 2012. In 2011, inventories used cash primarily due to higher raw material costs and increased inventory levels primarily due to capacity expansion in Asia and Brazil. In 2012, inventories provided cash primarily due to the Company's efforts to manage lower levels of inventory. Raw material costs did not have a significant impact on inventories at the end of 2012 compared to 2011.

Cash provided by operating activities decreased from \$590 in 2010 to \$379 in 2011 primarily due to \$325 from increased pension contributions and \$40 from increased interest payments in 2011, offset by \$208 in 2010 from a change in accounting guidance requiring the Company's securitization facilities and a portion of its factoring facilities to be accounted for as secured borrowings.

INVESTING ACTIVITIES

Cash used for investing activities decreased from \$372 in 2011 to \$362 in 2012. Capital expenditures, net of insurance proceeds related to flooding at the Company's beverage can plant in Thailand, decreased by \$125. The decrease was partially offset by \$78 in cash payments for business acquisitions, net of cash acquired, \$23 in lower proceeds from sales of property, plant and equipment in 2012 and \$8 from an increase in restricted cash. Currently, the Company expects capital expenditures of approximately \$230 in 2013 which are to be funded primarily from cash flows from operations.

At December 31, 2012, the Company had \$67 of capital commitments primarily related to capacity expansion in Cambodia, China and Vietnam and the rebuilding of its beverage can plant in Thailand which was damaged by severe flooding in 2011. The Company expects to fund these commitments primarily through cash flows generated from operations and to fund any excess needs over available cash through external borrowings.

Cash used for investing activities increased from \$281 in 2010 to \$372 in 2011 primarily due to an increase in capital expenditures related to the Company's beverage can capacity expansion projects in Brazil, China, Eastern Europe and Vietnam.

FINANCING ACTIVITIES

Cash used for financing activities was \$254, \$129 and \$299 in 2012, 2011 and 2010, respectively.

In 2012, cash used for financing activities was primarily to repurchase shares of the Company's common stock as described in [Note O](#) to the consolidated financial statements and to pay dividends to noncontrolling interests in the Company's non-wholly owned subsidiaries in Asia, the Middle East and South America.

In 2011 and 2010, cash used for financing activities was primarily to repurchase shares of the Company's common stock as described in [Note O](#) to the consolidated financial statements, purchase additional ownership interests in certain operations from noncontrolling interests as described in [Note T](#) to the consolidated financial statements, pay dividends to noncontrolling interests

in the Company's non-wholly owned subsidiaries in Asia, the Middle East and South America and additional borrowings made in 2011 to prefund \$328 of pension obligations in the U.S. and Canada.

In 2010, cash flows from financing activities included an increase of \$208 from a change in accounting guidance requiring the Company's securitization facilities and a portion of its factoring facilities to be accounted for as secured borrowings.

Other financing activities, in each year, is primarily cash settlements of foreign currency derivatives used to hedge intercompany debt obligations.

LIQUIDITY

As of December 31, 2012, \$319 of the Company's \$350 cash and cash equivalents was located outside the U.S. The Company is not currently aware of any legal restrictions under foreign law that materially impact its access to cash held outside the U.S.

The Company funds its cash needs in the U.S. through a combination of cash flows from operations in the U.S., dividends from certain foreign subsidiaries, borrowings under its revolving credit facility and the acceleration of cash receipts under its receivable securitization facilities. The Company records current and/or deferred U.S. taxes for the earnings of these foreign subsidiaries. For certain other foreign subsidiaries, the Company considers earnings indefinitely reinvested and has not recorded any U.S. taxes. Of the cash and cash equivalents located outside the U.S., \$118 was held by subsidiaries for which earnings are considered indefinitely reinvested. While based on current operating plans the Company does not foresee a need to repatriate these funds, if such earnings were repatriated the Company may be required to record incremental U.S. taxes on the repatriated funds.

The Company funds its worldwide cash needs through a combination of cash flows from operations, borrowings under its revolving credit facilities and the acceleration of cash receipts under its receivables securitization and factoring facilities. As of December 31, 2012, the Company has available capacity of \$100 under its North American securitization facility, \$41 under its European securitization facility and \$1,104 under its revolving credit facilities. The Company has current maturities of long-term debt of \$115 due in 2013 and is not required to refinance or renegotiate any of its current sources of liquidity in 2013. As described in Note Y to the consolidated financial statements, in January 2013, the Company issued \$1,000 of 4.5% senior unsecured notes due 2023 and used the proceeds to redeem all of its outstanding \$400 senior notes due 2017, to repay \$500 of indebtedness under its senior secured term loan facilities, to pay related redemption premiums, fees and expenses and for general corporate purposes.

The Company has substantial debt outstanding. The ratio of total debt, less cash and cash equivalents, to total capitalization was 96.4% and 108.1%, at December 31, 2012 and 2011, respectively. Total capitalization is defined by the Company as total debt plus total equity, less cash and cash equivalents. Total debt increased in 2012 primarily due to the acquisitions completed during the year as described in [Note S](#) to the consolidated financial statements and \$34 from the impact of foreign currency translation. However, the ratio improved because total capitalization increased as the Company's total equity improved from a deficit in 2011 as described further below under Common Stock and Other Equity.

The Company's debt agreements contain covenants that limit the ability of the Company and its subsidiaries to, among other things, incur additional debt, pay dividends or repurchase capital stock, make certain other restricted payments, create liens and engage in sale and leaseback transactions. These restrictions are subject to a number of exceptions, however, which allow the Company to incur additional debt, create liens or make otherwise restricted payments. The amount of restricted payments permitted to be made, including dividends and repurchases of the Company's common stock, is generally limited to the cumulative excess of \$200 plus 50% of adjusted net income plus proceeds from the exercise of employee stock options over the aggregate of restricted payments made since July 2004. Adjustments to net income may include, but are not limited to, items such as asset impairments, gains and losses from asset sales and early extinguishments of debt.

The Company's revolving credit facility and term loans also contain various financial covenants. The interest coverage ratio is calculated as Adjusted EBITDA divided by interest expense. Adjusted EBITDA is calculated as the sum of net income attributable to Crown Holdings, net income attributable to noncontrolling interests, income taxes, interest expense, depreciation and amortization, and certain non-cash charges. The Company's interest coverage ratio of 4.5 to 1.0 at December 31, 2012 was in compliance with the covenant requiring a ratio of at least 2.85 to 1.0. The total net leverage ratio is calculated as total net debt divided by Adjusted EBITDA, as defined above. Total net debt is defined in the credit agreement as total debt less cash and cash equivalents. The Company's total net leverage ratio of 2.9 to 1.0 at December 31, 2012 was in compliance with the covenant requiring a ratio no greater than 4.0 to 1.0. The ratios are calculated at the end of each quarter using debt and cash balances as of the end of the quarter and Adjusted EBITDA and interest expense for the most recent twelve months. Failure to meet the financial covenants could result in the acceleration of any outstanding amounts due under the revolving credit facilities, term loan agreements and senior notes due 2018 and 2021. In addition, the interest rate on the revolving credit facilities can vary from EURIBOR or

Crown Holdings, Inc.

LIBOR plus a margin of 1.75% up to 2.25% based on the total net leverage ratio. The term loans bear interest of LIBOR or EURIBOR plus 1.75%.

Following the January 2013 debt issuance and repayments described in Note Y to the consolidated financial statements, the Company's current sources of liquidity and borrowings expire or mature as follows: its \$200 North American securitization facility in December 2015; its €110 (\$144) European securitization facility in July 2017; its \$1,200 revolving credit facilities in June 2015; its €500 (\$659) 7.125% senior notes in August 2018; its \$700 6.25% senior notes in February 2021; its \$1,000 4.50% senior notes in January 2023; its \$350 7.375% senior notes in December 2026; its \$64 7.5% senior notes in December 2096; and \$283 of other indebtedness in various currencies at various dates through 2019. In addition the Company's term loan facilities mature as follows: \$46 in June 2013, \$91 in June 2014, \$137 in June 2015 and \$138 in June 2016.

CONTRACTUAL OBLIGATIONS

Contractual obligations as of December 31, 2012 are summarized in the table below.

	Payments Due by Period						Total
	2013	2014	2015	2016	2017	2018 & after	
Long-term debt	\$ 115	\$ 183	\$ 195	\$ 720	\$ 416	\$ 1,784	\$ 3,413
Interest on long-term debt	189	184	178	172	153	122	998
Operating leases	53	38	28	20	16	62	217
Projected pension contributions	85	84	134	120	145		568
Postretirement obligations	27	23	23	23	22	105	223
Purchase obligations	2,747	1,215	650				4,612
Total contractual cash obligations	\$ 3,216	\$ 1,727	\$ 1,208	\$ 1,055	\$ 752	\$ 2,073	\$ 10,031

All amounts due in foreign currencies are translated at exchange rates as of December 31, 2012.

Interest on long-term debt is presented through 2018 only and represents the interest that will accrue by year based on interest rates in effect as of December 31, 2012. Interest on the Company's revolving credit facility is calculated based on \$45 of outstanding borrowings as of December 31, 2012.

Projected pension contributions represent the Company's expected funding contributions for the next five years. Postretirement obligations represent expected payments to retirees for medical and life insurance coverage for the next ten years. These projections require the use of numerous estimates and assumptions such as discount rates, rates of return on plan assets, compensation increases, health care cost increases, mortality and employee turnover and have therefore been provided for only five years for pension and ten years for postretirement.

Purchase obligations include commitments for raw materials and utilities at December 31, 2012. These commitments specify significant terms, including fixed or minimum quantities to be purchased; fixed, minimum or variable pricing provisions; and the approximate timing of transactions.

The table above excludes \$35 of liabilities for unrecognized tax benefits because the Company is unable to estimate when these amounts may be paid, if at all. See [Note W](#) to the consolidated financial statements for additional information on the Company's unrecognized tax benefits.

In order to reduce leverage and future interest payments, the Company may from time to time repurchase outstanding notes and debentures with cash, exchange shares of its common stock for the Company's outstanding notes and debentures, or seek to refinance its existing credit facilities and other indebtedness. The Company will evaluate any such transactions in light of then existing market conditions and may determine not to pursue such transactions.

MARKET RISK

In the normal course of business the Company is subject to risk from adverse fluctuations in foreign exchange rates, interest rates and commodity prices. The Company manages these risks through a program that includes the use of derivative financial instruments, primarily swaps and forwards. Counterparties to these contracts are major financial institutions. These instruments are not used for trading or speculative purposes. The extent to which the Company uses such instruments is dependent upon its

Crown Holdings, Inc.

access to them in the financial markets and its use of other methods, such as netting exposures for foreign exchange risk and establishing sales arrangements that permit the pass-through to customers of changes in commodity prices and foreign exchange rates, to effectively achieve its goal of risk reduction. The Company's objective in managing its exposure to market risk is to limit the impact on earnings and cash flow.

The Company manages foreign currency exposures at the operating unit level. Exposures that cannot be naturally offset within an operating unit may be hedged with derivative financial instruments where possible and cost effective in the Company's judgment. Foreign exchange contracts generally mature within twelve months.

The table below provides information in U.S. dollars as of December 31, 2012 about the Company's forward currency exchange contracts. The contracts primarily hedge anticipated transactions, unrecognized firm commitments and intercompany debt. The contracts with no amounts in the fair value column have a fair value of less than \$1.

Buy/Sell	Contract amount	Contract fair value gain/(loss)	Average contractual exchange rate
U.S. dollars/Euro	\$ 52	\$ (1)	1.30
Sterling/Euro	128	(1)	0.80
Euro/Sterling	457	2	0.81
Euro/U.S. dollars	508	4	1.31
U.S. dollars/Sterling	11	—	1.60
Sterling/U.S. dollars	27	—	1.59
U.S. dollars/Thai Baht	47	(1)	31.16
Euro/Polish Zloty	19	—	4.09
Euro/Moroccan Dirham	17	—	11.21
Singapore dollars/U.S. dollars	62	—	1.22
Euro/Singapore dollars	65	2	1.58
Malaysia Ringgit/ U.S. dollars	13	—	3.05
Polish Zloty/Euro	13	\$ —	4.08
	<u>\$ 1,419</u>	<u>\$ 5</u>	

At December 31, 2012, the Company had additional contracts with an aggregate notional value of \$81 to purchase or sell other currencies, primarily Asian currencies, including the Hong Kong dollar, European currencies, including the Hungarian forint and Turkish Lira and African currencies, including the Tunisian dinar. The aggregate fair value of these contracts was a gain of \$1.

The Company, from time to time, may manage its interest rate risk associated with fluctuations in variable interest rates through interest rate swaps. The use of interest rate swaps and other methods of mitigating interest rate risk may increase overall interest expense.

The table below presents principal cash flows and related interest rates by year of maturity for the Company's debt obligations as of December 31, 2012. Variable interest rates disclosed represent the weighted average rates at December 31, 2012.

Debt	Year of Maturity					
	2013	2014	2015	2016	2017	Thereafter
Fixed rate	\$ 54	\$ 53	\$ 30	\$ 12	\$ 408	\$ 1,784
Average interest rate	5.0%	5.5%	5.6%	6.2%	7.6%	6.8%
Variable rate	\$ 322	\$ 130	\$ 165	\$ 708	\$ 8	—
Average interest rate	2.1%	2.8%	2.6%	2.5%	2.7%	3.6%

Total future payments at December 31, 2012 include \$2,436 of U.S. dollar-denominated debt, \$1,089 of euro-denominated debt and \$149 of debt denominated in other currencies.

The Company uses various raw materials, such as steel and aluminum in its manufacturing operations, which expose it to risk from adverse fluctuations in commodity prices. In 2012, consumption of steel and aluminum represented 26% and 38%, respectively, of the Company's consolidated cost of products sold, excluding depreciation and amortization. The Company primarily manages its risk to adverse commodity price fluctuations and surcharges through contracts that pass through raw material costs to customers.

The Company may, however, be unable to increase its prices to offset increases in raw material costs without suffering reductions in unit volume, revenue and operating income, and any price increases may take effect after related cost increases, reducing operating income in the near term.

In addition, the Company's manufacturing facilities are dependent, in varying degrees, upon the availability of water and processed energy, such as natural gas and electricity.

Aluminum, a basic raw material used by the Company, is subject to the risk of significant price fluctuations which may be hedged by the Company through forward commodity contracts. Current contracts involve aluminum forwards with a notional value of \$434 and a fair value loss of \$14. The maturities of the commodity contracts closely correlate to the anticipated purchases of those commodities. These contracts are used in combination with commercial supply contracts with customers to manage exposure to price volatility.

See [Note R](#) to the consolidated financial statements for further information on the Company's derivative financial instruments.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has certain guarantees and indemnification agreements that could require the payment of cash upon the occurrence of certain events. The guarantees and agreements are further discussed under [Note L](#) to the consolidated financial statements. The Company also utilizes receivables securitization and factoring facilities and derivative financial instruments as further discussed under [Note C](#) and [Note R](#), respectively, to the consolidated financial statements.

ENVIRONMENTAL MATTERS

Compliance with the Company's Environmental Protection Policy is mandatory and the responsibility of each employee of the Company. The Company is committed to the protection of human health and the environment and is operating within the increasingly complex laws and regulations of national, state, and local environmental agencies or is taking action to achieve compliance with such laws and regulations. Environmental considerations are among the criteria by which the Company evaluates projects, products, processes and purchases.

The Company is dedicated to a long-term environmental protection program and has initiated and implemented many pollution prevention programs with an emphasis on source reduction. The Company continues to reduce the amount of metal used in the manufacture of steel and aluminum containers through "lightweighting" programs. The Company recycles nearly 100% of scrap aluminum, steel and copper used in its manufacturing processes. Many of the Company's programs for pollution prevention reduce operating costs and improve operating efficiencies.

The potential impact on the Company's operations of climate change and potential future climate change regulation in the jurisdictions in which the Company operates is highly uncertain. See the risk factor entitled "The Company is subject to costs and liabilities related to stringent environmental and health and safety standards" in Part I, Item 1A of this Annual Report.

See [Note L](#) to the consolidated financial statements for additional information on environmental matters including the Company's accrual for environmental remediation costs.

COMMON STOCK AND OTHER EQUITY

In 2012, total equity increased as follows:

Beginning balance	\$	(239)
Net income		658
Other comprehensive loss		(19)
Dividends paid to noncontrolling interests		(79)
Contributions from noncontrolling interests		17
Acquisition of business		7
Stock-based compensation		18
Common stock issued		17
Common stock repurchased		(257)
Ending balance	<u>\$</u>	<u>123</u>

During 2012, 2011 and 2010, the Company repurchased 6,954,968, 7,965,176 and 7,959,707 shares of its common stock, respectively.

The share repurchases were made pursuant to authorizations from the Company's Board of Directors. In December of 2012, the Company's Board of Directors authorized the repurchase of an aggregate amount of \$800 of the Company's common stock through the end of 2014. This authorization supersedes the previous authorization. Share repurchases under the Company's programs may be made in the open market or through privately negotiated transactions, and at times and in such amounts as management deems appropriate. The timing and actual number of shares repurchased will depend on a variety of factors including price, corporate and regulatory requirements and other market conditions.

Total common shares outstanding were 143,136,473 at December 31, 2012 and 148,449,293 at December 31, 2011.

INFLATION

Inflation has not had a significant impact on the Company over the past three years and the Company does not expect it to have a significant impact on the results of operations or financial condition in the foreseeable future.

CRITICAL ACCOUNTING POLICIES

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America which require that management make numerous estimates and assumptions. Actual results could differ from those estimates and assumptions, impacting the reported results of operations and financial position of the Company. The Company's significant accounting policies are more fully described under [Note A](#) to the consolidated financial statements. Certain accounting policies, however, are considered to be critical in that (i) they are most important to the depiction of the Company's financial condition and results of operations and (ii) their application requires management's most subjective judgment in making estimates about the effect of matters that are inherently uncertain.

Asbestos Liabilities

The Company's potential liability for asbestos cases is highly uncertain due to the difficulty of forecasting many factors, including the level of future claims, the rate of receipt of claims, the jurisdiction in which claims are filed, the nature of future claims (including the seriousness of alleged disease, whether claimants allege first exposure to asbestos before or during 1964 and the alleged link to Crown Cork), the terms of settlements of other defendants with asbestos-related liabilities, bankruptcy filings of other defendants (which may result in additional claims and higher settlement demands for non-bankrupt defendants), potential liabilities for claims filed after the Company's ten-year projection period and the effect of state asbestos legislation (including the validity and applicability of the Pennsylvania legislation to non-Pennsylvania jurisdictions, where the substantial majority of the Company's asbestos cases are filed). See [Note K](#) to the consolidated financial statements for additional information regarding the provision for asbestos-related costs.

At the end of each quarter, the Company considers whether there have been any material developments that would cause it to update its asbestos accrual calculations. Absent any significant developments in the asbestos litigation environment in general or with respect to the Company specifically, the Company updates its accrual calculations in the fourth quarter of each year. The Company's asbestos accrual is an estimate of the amounts expected to be paid over the next ten years including outstanding claims, projected future claims and legal costs. Outstanding claims used in the accrual calculation are adjusted for factors such as claims filed in those states where the Company's liability is limited by statute and claims alleging first exposure to asbestos after 1964 which are assumed to have no value and claims that have been outstanding for a significant length of time which are assumed to have a nominal value. Projected future claims are calculated based on actual data for the most recent five years. Outstanding and projected claims are multiplied by the average settlement cost of those claims for the most recent five years.

The five year average settlement cost per claim was \$10,600, \$8,200 and \$7,500 for 2012, 2011 and 2010, respectively. The increase in average settlement cost per claim is primarily explained as follows. Crown Cork's settlement pool continues to include a higher percentage of claims alleging serious disease (primarily mesothelioma and other malignancies) which are settled for higher amounts. In addition, claims alleging serious disease have made up a higher percentage of claims filed and therefore a higher percentage of claims projected into the future. For example, of the projected claims related to claimants alleging first exposure to asbestos before or during 1964 and filed in states that have not enacted asbestos legislation, 54%, 45% and 42% in 2012, 2011 and 2010 respectively, relate to claims alleging serious diseases.

Because the Company's asbestos liability is an estimate of the amounts expected to be paid over the next ten years, the Company expects to record a charge each year to account for projected claims in the new tenth year. As claims are not submitted or settled evenly throughout the year, it is difficult to predict at any time during the year whether the number of claims or average settlement cost over the five year period ending December 31 of such year will increase compared to the prior five year period.

In 2012, the Company recorded a charge of \$35 primarily due to the impact of including an additional year of settlement and legal costs in its projection period and the impact of valuing outstanding and projected claims, which include a higher percentage of claims alleging serious disease, at higher average settlement amounts.

During 2012, 2011 and 2010, the Company made asbestos-related payments of \$28, \$28 and \$27, respectively. If the recent trend of settling a higher percentage of claims alleging serious disease (primarily mesothelioma and other malignancies) which are settled for higher amounts continues, average settlement costs per claim are likely to increase and, if not offset by a reduction in overall claims and settlements, the Company may record additional charges in the future. A 10% change in either the average cost per claim or the number of projected claims would increase or decrease the estimated liability at December 31, 2012 by \$25 for the following ten-year period. A 10% increase or decrease in these two factors at the same time would increase or decrease the estimated liability at December 31, 2012 by \$52 and \$47, respectively, for the following ten-year period.

Goodwill Impairment

The Company performs a goodwill impairment review in the fourth quarter of each year or when facts and circumstances indicate goodwill may be impaired. In accordance with the accounting guidance, the Company may first perform a qualitative assessment on none, some, or all of its reporting units to determine whether further quantitative impairment testing is necessary. Factors that the Company may consider in its qualitative assessment include, but are not limited to, general economic conditions, changes in the markets in which the Company operates, changes in input costs that may affect earnings and cash flows, trends over multiple periods and the difference between the reporting unit's fair value and carrying amount as determined in the most recent fair value calculation.

The quantitative impairment test involves a number of assumptions and judgments, including the calculation of fair value for the Company's identified reporting units. The Company determines the estimated fair value for each reporting unit based on the average of the estimated fair values calculated using market values for comparable businesses and discounted cash flow projections. The Company uses an average of the two methods in estimating fair value because it believes they provide an equal probability of yielding an appropriate fair value for the reporting unit. The Company's estimates of future cash flows include assumptions concerning future operating performance and economic conditions and may differ from actual future cash flows. Under the first method of calculating estimated fair value, the Company obtains publicly available trading multiples based on the enterprise value of companies in the packaging industry whose shares are publicly traded. The Company also reviews available information regarding the multiples used in recent transactions, if any, involving transfers of controlling interests in the packaging industry. The appropriate multiple is applied to the forecasted Adjusted EBITDA (a non-GAAP item defined by the Company as net customer sales, less cost of products sold excluding depreciation and amortization, less selling and administrative expenses) of the reporting unit to obtain an estimated fair value. Under the second method, fair value is calculated as the sum of the projected discounted cash flows of the reporting unit over the next five years and the terminal value at the end of those five years. The projected cash flows generally include no growth assumption unless there has recently been a material change in the business or a material change is forecasted. The discount rate used is based on the average weighted-average cost of capital of companies in the packaging industry, which information is available through various sources.

The terminal value at the end of the five years is the product of the forecasted Adjusted EBITDA at the end of the five year period and the trading multiple. The Company used an EBITDA multiple of 7.5 times and a discount rate of 6.5% in its 2012 review. The assumed EBITDA multiple increased from the 7.0 times used in 2011 due to increased multiples of recent transactions in the industry. The discount rate decreased from the 7.4% used in 2011 due to a decrease in the weighted average cost of capital of companies in the packaging industry.

The Company completed its annual review for 2012 and determined that no adjustments to the carrying value of goodwill were necessary. Although no goodwill impairment was recorded, there can be no assurances that future goodwill impairments will not occur. Based upon the Company's qualitative and quantitative assessment including consideration of the sensitivity of the assumptions made and methods used to determine fair value, industry trends and other relevant factors, the Company did not have any reporting unit at the end of 2012 whose fair value did not materially exceed its carrying value except for its European Aerosols reporting unit.

As of December 31, 2012, the estimated fair value of the European Aerosols reporting unit, using the methods and assumptions described above, was 22% higher than its carrying value, and the reporting unit had \$151 of goodwill. The maximum potential effect of weighting the two valuation methods other than equally would have been to increase or decrease the estimated fair value by \$9. Assuming all other factors remain the same, a \$1 change in forecasted annual Adjusted EBITDA changes the excess of estimated fair value over carrying value by \$8; a change of 0.5 in the assumed EBITDA multiple changes the excess of estimated fair value over carrying value by \$12; and an increase in the discount rate from 6.5% to 7.5% changes the excess of estimated fair value over carrying value by \$4. The projections used in the Company's analysis did not assume a significant recovery in sales unit volumes in 2013 but, did assume that the Company will be able to realize the anticipated savings from its headcount and capacity reductions initiated in the fourth quarter of 2011. If future operating results were to decline causing the estimated fair value to fall below its carrying value, it is possible that an impairment charge of up to \$151 could be recorded.

Long-lived Assets Impairment

The Company performs an impairment review of its long-lived assets, primarily property, plant and equipment, when facts and circumstances indicate the carrying value may not be recoverable from its undiscounted cash flows. Any impairment loss is measured by comparing the carrying amount of the asset to its fair value. The Company's estimates of future cash flows involve assumptions concerning future operating performance, economic conditions and technological changes that may affect the future useful lives of the assets. These estimates may differ from actual cash flows or useful lives.

Tax Valuation Allowance

The Company records a valuation allowance to reduce its deferred tax assets when it is more likely than not that a portion of the tax assets will not be realized. The estimate of the amount that will not be realized requires the use of assumptions concerning the Company's future taxable income. These estimates are projected through the life of the related deferred tax assets based on assumptions that management believes are reasonable. The Company considers all sources of taxable income in estimating its valuation allowances, including taxable income in any available carry back period; the reversal of taxable temporary differences; tax-planning strategies; and taxable income expected to be generated in the future other than reversing temporary differences. Should the Company change its estimate of the amount of its deferred tax assets that it would be able to realize, an adjustment to the valuation allowance would result in an increase or decrease in tax expense in the period such a change in estimate was made. See [Note W](#) to the consolidated financial statements for additional information on the Company's valuation allowances.

Unrecognized Tax Positions

The Company recognizes the impact of a tax position if, in the Company's opinion, it is more likely than not that the position will be sustained on audit, based on the technical merits of that position. The tax position is measured at the largest amount of benefit that is greater than 50% likely of being realized upon ultimate settlement. The determination of whether the impact should be recognized, and the measurement of the impact, can require significant judgment and the Company's estimate may differ from actual settlement amounts. See [Note W](#) to the consolidated financial statements for additional information on the Company's tax positions.

Pension and Postretirement Benefits

Accounting for pensions and postretirement benefit plans requires the use of estimates and assumptions regarding numerous factors, including discount rates, rates of return on plan assets, compensation increases, health care cost increases, mortality and employee turnover. Actual results may differ from the Company's actuarial assumptions, which may have an impact on the amount of reported expense or liability for pensions or postretirement benefits. The Company recorded pension expense of \$97 in 2012 and currently projects its 2013 pension expense to be \$78 using foreign currency exchange rates in effect at December 31, 2012.

The rate of return assumptions are reviewed at each measurement date based on the pension plans' investment policies, current asset allocations and an analysis of the historical returns of the capital markets.

The U.S. plan's assumed rate of return was 8.0 % in 2012 and is 8.0% in 2013. The U.K. plan's assumed rate of return was 6.25% in 2012 and is 5.75% in 2013. The assumed rate of return for 2013 was calculated on a similar basis to 2012 as described in [Note V](#) to the consolidated financial statements.

A 0.25% change in the expected rates of return would change 2013 pension expense by approximately \$11.

Discount rates were selected using a method that matches projected payouts from the plans with zero-coupon AA bond yield curves in the respective currencies. The yield curves were constructed from the underlying bond price and yield data collected as of the plans' measurement date and are represented by a series of annualized, individual discount rates with durations ranging from six months to thirty years. Each discount rate in the curve was derived from an equal weighting of the AA bond universe, apportioned into distinct maturity groups. These individual discount rates were then converted into a single equivalent discount rate. To assure that the resulting rates can be achieved by the plan, only bonds with sufficient capacity that satisfy certain criteria and are expected to remain available through the period of maturity of the plan benefits were used to develop the discount rate. A 0.25% change in the discount rates from those used at December 31, 2012 would change 2013 pension expense by approximately \$4 and postretirement expense by approximately \$1. A 0.25% change in the discount rates from those used at December 31, 2012 would have changed the pension benefit obligation by approximately \$159 and the postretirement benefit obligation by \$9 as of December 31, 2012. See [Note V](#) to the consolidated financial statements for additional information on pension and postretirement benefit obligations and assumptions.

As of December 31, 2012, the Company had pre-tax unrecognized net losses in other comprehensive income of \$2,517 related to its pension plans and a net gain of \$112 related to its other postretirement benefit plans. Unrecognized gains and losses arise each year primarily due to changes in discount rates, differences in actual plan asset returns compared to expected returns, and changes in actuarial assumptions such as mortality. For example, the unrecognized net loss in the Company's pension plans included a current year gain of \$116 due to actual asset returns greater than expected returns and a loss of \$411 primarily due to lower discount rates at the end of 2012 compared to 2011. Unrecognized gains and losses are accumulated in other comprehensive income and the portion in each plan that exceeds 10% of the greater of that plan's assets or projected benefit obligation is amortized to income over future periods. The Company's pension expense for the year ended December 31, 2012 included charges of \$117 for the amortization of unrecognized net losses, and the Company estimates charges of \$127 in 2013. The unrecognized net losses in the pension plans as of December 31, 2012 include \$1,248 in the U.K. defined benefit plan, \$1,025 in the U.S. defined benefit plans and \$237 in the Canadian defined benefit plans. Amortizable losses in the U.K. plan are being recognized over 22 years, representing the average expected life of inactive employees as over 90% of the plan participants are inactive and the fund is closed to new participants. Amortizable losses in the U.S. plans are being recognized over the average remaining service life of active participants of 15 years. Amortizable losses in the Canadian plans are being recognized over the average remaining service life of active participants of 9 years. An increase of 10% in the number of years used to amortize unrecognized losses in each plan would decrease estimated charges for 2013 by \$11. A decrease of 10% in the number of years would increase the estimated charge for 2013 by \$14.

Unrecognized net loss of \$157 in the Company's other postretirement benefit plans as of December 31, 2012, primarily include \$131 in the U.S. plans, with the amortizable portion being recognized over the average remaining service life of active participants of 8 years. The Company's other postretirement benefits expense for the year ended December 31, 2012 included a loss of \$14 for the amortization of unrecognized net losses, and the Company estimates losses of \$16 in 2013. An increase of 10% in the number of years used to amortize the unrecognized losses in each plan would decrease the estimated charge for 2013 by \$1. A decrease of 10% in the number of years would increase the estimated charge for 2013 by \$2.

RECENT ACCOUNTING GUIDANCE

In December 2011, the FASB issued changes to the disclosure of offsetting assets and liabilities. These changes require an entity to disclose both gross information and net information about both instruments and transactions eligible for offset in the statement of financial position and instruments and transactions subject to an agreement similar to a master netting arrangement. The enhanced disclosures are intended to enable users of an entity's financial statements to understand and evaluate the effect or potential effect of master netting arrangements on an entity's financial position, including the effect or potential effect of rights of setoff associated with certain financial instruments and derivative instruments. These changes will be applied retrospectively for interim and annual periods beginning on or after January 1, 2013. Accordingly, these changes will first impact the Company's disclosures for the period ended March 31, 2013.

In February 2013, the FASB issued changes to the disclosure of amounts reclassified out of accumulated other comprehensive income. The changes require an entity to present in a single note or parenthetically on the face of the financial statements, the effect of significant amounts reclassified from each component of accumulated other comprehensive income based on its source and the income statement line items affected by the reclassification. If a component is not required to be reclassified to net income in its entirety, an entity is required to cross-reference to other disclosures that provide additional detail about those amounts. These changes will be applied prospectively for interim and annual periods beginning on or after December 15, 2012. Accordingly, these changes will first impact the Company's disclosures for the period ended March 31, 2013.

See [Note A](#) to the consolidated financial statements for information on recently adopted accounting guidance.

FORWARD LOOKING STATEMENTS

Statements in this Annual Report, including those in “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” in the discussions of the provision for asbestos under [Note K](#) and other contingencies under [Note L](#) to the consolidated financial statements included in this Annual Report and in discussions incorporated by reference into this Annual Report (including, but not limited to, those in “Compensation Discussion and Analysis” in the Company’s Proxy Statement), which are not historical facts (including any statements concerning plans and objectives of management for future operations or economic performance, or assumptions related thereto), are “forward-looking statements,” within the meaning of the federal securities laws. In addition, the Company and its representatives may from time to time make other oral or written statements which are also “forward-looking statements.” Forward-looking statements can be identified by words, such as “believes,” “estimates,” “anticipates,” “expects” and other words of similar meaning in connection with a discussion of future operating or financial performance. These may include, among others, statements relating to (i) the Company’s plans or objectives for future operations, products or financial performance, (ii) the Company’s indebtedness and other contractual obligations, (iii) the impact of an economic downturn or growth in particular regions, (iv) anticipated uses of cash, (v) cost reduction efforts and expected savings, (vi) the Company’s policies with respect to executive compensation and (vii) the expected outcome of contingencies, including with respect to asbestos-related litigation and pension and postretirement liabilities.

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

Important factors that could cause the actual results of operations or financial condition of the Company to differ include, but are not necessarily limited to, the ability of the Company to expand successfully in international and emerging markets; the ability of the Company to repay, refinance or restructure its short and long-term indebtedness on adequate terms and to comply with the terms of its agreements relating to debt; the impact of the ongoing European Sovereign debt crisis; the Company’s ability to generate significant cash to meet its obligations and invest in its business and to maintain appropriate debt levels; restrictions on the Company’s use of available cash under its debt agreements; changes or differences in U.S. or international economic or political conditions, such as inflation or fluctuations in interest or foreign exchange rates (and the effectiveness of any currency or interest rate hedges), tax rates and tax laws (including with respect to taxation of unrepatriated non-U.S. earnings or as a result of the depletion of net loss carryforwards); the impact of health care reform in the U.S.; the impact of foreign trade laws and practices; the collectability of receivables; war or acts of terrorism that may disrupt the Company’s production or the supply or pricing of raw materials, including in the Company’s Middle East operations, impact the financial condition of customers or adversely affect the Company’s ability to refinance or restructure its remaining indebtedness; changes in the availability and pricing of raw materials (including aluminum can sheet, steel tinplate, energy, water, inks and coatings) and the Company’s ability to pass raw material, energy and freight price increases and surcharges through to its customers or to otherwise manage these commodity pricing risks; the Company’s ability to obtain and maintain adequate pricing for its products, including the impact on the Company’s revenue, margins and market share and the ongoing impact of price increases; energy and natural resource costs; the cost and other effects of legal and administrative cases and proceedings, settlements and investigations; the outcome of asbestos-related litigation (including the number and size of future claims and the terms of settlements, and the impact of bankruptcy filings by other companies with asbestos-related liabilities, any of which could increase Crown Cork’s asbestos-related costs over time, the adequacy of reserves established for asbestos-related liabilities, Crown Cork’s ability to obtain resolution without payment of asbestos-related claims by persons alleging first exposure to asbestos after 1964, and the impact of state legislation dealing with asbestos liabilities and any litigation challenging that legislation and any future state or federal legislation dealing with asbestos liabilities); the Company’s ability to realize deferred tax benefits; changes in the Company’s critical or other accounting policies or the assumptions underlying those policies; labor relations and workforce and social costs, including the Company’s pension and postretirement obligations and other employee or retiree costs; investment performance of the Company’s pension plans; costs and difficulties related to the acquisition of a business and integration of acquired businesses; the impact of any potential dispositions, acquisitions or other strategic realignments, which may impact the Company’s operations, financial profile, investments or levels of indebtedness; the Company’s ability to realize efficient capacity utilization and inventory levels and to innovate new designs and technologies for its products in a cost-effective manner; competitive pressures, including new product developments, industry overcapacity, or changes in competitors’ pricing for products; the Company’s ability to achieve high capacity utilization rates for its equipment; the Company’s ability to maintain, develop and capitalize on competitive technologies for the design and manufacture of products and to withstand competitive and legal challenges to the proprietary nature of such technology; the Company’s ability to protect its information technology systems from attacks or catastrophic failure; the strength of the Company’s cyber-security; the Company’s ability to generate sufficient production capacity; the Company’s ability to improve and expand its existing product and product lines; the impact of overcapacity on the end-markets the Company serves; loss of customers, including the loss of any significant customers; changes in consumer preferences for different packaging products; the financial condition of the Company’s vendors and customers; weather conditions, including their effect on demand for beverages and on crop yields for

fruits and vegetables stored in food containers; the impact of natural disasters, including in emerging markets; changes in governmental regulations or enforcement practices, including with respect to environmental, health and safety matters and restrictions as to foreign investment or operation; the impact of increased governmental regulation on the Company and its products, including the regulation or restriction of the use of bisphenol-A; the impact of the Company's initiative to generate additional cash, including the reduction of working capital levels and capital spending; the ability of the Company to realize cost savings from its restructuring programs; the Company's ability to maintain adequate sources of capital and liquidity; costs and payments to certain of the Company's executive officers in connection with any termination of such executive officers or a change in control of the Company; the impact of existing and future legislation regarding refundable mandatory deposit laws in Europe for non-refillable beverage containers and the implementation of an effective return system; and changes in the Company's strategic areas of focus, which may impact the Company's operations, financial profile or levels of indebtedness.

Some of the factors noted above are discussed elsewhere in this Annual Report and prior Company filings with the Securities and Exchange Commission ("SEC"), including within Part I, Item 1A, "[Risk Factors](#)" in this Annual Report. In addition, other factors have been or may be discussed from time to time in the Company's SEC filings.

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

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The information set forth within "Management's Discussion and Analysis of Financial Condition and Results of Operations" under the caption "Market Risk" in this Annual Report is incorporated herein by reference.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

INDEX TO FINANCIAL STATEMENTS

Financial Statements

Management's Report on Internal Control Over Financial Reporting	45
Report of Independent Registered Public Accounting Firm	46
Consolidated Statements of Operations for the years ended December 31, 2012, 2011 and 2010	47
Consolidated Statements of Comprehensive Income for the years ended December 31, 2012, 2011 and 2010	48
Consolidated Balance Sheets as of December 31, 2012 and 2011	49
Consolidated Statements of Cash Flows for the years ended December 31, 2012, 2011 and 2010	50
Consolidated Statements of Changes in Shareholders' Equity for the years ended December 31, 2012, 2011 and 2010	51
Notes to Consolidated Financial Statements	52
Supplementary Information	110

Financial Statement Schedule

Schedule II – Valuation and Qualifying Accounts and Reserves	111
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Management's Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934, as amended). The Company's system of internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

Because of the inherent limitations, a system of internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2012. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in *Internal Control-Integrated Framework*. Based on its assessment, management has concluded that, as of December 31, 2012, the Company's internal control over financial reporting was effective based on those criteria.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2012 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which appears herein.

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Crown Holdings, Inc:

In our opinion, the consolidated financial statements listed in the accompanying index present fairly, in all material respects, the financial position of Crown Holdings, Inc. and its subsidiaries at December 31, 2012 and December 31, 2011, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2012 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule listed in the accompanying index presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2012, based on criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements and financial statement schedule, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express opinions on these financial statements, on the financial statement schedule, and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

PricewaterhouseCoopers LLP
Philadelphia, PA
March 1, 2013

CONSOLIDATED STATEMENTS OF OPERATIONS
(in millions except per share data)

For the Years Ended December 31	2012	2011	2010
Net sales	\$ 8,470	\$ 8,644	\$ 7,941
Cost of products sold, excluding depreciation and amortization	7,013	7,120	6,519
Depreciation and amortization	180	176	172
Gross profit	<u>1,277</u>	<u>1,348</u>	<u>1,250</u>
Selling and administrative expense	382	395	360
Provision for asbestos	35	28	46
Provision for restructuring	48	77	42
Asset impairments and sales	(42)	6	(18)
Loss from early extinguishments of debt	—	32	16
Interest expense	226	232	203
Interest income	(7)	(11)	(9)
Translation and foreign exchange	(1)	2	(4)
Income before income taxes and equity earnings	<u>636</u>	<u>587</u>	<u>614</u>
Provision for / (benefit from) income taxes	(17)	194	165
Equity earnings in affiliates	5	3	3
Net income	<u>658</u>	<u>396</u>	<u>452</u>
Net income attributable to noncontrolling interests	(101)	(114)	(128)
Net income attributable to Crown Holdings	<u>\$ 557</u>	<u>\$ 282</u>	<u>\$ 324</u>
Earnings per common share attributable to Crown Holdings:			
Basic	<u>\$ 3.81</u>	<u>\$ 1.86</u>	<u>\$ 2.03</u>
Diluted	<u>\$ 3.75</u>	<u>\$ 1.83</u>	<u>\$ 2.00</u>

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in millions)

For the Years Ended December 31	2012	2011	2010
Net income	\$ 658	\$ 396	\$ 452
Other comprehensive income / (loss), net of tax			
Foreign currency translation adjustments	76	(54)	(31)
Pension and other postretirement benefits	(135)	(120)	(74)
Derivatives qualifying as hedges	40	(93)	11
Total other comprehensive loss	(19)	(267)	(94)
Total comprehensive income	639	129	358
Net income attributable to noncontrolling interests			
Net income attributable to noncontrolling interests	(101)	(114)	(128)
Translation adjustments attributable to noncontrolling interests	(1)	(2)	6
Derivatives qualifying as hedges attributable to noncontrolling interests	(4)	6	1
Comprehensive income attributable to Crown Holdings	\$ 533	\$ 19	\$ 237

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

CONSOLIDATED BALANCE SHEETS
(in millions, except share data)

December 31	2012	2011
Assets		
Current assets		
Cash and cash equivalents	\$ 350	\$ 342
Receivables, net	1,057	948
Inventories	1,166	1,148
Prepaid expenses and other current assets	177	165
Total current assets	2,750	2,603
Goodwill	1,998	1,952
Property, plant and equipment, net	1,995	1,751
Other non-current assets	747	562
Total	\$ 7,490	\$ 6,868
Liabilities and equity		
Current liabilities		
Short-term debt	\$ 261	\$ 128
Current maturities of long-term debt	115	67
Accounts payable and accrued liabilities	2,142	2,090
Total current liabilities	2,518	2,285
Long-term debt, excluding current maturities	3,289	3,337
Postretirement and pension liabilities	1,098	996
Other non-current liabilities	462	489
Commitments and contingent liabilities (Note L)		
Equity/(deficit)		
Noncontrolling interests	285	234
Preferred stock, authorized: 30,000,000; none issued (Note O)	—	—
Common stock, par value: \$5.00; authorized: 500,000,000 shares; issued: 185,744,072 shares (Note O)	929	929
Additional paid-in capital	668	863
Accumulated earnings	1,069	512
Accumulated other comprehensive loss	(2,614)	(2,590)
Treasury stock at par value (2012 - 42,607,599 shares; 2011 - 37,294,779 shares)	(214)	(187)
Crown Holdings shareholders' deficit	(162)	(473)
Total equity/(deficit)	123	(239)
Total	\$ 7,490	\$ 6,868

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

CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions)

For the Years Ended December 31	2012	2011	2010
Cash flows from operating activities			
Net income	\$ 658	\$ 396	\$ 452
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	180	176	172
Provision for restructuring	48	77	42
Asset impairments and sales	(42)	6	(18)
Pension expense	97	97	112
Pension contributions	(102)	(404)	(79)
Stock-based compensation	18	18	20
Deferred income taxes	(101)	83	52
Changes in assets and liabilities:			
Receivables	(113)	(36)	(255)
Inventories	21	(119)	(119)
Accounts payable and accrued liabilities	(6)	100	159
Asbestos liabilities	7	—	19
Other, net	(44)	(15)	33
Net cash provided by operating activities	621	379	590
Cash flows from investing activities			
Capital expenditures	(324)	(401)	(320)
Insurance proceeds	48	—	—
Acquisition of businesses, net of cash acquired	(78)	—	—
Proceeds from sale of businesses, net of cash sold	—	4	7
Proceeds from sale of property, plant and equipment	3	26	32
Other	(11)	(1)	—
Net cash used for investing activities	(362)	(372)	(281)
Cash flows from financing activities			
Proceeds from long-term debt	110	1,770	745
Payments of long-term debt	(66)	(1,069)	(734)
Net change in revolving credit facility and short-term debt	28	(192)	278
Debt issue costs	—	(22)	(31)
Common stock issued	15	11	13
Common stock repurchased	(257)	(312)	(255)
Purchase of noncontrolling interests	(4)	(202)	(169)
Dividends paid to noncontrolling interests	(79)	(104)	(112)
Other	(1)	(9)	(34)
Net cash used for financing activities	(254)	(129)	(299)
Effect of exchange rate changes on cash and cash equivalents	3	1	(6)
Net change in cash and cash equivalents	8	(121)	4
Cash and cash equivalents at January 1	342	463	459
Cash and cash equivalents at December 31	\$ 350	\$ 342	\$ 463

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

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(in millions)

	Crown Holdings, Inc. Shareholders' Equity							
	Common Stock	Paid-in Capital	Accumulated Earnings/ (Deficit)	Accumulated Other Comprehensive Loss	Treasury Stock	Total Crown Equity	Noncontrolling Interests	Total
Balance at January 1, 2010	\$ 929	\$ 1,536	\$ (94)	\$ (2,255)	\$ (122)	\$ (6)	\$ 389	\$ 383
Net income			324			324	128	452
Other comprehensive income / (loss)				(87)		(87)	(7)	(94)
Dividends paid to noncontrolling interests							(112)	(112)
Restricted stock awarded		(3)			3			
Stock-based compensation		20				20		20
Common stock issued		7			6	13		13
Common stock repurchased		(215)			(40)	(255)		(255)
Purchase of noncontrolling interests		(114)		9		(105)	(64)	(169)
Sale of business							(9)	(9)
Balance at December 31, 2010	<u>\$ 929</u>	<u>\$ 1,231</u>	<u>\$ 230</u>	<u>\$ (2,333)</u>	<u>\$ (153)</u>	<u>\$ (96)</u>	<u>\$ 325</u>	<u>\$ 229</u>
Net income			282			282	114	396
Other comprehensive income / (loss)				(263)		(263)	(4)	(267)
Dividends paid to noncontrolling interests							(104)	(104)
Contribution from noncontrolling interests							2	2
Restricted stock awarded		(2)			2			
Stock-based compensation		18				18		18
Common stock issued		7			4	11		11
Common stock repurchased		(272)			(40)	(312)		(312)
Purchase of noncontrolling interests		(119)		6		(113)	(99)	(212)
Balance at December 31, 2011	<u>\$ 929</u>	<u>\$ 863</u>	<u>\$ 512</u>	<u>\$ (2,590)</u>	<u>\$ (187)</u>	<u>\$ (473)</u>	<u>\$ 234</u>	<u>\$ (239)</u>
Net income			557			557	101	658
Other comprehensive income / (loss)				(24)		(24)	5	(19)
Dividends paid to noncontrolling interests							(79)	(79)
Contribution from noncontrolling interests							17	17
Acquisition of business							7	7
Restricted stock awarded		(2)			2			
Stock-based compensation		18				18		18
Common stock issued		11			6	17		17
Common stock repurchased		(222)			(35)	(257)		(257)
Balance at December 31, 2012	<u>\$ 929</u>	<u>\$ 668</u>	<u>\$ 1,069</u>	<u>\$ (2,614)</u>	<u>\$ (214)</u>	<u>\$ (162)</u>	<u>\$ 285</u>	<u>\$ 123</u>

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(in millions, except share, per share, employee and statistical data)

A. Summary of Significant Accounting Policies

Business and Principles of Consolidation. The consolidated financial statements include the accounts of Crown Holdings, Inc. (the “Company”) and its consolidated subsidiary companies (where the context requires, the “Company” shall include reference to the Company and its consolidated subsidiary companies).

The Company manufactures and sells metal containers, metal closures, and canmaking equipment. These products are manufactured in the Company’s plants both within and outside the U.S. and are sold through the Company’s sales organization to the soft drink, food, citrus, brewing, household products, personal care and various other industries. The financial statements were prepared in conformity with accounting principles generally accepted in the United States of America and reflect management’s estimates and assumptions. Actual results could differ from those estimates, impacting reported results of operations and financial position. All intercompany accounts and transactions are eliminated in consolidation. In deciding which entities should be reported on a consolidated basis, the Company first determines whether the entity is a variable interest entity (“VIE”). If an entity is a VIE, the Company determines whether it is the primary beneficiary based on whether it (1) has the power to direct the activities of the VIE that most significantly impact the entity’s economic performance and (2) has the obligation to absorb losses of the entity or the right to receive benefits from the entity that could potentially be significant to the VIE. If an entity is not a VIE, the Company consolidates those entities in which it has control, including certain subsidiaries that are not majority-owned. Certain of the Company’s agreements with noncontrolling interests contain provisions in which the Company would surrender certain decision-making rights upon a change in control of the Company. Accordingly, consolidation of these operations may no longer be appropriate subsequent to a change in control of the Company, as defined in the agreements. Investments in companies in which the Company does not have control, but has the ability to exercise significant influence over operating and financial policies, are accounted for by the equity method. Investments in securities where the Company does not have the ability to exercise significant influence over operating and financial policies, and whose fair value is readily determinable such as those listed on a securities exchange, are referred to as “available for sale securities” and reported at their fair value with unrealized gains and losses reported in accumulated other comprehensive income in equity. Other investments are carried at cost.

Foreign Currency Translation. For non-U.S. subsidiaries which operate in a local currency environment, assets and liabilities are translated into U.S. dollars at year-end exchange rates. Income, expense and cash flow items are translated at average exchange rates prevailing during the year. Translation adjustments for these subsidiaries are accumulated as a separate component of accumulated other comprehensive income in equity. For non-U.S. subsidiaries that use a U.S. dollar functional currency, local currency inventories and property, plant and equipment are translated into U.S. dollars at approximate rates prevailing when acquired; all other assets and liabilities are translated at year-end exchange rates. Inventories charged to cost of sales and depreciation are remeasured at historical rates; all other income and expense items are translated at average exchange rates prevailing during the year. Gains and losses which result from remeasurement are included in earnings.

Revenue Recognition. Revenue is recognized from product sales when the goods are shipped and the title and risk of loss pass to the customer. Provisions for discounts and rebates to customers, returns, and other adjustments are estimated and provided for in the period that the related sales are recorded. Taxes collected from customers and remitted to governmental authorities are excluded from net sales. Shipping and handling fees and costs are reported as cost of products sold.

Stock-Based Compensation. The Company has stock-based employee compensation plans that are currently comprised of fixed stock option grants and restricted stock awards. Compensation expense is recognized over the vesting period on a straight-line basis using the grant date fair value of the award and the estimated number of awards that are expected to vest. The Company’s plans provide for stock awards which include accelerated vesting upon retirement, disability, or death of eligible employees. The Company considers a stock-based award to be vested when the service period is no longer contingent on the employee providing future service. Accordingly, the related compensation cost is recognized immediately for awards granted to retirement-eligible individuals or over the period from the grant date to the date that retirement eligibility is achieved, if less than the stated vesting period.

Cash and Cash Equivalents. Cash equivalents represent investments with maturities of three months or less from the time of purchase and are carried at cost, which approximates fair value because of the short maturity of those instruments. Outstanding checks in excess of funds on deposit are included in accounts payable.

Accounts Receivable and Allowance for Doubtful Accounts. Trade accounts receivable are recorded at the invoiced amount and do not bear interest. The allowance for doubtful accounts is the best estimate of the amount of probable credit losses in the existing accounts receivable. The allowance is determined based on a review of individual accounts for collectability, generally focusing on those accounts that are past due. The current year expense to adjust the allowance for doubtful accounts is recorded within cost of products sold in the consolidated statements of operations. Account balances are charged against the allowance when it is probable the receivable will not be recovered.

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

Property, Plant and Equipment. Property, plant and equipment (“PP&E”) is carried at cost less accumulated depreciation and includes expenditures for new facilities and equipment and those costs which substantially increase the useful lives or capacity of existing PP&E. Cost of constructed assets includes capitalized interest incurred during the construction and development period. Maintenance and repairs, including labor and material costs for planned major maintenance such as annual production line overhauls, are expensed as incurred. When PP&E is retired or otherwise disposed, the net carrying amount is eliminated with any gain or loss on disposition recognized in earnings at that time.

Depreciation and amortization are provided on a straight-line basis over the estimated useful lives of the assets described below (in years). The Company periodically reviews the estimated useful lives of its PP&E and, where appropriate, changes are made prospectively.

Land improvements	25
Buildings and Building Improvements	25 – 40
Machinery and Equipment	3 – 14

Goodwill. Goodwill, representing the excess of the cost over the net tangible and identifiable intangible assets of acquired businesses, and other intangible assets are stated at cost. Potential impairment of goodwill is identified by comparing the fair value of a reporting unit, using a combination of market values for comparable businesses and discounted cash flow projections, to its carrying value including goodwill. Goodwill was allocated to the reporting units at the time of the acquisition based on the relative fair values of the reporting units. If the carrying value of a reporting unit exceeds its fair value, any impairment loss is measured by comparing the carrying value of the reporting unit’s goodwill to its implied fair value. Goodwill is tested for impairment in the fourth quarter of each year or when facts and circumstances indicate goodwill may be impaired.

Impairment or Disposal of Long-Lived Assets. In the event that facts and circumstances indicate that the carrying value of long-lived assets, primarily PP&E and certain identifiable intangible assets with finite lives, may be impaired, the Company performs a recoverability evaluation. If the evaluation indicates that the carrying value of an asset is not recoverable from its undiscounted cash flows, an impairment loss is measured by comparing the carrying value of the asset to its fair value, based on discounted cash flows. Long-lived assets classified as held for sale are presented in the balance sheet at the lower of their carrying value or fair value less cost to sell.

Taxes on Income. The provision for income taxes is determined using the asset and liability approach. Deferred taxes represent the future expected tax consequences of differences between the financial reporting and tax bases of assets and liabilities based upon enacted tax rates and laws. Valuation allowances are recorded to reduce deferred tax assets when it is more likely than not that a tax benefit will not be realized.

The with-and-without approach is used to account for utilization of windfall tax benefits arising from the Company’s stock-based compensation plans and only the direct impact of awards is considered when calculating the amount of windfalls or shortfalls. Income tax-related interest is reported as interest expense and penalties are reported as income tax expense.

Derivatives and Hedging. All outstanding derivative financial instruments are recognized in the balance sheet at their fair values. The impact on earnings from recognizing the fair values of these instruments depends on their intended use, their hedge designation and their effectiveness in offsetting changes in the fair values of the exposures they are hedging. Changes in the fair values of instruments designated to reduce or eliminate adverse fluctuations in the fair values of recognized assets and liabilities and unrecognized firm commitments are reported currently in earnings along with changes in the fair values of the hedged items. Changes in the effective portions of the fair values of instruments used to reduce or eliminate adverse fluctuations in cash flows of anticipated or forecasted transactions are reported in equity as a component of accumulated other comprehensive income. Amounts in accumulated other comprehensive income are reclassified to earnings when the related hedged items impact earnings or the anticipated transactions are no longer probable. Changes in the fair values of derivative instruments that are not designated

as hedges or do not qualify for hedge accounting treatment are reported currently in earnings. Amounts reported in earnings are classified consistent with the item being hedged.

The effectiveness of derivative instruments in reducing risks associated with the hedged exposures is assessed at inception and on an ongoing basis. Any amounts excluded from the assessment of hedge effectiveness, and any ineffective portion of designated hedges, are reported currently in earnings. Time value, a component of an instrument's fair value, is excluded in assessing effectiveness for fair value hedges, except hedges of firm commitments, and included for cash flow hedges.

Hedge accounting is discontinued prospectively when (i) the instrument is no longer effective in offsetting changes in fair value or cash flows of the underlying hedged item, (ii) the instrument expires, is sold, terminated or exercised, or (iii) designating the instrument as a hedge is no longer appropriate.

The Company formally documents all relationships between its hedging instruments and hedged items at inception, including its risk management objective and strategy for establishing various hedge relationships. Cash flows from hedging instruments are classified in the Consolidated Statements of Cash Flows consistent with the items being hedged.

Treasury Stock. Treasury stock is reported at par value. The excess of fair value over par value is first charged to paid-in capital, if any, and then to retained earnings.

Research and Development. Net research, development and engineering costs of \$43, \$43 and \$42 in 2012, 2011 and 2010, respectively, were expensed as incurred and reported in selling and administrative expense in the Consolidated Statements of Operations. Substantially all engineering and development costs are related to developing new products or designing significant improvements to existing products or processes. Costs primarily include employee salaries and benefits and facility costs.

Reclassifications. Certain reclassifications of prior years' data have been made to conform to the current year presentation.

Recent Accounting and Reporting Pronouncements. In January 2012, the Company adopted changes issued by the FASB to the presentation of comprehensive income. These changes give companies the option to present the total of comprehensive income, the components of net income, and the components of other comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. The changes eliminated the option to present the components of other comprehensive income as part of the statement of changes in shareholders' equity. The items that must be reported in other comprehensive income or when an item of other comprehensive income must be reclassified to net income were not changed. Additionally, no changes were made to the calculation and presentation of earnings per share. Other than changes to presentation, these changes had no impact on the Company's consolidated financial statements.

In January 2012, the Company adopted changes issued by the FASB to conform existing guidance regarding fair value measurement and disclosure between GAAP and International Financial Reporting Standards. The FASB's changes clarify many of the existing concepts for measuring fair value and do not result in a change in the Company's application of the FASB's fair value measurement guidance. These changes include enhanced disclosures about recurring Level 3 fair value measurements which did not impact the Company's financial statements. These changes also require additional disclosures for items that are not measured at fair value in the balance sheet but for which the fair value is required to be disclosed.

In September 2011, the FASB issued changes to the testing of goodwill for impairment. These changes give companies the option to first assess qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If an entity elects to perform a qualitative assessment and determines that an impairment is more likely than not, the entity is then required to perform the existing two-step quantitative impairment test. An entity also may elect not to perform the qualitative assessment and, instead, go directly to the two-step quantitative impairment test. The Company early adopted the changes for its review of goodwill in the fourth quarter of 2011. As the changes do not affect the outcome of the impairment analysis of a reporting unit, there was no impact on the Company's Consolidated Financial Statements.

B. Accumulated Other Comprehensive Loss Attributable to Crown Holdings

	2012	2011
Pension and postretirement adjustments	\$ (1,954)	\$ (1,819)
Cumulative translation adjustments	(648)	(723)
Derivatives qualifying as hedges	(12)	(48)
	<u>\$ (2,614)</u>	<u>\$ (2,590)</u>

C. Receivables

	2012	2011
Accounts receivable	\$ 922	\$ 834
Less: allowance for doubtful accounts	(37)	(37)
Net trade receivables	885	797
Miscellaneous receivables	172	151
	<u>\$ 1,057</u>	<u>\$ 948</u>

At December 31, 2012, the Company had a receivable of \$43 with a customer in its European Food business who has experienced financial difficulty. The customer entered into a reorganization plan which included receiving additional capital from new investors and merging with a competitor. As part of the plan, the customer is in the process of raising additional capital which it expects to complete in 2013. The Company has agreed to settlement terms with the customer and expects the receivable to be fully paid.

The Company uses receivables securitization facilities in the normal course of business as part of managing its cash flows. In North America, the Company has a \$200 securitization facility that matures in December, 2015. In Europe, the Company has a €110 (\$144 at December 31, 2012) securitization facility that matures in July, 2017. The Company has determined that transactions under these facilities do not qualify for sale accounting and has therefore accounted for the transactions as secured borrowings with the receivables and associated liabilities recognized in the Company's Consolidated Balance Sheets.

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

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

At December 31, the amounts securitized or factored were as follows:

	2012	2011
Accounted for as secured borrowings	\$ 216	\$ 113
Accounted for as sales	\$ 312	\$ 297

In 2012, 2011 and 2010, the Company recorded expenses related to securitization and factoring facilities of \$8, \$10 and \$10 as interest expense.

Collections from customers on securitized or factored receivables and related fees and costs are included in operating activities in the Consolidated Statements of Cash Flows. Proceeds and repayments related to securitization or factoring transactions that do not qualify for sale accounting are included in financing activities in the Consolidated Statements of Cash Flows.

D. Inventories

	2012	2011
Raw materials and supplies	\$ 602	\$ 602
Work in process	128	136
Finished goods	436	410
	<u>\$ 1,166</u>	<u>\$ 1,148</u>

E. Goodwill

Changes in the carrying amount of goodwill by reportable segment for the years ended December 31, 2012 and 2011 were as follows:

	Americas Beverage	North America Food	European Beverage	European Food	Non- reportable Segments	Total
Balance at January 1, 2011:						
Goodwill	\$ 457	\$ 162	\$ 743	\$ 1,300	\$ 298	\$ 2,960
Accumulated impairment losses	(29)		(73)	(724)	(150)	(976)
Net	428	162	670	576	148	1,984
Foreign currency translation	(2)		(11)	(16)	(3)	(32)
Balance at December 31, 2011:						
Goodwill	455	162	732	1,284	295	2,928
Accumulated impairment losses	(29)		(73)	(724)	(150)	(976)
Net	426	162	659	560	145	1,952
Foreign currency translation	2	2	19	14	9	46
Balance at December 31, 2012:						
Goodwill	457	164	751	1,298	304	2,974
Accumulated impairment losses	(29)		(73)	(724)	(150)	(976)
Net	\$ 428	\$ 164	\$ 678	\$ 574	\$ 154	\$ 1,998

F. Property, Plant and Equipment

	2012	2011
Buildings and improvements	\$ 923	\$ 806
Machinery and equipment	4,576	4,195
Land and improvements	140	136
Construction in progress	185	211
	5,824	5,348
Less: accumulated depreciation and amortization	(3,829)	(3,597)
	\$ 1,995	\$ 1,751

G. Other Non-Current Assets

	2012	2011
Deferred taxes	\$ 577	\$ 452
Debt issue costs	40	49
Investments	30	25
Fair value of derivatives	1	—
Other	99	36
	\$ 747	\$ 562

The investments caption includes the Company's investments accounted for by the equity method and the cost method.

H. Accounts Payable and Accrued Liabilities

	2012	2011
Trade accounts payable	\$ 1,469	\$ 1,393
Salaries, wages and other employee benefits, including pension and postretirement	168	164
Accrued taxes, other than on income	117	105
Fair value of derivatives	27	76
Accrued interest	47	45
Asbestos liabilities	25	25
Income taxes payable	12	13
Deferred taxes	12	10
Restructuring	70	58
Other	195	201
	<u>\$ 2,142</u>	<u>\$ 2,090</u>

I. Other Non-Current Liabilities

	2012	2011
Asbestos liabilities	\$ 231	\$ 224
Deferred taxes	23	27
Postemployment benefits	37	44
Income taxes payable	29	32
Environmental	12	12
Fair value of derivatives	3	6
Other	127	144
	<u>\$ 462</u>	<u>\$ 489</u>

Income taxes payable includes uncertain tax positions as discussed in [Note W](#).

J. Lease Commitments

The Company leases manufacturing, warehouse and office facilities and certain equipment. Certain of the leases contain renewal or purchase options, but the leases do not contain significant contingent rental payments, escalation clauses, rent holidays, rent concessions or leasehold improvement incentives. Under long-term operating leases, minimum annual rentals are \$53 in 2013, \$38 in 2014, \$28 in 2015, \$20 in 2016, \$16 in 2017 and \$62 thereafter. Such rental commitments have been reduced by minimum sublease rentals of \$5 due under non-cancelable subleases. Rental expense (net of sublease rental income) was \$63, \$62 and \$60 in 2012, 2011 and 2010, respectively. The Company did not have any significant capital leases at December 31, 2012.

K. Asbestos-Related Liabilities

Crown Cork & Seal Company, Inc. (“Crown Cork”) is one of many defendants in a substantial number of lawsuits filed throughout the United States by persons alleging bodily injury as a result of exposure to asbestos. These claims arose from the insulation operations of a U.S. company, the majority of whose stock Crown Cork purchased in 1963. Approximately ninety days after the stock purchase, this U.S. company sold its insulation assets and was later merged into Crown Cork.

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

In recent years, the states of Alabama, Arizona, Florida, Georgia, Idaho, Indiana, Michigan, Mississippi, Nebraska, North Dakota, Ohio, Oklahoma, South Carolina, South Dakota, Utah, Wisconsin and Wyoming enacted legislation that limits asbestos-related liabilities under state law of companies such as Crown Cork that allegedly incurred these liabilities because they are successors by corporate merger to companies that had been involved with asbestos. The legislation, which applies to future and, with the exception of Georgia, South Carolina, South Dakota and Wyoming, pending claims, caps asbestos-related liabilities at the fair

market value of the predecessor's total gross assets adjusted for inflation. Crown Cork has paid significantly more for asbestos-related claims than the total value of its predecessor's assets adjusted for inflation. Crown Cork has integrated the legislation into its claims defense strategy. The Company cautions, however, that the legislation may be challenged and there can be no assurance regarding the ultimate effect of the legislation on Crown Cork.

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

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

In December 2001, the Commonwealth of Pennsylvania enacted legislation that limits the asbestos-related liabilities of Pennsylvania corporations that are successors by corporate merger to companies involved with asbestos. The legislation limits the successor's liability for asbestos to the acquired company's asset value adjusted for inflation. Crown Cork has paid significantly more for asbestos-related claims than the acquired company's adjusted asset value. In November 2004, the legislation was amended to address a Pennsylvania Supreme Court decision (*Ieropoli v. AC&S Corporation, et. al.*, No. 117 EM 2002) which held that the statute violated the Pennsylvania Constitution due to retroactive application. The Company cautions that the limitations of the statute, as amended, are subject to litigation and may not be upheld.

The Company further cautions that an adverse ruling in any litigation relating to the constitutionality or applicability to Crown Cork of one or more statutes that limits the asbestos-related liability of alleged defendants like Crown Cork could have a material impact on the Company.

The Company's approximate claims activity for the years ended 2012, 2011 and 2010 was as follows:

	2012	2011	2010
Beginning claims	50,000	50,000	50,000
New claims	3,000	2,000	2,000
Settlements or dismissals	(2,000)	(2,000)	(2,000)
Ending claims	<u>51,000</u>	<u>50,000</u>	<u>50,000</u>

The Company's cash payments during the years ended 2012, 2011, and 2010 were as follows:

	2012	2011	2010
Asbestos-related payments	\$ 28	\$ 28	\$ 27
Settled claims payments (included in asbestos-related payments above)	20	20	17

In the fourth quarter of each year, the Company performs an analysis of outstanding claims and categorizes by year of exposure and state filed. As of December 31, 2012 and December 31, 2011, the Company's outstanding claims were:

	2012	2011
Claimants alleging first exposure after 1964	15,000	15,000
Claimants alleging first exposure before or during 1964 filed in:		
Texas	13,000	13,000
Pennsylvania	2,000	2,000
Other states that have enacted asbestos legislation	6,000	5,000
Other states	15,000	15,000
Total claims outstanding	<u>51,000</u>	<u>50,000</u>

Crown Holdings, Inc.

The outstanding claims in each period exclude 3,100 pending claims involving plaintiffs who allege that they are, or were, maritime workers subject to exposure to asbestos, but whose claims the Company believes will not have a material effect on the Company's consolidated results of operations, financial position or cash flow. The outstanding claims also exclude approximately 19,000 inactive claims. Due to the passage of time, the Company considers it unlikely that the plaintiffs in these cases will pursue further action against the Company. The exclusion of these inactive claims had no effect on the calculation of the Company's accrual as the claims were filed in states, as described above, where the Company's liability is limited by statute.

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

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

As of December 31, the percentage of outstanding claims related to claimants alleging serious diseases (primarily mesothelioma and other malignancies) were as follows:

	2012	2011	2010
Total claims	19%	18%	18%
Pre-1964 claims in states without asbestos legislation	36%	33%	31%

Crown Cork has entered into arrangements with plaintiffs' counsel in certain jurisdictions with respect to claims which are not yet filed, or asserted, against it. However, Crown Cork expects claims under these arrangements to be filed or asserted against Crown Cork in the future. The projected value of these claims is included in the Company's estimated liability as of December 31, 2012.

As of December 31, 2012, the Company's accrual for pending and future asbestos-related claims and related legal costs was \$256, including \$204 for unasserted claims. The Company's accrual includes estimated probable costs for claims through the year 2022. The Company's accrual excludes potential costs for claims beyond 2022 because the Company believes that the key assumptions underlying its accrual are subject to greater uncertainty as the projection period lengthens.

Approximately 88% of the claims outstanding at the end of 2012 were filed by plaintiffs who do not claim a specific amount of damages or claim a minimum amount as established by court rules relating to jurisdiction; approximately 11% were filed by plaintiffs who claim damages of less than \$5; approximately 1% were filed by plaintiffs who claim damages from \$5 to less than \$100 (90% of whom claim damages less than \$25) and 3 were filed by plaintiffs who claim damages in excess of \$100.

It is reasonably possible that the actual loss could be in excess of the Company's accrual. However, the Company is unable to estimate the reasonably possible loss in excess of its accrual due to uncertainty in the following assumptions that underlie the Company's accrual and the possibility of losses in excess of such accrual: the amount of damages sought by the claimant, the Company and claimant's willingness to negotiate a settlement, the terms of settlements of other defendants with asbestos-related liabilities, the bankruptcy filings of other defendants (which may result in additional claims and higher settlements for non-bankrupt defendants), the nature of pending and future claims (including the seriousness of alleged disease, whether claimants allege first exposure to asbestos before or during 1964 and the claimant's ability to demonstrate the alleged link to Crown Cork), the volatility of the litigation environment, the defense strategies available to the Company, the level of future claims, the rate of receipt of claims, the jurisdiction in which claims are filed, and the effect of state asbestos legislation (including the validity and applicability of the Pennsylvania legislation to non-Pennsylvania jurisdictions, where the substantial majority of the Company's asbestos cases are filed).

L. Commitments and Contingent Liabilities

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

The Company has also recorded aggregate accruals of \$7 for remediation activities at various worldwide locations that are owned by the Company and for which the Company is not a member of a PRP group. Although the Company believes its accruals are adequate to cover its portion of future remediation costs, there can be no assurance that the ultimate payments will not exceed the amount of the Company's accruals and will not have a material effect on its results of operations, financial position and cash flow. Any possible loss or range of potential loss that may be incurred in excess of the recorded accruals cannot be estimated.

The Company's Italian subsidiaries have received assessments for value added taxes and related income taxes from the Italian tax authorities and expect to receive additional assessments for value added taxes resulting from certain third party suppliers' failures to remit required value added tax payments due by those suppliers under Italian law with respect to purchases for resale to the Company. The assessments cover tax periods 2004 through 2007 and additional assessments are expected to cover tax periods 2007 through 2009. The expected total assessments are approximately €25 (\$33 at December 31, 2012) plus any applicable interest and penalties which the Company estimates may be up to approximately €50 (\$66 at December 31, 2012). In early 2012, the Company received one favorable ruling and two unfavorable rulings from lower level Italian courts related to these assessments. These rulings have been appealed. In the fourth quarter of 2012, the Company settled an assessment with respect to 2007 taxes for approximately €2 (\$3 at December 31, 2012). In February 2013, the Company entered into an additional settlement with respect to a 2005 tax assessment for approximately €2 (\$3 at December 31, 2012). As of December 31, 2012, the Company has accrued \$14 related to the assessments. While the Company believes it has meritorious defenses to the remaining Italian tax claims, it is reasonably possible that the Company could incur a loss in excess of its accrual. The Company cannot reasonably estimate the possible loss or range of losses because the application of penalties under Italian law is complex and the amount assessed by the Italian authorities is discretionary. Settlement discussions with the Italian tax authorities are ongoing. The Company intends to continue disputing the assessments with respect to the open matters in judicial proceedings barring any settlement with the Italian tax authorities. There can be no assurance the Company will be successful in settling these matters or prevailing in judicial proceedings, or that the final amount of any additional taxes and related interest and penalties payable to the Italian tax authorities in such settlement or judicial proceedings will be under the Company's accrual.

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

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

At December 31, 2012, the Company was party to certain indemnification agreements covering environmental remediation, lease payments and other potential costs associated with properties sold or businesses divested. For agreements with defined liability limits the maximum potential amount of future liability was \$10. The Company accrues for costs related to these items when it is probable that a liability has been incurred and the amount can be reasonably estimated. At December 31, 2012, the Company also had guarantees of \$40 related to the residual values of leased assets.

M. Restructuring

The Company recorded restructuring charges as follows:

	2012	2011	2010
North America Food	\$ 3	\$ 3	\$ 28
European Food	15	9	—
Asia Pacific	4	—	—
Other European operations	18	45	—
European Division Headquarters	3	20	14
Corporate	5	—	—
	<u>\$ 48</u>	<u>\$ 77</u>	<u>\$ 42</u>

Restructuring charges by type are as follows:

	2012	2011	2010
Termination benefits	\$ 35	\$ 56	\$ 20
Other exit costs	13	21	12
Asset write-downs	—	—	10
	<u>\$ 48</u>	<u>\$ 77</u>	<u>\$ 42</u>

European Division Headquarters

As of December 31, 2012, the Company incurred costs of \$37 which are expected to be the total costs related to the relocation of its European Division headquarters and management to Switzerland in order to benefit from a more centralized management location.

The following table summarizes the restructuring accrual balances and utilization by cost type for the relocation:

	Termination benefits	Other exit costs	Asset writedowns	Total
Balance at December 31, 2010	\$ 8	\$ 2	\$ —	\$ 10
Provisions	1	19	—	20
Payments made	(8)	(2)	—	(10)
Foreign currency translation	(1)	—	—	\$ (1)
Balance at December 31, 2011	—	19	—	19
Provisions	—	3	—	3
Payments	—	—	—	—
Foreign currency translation	—	—	—	—
Balance at December 31, 2012	<u>\$ —</u>	<u>\$ 22</u>	<u>\$ —</u>	<u>\$ 22</u>

Other exit costs represent the estimated employee compensation costs resulting from an intercompany payment related to the relocation. The Company expects to pay these costs over the next 3 years.

European Food

In 2011, the Company recorded a charge of \$9 to reduce manufacturing capacity and headcount in its European Food segment. In 2012, the Company continued to monitor capacity and identified additional restructuring actions to improve profitability. As a result, the Company recorded additional restructuring charges of \$15 to further reduce capacity and headcount. These actions combined are expected to reduce headcount by approximately 285 and to eliminate approximately 7% of the business' capacity. Due to the similar nature of these actions, the Company has combined in the rollforward presented below. The Company expects to incur future additional charges of \$5 related to the actions which are expected to be completed in 2014 at an estimated aggregate cost of \$29. The Company continues to review its supply and demand profile and long-term plans in Europe and it is possible that the Company may record additional restructuring charges in the future.

Crown Holdings, Inc.

	Termination benefits	Other exit costs	Asset writedowns	Total
Balance at December 31, 2010	\$ 7	\$ —	\$ —	\$ 7
Provisions	9	—	—	9
Payments made	(4)	—	—	(4)
Foreign currency translation	(2)	—	—	(2)
Balance at December 31, 2011	10	—	—	10
Provisions	14	1	—	15
Payments	(7)	(1)	—	(8)
Foreign currency translation	1	—	—	1
Balance at December 31, 2012	<u>\$ 18</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 18</u>

Other European operations

In 2011, the Company recorded a charge of \$45 to reduce manufacturing capacity and headcount in other European operations primarily its European Aerosol and Specialty Packaging businesses. In 2012, the Company continued to monitor capacity and identified additional restructuring actions to improve profitability. As a result, the Company recorded additional restructuring charges of \$18 to further reduce capacity and headcount. These actions combined are expected to reduce headcount by approximately 474 and to eliminate approximately 20% of the businesses' capacity. Due to the similar nature of these actions, the Company has combined in the rollforward presented below. The Company expects to incur future additional charges of \$5 related to the actions which are expected to be completed in 2014 at an estimated aggregate cost of \$68. The Company continues to review its supply and demand profile and long-term plans in Europe and it is possible that the Company may record additional restructuring charges in the future.

The table below summarizes the restructuring accrual balances and utilization by cost type for this action.

	Termination benefits	Other exit costs	Asset writedowns	Total
Balance at December 31, 2010	\$ 2	\$ —	\$ —	\$ 2
Provisions	45	—	—	45
Payments made	(1)	—	—	(1)
Foreign currency translation	(1)	—	—	(1)
Balance at December 31, 2011	45	—	—	45
Provisions	15	3	—	18
Payments made	(23)	(3)	—	(26)
Foreign currency translation	—	—	—	—
Balance at December 31, 2012	<u>\$ 37</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 37</u>

Other

As of December 31, 2012, the accrual balance related to restructuring actions in North America Food was \$1, Asia Pacific was \$2 and Corporate was \$5. These amounts relate to termination benefits for actions taken in 2012 and are expected to be paid in 2013.

N. Asset Impairments and Sales

During 2012, the Company recognized a net gain of \$42 for asset impairments and sales including \$31 related to insurance proceeds received for property damage incurred in the 2011 flooding of its beverage can plant in Thailand and a gain of \$14 related to its acquisition of Superior Multi-Packaging, Ltd., as described further in Note S.

During 2011, the Company recorded a net charge of \$6 for asset impairments and sales including a loss of \$4 for the insurance deductible related to its beverage can plant in Thailand that was shut down in October due to damage caused by severe flooding. As a result of the flooding, the company wrote-off \$23 of property, plant and equipment which was fully offset by anticipated insurance proceeds which the Company recognized because realization of such proceeds was considered probable.

During 2010, the Company recorded a net gain of \$18 for asset impairments and sales including a gain of \$14 from sales of Canadian real estate as a result of previously announced plant closings and \$4 from the sale of the Company's plastic closures business in Brazil.

O. Capital Stock

A summary of common share activity for the year ended December 31 is as follows (in shares):

	2012	2011	2010
Common shares outstanding at January 1	148,449,293	155,256,791	161,483,074
Shares repurchased	(6,954,968)	(7,965,176)	(7,959,707)
Shares issued upon exercise of employee stock options	1,143,755	666,183	1,219,680
Restricted stock issued to employees	468,323	463,885	481,326
Shares issued to non-employee directors	30,070	27,610	32,418
Common shares outstanding at December 31	<u>143,136,473</u>	<u>148,449,293</u>	<u>155,256,791</u>

During 2012, the Company repurchased shares of its common stock as follows:

- In December 2011, the Company entered into an agreement to repurchase shares of its common stock under an accelerated share repurchase program. Pursuant to the agreement, the Company initially purchased 2,771,004 shares for \$100. In April 2012, the Company received an additional 4,653 shares based on its volume-weighted average stock price during the term of the transaction.
- In July 2012, the Company entered into an agreement to repurchase shares of its common stock under an accelerated repurchase program. Pursuant to the agreement, the Company initially purchased 5,016,190 shares for \$200. In November 2012, the Company received an additional 400,517 shares based on its volume-weighted average stock price during the term of the transaction.
- In December 2012, the Company entered into an agreement to repurchase shares of its common stock. Pursuant to the agreement, the Company purchased 1,341,412 shares for \$50.
- The Company also repurchased 192,196 shares of its common stock in connection with the surrender of shares to cover taxes on the vesting of restricted stock.

The share repurchases were made pursuant to authorizations from the Company's Board of Directors. In December 2012, the Company's Board of Directors authorized the repurchase of an aggregate amount of \$800 of the Company's common stock through the end of 2014. This authorization supersedes the previous authorization. Share repurchases under the Company's programs may be made in the open market or through privately negotiated transactions, and at times and in such amounts as management deems appropriate. The timing and actual number of shares repurchased will depend on a variety of factors including price, corporate and regulatory requirements and other market conditions.

The Company is not obligated to acquire any shares of its common stock and the share repurchase program may be suspended or terminated at any time at the Company's discretion. Share repurchases are subject to the terms of the Company's debt agreements, market conditions and other factors. The repurchased shares, if any, are expected to be used for the Company's stock-based benefit plans, as required, and to offset dilution resulting from the issuance of shares thereunder, and for other general corporate purposes.

The Board of Directors has the authority to issue, at any time or from time to time, up to 30 million shares of preferred stock in one or more classes or series of classes. Such shares of preferred stock would not be entitled to more than one vote per share when voting as a class with holders of the Company's common stock. The voting rights and such designations, preferences, limitations and special rights are subject to the terms of the Company's Articles of Incorporation, determined by the Board of Directors.

In 2012, the Company amended its Shareholders' Rights Plan to accelerate the final expiration date. As a result of the amendment, the Shareholders' Rights Plan and underlying common stock purchase rights expired and terminated as of the close of business on December 14, 2012.

The Company's ability to pay dividends and repurchase its common stock is limited by certain restrictions in its debt agreements. These restrictions are subject to a number of exceptions, however, allowing the Company to make otherwise restricted payments.

The amount of restricted payments permitted to be made, including dividends and repurchases of the Company's common stock, is generally limited to the cumulative excess of \$200 plus 50% of adjusted net income plus proceeds from the exercise of employee stock options over the aggregate of restricted payments made since July 2004. Adjustments to net income may include, but are not limited to, items such as asset impairments, gains and losses from asset sales and early extinguishments of debt.

P. Stock-Based Compensation

The Company's shareholder-approved stock-based incentive compensation plans provide for the granting of awards in the form of stock options, deferred stock, restricted stock or stock appreciation rights ("SARs"). The awards may be subject to the achievement of certain performance goals, generally based on market conditions, as determined by the Plan Committee designated by the Company's Board of Directors. Shares awarded under the plans are issued from the Company's treasury shares. As of December 31, 2012, 1.6 million shares are available for future awards under the Company's 2006 stock-based incentive compensation plan. There have been no awards of SARs or deferred stock.

Stock-based compensation expense was as follows:

	2012	2011	2010
Stock options	\$ 5	\$ 5	\$ 5
Restricted stock	12	12	14

Stock Options

A summary of stock option activity follows:

	2012	
	Shares	Weighted average exercise price
Options outstanding at January 1	3,786,419	\$ 19.12
Granted	—	—
Exercised	(1,140,255)	13.59
Forfeited	(82,900)	25.15
Expired	(7,150)	21.89
Options outstanding at December 31	<u>2,556,114</u>	21.38
Options fully vested or expected to vest at December 31	<u>2,543,874</u>	\$ 21.31

The following table summarizes outstanding and exercisable options at December 31, 2012:

Options Outstanding				Options Exercisable	
Range of exercise prices	Number outstanding	Weighted average remaining contractual life in years	Weighted average exercise price	Number exercisable	Weighted average exercise price
\$8.60 to \$8.75	453,568	1.3	\$ 8.61	453,568	\$ 8.61
\$13.20 to \$23.19	26,500	3.5	18.18	22,500	17.29
\$23.45	1,936,046	4.0	23.45	1,441,846	23.45
\$23.88 to \$40.01	140,000	7.3	34.73	34,000	25.17
	<u>2,556,114</u>	3.7	21.38	<u>1,951,914</u>	19.96

Outstanding stock options have a contractual term of ten years, are fixed-price and non-qualified. Options granted in 2007 or later vest over six years at 20% per year with initial vesting on the second anniversary of the grant.

Options outstanding at December 31, 2012 had an aggregate intrinsic value (which is the amount by which the stock price exceeded the exercise price of the options as of December 31, 2012) of \$40. The aggregate intrinsic value of options exercised during the years ended December 31, 2012, 2011 and 2010 was \$27, \$15 and \$24, respectively. Cash received from exercise of stock options during 2012 was \$15.

At December 31, 2012, shares that were fully vested or expected to vest had an aggregate intrinsic value of \$40 and a weighted average remaining contractual term of 3.7 years, and shares exercisable had an aggregate intrinsic value of \$33 and a weighted average remaining contractual term of 3.4 years. Also at December 31, 2012, there was \$2 of unrecognized compensation expense related to outstanding nonvested stock options with a weighted average recognition period of 0.8 years.

Stock options are valued at their grant date fair value using the Black-Scholes option pricing model. Valuations incorporate several variables, including expected term, expected volatility, and a risk-free interest rate. The expected term (which is the timeframe over which an award is exercised after grant) is derived from historical data about participant exercise and post-vesting employment termination patterns. Volatility is the expected fluctuation of the Company's stock price in the market and is derived from a combination of historical data about the Company's stock price and implied volatilities based on market data. The risk-free interest rate is the U.S. Treasury yield curve rate in effect at the date of the grant which has a contractual life similar to the option's expected term.

There were no stock option grants in 2012. The fair values of stock option grants during 2011 and 2010 were estimated using the following weighted average assumptions:

	2011	2010
Risk-free interest rate	2.4%	2.6%
Expected life of option (years)	6.8	6.0
Expected stock price volatility	31.7%	33.2%
Expected dividend yield	—%	—%

The weighted average grant-date fair values for options granted during 2011 and 2010 were \$14.98 and \$10.14, respectively. The Company has assumed an annual forfeiture rate of between three and five percent in each year based on historical data of the forfeiture of nonvested share-based awards through the termination of service by plan participants.

Restricted Stock

Each year the Company awards shares to certain senior executives in the form of time-vested restricted stock and performance-based shares. The restricted stock vests ratably over three years on the anniversary date of the award. The performance-based shares cliff vest at the end of three years on the anniversary date of the award. The number of performance-based shares that will ultimately vest is based on the level of performance achieved, ranging between 0% and 200% of the shares originally awarded and will be settled in shares of common stock. The market performance criteria is the Company's Total Shareholder Return ("TSR"), which includes share price appreciation and dividends paid, during the three-year term of the award measured against the TSR of a peer group of companies. Participants who terminate employment because of retirement, disability or death receive accelerated vesting of their time-vested awards to the date of termination. However, performance-based awards, for such participants, will not be issued until the original vesting date.

A summary of restricted stock activity follows:

	<u>Number of shares</u>
Non-vested shares outstanding at January 1, 2012	997,497
Awarded:	
Time-vesting	126,582
Performance-based	216,188
Performance-based – achieved 149% level (grant-date fair value of \$33.98)	125,552
Released:	
Time-vesting shares awarded in 2009 through 2011	(185,848)
Performance-based shares awarded in 2009	(256,229)
Performance-based awards – achieved 149% level	(125,552)
Non-vested shares outstanding at December 31, 2012	<u>898,190</u>

The average grant-date fair value of restricted stock awarded in 2012, 2011 and 2010 follows:

	2012	2011	2010
Time-vested restricted stock	\$ 33.75	\$ 33.70	\$ 26.80
Performance-based shares	\$ 39.52	\$ 41.69	\$ 36.25

Crown Holdings, Inc.

The fair values of the performance-based shares awarded were calculated using a Monte Carlo valuation model and the following weighted average assumptions:

	2012	2011	2010
Risk-free interest rate	0.4%	1.0%	1.4%
Expected term (years)	3	3	3
Expected stock price volatility	27.8%	37.9%	38.8%

During 2012, the Company issued 125,552 additional performance-based shares under its 2009 award because it exceeded the target level (100%) of performance-based shares, established on the original date of the related award, by 49%. These shares were issued without restriction.

At December 31, 2012, unrecognized compensation cost related to outstanding restricted stock was \$6. The weighted average period over which the expense is expected to be recognized is 1.2 years. The aggregate market value of the shares released and issued on the vesting dates was \$19.

The Company maintains a Stock-Based Compensation Plan for Non-Employee Directors. Under the plan a portion of the non-employee directors' quarterly compensation is provided in the form of restricted stock. During 2012, \$1 of stock-based compensation was recognized under this plan.

Q. Debt

	2012	2011
Short-term debt		
Securitization	\$ 203	\$ 100
Bank loans/overdrafts/factoring	58	28
Total short-term debt	\$ 261	\$ 128
Long-term debt		
Senior secured borrowings:		
Revolving credit facilities	\$ 45	\$ 119
Term loan facilities		
U.S. dollar at LIBOR plus 1.75% due 2016	550	550
Euro (€274 at December 31, 2012) at EURIBOR plus 1.75% due 2016	362	355
Senior notes and debentures:		
U.S. dollar 7.625% due 2017	400	400
Euro (€500 at December 31, 2012) 7.125% due 2018	659	647
U.S. dollar 6.25% due 2021	700	700
U.S. dollar 7.375% due 2026	350	350
U.S. dollar 7.50% due 2096	64	64
Other indebtedness in various currencies		
Fixed rate with rates in 2012 from 1.0% to 8.5% due through 2019	157	178
Variable rate with average rates in 2012 from 2.6% to 6.6% through 2018	126	52
Unamortized discounts	(9)	(11)
Total long-term debt	3,404	3,404
Less: current maturities	(115)	(67)
Total long-term debt, less current maturities	\$ 3,289	\$ 3,337

The estimated fair value of the Company's long-term borrowings, using a market approach incorporating level 2 inputs such as quoted market prices for the same or similar issues, was \$3,603 at December 31, 2012.

The weighted average interest rates were as follows:

	2012	2011	2010
Short-term debt	1.9%	2.5%	2.7%
Revolving credit facilities	3.5%	3.6%	2.6%

Aggregate maturities of long-term debt for the five years subsequent to 2012, excluding unamortized discounts, are \$115, \$183, \$195, \$720 and \$416, respectively. Cash payments for interest during 2012, 2011 and 2010 were \$205, \$203 and \$163, respectively.

The Company's senior secured revolving credit facilities, which mature in June 2015, include provisions for letters of credit up to \$210 that reduce the amount of borrowing capacity otherwise available. At December 31, 2012, the Company's available borrowing capacity under the facilities was \$1,104, equal to the facilities' aggregate capacity of \$1,200 less \$45 of borrowings and \$51 of outstanding letters of credit. The interest rate on the facilities can vary from LIBOR or EURIBOR plus a margin of 1.750% up to 2.25% plus a 0.25% facing fee on letters of credit. The senior secured revolving credit facilities and term loans contain financial covenants including an interest coverage ratio and a total net leverage ratio.

See [Note Y](#) for subsequent event discussion of the Company's issuance of senior notes due 2023, redemption of senior notes due 2017 and partial repayment of senior secured term loan facilities.

2011 Activity

In January 2011, the Company sold \$700 principal amount of 6.25% senior notes due 2021. The notes were issued at par by Crown Americas LLC and Crown Americas Capital Corp. III, each a subsidiary of the Company, and are unconditionally guaranteed by the Company and substantially all of its U.S. subsidiaries. The Company paid \$11 in issue costs that will be amortized over the term of the debt.

In June 2011, the Company amended its existing senior secured credit facilities to add a \$200 term loan facility and a €274 (\$355) term loan facility, each of which matures in June 2016 and bear interest at LIBOR or EURIBOR plus 1.75%. The Company paid \$6 in issue costs that will be amortized over the term of the facilities.

In November 2011, the Company amended its existing senior secured credit facilities to add an additional \$350 term loan facility which matures in June 2016 and bears interest at LIBOR plus 1.75%. The Company maintained the ability to enter into up to \$1,000 of additional term loans under its existing facilities, subject to agreement from any participating lenders. The Company paid \$5 in issue costs that will be amortized over the term of the facilities.

The Company recorded a loss from early extinguishments of debt of \$32 including \$27 for premiums paid and \$5 for the write off of deferred financing fees in connection with the following transactions.

- The Company retired all of its \$600 outstanding 7.75% senior notes due 2015 and paid a redemption premium of \$25.
- The Company repaid its existing \$147 and €108 (\$159) term loans, which were scheduled to mature in November 2012.
- The Company redeemed all €83 (\$121) of the outstanding 6.25% first priority senior secured notes due September 2011.

2010 Activity

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

In July 2010, the Company sold €500 (\$650) principal amount of 7.125% senior notes due 2018. The notes were issued at par by Crown European Holdings SA, a wholly owned subsidiary of the Company. The notes are senior obligations of Crown European Holdings SA and are unconditionally guaranteed on a senior basis by the Company and each of the Company's present and future U.S. subsidiaries that guarantees obligations under the Company's credit facilities and, subject to applicable law, each of Crown European Holdings SA's subsidiaries that guarantee obligations under the Company's credit facilities.

In connection with these transactions, the Company paid \$31 in bond issue costs that will be amortized over the related contractual term.

The Company recorded a loss from early extinguishments of debt of \$16, including \$12 for premiums paid and \$4 for the write off of deferred financing fees, in connection with the following transactions:

- The Company retired €76 (\$101) principal amount of Crown European Holdings SA's 6.25% first priority senior secured notes due 2011 and paid a redemption premium of \$4.

- The Company redeemed all of the outstanding \$200 principal amount of 7.625% senior notes due 2013 of Crown Americas LLC and Crown Americas Capital Corp., each a wholly-owned subsidiary of the Company, and paid a redemption premium of \$8.

R. Derivative and Other Financial Instruments

Fair Value Measurements

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

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

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

Fair value disclosures for financial assets and liabilities that were accounted for at fair value on a recurring basis are provided later in this note. In addition, see [Note Q](#) for fair value disclosures related to debt.

Derivative Financial Instruments

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

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

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

Cash Flow Hedges

The Company designates certain derivative financial instruments as cash flow hedges. No components of the hedging instruments are excluded from the assessment of hedge effectiveness. Changes in fair value of outstanding derivatives accounted for as cash flow hedges, except any ineffective portion, are recorded in other comprehensive income until earnings are impacted by the hedged transaction. Classification of the gain or loss in the Consolidated Statements of Operations upon release from comprehensive income is the same as that of the underlying exposure. Contracts outstanding at December 31, 2012 mature between one and thirty-four months.

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

Crown Holdings, Inc.

The Company uses commodity forwards to hedge anticipated purchases of various commodities, including aluminum, fuel oil and natural gas and these exposures are hedged by a central treasury unit.

The Company also designates certain foreign exchange contracts as cash flow hedges of anticipated foreign currency denominated sales or purchases. The Company manages these risks at the operating unit level. Often the hedging of foreign currency risk is performed in concert with related commodity price hedges.

The following table sets forth financial information about the impact on Accumulated Other Comprehensive Income (“AOCI”) and earnings from changes in fair value related to derivative instruments.

Derivatives in cash flow hedges	Amount of gain/(loss) recognized in AOCI (effective portion)		Amount of gain/(loss) reclassified from AOCI into earnings	
	2012	2011	2012	2011
Foreign exchange	\$ —	\$ (8)	\$ —	\$ (5)
Commodities	(82)	(66)	(46)	18
Total	\$ (82)	\$ (74)	\$ (46)	\$ 13

(1) Within the Statement of Operations for the twelve months ended December 31, 2012, a gain of \$14 was recognized in cost of products sold and a loss of \$14 was recognized in net sales. During the twelve months ended December 31, 2011, a gain of \$1 was recognized in cost of products sold and a loss of \$6 recognized in net sales.

(2) Within the Statement of Operations for the twelve months ended December 31, 2012, a loss of \$60, including \$3 of ineffectiveness, was recognized in cost of products sold and a tax benefit of \$14 was recognized in income tax expense. During the twelve months ended December 31, 2011, a gain of \$25 was recognized in cost of products sold and a tax charge of \$7 was recognized in income tax expense.

For the year-ended December 31, 2012, a gain of \$40 related to the effective portion of derivatives qualifying as hedges was recognized in other comprehensive income net of tax of \$7. At December 31, 2012, the effective portion of derivatives qualifying as hedges recognized in accumulated other comprehensive was a loss of \$12 net of an income tax benefit of \$4.

For the twelve month period ending December 31, 2013, a net loss of \$15 (\$11, net of tax) is expected to be reclassified to earnings. No amounts were reclassified during the twelve months ended December 31, 2012 and 2011 in connection with anticipated transactions that were no longer considered probable.

Fair Value Hedges and Contracts Not Designated as Hedges

The Company designates certain derivative financial instruments as fair value hedges of recognized foreign-denominated assets and liabilities, generally trade accounts receivable and payable and unrecognized firm commitments. The notional values and maturity dates of the derivative instruments coincide with those of the hedged items. Changes in fair value of the derivative financial instruments, excluding time value, are offset by changes in fair value of the related hedged items.

Other than for firm commitments, amounts related to time value are excluded from the assessment and measurement of hedge effectiveness and are reported in earnings. Less than \$1 was reported in earnings for the twelve months ended December 31, 2012.

Certain derivative financial instruments, including foreign exchange contracts related to intercompany debt, were not designated or did not qualify for hedge accounting; however, they are effective economic hedges as the changes in their fair value, except for time value, are offset by changes in re-measurement of the related hedged items. The Company’s primary use of these derivative instruments is to offset the earnings impact that fluctuations in foreign exchange rates have on certain monetary assets and liabilities denominated in nonfunctional currencies. Changes in fair value of these derivative instruments are immediately recognized in earnings as foreign exchange adjustments.

The impact on earnings from foreign exchange contracts designated as fair value hedges was a gain of \$4 for the twelve months ended December 31, 2012 and less than \$1 for the twelve months ended December 31, 2011. The impact on earnings from foreign exchange contracts not designated as hedges was a gain of \$2 for the twelve months ended December 31, 2012 and a loss of \$33

for the same period in 2011. These adjustments were reported within translation and foreign exchange in the Consolidated Statements of Operations and were offset by changes in the fair values of the related hedged item.

Net Investment Hedges

During the year ended December 31, 2012, the Company designated certain derivative and non-derivative financial instruments (debt) as hedges of its net investment in a euro-based subsidiary and recorded a loss of \$10 (\$6, net of tax) in accumulated other comprehensive income. The Company did not have any net investment hedges outstanding at December 31, 2012.

The following table sets forth the fair value hierarchy for the Company's financial assets and liabilities that were accounted for at fair value on a recurring basis as of December 31, 2012 and December 31, 2011, respectively.

<u>Derivative Assets</u>	<u>Balance Sheet Classification</u>	<u>Fair Value Hierarchy</u>	<u>December 31, 2012</u>	<u>December 31, 2011</u>
<u>Derivatives designated as hedges:</u>				
Foreign exchange	Other current assets	2	\$ 5	\$ 9
Commodities	Other current assets	1	5	4
Commodities	Other non-current assets	1	1	—
<u>Derivatives not designated as hedges:</u>				
Foreign exchange	Other current assets	2	11	6
Total			<u>\$ 22</u>	<u>\$ 19</u>

<u>Derivative Liabilities</u>	<u>Balance Sheet Classification</u>			
<u>Derivatives designated as hedges:</u>				
Foreign exchange	Accounts payable and accrued liabilities	2	\$ 6	\$ 10
Commodities	Accounts payable and accrued liabilities	1	17	56
Commodities	Other non-current liabilities	1	3	6
<u>Derivatives not designated as hedges:</u>				
Foreign exchange	Accounts payable and accrued liabilities	2	4	10
Total			<u>\$ 30</u>	<u>\$ 82</u>

The aggregate U.S. dollar-equivalent notional values of outstanding derivative instruments in the Consolidated Balance Sheets at December 31, 2012 and December 31, 2011 were:

	<u>December 31, 2012</u>	<u>December 31, 2011</u>
<u>Derivatives in cash flow hedges:</u>		
Foreign exchange	\$ 471	\$ 480
Commodities	434	528
<u>Derivatives in fair value hedges:</u>		
Foreign exchange	105	123
<u>Derivatives not designated as hedges:</u>		
Foreign exchange	924	965

S. Acquisitions

In the fourth quarter of 2012, the Company completed the following acquisitions.

The Company established a joint venture to acquire shares of Superior Multi-Packaging, Ltd., (“Superior”) a listed company on the Singapore exchange with operations in China, Singapore and Vietnam through a tender offer. The Company's partner in the joint venture contributed its existing shares in Superior to the joint venture and the Company paid \$20 to acquire additional shares.

Upon completion of the tender offer, the joint venture owned approximately 85% of the shares of Superior. The Company has consolidated both the joint venture and Superior in its financial statements. Superior had net sales in 2012 of \$126 of which \$8 was generated post-acquisition and is included in the Company's net sales for 2012.

The preliminary purchase price allocation included \$9 to cash, \$39 to receivables, \$22 to inventory, \$39 to fixed assets, \$28 to debt, \$23 to accounts payable and accrued liabilities and \$7 to non-controlling interests. The fair value of the non-controlling interest that remains publicly traded was determined based on the acquisition date share price.

Although the price paid to acquire the public shares of Superior was at a premium to its then trading price, the fair value of the assets acquired and liabilities assumed exceeded the fair value of the consideration transferred. As a result, the Company recognized a bargain purchase gain of \$14 included in asset impairments and sales in the consolidated statements of operations. Net income attributable to noncontrolling interests includes \$7 of bargain purchase gain allocated to the Company's joint venture partner. The Company believes that the acquisition resulted in a gain because Superior has underperformed in recent years. Consequently, the Company reassessed the recognition and measurement of the assets acquired and liabilities assumed and concluded that its preliminary purchase price allocation was appropriate. The Company is in the process of finalizing its valuation of the assets acquired and as a result has not yet finalized its purchase price allocation.

The Company paid \$38 to acquire a beverage can and end production business in Vietnam. The purchase price was allocated entirely to fixed assets. The Company is in the process of finalizing its valuation of the assets acquired and as a result has not yet finalized its purchase price allocation.

The Company paid \$29 to acquire a food can production business in the U.S. The purchase price was allocated \$25 to customer contracts, \$3 to fixed assets and \$1 to inventory. The customer contracts will be amortized on a straight-line basis over the ten year life of the customer contracts.

T. Noncontrolling interests

In 2011, the Company paid an aggregate of \$202 to purchase the remaining public ownership interests in Hellas Can, a listed company in Greece and to increase its ownership interests in its subsidiaries in Dubai, Beijing and Shanghai to 100% and in Jordan and Tunisia to 60%.

In 2010, the Company paid an aggregate of \$169 to acquire the remaining ownership interests in the holding companies for its four joint ventures in China and its joint venture in Hanoi, Vietnam, and to increase its ownership interests in Hellas Can, a listed company in Greece, to 85%, and its subsidiaries in Dong Nai, Vietnam to 96% and Senegal to 100%.

The accounting guidance requires changes in noncontrolling interests that do not result in a change of control and where there is a difference between fair value and carrying value to be accounted for as equity transactions. The effect on net income attributable to the Company had the purchases of noncontrolling interests been recorded through net income is as follows:

	2012	2011	2010
Net income attributable to Crown Holdings	\$ 557	\$ 282	\$ 324
Transfers to noncontrolling interests – Decrease in paid-in-capital for purchase of noncontrolling interests	—	(119)	(114)
Net income attributable to Crown Holdings after transfers to noncontrolling interests	<u>\$ 557</u>	<u>\$ 163</u>	<u>\$ 210</u>

U. Earnings Per Share

The following table summarizes the basic and diluted earnings per share (EPS) attributable to Crown Holdings. Basic EPS excludes all potentially dilutive securities and is computed by dividing net income attributable to Crown Holdings by the weighted average number of common shares outstanding during the period. Diluted EPS includes the effect of stock options and restricted stock as calculated under the treasury stock method.

	2012	2011	2010
Net income attributable to Crown Holdings	\$ 557	\$ 282	\$ 324
Weighted average shares outstanding:			
Basic	146.1	151.7	159.4
Add: dilutive stock options and restricted stock	2.3	2.6	3.0
Diluted	148.4	154.3	162.4
Basic EPS	<u>\$ 3.81</u>	<u>\$ 1.86</u>	<u>\$ 2.03</u>
Diluted EPS	<u>\$ 3.75</u>	<u>\$ 1.83</u>	<u>\$ 2.00</u>
Contingently issuable shares excluded from the computation of diluted earnings per share because the effect would have been anti-dilutive.	0.1	0.1	0.3

For purposes of calculating assumed proceeds under the treasury stock method when determining the diluted weighted average shares outstanding, the Company excludes the impact of windfall tax benefits until the deduction reduces taxes payable.

V. Pension and Other Postretirement Benefits

Pensions. The Company sponsors various pension plans covering certain U.S. and non-U.S. employees, and participates in certain multi-employer pension plans. The benefits under the Company plans are based primarily on years of service and either the employees' remuneration near retirement or a fixed dollar multiple.

A measurement date of December 31 was used for all plans presented below.

The components of pension expense were as follows:

<u>U.S. Plans</u>	2012	2011	2010
Service cost	\$ 12	\$ 11	\$ 9
Interest cost	69	72	72
Expected return on plan assets	(94)	(80)	(80)
Amortization of actuarial loss	56	47	66
Amortization of prior service cost	—	3	2
Net periodic cost	<u>\$ 43</u>	<u>\$ 53</u>	<u>\$ 69</u>
 <u>Non-U.S. Plans</u>	 2012	 2011	 2010
Service cost	\$ 26	\$ 27	\$ 26
Interest cost	153	161	155
Expected return on plan assets	(186)	(196)	(179)
Amortization of actuarial loss	61	50	47
Amortization of prior service cost/(credit)	—	2	(6)
Net periodic cost	<u>\$ 54</u>	<u>\$ 44</u>	<u>\$ 43</u>

The non-U.S. pension expense excludes \$10 of cost attributable to plan curtailments and settlements that was recorded in restructuring expense in 2010.

Additional pension expense of \$5, \$5 and \$4 was recognized in 2012, 2011 and 2010 for multi-employer plans.

Crown Holdings, Inc.

The projected benefit obligations, accumulated benefit obligations, plan assets and funded status of the Company's U.S. and Non-U.S. plans is as follows:

	U.S. Plans		Non-U.S. Plans	
	2012	2011	2012	2011
Projected Benefit Obligations				
Benefit obligations at January 1	\$ 1,502	\$ 1,477	\$ 3,256	\$ 2,982
Service cost	12	11	26	27
Interest cost	69	72	153	161
Plan participants' contributions	1	1	5	5
Amendments	2	(4)	(108)	3
Actuarial loss	131	54	279	290
Benefits paid	(108)	(109)	(181)	(177)
Foreign currency translation	—	—	142	(35)
Benefit obligations at December 31	<u>\$ 1,609</u>	<u>\$ 1,502</u>	<u>\$ 3,572</u>	<u>\$ 3,256</u>
Plan Assets				
Fair value of plan assets at January 1	\$ 1,172	\$ 978	\$ 2,894	\$ 2,729
Actual return on plan assets	195	(9)	201	271
Employer contributions	32	311	70	93
Plan participants' contributions	1	1	5	5
Benefits paid	(108)	(109)	(181)	(177)
Foreign currency translation	—	—	127	(27)
Fair value of plan assets at December 31	<u>\$ 1,292</u>	<u>\$ 1,172</u>	<u>\$ 3,116</u>	<u>\$ 2,894</u>
Funded Status	<u>\$ (317)</u>	<u>\$ (330)</u>	<u>\$ (456)</u>	<u>\$ (362)</u>
Accumulated benefit obligations at December 31	<u>\$ 1,575</u>	<u>\$ 1,474</u>	<u>\$ 3,427</u>	<u>\$ 3,106</u>

During 2012, the Company eliminated discretionary enhanced early retirement benefits for certain active employees participating in its U.K. plan.

Information for pension plans with accumulated benefit obligations in excess of plan assets is as follows:

U.S.	2012	2011
Projected benefit obligations	\$ 1,609	\$ 1,502
Accumulated benefit obligations	1,575	1,474
Fair value of plan assets	1,292	1,172
Non-U.S.	2012	2011
Projected benefit obligations	\$ 3,559	\$ 3,247
Accumulated benefit obligations	3,427	3,106
Fair value of plan assets	3,104	2,884

The Company's investment strategy in its U.S. plan is designed to generate returns that are consistent with providing benefits to plan participants within the risk tolerance of the plan. Asset allocation is the primary determinant of return levels and investment risk exposure. The assets of the plan are broadly diversified in terms of securities and security types in order to limit the potential of large losses from any one security.

The strategic ranges for asset allocation in the U.S. plan are as follows:

U.S. equities	30%	to	40%
International equities	10%	to	15%
Fixed income	13%	to	23%
Balanced funds	15%	to	25%
Real estate	3%	to	7%
Private equity	3%	to	7%
Hedge funds	2%	to	7%

The Company's investment strategy in its U.K. plan, the largest non-U.S. plan, is designed to achieve a funding level of 100% within the next 15 years by targeting an expected return (net of fees) of 2.0% annually in excess of the expected growth in the liabilities. The company seeks to achieve this return with a risk level commensurate with a 5% chance of the funding level falling between 5% and 9% in any one year. The strategic ranges for asset allocation in the U.K. plan are as follows:

Investment grade credit	40%	to	80%
Equities	0%	to	30%
Hedge funds	0%	to	10%
Real estate	0%	to	5%
Private equity	0%	to	15%
Emerging market wealth	0%	to	15%
Alternative credit	0%	to	15%
Other	0%	to	5%

Pension assets are classified into three levels. Level 1 asset values are derived from quoted prices which are available in active markets as of the report date. Level 2 asset values are derived from other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable as of the report date. Level 3 asset values are derived from unobservable pricing inputs that are not corroborated by market data or other objective sources.

Equity securities are valued at the latest quoted prices taken from the primary exchange on which the security trades. Mutual funds are valued at the net asset value (NAV) of shares held at year-end. Fixed income securities, including government issued debt, corporate debt, asset-backed and structured debt securities are valued using market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and other reference data including market research publications. Derivatives, which consist mainly of interest rate swaps, are valued using a discounted cash flow pricing model based on observable market data. Investment funds, hedge funds and private equity funds are valued at the NAV at year-end. The values assigned to private equity funds are based upon assessments of each underlying investment, incorporating valuations that consider the evaluation of financing and sale transactions with third parties, expected cash flows and market-based information, including comparable transactions, and performance multiples among other factors. Real estate investments are based on third party appraisals as of year-end.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair value. Furthermore, while the Company believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in different fair value measurements at the reporting date.

The Company's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of the fair value of assets and their placement within the fair value hierarchy.

Crown Holdings, Inc.

The levels assigned to the defined benefit plan assets as of December 31, 2012 and 2011 are summarized in the tables below:

	2012		
	U.S. plan assets	Non-U.S. plan assets	Total
<u>Level 1</u>			
Cash and cash equivalents	\$ 92	\$ 158	\$ 250
Global large cap equity	—	62	62
U.S. large cap equity	146	37	183
U.S. mid/small cap equity	246	14	260
Mutual funds – global equity	183	—	183
Mutual funds – U.S. equity	88	—	88
Mutual funds – fixed income	138	—	138
	893	271	1,164
<u>Level 2</u>			
Government issued debt securities	59	542	601
Corporate debt securities	95	162	257
Asset backed securities	3	4	7
Structured debt	7	628	635
Insurance contracts	—	13	13
Derivatives	—	98	98
Investment funds – fixed income	14	404	418
Investment funds – global equity	—	257	257
Investment funds – emerging markets	43	174	217
	221	2,282	2,503
<u>Level 3</u>			
Investment funds – real estate	42	88	130
Hedge funds	70	144	214
Private equity	48	321	369
Real estate – direct	16	5	21
	176	558	734
Total	\$ 1,290	\$ 3,111	\$ 4,401

Crown Holdings, Inc.

	2011		
	U.S. plan assets	Non-U.S. plan assets	Total
<u>Level 1</u>			
Cash and cash equivalents	\$ 152	\$ 86	\$ 238
Global large cap equity	—	56	56
U.S. large cap equity	163	36	199
U.S. mid/small cap equity	174	12	186
Mutual funds – global equity	98	—	98
Mutual funds – U.S. equity	84	—	84
Mutual funds – fixed income	62	—	62
	<u>733</u>	<u>190</u>	<u>923</u>
<u>Level 2</u>			
Government issued debt securities	56	374	430
Corporate debt securities	87	343	430
Asset backed securities	1	14	15
Structured debt	11	547	558
Insurance contracts	—	11	11
Derivatives	—	96	96
Investment funds – fixed income	6	335	341
Investment funds – global equity	44	231	275
Investment funds – emerging markets	39	162	201
	<u>244</u>	<u>2,113</u>	<u>2,357</u>
<u>Level 3</u>			
Investment funds – real estate	—	84	84
Hedge funds	121	163	284
Private equity	53	332	385
Real estate – direct	19	5	24
	<u>193</u>	<u>584</u>	<u>777</u>
Total	<u><u>\$ 1,170</u></u>	<u><u>\$ 2,887</u></u>	<u><u>\$ 4,057</u></u>

Accrued income excluded from the table above is as follows:

	<u>2012</u>	<u>2011</u>
U.S. plan assets	2	2
Non-U.S. plan assets	5	7

Plan assets include \$124 and \$113 of the Company's common stock at December 31, 2012 and 2011, respectively.

Crown Holdings, Inc.

The following tables reconcile the beginning and ending balances of plan assets measured using significant unobservable inputs (Level 3).

	Hedge funds	Private equity	Real Estate	Total
Balance at January 1, 2011	\$ 315	\$ 387	\$ 110	\$ 812
Foreign currency translation	(1)	(2)	—	(3)
Asset returns – assets held at reporting date	(10)	(6)	—	(16)
Asset returns – assets sold during the period	9	38	—	47
Purchases, sales and settlements, net	(29)	(32)	(2)	(63)
Balance at December 31, 2011	284	385	108	777
Foreign currency translation	7	14	4	25
Asset returns – assets held at reporting date	6	(39)	14	(19)
Asset returns – assets sold during the period	18	49	4	71
Purchases, sales and settlements, net	(101)	(40)	21	(120)
Balance at December 31, 2012	\$ 214	\$ 369	\$ 151	\$ 734

Pension assets/(liabilities) included in the Consolidated Balance Sheets were:

	2012	2011
Non-current assets	\$ —	\$ 1
Current liabilities	(9)	(8)
Non-current liabilities	(764)	(685)

The Company's current liability at December 31, 2012, represents the expected required payments to be made for unfunded plans over the next twelve months. Total estimated 2013 employer contributions are \$85 for the Company's pension plans.

Changes in the net loss and prior service cost/(credit) for the Company's pension plans were:

	2012		2011		2010	
	Net loss	Prior service	Net loss	Prior service	Net loss	Prior service
Balance at January 1	\$ 2,382	\$ 4	\$ 2,135	\$ 9	\$ 1,991	\$ 3
Reclassification to net periodic benefit cost	(117)	—	(97)	(5)	(118)	4
Current year loss	295	—	358	—	281	—
Amendments	—	(106)	—	(1)	—	3
Foreign currency translation	59	—	(14)	1	(19)	(1)
Balance at December 31	\$ 2,619	\$ (102)	\$ 2,382	\$ 4	\$ 2,135	\$ 9

The estimated portions of the net losses and net prior service that are expected to be recognized as components of net periodic benefit cost in 2013 are \$127 and \$(14).

Expected future benefit payments as of December 31, 2012 were:

	U.S. plans	Non-U.S. plans
2013	\$ 112	\$ 184
2014	110	189
2015	143	194
2016	107	199
2017	111	203
2018 - 2022	515	1,045

Crown Holdings, Inc.

The weighted average actuarial assumptions used to calculate the benefit obligations at December 31 were:

U.S.	2012	2011	2010
Discount rate	4.0%	4.8%	5.1%
Compensation increase	3.0%	3.0%	3.0%

Non-U.S.	2012	2011	2010
Discount rate	4.1%	4.7%	5.4%
Compensation increase	2.8%	3.3%	3.3%

The weighted average actuarial assumptions used to calculate pension expense for each year were:

U.S.	2012	2011	2010
Discount rate	4.8%	5.1%	5.7%
Compensation increase	3.0%	3.0%	3.0%
Long-term rate of return	8.00%	8.75%	8.75%

Non-U.S.	2012	2011	2010
Discount rate	4.7%	5.4%	5.9%
Compensation increase	3.3%	3.3%	3.3%
Long-term rate of return	6.4%	7.0%	7.2%

The expected long-term rates of return are determined at each measurement date based on a review of the actual plan assets, the target allocation, and the historical returns of the capital markets.

The U.S. plan's 2012 assumed asset rate of return was based on a calculation using underlying assumed rates of return of 9.9% for equity securities and alternative investments, and 5.1% for debt securities and real estate. The rate of return used for equity securities and alternative investments was based on the total return of the S&P 500 for the 25 year period ended December 31, 2011. The Company believes that the equity securities included in the S&P 500 are representative of the equity securities and alternative investments held by its U.S. plan, and that this period provides a sufficient time horizon as a basis for estimating future returns. The rate of return used for debt securities is consistent with the U.S. plan discount rate and the return on AA corporate bonds with duration equal to the plan's liabilities. The underlying debt securities in the plan are primarily invested in various corporate and government agency securities and are benchmarked against returns on AA corporate bonds.

The U.K. plan's 2012 assumed asset rate of return was based on a calculation using underlying assumed rates of return of 10.4% for equity securities and alternative investments, and 5.5% for debt securities and real estate. Equity securities in the U.K. plan as of December 31, 2011 were allocated approximately 43% to U.S. securities, 29% to securities in developed European countries, and 28% to securities in emerging markets. The assumed rate of return for equity securities and alternative investments represents the weighted average 25 year return of equity securities in these markets. The Company believes that the equity securities included in the related market indexes are representative of the equity securities and alternative investments held by its U.K. plan, and that this period provides a sufficient time horizon as a basis for estimating future returns.

Other Postretirement Benefit Plans. The Company sponsors unfunded plans to provide health care and life insurance benefits to pensioners and survivors. Generally, the medical plans pay a stated percentage of medical expenses reduced by deductibles and other coverages. Life insurance benefits are generally provided by insurance contracts. The Company reserves the right, subject to existing agreements, to change, modify or discontinue the plans. A measurement date of December 31 was used for the plans presented below.

The components of net postretirement benefits cost were as follows:

<u>Other Postretirement Benefits</u>	2012	2011	2010
Service cost	\$ 3	\$ 8	\$ 9
Interest cost	16	20	26
Amortization of prior service credit	(44)	(36)	(25)
Amortization of actuarial loss	14	13	9
Net periodic (benefit) / cost	<u>\$ (11)</u>	<u>\$ 5</u>	<u>\$ 19</u>

Crown Holdings, Inc.

Changes in the benefit obligations were:

	2012	2011
Benefit obligations at January 1	\$ 337	\$ 445
Service cost	3	8
Interest cost	16	20
Amendments	—	(107)
Actuarial loss	16	(3)
Benefits paid	(22)	(24)
Foreign currency translation	2	(2)
Benefit obligations at December 31	\$ 352	\$ 337

Changes in the net loss and prior service credit for the Company's postretirement benefit plans were:

	2012		2011		2010	
	Net loss	Prior service	Net loss	Prior service	Net loss	Prior service
Balance at January 1	\$ 157	\$ (313)	\$ 174	\$ (242)	\$ 147	\$ (159)
Reclassification to net periodic benefit cost	(14)	44	(13)	36	(9)	25
Current year (gain)/loss	16	—	(3)	—	34	—
Amendments	—	—	—	(107)	—	(108)
Foreign currency translation	(2)	—	(1)	—	2	—
Balance at December 31	\$ 157	\$ (269)	\$ 157	\$ (313)	\$ 174	\$ (242)

The estimated portions of the net losses and prior service credits that are expected to be recognized as components of net periodic benefit cost/(credit) in 2013 are \$16 and \$(39).

In 2011, the U.S. plans were amended to, among other things, eliminate health coverage for retirees who are not yet eligible for Medicare. In 2010, the U.S. plans were amended to, among other things, require additional retiree contributions for medical and prescription drug costs.

Expected future benefit payments, as of December 31, 2012, net of expected Medicare Part D subsidies of \$5 in the aggregate were:

	Benefit Payments
2013	\$ 27
2014	23
2015	23
2016	23
2017	22
2018 - 2022	105

The assumed health care cost trend rates at December 31, 2012 are as follows:

Health care cost trend rate assumed for next year	5.9%
Rate that the cost trend rate gradually declines to	4.4%
Year that the rate reaches the rate it is assumed to remain	2018

A one-percentage-point change in assumed health care cost trend rates would have the following effects:

	One percentage point	
	Increase	Decrease
Effect on total service and interest cost	\$ 1	\$ 1
Effect on postretirement benefit obligation	\$ 30	\$ 25

Crown Holdings, Inc.

Weighted average discount rates used to calculate the benefit obligations at the end of each year and the cost for each year are presented below.

	2012	2011	2010
Benefit obligations	4.1%	4.9%	5.1%
Cost	4.9%	5.1%	5.8%

Other Comprehensive Income. Amounts recorded in other comprehensive income were net of tax as follows:

	2012	2011	2010
Amortization of net loss and prior service cost	\$ 19	\$ 18	\$ 25
Net loss and prior service cost adjustments arising in the current year	60	52	45

Employee Savings Plan. The Company sponsors the Savings Investment Plan which covers substantially all domestic salaried employees who are at least 21 years of age. The Company matches up to 50% of 3% of a participant's compensation and the total Company contributions were \$2 in each of the last three years.

Employee Stock Purchase Plan. The Company sponsors an Employee Stock Purchase Plan which covers all domestic employees with one or more years of service who are non-officers and non-highly compensated as defined by the Internal Revenue Code. Eligible participants contribute 85% of the quarter-ending market price towards the purchase of each common share. The Company's contribution is equivalent to 15% of the quarter-ending market price. Total shares purchased under the plan in 2012 and 2011 were 31,598 and 30,600, respectively, and the Company's contributions were less than \$1 in both years.

W. Income Taxes

The components of income before income taxes and equity earnings were as follows:

	2012	2011	2010
U.S.	\$ 127	\$ 66	\$ 44
Foreign	509	521	570
	<u>\$ 636</u>	<u>\$ 587</u>	<u>\$ 614</u>

The provision for income taxes consisted of the following:

	2012	2011	2010
Current tax:			
U.S. federal	—	—	—
State and foreign	\$ 84	\$ 111	\$ 113
	<u>\$ 84</u>	<u>\$ 111</u>	<u>\$ 113</u>

	2012	2011	2010
Deferred tax:			
U.S. federal	\$ (131)	\$ 69	\$ 50
State and foreign	30	14	2
	<u>(101)</u>	<u>83</u>	<u>52</u>
Total	<u>\$ (17)</u>	<u>\$ 194</u>	<u>\$ 165</u>

Crown Holdings, Inc.

The provision for income taxes differs from the amount of income tax determined by applying the U.S. statutory federal income tax rate to pre-tax income as a result of the following items:

	2012	2011	2010
U.S. statutory rate at 35%	\$ 223	\$ 205	\$ 215
Tax on foreign income	(70)	(50)	(52)
Valuation allowance	56	(19)	(6)
Nontaxable settlement of legal dispute	—	—	(7)
Tax law changes	2	(4)	8
Other items, net	(228)	62	7
Income tax provision	\$ (17)	\$ 194	\$ 165

The other items caption in 2012 includes an income tax benefit of \$213, before valuation allowance as described below, primarily related to the recognition of previously unrecognized U.S. foreign tax credits.

In the third quarter of 2012, the Company committed to a formal repatriation plan, including certain steps that were completed in September with the filing of its 2011 U.S. income tax return, which will allow it to claim foreign tax credits on its 2012 income tax return. The Company's plan involved finalization of earnings and profits in certain foreign subsidiaries, evaluation of expiring U.S. tax law provisions and anticipated utilization of existing net operating loss and foreign tax credit carryforwards. The Company has been utilizing existing net operating losses which will be fully utilized this year and will begin to utilize existing foreign tax credits in 2013. Once the Company claims these credits on its tax return, it has ten years to utilize the credits.

In connection with this action, the Company determined that it will amend its 2003 U.S. income tax return to claim foreign taxes paid as a credit rather than as a tax deduction. The Company recorded a valuation allowance of \$38 against certain of these credits that expire in 2013 which, at this time, the Company does not believe are more likely than not to be realized prior to expiration. The Company will continue to search for and evaluate tax planning strategies which may allow it to accelerate taxable income into 2013 in order to use the credits. If the Company is able to identify a feasible tax planning strategy, it is possible that it will release a portion of the valuation allowance in 2013.

Realization of the foreign tax credits is dependent upon the amount and timing of future taxable income. If actual results are different than the Company's projections, it is possible that the Company may record additional valuation allowance in the future.

The other items caption in 2012 also includes a benefit of \$10 from the receipt of non-taxable insurance proceeds related to the 2011 flooding in Thailand.

The other items caption in 2011 includes \$55 of increase due to tax charges in connection with the relocation of the Company's European headquarters and management to Switzerland. The tax charges were partially offset by \$30 of valuation allowance release included in the valuation allowance caption.

The Company has certain income tax incentives in Brazil which allow it pay reduced income taxes. The tax incentives expire at various dates beginning in 2016. In 2012, these incentives reduced net income attributable to the Company by \$11.

The Company paid taxes of \$92, \$107 and \$102 in 2012, 2011 and 2010, respectively.

The components of deferred taxes at December 31 are:

	2012		2011	
	Assets	Liabilities	Assets	Liabilities
Tax loss and credit carryforwards	\$ 744	\$ —	\$ 599	\$ —
Postretirement and postemployment benefits	130	—	128	—
Pensions	246	10	233	12
Property, plant and equipment	7	114	9	113
Asbestos	97	—	95	—
Accruals and other	86	140	91	157
Valuation allowances	(400)	—	(359)	—
Total	\$ 910	\$ 264	\$ 796	\$ 282

Crown Holdings, Inc.

At December 31, 2012 and 2011, \$104 and \$99 of deferred tax assets were included in prepaid expenses and other current assets.

Tax loss and credit carryforwards expire as follows:

2013	\$	102
2014		22
2015		17
2016		13
2017		25
Thereafter		410
Unlimited		155

Tax loss and credit carryforwards expiring after 2017 include \$193 of state tax loss carryforwards. The unlimited category includes \$138 of French tax loss carryforwards. The tax loss carryforwards presented above exclude \$53 of U.S. windfall tax benefits that will be recorded in additional paid-in capital when realized.

Realization of any portion of the Company's deferred tax assets is dependent upon the availability of taxable income in the relevant jurisdictions. The Company considers all sources of taxable income, including (i) taxable income in any available carry back period, (ii) the reversal of taxable temporary differences, (iii) tax-planning strategies, and (iv) taxable income expected to be generated in the future other than from reversing temporary differences. The Company also considers whether there have been cumulative losses in recent years. The Company records a valuation allowance when it is more likely than not that some portion or all of the deferred tax assets will not be realized.

The Company's valuation allowances at December 31, 2012 include \$202 in the U.S., \$83 in France, \$84 in Canada and \$13 in Belgium.

The Company's valuation allowance in the U.S. includes \$160 for state tax loss carryforwards and \$38 for U.S. foreign tax credits as described above. The Company does not believe that it is more likely than not that these deferred tax assets will be utilized prior to their expiration. The Company's ability to utilize state tax loss carryforwards is impacted by several factors including expiration dates, limitations imposed by certain states on the amount of loss carryforwards that can be used in a given year to offset taxable income and whether the state permits the Company to file a combined return.

The Company continues to maintain a full valuation allowance against its net deferred tax assets in France because the Company does not believe at this time that it is more likely than not that it will realize any deferred tax benefits in France, primarily due to significant interest costs which are in excess of operating profits.

The Company maintains a full valuation allowance against its net deferred tax assets in Canada because the Company does not believe at this time that it is more likely than not that it will realize any deferred tax benefits in Canada. The Company's Canadian operations remain in a three year cumulative loss position and continue to project losses in the near-term.

The Company's valuation allowance in Belgium is for tax loss carryforwards in a dormant entity that do not expire but the Company does not believe at this time it will be able to utilize the loss carryforwards.

Management's estimates of the appropriate valuation allowance in any jurisdiction involve a number of assumptions and judgments, including the amount and timing of future taxable income. Should future results differ from management's estimates, it is possible there could be future adjustments to the valuation allowances that would result in an increase or decrease in tax expense in the period such changes in estimates are made.

The Company has not provided deferred taxes on \$580 of earnings in certain non-U.S. subsidiaries because such earnings are indefinitely reinvested in its international operations. Upon distribution of such earnings in the form of dividends or otherwise, the Company would be subject to incremental tax. It is not practicable to estimate the amount of tax that might be payable.

Crown Holdings, Inc.

A reconciliation of unrecognized tax benefits for 2012, 2011 and 2010 follows.

	2012	2011	2010
Balance at January 1	\$ 37	\$ 37	\$ 38
Additions for current year tax positions	—	8	4
Reductions to prior period tax positions	—	(5)	—
Lapse of statute of limitations	(3)	(2)	(3)
Settlements	—	—	—
Foreign currency translation	1	(1)	(2)
Balance at December 31	<u>\$ 35</u>	<u>\$ 37</u>	<u>\$ 37</u>

The Company's reserves as presented primarily include potential liabilities related to transfer pricing, foreign withholding taxes, and non-deductibility of expenses and exclude \$2 of penalties as of December 31, 2012. Interest and penalties are recorded in the statement of operations as interest expense and provision for income taxes, respectively. The total interest and penalties recorded in the statement of operations was \$1 in each of the last three years.

The unrecognized tax benefits as of December 31, 2012 include \$28 that, if recognized, would affect the effective tax rate. The remaining balance would have no effect due to valuation allowances in certain jurisdictions. The Company's unrecognized tax benefits are expected to increase in the next twelve months as it continues its current transfer pricing policies, and are expected to decrease as open tax years lapse or claims are settled. The Company is unable to estimate a range of reasonably possible changes in its unrecognized tax benefits in the next twelve months as it is unable to predict when, or if, the tax authorities will commence their audits, the time needed for the audits, and the audit findings that will require settlement with the applicable tax authorities, if any.

The tax years that remained subject to examination by major tax jurisdiction as of December 31, 2012 were 2004 and subsequent years for France; 2006 and subsequent years for Spain; 2008 and subsequent years for Italy; 2009 and subsequent years for the U.S. and Canada; 2010 and subsequent years for the U.K. and Germany.

X. Segment Information

The Company's business is organized geographically within three divisions, Americas, Europe and Asia Pacific. Within the Americas and European divisions, the Company has determined that it has the following reportable segments organized along a combination of product lines and geographic areas: Americas Beverage and North America Food within the Americas, and European Beverage and European Food within Europe.

In recent years, the Company has significantly expanded its beverage can operations in the Asia Pacific region. As discussed in Note S, in the fourth quarter of 2012, the Company completed the acquisition of Superior Multi-Packaging, Ltd. which expanded the Company's non-beverage operations in the region. The Company expects its level of capital expenditures in the region to begin to decrease in 2013. In connection with these developments, in the fourth quarter of 2012, the Company changed the internal reporting of its Asia Pacific businesses to separately report Asia Beverage and Asia Non-Beverage operations to the Company's Chief Operating Decision Maker. The Company has aggregated its Asia Beverage and Asia Non-Beverage operating segments into an Asia Pacific reportable segment based on similar economic and qualitative characteristics. Prior to 2012, the Company's Asia Pacific businesses were included in non-reportable segments. For each period presented, the Company has restated the segment information below to present its Asia Pacific segment separate from non-reportable segments. In addition, the Company has determined that it is no longer necessary to separately report its European Specialty Packaging segment and has included in non-reportable segments for each period presented.

Non-reportable segments include the Company's aerosol can businesses in North America and Europe, the Company's specialty packaging business in Europe and the Company's tooling and equipment operations in the U.S. and United Kingdom.

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

Crown Holdings, Inc.

The tables below present information about operating segments for the three years ended December 31, 2012, 2011 and 2010:

<u>2012</u>	External sales	Inter-segment sales	Segment assets	Depreciation and amortization	Capital expenditures	Segment income
Americas Beverage	\$ 2,274	\$ 68	\$ 1,504	\$ 48	\$ 52	\$ 311
North America Food	876	9	500	13	7	146
European Beverage	1,653	13	1,593	42	25	217
European Food	1,793	96	1,464	29	26	180
Asia Pacific	979	—	1,137	27	181	137
Total reportable segments	7,575	186	6,198	159	291	\$ 991
Non-reportable segments	895	128	611	15	24	
Corporate and unallocated items	—	—	681	6	9	
Total	\$ 8,470	\$ 314	\$ 7,490	\$ 180	\$ 324	

<u>2011</u>	External sales	Inter-segment sales	Segment assets	Depreciation and amortization	Capital expenditures	Segment income
Americas Beverage	\$ 2,273	\$ 71	\$ 1,445	\$ 44	\$ 126	\$ 302
North America Food	889	14	504	14	7	146
European Beverage	1,669	2	1,578	43	61	210
European Food	1,999	109	1,531	33	26	239
Asia Pacific	861	—	757	20	154	125
Total reportable segments	7,691	196	5,815	154	374	\$ 1,022
Non-reportable segments	953	196	593	15	17	
Corporate and unallocated items	—	—	460	7	10	
Total	\$ 8,644	\$ 392	\$ 6,868	\$ 176	\$ 401	

<u>2010</u>	External sales	Inter-segment sales	Segment assets	Depreciation and amortization	Capital expenditures	Segment income
Americas Beverage	\$ 2,097	\$ 57	\$ 1,307	\$ 37	\$ 151	\$ 275
North America Food	897	9	514	15	7	120
European Beverage	1,524	1	1,537	40	60	244
European Food	1,841	77	1,457	36	21	224
Asia Pacific	704	—	577	17	60	112
Total reportable segments	7,063	144	5,392	145	299	\$ 975
Non-reportable segments	\$ 878	143	551	17	16	
Corporate and unallocated items	—	—	956	10	5	
Total	\$ 7,941	\$ 287	\$ 6,899	\$ 172	\$ 320	

Intersegment sales primarily include sales of ends and components used to manufacture cans, such as printed and coated metal, as well as parts and equipment used in the manufacturing process.

Crown Holdings, Inc.

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

A reconciliation of segment income of reportable segments to income before income taxes and equity earnings for the three years ended December 31, 2012, 2011 and 2010 follows:

	2012	2011	2010
Segment income of reportable segments	\$ 991	\$ 1,022	\$ 975
Segment income of non-reportable segments	98	139	116
Corporate and unallocated items	(194)	(208)	(201)
Provision for asbestos	(35)	(28)	(46)
Provision for restructuring	(48)	(77)	(42)
Asset impairments and sales	42	(6)	18
Loss from early extinguishments of debt	—	(32)	(16)
Interest expense	(226)	(232)	(203)
Interest income	7	11	9
Translation and foreign exchange	1	(2)	4
Income before income taxes and equity earnings	<u>\$ 636</u>	<u>\$ 587</u>	<u>\$ 614</u>

For the three years ended December 31, 2012, 2011 and 2010, intercompany profit of \$5, \$7 and less than \$1 was eliminated within segment income of non-reportable segments.

For the three years ended December 31, 2012, 2011 and 2010, no one customer accounted for more than 10% of the Company's consolidated net sales.

Sales by major product were:

	2012	2011	2010
Metal beverage cans and ends	\$ 4,649	\$ 4,532	\$ 4,065
Metal food cans and ends	2,425	2,614	2,479
Other metal packaging	1,244	1,373	1,299
Other products	152	125	98
Consolidated net sales	<u>\$ 8,470</u>	<u>\$ 8,644</u>	<u>\$ 7,941</u>

Sales and long-lived assets for the major countries in which the Company operates were:

	Net Sales			Long-Lived Assets		
	2012	2011	2010	2012	2011	2010
United States	\$ 2,275	\$ 2,297	\$ 2,248	\$ 309	\$ 306	\$ 297
United Kingdom	852	826	740	138	126	117
France	568	675	624	65	67	76
Other	4,775	4,846	4,329	1,483	1,252	1,120
Consolidated total	<u>\$ 8,470</u>	<u>\$ 8,644</u>	<u>\$ 7,941</u>	<u>\$ 1,995</u>	<u>\$ 1,751</u>	<u>\$ 1,610</u>

Y. Subsequent Events

In January 2013, the Company issued \$1,000 principal amount of 4.5% senior unsecured notes due 2023. In connection with the issuance, the Company redeemed all of its outstanding \$400 senior notes due 2017 and repaid \$500 of indebtedness under its senior secured term loan facilities. In the first quarter of 2013, the Company will record a loss from early extinguishment of debt of approximately \$32 including \$23 for premiums paid and \$9 for the write off of deferred financing fees.

Z. Condensed Combining Financial Information

Crown European Holdings SA (Issuer), a wholly owned subsidiary of the Company, has €500 (\$659 at December 31, 2012) principal amount of 7.125% senior notes due 2018 outstanding that are fully and unconditionally guaranteed by Crown Holdings, Inc. (Parent) and certain subsidiaries. The guarantors are wholly owned by the Company and the guarantees are made on a joint and several basis. The guarantor column includes financial information for all subsidiaries in the United States (except for an insurance subsidiary and a receivable securitization subsidiary), substantially all subsidiaries in Belgium, Canada, France, Germany, Mexico, Switzerland and the United Kingdom, and a subsidiary in the Netherlands. The following condensed combining financial statements:

- statements of comprehensive income and cash flows for the years ended December 31, 2012, 2011, 2010, and
- balance sheets as of December 31, 2012 and December 31, 2011

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

During the second quarter of 2012, the Company revised its presentation of the condensed combining balance sheet at December 31, 2011 to reclassify a consolidation entry to net certain value added tax receivables and payables from non-guarantor subsidiaries to guarantor subsidiaries. The impact was a \$226 decrease to both receivables and accounts payable and accrued liabilities of guarantor subsidiaries with a corresponding increase to non-guarantor subsidiaries. The Company deemed the revision to be immaterial for the previously issued financial statements and therefore, revised the condensed combining balance sheet included in this filing.

CONDENSED COMBINING STATEMENT OF COMPREHENSIVE INCOME

For the year ended December 31, 2012
(in millions)

	Parent	Issuer	Guarantors	Non-Guarantors	Eliminations	Total Company
Net sales			\$ 4,573	\$ 3,897		\$ 8,470
Cost of products sold, excluding depreciation and amortization		\$ (1)	3,771	3,243		7,013
Depreciation and amortization			79	101		180
Gross profit		1	723	553		1,277
Selling and administrative expense		(2)	290	94		382
Provision for asbestos			35			35
Provision for restructuring			45	3		48
Asset impairments and sales		(977)	(1)	(41)	977	(42)
Net interest expense		57	121	41		219
Technology royalty			(31)	31		—
Translation and foreign exchange			(1)	—		(1)
Income/(loss) before income taxes		923	265	425	(977)	636
Provision for / (benefit from) income taxes		8	(81)	56		(17)
Equity earnings / (loss) in affiliates	\$ 557	240	211	1	\$ (1,004)	5
Net income	557	1,155	557	370	(1,981)	658
Net income attributable to noncontrolling interests				(101)		(101)
Net income attributable to Crown Holdings	\$ 557	\$ 1,155	\$ 557	\$ 269	\$ (1,981)	\$ 557
Comprehensive income	\$ 533	\$ 1,200	\$ 533	\$ 421	\$ (2,048)	\$ 639
Comprehensive income attributable to noncontrolling interests				(106)		(106)
Comprehensive income attributable to Crown Holdings	\$ 533	\$ 1,200	\$ 533	\$ 315	\$ (2,048)	\$ 533

CONDENSED COMBINING STATEMENT OF COMPREHENSIVE INCOME

For the year ended December 31, 2011
(in millions)

	Parent	Issuer	Guarantors	Non-Guarantors	Eliminations	Total Company
Net sales			\$ 4,780	\$ 3,864		\$ 8,644
Cost of products sold, excluding depreciation and amortization		\$ (1)	3,934	3,187		7,120
Depreciation and amortization			82	94		176
Gross profit		1	764	583		1,348
Selling and administrative expense		(2)	298	99		395
Provision for asbestos			28	—		28
Provision for restructuring			73	4	—	77
Asset impairments and sales		—	—	4	\$ 2	6
Loss from early extinguishment of debt		2	30	—		32
Net interest expense		78	104	39		221
Technology royalty			(46)	46		—
Translation and foreign exchange		—	(3)	5	—	2
Income/(loss) before income taxes		(77)	280	386	(2)	587
Provision for / (benefit from) income taxes	—	—	123	71	—	194
Equity earnings / (loss) in affiliates	\$ 282	239	125	—	(643)	3
Net income	282	162	282	315	(645)	396
Net income attributable to noncontrolling interests	—	—	—	(114)	—	(114)
Net income attributable to Crown Holdings	<u>\$ 282</u>	<u>\$ 162</u>	<u>\$ 282</u>	<u>\$ 201</u>	<u>\$ (645)</u>	<u>\$ 282</u>
Comprehensive income	\$ 19	\$ 3	\$ 19	\$ 219	\$ (131)	\$ 129
Comprehensive income attributable to noncontrolling interests				(110)		(110)
Comprehensive income attributable to Crown Holdings	<u>\$ 19</u>	<u>\$ 3</u>	<u>\$ 19</u>	<u>\$ 109</u>	<u>\$ (131)</u>	<u>\$ 19</u>

CONDENSED COMBINING STATEMENT OF COMPREHENSIVE INCOME

For the year ended December 31, 2010
(in millions)

	Parent	Issuer	Guarantors	Non-Guarantors	Eliminations	Total Company
Net sales			\$ 4,734	\$ 3,207		\$ 7,941
Cost of products sold, excluding depreciation and amortization		\$ (13)	3,993	2,539		6,519
Depreciation and amortization			88	84		172
Gross profit		13	653	584		1,250
Selling and administrative expense		—	258	102		360
Provision for asbestos			46	—		46
Provision for restructuring			42		—	42
Asset impairments and sales		—	(14)	(4)	—	(18)
Loss from early extinguishment of debt		5	11	—		16
Net interest expense		35	144	15		194
Technology royalty			(35)	35		—
Translation and foreign exchange		—	(3)	(1)	—	(4)
Income/(loss) before income taxes	—	(27)	204	437	—	614
Provision for / (benefit from) income taxes	—	3	86	76	—	165
Equity earnings / (loss) in affiliates	\$ 324	249	206	—	\$ (776)	3
Net income	324	219	324	361	(776)	452
Net income attributable to noncontrolling interests	—	—	—	(128)	—	(128)
Net income attributable to Crown Holdings	\$ 324	\$ 219	\$ 324	\$ 233	\$ (776)	\$ 324
Comprehensive income	\$ 237	\$ 198	\$ 237	\$ 322	\$ (636)	\$ 358
Comprehensive income attributable to noncontrolling interests				(121)		(121)
Comprehensive income attributable to Crown Holdings	\$ 237	\$ 198	\$ 237	\$ 201	\$ (636)	\$ 237

CONDENSED COMBINING BALANCE SHEET

As of December 31, 2012
(in millions)

	Parent	Issuer	Guarantors	Non-Guarantors	Eliminations	Total Company
Assets						
Current assets						
Cash and cash equivalents			\$ 134	\$ 216		\$ 350
Receivables, net			274	783		1,057
Intercompany receivables		\$ 2	41	32	\$ (75)	
Inventories			582	584		1,166
Prepaid expenses and other current assets	\$ 1	14	123	39		177
Total current assets	<u>1</u>	<u>16</u>	<u>1,154</u>	<u>1,654</u>	<u>(75)</u>	<u>2,750</u>
Intercompany debt receivables		1,578	3,141	492	(5,211)	
Investments	749	3,839	(278)		(4,310)	
Goodwill			1,429	569		1,998
Property, plant and equipment, net			610	1,385		1,995
Other non-current assets		24	658	65		747
Total	<u>\$ 750</u>	<u>\$ 5,457</u>	<u>\$ 6,714</u>	<u>\$ 4,165</u>	<u>\$ (9,596)</u>	<u>\$ 7,490</u>
Liabilities and equity						
Current liabilities						
Short-term debt		\$ 2	—	\$ 259		\$ 261
Current maturities of long-term debt		18	\$ 28	69		115
Accounts payable and accrued liabilities	\$ 18	21	1,097	1,006		2,142
Intercompany payables		—	32	43	\$ (75)	
Total current liabilities	<u>18</u>	<u>41</u>	<u>1,157</u>	<u>1,377</u>	<u>(75)</u>	<u>2,518</u>
Long-term debt, excluding current maturities		1,003	2,073	213		3,289
Long-term intercompany debt	894	2,264	1,340	713	(5,211)	
Postretirement and pension liabilities			1,079	19		1,098
Other non-current liabilities		8	316	138		462
Commitments and contingent liabilities						
Noncontrolling interests			—	285		285
Crown Holdings shareholders' equity/(deficit)	(162)	2,141	749	1,420	(4,310)	(162)
Total equity/(deficit)	<u>(162)</u>	<u>2,141</u>	<u>749</u>	<u>1,705</u>	<u>(4,310)</u>	<u>123</u>
Total	<u>\$ 750</u>	<u>\$ 5,457</u>	<u>\$ 6,714</u>	<u>\$ 4,165</u>	<u>\$ (9,596)</u>	<u>\$ 7,490</u>

CONDENSED COMBINING BALANCE SHEET

As of December 31, 2011
(in millions)

	Parent	Issuer	Guarantors	Non-Guarantors	Eliminations	Total Company
Assets						
Current assets						
Cash and cash equivalents			\$ 54	\$ 288		\$ 342
Receivables, net			230	718		948
Intercompany receivables		\$ 2	60	23	\$ (85)	—
Inventories			615	533		1,148
Prepaid expenses and other current assets		7	129	29		165
Total current assets	<u>—</u>	<u>9</u>	<u>1,088</u>	<u>1,591</u>	<u>(85)</u>	<u>2,603</u>
Intercompany debt receivables		1,590	3,514	327	(5,431)	—
Investments	\$ 215	3,007	(577)		(2,645)	—
Goodwill			1,396	556		1,952
Property, plant and equipment, net			604	1,147		1,751
Other non-current assets		13	491	58		562
Total	<u>\$ 215</u>	<u>\$ 4,619</u>	<u>\$ 6,516</u>	<u>\$ 3,679</u>	<u>\$ (8,161)</u>	<u>\$ 6,868</u>
Liabilities and equity						
Current liabilities						
Short-term debt		\$ 6	\$ 14	\$ 108		\$ 128
Current maturities of long-term debt			1	66		67
Accounts payable and accrued liabilities	\$ 20	20	1,124	926		2,090
Intercompany payables		1	22	62	\$ (85)	—
Total current liabilities	<u>20</u>	<u>27</u>	<u>1,161</u>	<u>1,162</u>	<u>(85)</u>	<u>2,285</u>
Long-term debt, excluding current maturities		1,002	2,173	162		3,337
Long-term intercompany debt	668	2,481	1,664	618	(5,431)	—
Postretirement and pension liabilities			986	10		996
Other non-current liabilities			321	168		489
Commitments and contingent liabilities						
Noncontrolling interests			(4)	238		234
Crown Holdings shareholders' equity/(deficit)	(473)	1,109	215	1,321	(2,645)	(473)
Total equity/(deficit)	<u>(473)</u>	<u>1,109</u>	<u>211</u>	<u>1,559</u>	<u>(2,645)</u>	<u>(239)</u>
Total	<u>\$ 215</u>	<u>\$ 4,619</u>	<u>\$ 6,516</u>	<u>\$ 3,679</u>	<u>\$ (8,161)</u>	<u>\$ 6,868</u>

CONDENSED COMBINING STATEMENT OF CASH FLOWS

For the year ended December 31, 2012
(in millions)

	Parent	Issuer	Guarantors	Non-Guarantors	Eliminations	Total Company
Net cash provided by/(used for) operating activities	\$ 14	\$ (66)	\$ 301	\$ 372		\$ 621
Cash flows from investing activities						
Capital expenditures			(77)	(247)		(324)
Acquisition of businesses, net of cash acquired			(29)	(49)		(78)
Intercompany investing activities		(741)	293		\$ 448	—
Proceeds from sale of intercompany investment		1,205	(1,205)			—
Insurance proceeds				48		48
Proceeds from sale of property, plant and equipment			3			3
Other, net				(11)		(11)
Net cash provided by/(used for) investing activities	—	464	(1,015)	(259)	448	(362)
Cash flows from financing activities						
Proceeds from long-term debt				109		109
Payments of long-term debt			(1)	(65)		(66)
Net change in revolving credit facility and short-term debt		(4)	(103)	136		29
Net change in long-term intercompany balances	226	(232)	77	(71)		—
Capital contribution			1,205	8	(1,213)	—
Common stock issued	17					17
Common stock repurchased	(257)					(257)
Dividends paid		(170)	(370)	(225)	765	
Purchase of noncontrolling interests			(3)	(1)		(4)
Dividends paid to noncontrolling interests				(79)		(79)
Other		8	(11)	—		(3)
Net cash provided by/(used for) financing activities	(14)	(398)	794	(188)	(448)	(254)
Effect of exchange rate changes on cash and cash equivalents				3		3
Net change in cash and cash equivalents	—	—	80	(72)	—	8
Cash and cash equivalents at January 1			54	288		342
Cash and cash equivalents at December 31	\$ —	\$ —	\$ 134	\$ 216	\$ —	\$ 350

CONDENSED COMBINING STATEMENT OF CASH FLOWS

For the year ended December 31, 2011
(in millions)

	Parent	Issuer	Guarantors	Non-Guarantors	Eliminations	Total Company
Net cash provided by/(used for) operating activities	\$ 10	\$ (12)	\$ (119)	\$ 500		\$ 379
Cash flows from investing activities						
Capital expenditures			(107)	(294)		(401)
Proceeds from sale of property, plant and equipment			26			26
Intercompany investing activities		8	290	(180)	\$ (118)	—
Other			3			3
Net cash provided by/(used for) investing activities		8	212	(474)	(118)	(372)
Cash flows from financing activities						
Proceeds from long-term debt		383	1,250	137		1,770
Payments of long-term debt		(276)	(748)	(45)		(1,069)
Net change in revolving credit facility and short-term debt		(48)	(54)	(90)		(192)
Net change in long-term intercompany balances	291	(38)	(438)	185		—
Debt issue costs		(3)	(19)			(22)
Common stock issued	11					11
Common stock repurchased	(312)					(312)
Dividends paid				(118)	118	—
Purchase of noncontrolling interests			(98)	(104)		(202)
Dividends paid to noncontrolling interests				(104)		(104)
Other		(14)	3	2		(9)
Net cash provided by/(used for) financing activities	(10)	4	(104)	(137)	118	(129)
Effect of exchange rate changes on cash and cash equivalents				1		1
Net change in cash and cash equivalents	—	—	(11)	(110)	—	(121)
Cash and cash equivalents at January 1			65	398		463
Cash and cash equivalents at December 31	\$ —	\$ —	\$ 54	\$ 288	\$ —	\$ 342

CONDENSED COMBINING STATEMENT OF CASH FLOWS

For the year ended December 31, 2010
(in millions)

	Parent	Issuer	Guarantors	Non-Guarantors	Eliminations	Total Company
Net cash provided by/(used for) operating activities	\$ 26	\$ 2	\$ 357	\$ 205		\$ 590
Cash flows from investing activities						
Capital expenditures			(81)	(239)		(320)
Proceeds from sale of businesses, net of cash sold			3	4		7
Proceeds from sale of property, plant and equipment			20	12		32
Intercompany investing activities		(190)	459	38	\$ (307)	—
Net cash provided by/(used for) investing activities		(190)	401	(185)	(307)	(281)
Cash flows from financing activities						
Proceeds from long-term debt		650	—	95		745
Payments of long-term debt		(307)	(405)	(22)		(734)
Net change in revolving credit facility and short-term debt		42	73	163		278
Net change in long-term intercompany balances	216	56	(392)	120		—
Common stock issued	13					13
Common stock repurchased	(255)					(255)
Dividends paid		(211)		(96)	307	—
Purchase of noncontrolling interests			—	(169)		(169)
Dividends paid to noncontrolling interests				(112)		(112)
Other		(47)	(18)	—		(65)
Net cash provided by/(used for) financing activities	(26)	183	(742)	(21)	307	(299)
Effect of exchange rate changes on cash and cash equivalents				(6)		(6)
Net change in cash and cash equivalents	—	(5)	16	(7)	—	4
Cash and cash equivalents at January 1		5	49	405		459
Cash and cash equivalents at December 31	\$ —	\$ —	\$ 65	\$ 398	\$ —	\$ 463

Crown Holdings, Inc.

Crown Cork & Seal Company, Inc. (Issuer), a wholly owned subsidiary, has \$350 principal amount of 7.375% senior notes due 2026 and \$64 principal amount of 7.5% senior notes due 2096 outstanding that are fully and unconditionally guaranteed by Crown Holdings, Inc. (Parent). No other subsidiary guarantees the debt. The following condensed combining financial statements:

- statements of comprehensive income and cash flows for the years ended December 31, 2012, 2011, 2010, and
- balance sheets as of December 31, 2012 and December 31, 2011

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

CONDENSED COMBINING STATEMENT OF COMPREHENSIVE INCOME For the year ended December 31, 2012 (in millions)

	Parent	Issuer	Non- Guarantors	Eliminations	Total Company
Net sales			\$ 8,470		\$ 8,470
Cost of products sold, excluding depreciation and amortization			7,013		7,013
Depreciation and amortization			180		180
Gross profit	—	—	1,277	—	1,277
Selling and administrative expense		\$ 9	373		382
Provision for asbestos		35	—		35
Provision for restructuring			48		48
Asset impairments and sales			(42)		(42)
Net interest expense		90	129		219
Translation and foreign exchange			(1)		(1)
Income/(loss) before income taxes		(134)	770		636
Provision for / (benefit from) income taxes		(36)	19		(17)
Equity earnings / (loss) in affiliates	\$ 557	655	—	\$ (1,207)	5
Net income	557	557	751	(1,207)	658
Net income attributable to noncontrolling interests			(101)		(101)
Net income attributable to Crown Holdings	\$ 557	\$ 557	\$ 650	\$ (1,207)	\$ 557
Comprehensive income	\$ 533	\$ 533	\$ 732	\$ (1,159)	\$ 639
Comprehensive income attributable to noncontrolling interests			(106)		(106)
Comprehensive income attributable to Crown Holdings	\$ 533	\$ 533	\$ 626	\$ (1,159)	\$ 533

CONDENSED COMBINING STATEMENT OF COMPREHENSIVE INCOME
For the year ended December 31, 2011
(in millions)

	Parent	Issuer	Non-Guarantors	Eliminations	Total Company
Net Sales			\$ 8,644		\$ 8,644
Cost of products sold, excluding depreciation and amortization			7,120		7,120
Depreciation and amortization			176		176
Gross profit			1,348		1,348
Selling and administrative expense		\$ 10	385		395
Provision for asbestos		28	—		28
Provision for restructuring			77		77
Asset impairments and sales			6		6
Loss from early extinguishment of debt			—	32	32
Net interest expense		83	138		221
Translation and foreign exchange			—	2	2
Income/(loss) before income taxes		(121)	708		587
Provision for / (benefit from) income taxes		—	(7)	—	194
Equity earnings / (loss) in affiliates	\$ 282	396	3	\$ (678)	3
Net income	282	282	510	(678)	396
Net income attributable to noncontrolling interests			(114)		(114)
Net income attributable to Crown Holdings	\$ 282	\$ 282	\$ 396	\$ (678)	\$ 282
Comprehensive income	\$ 19	\$ 19	\$ 243	\$ (152)	\$ 129
Comprehensive income attributable to noncontrolling interests			(110)		(110)
Comprehensive income attributable to Crown Holdings	\$ 19	\$ 19	\$ 133	\$ (152)	\$ 19

CONDENSED COMBINING STATEMENT OF COMPREHENSIVE INCOME

For the year ended December 31, 2010

(in millions)

	Parent	Issuer	Non-Guarantors	Eliminations	Total Company
Net Sales			\$ 7,941		\$ 7,941
Cost of products sold, excluding depreciation and amortization			6,519		6,519
Depreciation and amortization			172		172
Gross profit			1,250		1,250
Selling and administrative expense		\$ (12)	372		360
Provision for asbestos		46	—		46
Provision for restructuring			42		42
Asset impairments and sales			(18)		(18)
Loss from early extinguishment of debt		—	16		16
Net interest expense		81	113		194
Translation and foreign exchange		—	(4)		(4)
Income/(loss) before income taxes		(115)	729		614
Provision for / (benefit from) income taxes	—	(17)	182	—	165
Equity earnings / (loss) in affiliates	\$ 324	422	3	\$ (746)	3
Net income	324	324	550	(746)	452
Net income attributable to noncontrolling interests	—	—	(128)	—	(128)
Net income attributable to Crown Holdings	<u>\$ 324</u>	<u>\$ 324</u>	<u>\$ 422</u>	<u>\$ (746)</u>	<u>\$ 324</u>
Comprehensive income	\$ 237	\$ 237	\$ 456	\$ (572)	\$ 358
Comprehensive income attributable to noncontrolling interests			(121)		(121)
Comprehensive income attributable to Crown Holdings	<u>\$ 237</u>	<u>\$ 237</u>	<u>\$ 335</u>	<u>\$ (572)</u>	<u>\$ 237</u>

CONDENSED COMBINING BALANCE SHEET

As of December 31, 2012
(in millions)

	Parent	Issuer	Non-Guarantors	Eliminations	Total Company
Assets					
Current assets					
Cash and cash equivalents			\$ 350		\$ 350
Receivables, net			1,057		1,057
Inventories			1,166		1,166
Prepaid expenses and other current assets	\$ 1	\$ 83	93		177
Total current assets	<u>1</u>	<u>83</u>	<u>2,666</u>		<u>2,750</u>
Intercompany debt receivables			1,769	\$ (1,769)	
Investments	749	1,768		(2,517)	
Goodwill			1,998		1,998
Property, plant and equipment, net			1,995		1,995
Other non-current assets		504	243		747
Total	<u>\$ 750</u>	<u>\$ 2,355</u>	<u>\$ 8,671</u>	<u>\$ (4,286)</u>	<u>\$ 7,490</u>
Liabilities and equity					
Current liabilities					
Short-term debt			\$ 261		\$ 261
Current maturities of long-term debt			115		115
Accounts payable and accrued liabilities	\$ 18	\$ 34	2,090		2,142
Total current liabilities	<u>18</u>	<u>34</u>	<u>2,466</u>		<u>2,518</u>
Long-term debt, excluding current maturities		412	2,877		3,289
Long-term intercompany debt	894	875		\$ (1,769)	
Postretirement and pension liabilities	—		1,098		1,098
Other non-current liabilities	—	285	177		462
Commitments and contingent liabilities					
Noncontrolling interests			285		285
Crown Holdings shareholders' equity/(deficit)	(162)	749	1,768	(2,517)	(162)
Total equity/(deficit)	<u>(162)</u>	<u>749</u>	<u>2,053</u>	<u>(2,517)</u>	<u>123</u>
Total	<u>\$ 750</u>	<u>\$ 2,355</u>	<u>\$ 8,671</u>	<u>\$ (4,286)</u>	<u>\$ 7,490</u>

CONDENSED COMBINING BALANCE SHEET

As of December 31, 2011
(in millions)

	Parent	Issuer	Non-Guarantors	Eliminations	Total Company
Assets					
Current assets					
Cash and cash equivalents			\$ 342		\$ 342
Receivables, net			948		948
Inventories			1,148		1,148
Prepaid expenses and other current assets		\$ 76	89		165
Total current assets	<u>—</u>	<u>76</u>	<u>2,527</u>		<u>2,603</u>
Intercompany debt receivables			1,391	\$ (1,391)	
Investments	\$ 215	1,208		(1,423)	
Goodwill			1,952		1,952
Property, plant and equipment, net			1,751		1,751
Other non-current assets		376	186		562
Total	<u>\$ 215</u>	<u>\$ 1,660</u>	<u>\$ 7,807</u>	<u>\$ (2,814)</u>	<u>\$ 6,868</u>
Liabilities and equity					
Current liabilities					
Short-term debt			\$ 128		\$ 128
Current maturities of long-term debt			67		67
Accounts payable and accrued liabilities	\$ 20	\$ 40	2,030		2,090
Total current liabilities	<u>20</u>	<u>40</u>	<u>2,225</u>		<u>2,285</u>
Long-term debt, excluding current maturities		411	2,926		3,337
Long-term intercompany debt	668	723		\$ (1,391)	
Postretirement and pension liabilities			996		996
Other non-current liabilities		271	218		489
Commitments and contingent liabilities					
Noncontrolling interests			234		234
Crown Holdings shareholders' equity/(deficit)	(473)	215	1,208	(1,423)	(473)
Total equity/(deficit)	<u>(473)</u>	<u>215</u>	<u>1,442</u>	<u>(1,423)</u>	<u>(239)</u>
Total	<u>\$ 215</u>	<u>\$ 1,660</u>	<u>\$ 7,807</u>	<u>\$ (2,814)</u>	<u>\$ 6,868</u>

CONDENSED COMBINING STATEMENT OF CASH FLOWS

For the year ended December 31, 2012
(in millions)

	Parent	Issuer	Non-Guarantors	Eliminations	Total Company
Net cash provided by/(used for) operating activities	\$ 14	\$ (217)	\$ 824		\$ 621
Cash flows from investing activities					
Capital expenditures			(324)		(324)
Acquisition of businesses, net of cash acquired			(78)		(78)
Intercompany investing activities		67	—	\$ (67)	—
Insurance proceeds			48		48
Proceeds from sale of property, plant and equipment			3		3
Other			(11)		(11)
Net cash provided by/(used for) investing activities	—	67	(362)	(67)	(362)
Cash flows from financing activities					
Proceeds from long-term debt			109		109
Payments of long-term debt			(66)		(66)
Net change in revolving credit facility and short-term debt			29		29
Net change in long-term intercompany balances	226	150	(376)		—
Common stock issued	17		—		17
Common stock repurchased	(257)		—		(257)
Dividends paid			(67)	67	
Purchase of noncontrolling interests		—	(4)		(4)
Dividend paid to noncontrolling interests			(79)		(79)
Other			(3)		(3)
Net cash provided by/(used for) financing activities	(14)	150	(457)	67	(254)
Effect of exchange rate changes on cash and cash equivalents			3		3
Net change in cash and cash equivalents	—	—	8	—	8
Cash and cash equivalents at January 1	—	—	342	—	342
Cash and cash equivalents at December 31	\$ —	\$ —	\$ 350	\$ —	\$ 350

CONDENSED COMBINING STATEMENT OF CASH FLOWS

For the year ended December 31, 2011
(in millions)

	Parent	Issuer	Non-Guarantors	Eliminations	Total Company
Net cash provided by/(used for) operating activities	\$ 10	\$ (39)	\$ 408		\$ 379
Cash flows from investing activities					
Capital expenditures			(401)		(401)
Intercompany investing activities		49		\$ (49)	—
Proceeds from sale of property, plant and equipment			26		26
Other			3		3
Net cash provided by/(used for) investing activities		49	(372)	(49)	(372)
Cash flows from financing activities					
Proceeds from long-term debt			1,770		1,770
Payments of long-term debt			(1,069)		(1,069)
Net change in revolving credit facility and short-term debt			(192)		(192)
Net change in long-term intercompany balances	291	86	(377)		—
Debt issue costs			(22)		(22)
Common stock issued	11	—	—		11
Common stock repurchased	(312)				(312)
Dividends paid			(49)	49	—
Purchase of noncontrolling interests	—	(96)	(106)		(202)
Dividend paid to noncontrolling interests			(104)		(104)
Other			(9)		(9)
Net cash provided by/(used for) financing activities	(10)	(10)	(158)	49	(129)
Effect of exchange rate changes on cash and cash equivalents			1		1
Net change in cash and cash equivalents	—	—	(121)	—	(121)
Cash and cash equivalents at January 1			463		463
Cash and cash equivalents at December 31	\$ —	\$ —	\$ 342	\$ —	\$ 342

CONDENSED COMBINING STATEMENT OF CASH FLOWS

For the year ended December 31, 2010
(in millions)

	Parent	Issuer	Non-Guarantors	Eliminations	Total Company
Net cash provided by/(used for) operating activities	\$ 26	\$ (26)	\$ 590		\$ 590
Cash flows from investing activities					
Capital expenditures			(320)		(320)
Intercompany investing activities		55		\$ (55)	—
Proceeds from sale of business, net of cash sold			7		7
Proceeds from sale of property, plant and equipment			32		32
Net cash provided by/(used for) investing activities	—	55	(281)	(55)	(281)
Cash flows from financing activities					
Proceeds from long-term debt			745		745
Payments of long-term debt		(1)	(733)		(734)
Net change in revolving credit facility and short-term debt			278		278
Net change in long-term intercompany balances	216	(28)	(188)		—
Common stock issued	13	—	—		13
Common stock repurchased	(255)				(255)
Dividends paid			(55)	55	—
Purchase of noncontrolling interests		—	(169)		(169)
Dividend paid to noncontrolling interests			(112)		(112)
Other			(65)		(65)
Net cash provided by/(used for) financing activities	(26)	(29)	(299)	55	(299)
Effect of exchange rate changes on cash and cash equivalents			(6)		(6)
Net change in cash and cash equivalents	—	—	4	—	4
Cash and cash equivalents at January 1			459		459
Cash and cash equivalents at December 31	\$ —	\$ —	\$ 463	\$ —	\$ 463

Crown Holdings, Inc.

Crown Americas, LLC, Crown Americas Capital Corp. II and Crown Americas Capital Corp. III (collectively, the Issuers), wholly owned subsidiaries of the Company, have outstanding \$400 principal amount of 7.625% senior notes due 2017 and \$700 principal amount of 6.25% senior notes due 2021, all of which are fully and unconditionally guaranteed by Crown Holdings, Inc. (Parent) and substantially all subsidiaries in the United States. The guarantors are wholly owned by the Company and the guarantees are made on a joint and several basis. The following condensed combining financial statements:

- statements of comprehensive income and cash flows for the years ended December 31, 2012, 2011, 2010, and
- balance sheets as of December 31, 2012 and December 31, 2011

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

CONDENSED COMBINING STATEMENT OF COMPREHENSIVE INCOME

For the year ended December 31, 2012

(in millions)

	<u>Parent</u>	<u>Issuer</u>	<u>Guarantors</u>	<u>Non-Guarantors</u>	<u>Eliminations</u>	<u>Total Company</u>
Net sales			\$ 2,276	\$ 6,194		\$ 8,470
Cost of products sold, excluding depreciation and amortization		—	1,821	5,192		7,013
Depreciation and amortization			40	140		180
Gross profit			415	862		1,277
Selling and administrative expense		\$ 7	131	244		382
Provision for asbestos			35			35
Provision for restructuring			5	43		48
Asset impairments and sales			(1)	(41)		(42)
Net interest expense		50	90	79		219
Technology royalty			(41)	41		
Translation and foreign exchange				(1)		(1)
Income/(loss) before income taxes		(57)	196	497		636
Provision for / (benefit from) income taxes		(22)	(97)	102		(17)
Equity earnings / (loss) in affiliates	\$ 557	217	264	1	\$ (1,034)	5
Net income	557	182	557	396	(1,034)	658
Net income attributable to noncontrolling interests				(101)		(101)
Net income attributable to Crown Holdings	<u>\$ 557</u>	<u>\$ 182</u>	<u>\$ 557</u>	<u>\$ 295</u>	<u>\$ (1,034)</u>	<u>\$ 557</u>
Comprehensive income	\$ 533	\$ 162	\$ 533	\$ 385	\$ (974)	\$ 639
Comprehensive income attributable to noncontrolling interests				(106)		(106)
Comprehensive income attributable to Crown Holdings	<u>\$ 533</u>	<u>\$ 162</u>	<u>\$ 533</u>	<u>\$ 279</u>	<u>\$ (974)</u>	<u>\$ 533</u>

CONDENSED COMBINING STATEMENT OF COMPREHENSIVE INCOME

For the year ended December 31, 2011
(in millions)

	Parent	Issuer	Guarantors	Non-Guarantors	Eliminations	Total Company
Net sales			\$ 2,297	\$ 6,347		\$ 8,644
Cost of products sold, excluding depreciation and amortization			1,865	5,255		7,120
Depreciation and amortization			39	137		176
Gross profit			393	955		1,348
Selling and administrative expense		\$ 6	134	255		395
Provision for asbestos			28	—		28
Provision for restructuring			2	75		77
Asset impairments and sales		—	1	5		6
Loss from early extinguishment of debt		30	1	1		32
Net interest expense		49	81	91		221
Technology royalty			(47)	47		—
Translation and foreign exchange		—	—	2		2
Income/(loss) before income taxes		(85)	193	479		587
Provision for / (benefit from) income taxes	—	(32)	114	112	—	194
Equity earnings / (loss) in affiliates	\$ 282	237	203	—	\$ (719)	3
Net income	282	184	282	367	(719)	396
Net income attributable to noncontrolling interests	—	—	—	(114)		(114)
Net income attributable to Crown Holdings	\$ 282	\$ 184	\$ 282	\$ 253	\$ (719)	\$ 282
Comprehensive income	\$ 19	\$ 160	\$ 19	\$ 125	\$ (194)	\$ 129
Comprehensive income attributable to noncontrolling interests				(110)		(110)
Comprehensive income attributable to Crown Holdings	\$ 19	\$ 160	\$ 19	\$ 15	\$ (194)	\$ 19

CONDENSED COMBINING STATEMENT OF COMPREHENSIVE INCOME

For the year ended December 31, 2010
(in millions)

	Parent	Issuer	Guarantors	Non-Guarantors	Eliminations	Total Company
Net sales			\$ 2,323	\$ 5,618		\$ 7,941
Cost of products sold, excluding depreciation and amortization			1,966	4,553		6,519
Depreciation and amortization			40	132		172
Gross profit			317	933		1,250
Selling and administrative expense		\$ 7	137	216		360
Provision for asbestos			46	—		46
Provision for restructuring			(14)	56		42
Asset impairments and sales		(2)	1	(17)		(18)
Loss from early extinguishment of debt		11	—	5		16
Net interest expense		40	96	58		194
Technology royalty			(41)	41		
Translation and foreign exchange		—	—	(4)		(4)
Income/(loss) before income taxes		(56)	92	578		614
Provision for / (benefit from) income taxes	—	(21)	46	140	—	165
Equity earnings / (loss) in affiliates	\$ 324	189	279	—	\$ (789)	3
Net income	324	154	325	438	(789)	452
Net income attributable to noncontrolling interests	—	—	(1)	(127)	—	(128)
Net income attributable to Crown Holdings	<u>\$ 324</u>	<u>\$ 154</u>	<u>\$ 324</u>	<u>\$ 311</u>	<u>\$ (789)</u>	<u>\$ 324</u>
Comprehensive income	\$ 237	\$ 139	\$ 237	\$ 360	\$ (615)	\$ 358
Comprehensive income attributable to noncontrolling interests				(121)		(121)
Comprehensive income attributable to Crown Holdings	<u>\$ 237</u>	<u>\$ 139</u>	<u>\$ 237</u>	<u>\$ 239</u>	<u>\$ (615)</u>	<u>\$ 237</u>

CONDENSED COMBINING BALANCE SHEET

As of December 31, 2012
(in millions)

	Parent	Issuer	Guarantors	Non-Guarantors	Eliminations	Total Company
Assets						
Current assets						
Cash and cash equivalents		\$ 27	\$ 1	\$ 322		\$ 350
Receivables, net		2	14	1,041		1,057
Intercompany receivables			7	17	\$ (24)	
Inventories			282	884		1,166
Prepaid expenses and other current assets	\$ 1	1	92	83		177
Total current assets	<u>1</u>	<u>30</u>	<u>396</u>	<u>2,347</u>	<u>(24)</u>	<u>2,750</u>
Intercompany debt receivables		1,530	1,483	279	(3,292)	
Investments	749	1,560	606		(2,915)	
Goodwill			453	1,545		1,998
Property, plant and equipment, net		1	308	1,686		1,995
Other non-current assets		26	529	192		747
Total	<u>\$ 750</u>	<u>\$ 3,147</u>	<u>\$ 3,775</u>	<u>\$ 6,049</u>	<u>\$ (6,231)</u>	<u>\$ 7,490</u>
Liabilities and equity						
Current liabilities						
Short-term debt				\$ 261		\$ 261
Current maturities of long-term debt		\$ 28	—	87		115
Accounts payable and accrued liabilities	\$ 18	33	\$ 317	1,774		2,142
Intercompany payables			17	7	\$ (24)	
Total current liabilities	<u>18</u>	<u>61</u>	<u>334</u>	<u>2,129</u>	<u>(24)</u>	<u>2,518</u>
Long-term debt, excluding current maturities		1,616	412	1,261		3,289
Long-term intercompany debt	894	756	1,447	195	(3,292)	
Postretirement and pension liabilities			545	553		1,098
Other non-current liabilities			288	174		462
Commitments and contingent liabilities						
Noncontrolling interests				285		285
Crown Holdings shareholders' equity/(deficit)	(162)	714	749	1,452	(2,915)	(162)
Total equity/(deficit)	<u>(162)</u>	<u>714</u>	<u>749</u>	<u>1,737</u>	<u>(2,915)</u>	<u>123</u>
Total	<u>\$ 750</u>	<u>\$ 3,147</u>	<u>\$ 3,775</u>	<u>\$ 6,049</u>	<u>\$ (6,231)</u>	<u>\$ 7,490</u>

CONDENSED COMBINING BALANCE SHEET

As of December 31, 2011
(in millions)

	Parent	Issuer	Guarantors	Non-Guarantors	Eliminations	Total Company
Assets						
Current assets						
Cash and cash equivalents		\$ 21	\$ 1	\$ 320		\$ 342
Receivables, net		1	37	910		948
Intercompany receivables			40	17	\$ (57)	
Inventories			285	863		1,148
Prepaid expenses and other current assets		2	58	105		165
Total current assets	<u>—</u>	<u>24</u>	<u>421</u>	<u>2,215</u>	<u>(57)</u>	<u>2,603</u>
Intercompany debt receivables		1,833	1,354	525	(3,712)	
Investments	\$ 215	1,386	632		(2,233)	
Goodwill			453	1,499		1,952
Property, plant and equipment, net		1	298	1,452		1,751
Other non-current assets		30	382	150		562
Total	<u>\$ 215</u>	<u>\$ 3,274</u>	<u>\$ 3,540</u>	<u>\$ 5,841</u>	<u>\$ (6,002)</u>	<u>\$ 6,868</u>
Liabilities and equity						
Current liabilities						
Short-term debt				\$ 128		\$ 128
Current maturities of long-term debt			\$ 1	66		67
Accounts payable and accrued liabilities	\$ 20	\$ 34	323	1,713		2,090
Intercompany payables			17	40	\$ (57)	
Total current liabilities	<u>20</u>	<u>34</u>	<u>341</u>	<u>1,947</u>	<u>(57)</u>	<u>2,285</u>
Long-term debt, excluding current maturities		1,732	412	1,193		3,337
Long-term intercompany debt	668	956	1,726	362	(3,712)	
Postretirement and pension liabilities			550	446		996
Other non-current liabilities			296	193		489
Commitments and contingent liabilities						
Noncontrolling interests				234		234
Crown Holdings shareholders' equity/(deficit)	(473)	552	215	1,466	(2,233)	(473)
Total equity/(deficit)	<u>(473)</u>	<u>552</u>	<u>215</u>	<u>1,700</u>	<u>(2,233)</u>	<u>(239)</u>
Total	<u>\$ 215</u>	<u>\$ 3,274</u>	<u>\$ 3,540</u>	<u>\$ 5,841</u>	<u>\$ (6,002)</u>	<u>\$ 6,868</u>

CONDENSED COMBINING STATEMENT OF CASH FLOWS

For the year ended December 31, 2012
(in millions)

	Parent	Issuer	Guarantors	Non-Guarantors	Eliminations	Total Company
Net provided by/(used for) operating activities	\$ 14	\$ (28)	\$ 213	\$ 422		\$ 621
Cash flows from investing activities						
Capital expenditures			(41)	(283)		(324)
Acquisition of businesses, net of cash acquired			(29)	(49)		(78)
Intercompany investing activities		29	268		\$ (297)	
Insurance proceeds				48		48
Proceeds from sale of property, plant and equipment			1	2		3
Other				(11)		(11)
Net cash provided by/(used for) investing activities		29	199	(293)	(297)	(362)
Cash flows from financing activities						
Proceeds from long-term debt				109		109
Payments of long-term debt			(1)	(65)		(66)
Net change in revolving credit facility and short-term debt		(104)		133		29
Net change in long-term intercompany balances	226	109	(408)	73		
Common stock issued	17					17
Common stock repurchased	(257)					(257)
Dividends paid				(297)	297	
Purchase of noncontrolling interests			(3)	(1)		(4)
Dividends paid to noncontrolling interests				(79)		(79)
Other				(3)		(3)
Net cash provided by/(used for) financing activities	(14)	5	(412)	(130)	297	(254)
Effect of exchange rate changes on cash and cash equivalents				3		3
Net change in cash and cash equivalents	—	6	—	2	—	8
Cash and cash equivalents at January 1		21	1	320		342
Cash and cash equivalents at December 31	\$ —	\$ 27	\$ 1	\$ 322	\$ —	\$ 350

CONDENSED COMBINING STATEMENT OF CASH FLOWS

For the year ended December 31, 2011

(in millions)

	Parent	Issuer	Guarantors	Non-Guarantors	Eliminations	Total Company
Net provided by/(used for) operating activities	\$ 10	\$ (29)	\$ (127)	\$ 525		\$ 379
Cash flows from investing activities						
Capital expenditures			(55)	(346)		(401)
Proceeds from sale of property, plant and equipment				26		26
Intercompany investing activities		31	53	—	\$ (84)	—
Other			3	—		3
Net cash provided by/(used for) investing activities	—	31	1	(320)	(84)	(372)
Cash flows from financing activities						
Proceeds from long-term debt		1,250		520		1,770
Payments of long-term debt		(746)	(1)	(322)		(1,069)
Net change in revolving credit facility and short-term debt		(55)		(137)		(192)
Net change in long-term intercompany balances	291	(449)	223	(65)		
Debt issue costs		(19)		(3)		(22)
Common stock issued	11					11
Common stock repurchased	(312)			—	—	(312)
Dividends paid			—	(84)	84	
Purchase of noncontrolling interests			(96)	(106)		(202)
Dividends paid to noncontrolling interests				(104)		(104)
Other	—	—	—	(9)	—	(9)
Net cash provided by/(used for) financing activities	(10)	(19)	126	(310)	84	(129)
Effect of exchange rate changes on cash and cash equivalents	—	—	—	1	—	1
Net change in cash and cash equivalents	—	(17)	—	(104)	—	(121)
Cash and cash equivalents at January 1	—	38	1	424	—	463
Cash and cash equivalents at December 31	\$ —	\$ 21	\$ 1	\$ 320	\$ —	\$ 342

CONDENSED COMBINING STATEMENT OF CASH FLOWS

For the year ended December 31, 2010
(in millions)

	Parent	Issuer	Guarantors	Non-Guarantors	Eliminations	Total Company
Net provided by/(used for) operating activities	\$ 26	\$ (20)	\$ 190	\$ 394		\$ 590
Cash flows from investing activities						
Capital expenditures			(41)	(279)		(320)
Proceeds from sale of businesses, net of cash sold		3	—	4	—	7
Proceeds from sale of property, plant and equipment			1	31		32
Intercompany investing activities		20	22	38	\$ (80)	—
Net cash provided by/(used for) investing activities	—	23	(18)	(206)	(80)	(281)
Cash flows from financing activities						
Proceeds from long-term debt		—		745		745
Payments of long-term debt		(404)	(1)	(329)		(734)
Net change in revolving credit facility and short-term debt		65		213		278
Net change in long-term intercompany balances	216	359	(171)	(404)		—
Common stock issued	13					13
Common stock repurchased	(255)			—	—	(255)
Dividends paid			—	(80)	80	
Purchase of noncontrolling interests			—	(169)		(169)
Dividends paid to noncontrolling interests				(112)		(112)
Other	—	(12)	—	(53)	—	(65)
Net cash provided by/(used for) financing activities	(26)	8	(172)	(189)	80	(299)
Effect of exchange rate changes on cash and cash equivalents	—	—	—	(6)	—	(6)
Net change in cash and cash equivalents	—	11	—	(7)	—	4
Cash and cash equivalents at January 1	—	27	1	431	—	459
Cash and cash equivalents at December 31	\$ —	\$ 38	\$ 1	\$ 424	\$ —	\$ 463

Quarterly Data (unaudited)

(in millions)	2012				2011			
	First	Second ⁽¹⁾	Third ⁽²⁾	Fourth ⁽³⁾	First ⁽⁴⁾	Second ⁽⁵⁾	Third ⁽⁶⁾	Fourth ⁽⁷⁾
Net sales	\$ 1,947	\$ 2,184	\$ 2,302	\$ 2,037	\$ 1,882	\$ 2,281	\$ 2,423	\$ 2,058
Gross profit *	287	340	369	281	292	371	396	289
Net income attributable to Crown Holdings	69	134	325	29	16	129	129	8
Earnings per average common share:								
Basic	0.47	0.91	2.23	\$ 0.20	0.10	0.85	0.86	0.05
Diluted	0.46	0.89	2.20	\$ 0.20	0.10	0.83	0.84	0.05
Average common shares outstanding:								
Basic	147.8	148.0	145.5	143.0	154.6	152.3	150.1	149.8
Diluted	150.0	150.5	147.8	145.3	157.9	155.5	152.7	152.1
Common stock price range: **								
High	\$ 38.13	\$ 38.56	\$ 37.66	\$ 39.05	\$ 39.95	\$ 41.58	\$ 39.63	\$ 34.86
Low	33.57	32.40	33.13	35.84	32.69	36.46	29.74	28.68
Close	36.83	34.49	36.75	36.81	38.58	38.82	30.61	33.58

* The Company defines gross profit as net sales less cost of products sold and depreciation and amortization.

** Source: New York Stock Exchange - Composite Transactions

Notes:

- (1) Includes pre-tax charge of \$3 for restructuring and pre-tax gain of \$10 for asset impairments and sales.
- (2) Includes pre-tax charge of \$7 for restructuring, pre-tax gain of \$14 for asset impairments and sales and a net income tax benefit of \$169 primarily related to the recognition of U.S. foreign tax credits.
- (3) Includes pre-tax charges of \$35 for asbestos claims and \$38 for restructuring actions, pre-tax gain of \$18 for asset impairments and sales and an income tax charge of \$4 for tax law changes.
- (4) Includes pre-tax charges of \$25 for restructuring actions, \$30 for losses on early extinguishments of debt and \$17 for tax charges in connection with relocation of the Company's European Division headquarters..
- (5) Includes pre-tax charge of \$2 for loss on early extinguishment of debt.
- (6) Includes pre-tax charges of \$2 for restructuring actions, \$25 for tax charges in connection with a tax law change in France and pre-tax gains of \$2 for asset impairments and sales.
- (7) Includes pre-tax charges of \$28 for asbestos claims,\$50 for restructuring actions,\$8 for asset impairments and sales and \$5 for tax charges in connection with the relocation of the Company's European Division headquarters.

SCHEDULE II – VALUATION AND QUALIFYING ACCOUNTS AND RESERVES
(In millions)

<u>COLUMN A</u>	<u>COLUMN B</u>	<u>COLUMN C</u> Additions		<u>COLUMN D</u>	<u>COLUMN E</u>
Description	Balance at beginning of period	Charged to costs and expense	Charged to other accounts	Deductions – Write-offs	Balance at end of period

For the Year Ended December 31, 2012

Allowances deducted from assets to which they apply:

Trade accounts receivable	\$ 37	\$ —	\$ 2	\$ (2)	\$ 37
Deferred tax assets	359	56	(15)	—	400

For the Year Ended December 31, 2011

Allowances deducted from assets to which they apply:

Trade accounts receivable	40	1	(1)	(3)	37
Deferred tax assets	376	(19)	2	—	359

For the Year Ended December 31, 2010

Allowances deducted from assets to which they apply:

Trade accounts receivable	40	4	(1)	(3)	40
Deferred tax assets	391	(6)	(9)	—	376

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

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

The Company’s report on internal control over financial reporting is included in Part II, Item 8 of this Annual Report on Form 10-K.

There has been no change in internal control over financial reporting that occurred during the quarter ended December 31, 2012 that has materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by this Item is set forth in the Company’s Proxy Statement within the sections entitled “Election of Directors,” “Section 16(a) Beneficial Ownership Reporting Compliance” and “Corporate Governance” and is incorporated herein by reference.

The following table sets forth certain information concerning the principal executive officers of the Company, including their ages and positions.

<u>Name</u>	<u>Age</u>	<u>Title</u>	<u>Year Assumed Present Title</u>
John W. Conway	67	Chairman of the Board, President and Chief Executive Officer	2001
Timothy J. Donahue	50	Executive Vice President and Chief Financial Officer	2008
Raymond L. McGowan, Jr.	61	President – Americas Division	2008
Gerard H. Gifford	57	President – European Division	2012
Jozef Salaerts	58	President – Asia Pacific Division	2007
Thomas A. Kelly	53	Senior Vice President – Finance	2009
Kevin C. Clothier	44	Vice President and Corporate Controller	2009

All of the principal executive officers have been employed by the Company for the past five years.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this Item is set forth in the Company’s Proxy Statement within the sections entitled “Executive Compensation,” “Compensation Discussion and Analysis” and “Corporate Governance” and is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Certain information required by this Item is set forth in the Company’s Proxy Statement within the sections entitled “Proxy Statement – Meeting, April 25, 2013” , “Common Stock Ownership of Certain Beneficial Owners, Directors and Executive Officers” and "Proposal 3: Approval of the 2013 Stock-Based Incentive Compensation Plan" and is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by this Item is set forth in the Company’s Proxy Statement within the sections entitled “Election of Directors,” “Corporate Governance” and “Executive Compensation” and is incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information required by this Item is set forth in the Company’s Proxy Statement within the sections entitled “Principal Accounting Fees and Services” and is incorporated herein by reference.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

a) The following documents are filed as part of this report:

(1) All Financial Statements (see Part II, Item 8)

Management's Report on Internal Control Over Financial Reporting

Report of Independent Registered Public Accounting Firm

Consolidated Statements of Operations for the years ended December 31, 2012, 2011 and 2010

Consolidated Statements of Comprehensive Income for the years ended December 31, 2012, 2011 and 2010

Consolidated Balance Sheets as of December 31, 2012 and 2011

Consolidated Statements of Cash Flows for the years ended December 31, 2012, 2011 and 2010

Consolidated Statements of Shareholders' Equity for the years ended December 31, 2012, 2011 and 2010

Notes to Consolidated Financial Statements

Supplementary Information

(2) Financial Statement Schedules:

Schedule II – Valuation and Qualifying Accounts and Reserves

All other schedules have been omitted because they are not applicable or the required information is included in the Consolidated Financial Statements.

(3) Exhibits

3.a Articles of Incorporation of Crown Holdings, Inc., as amended (incorporated by reference to Exhibit 3.a of the Registrant's Annual Report on Form 10-K for the year ended December 31, 2004 (File No. 0-50189)).

3.b Amended and Restated By-Laws of Crown Holdings, Inc. (incorporated by reference to Exhibit 3.ii of the Registrant's Current Report on Form 8-K dated November 2, 2011 (File No. 0-50189)).

4.a Specimen certificate of Registrant's Common Stock (incorporated by reference to Exhibit 4.a of the Registrant's Annual Report on Form 10-K for the year ended December 31, 1995 (File No. 1-2227)).

4.b Indenture, dated December 17, 1996, among Crown Cork & Seal Company, Inc., Crown Cork & Seal Finance PLC, Crown Cork & Seal Finance S.A. and the Bank of New York, as trustee (incorporated by reference to Exhibit 4.1 of the Registrant's Current Report on Form 8-K dated December 17, 1996 (File No. 1-2227)).

4.c Form of the Registrant's 7-3/8% Debentures Due 2026 (incorporated by reference to Exhibit 99.1 of the Registrant's Current Report on Form 8-K dated December 17, 1996 (File No. 1-2227)).

4.d Officers' Certificate for 7-3/8% Debentures Due 2026 (incorporated by reference to Exhibit 99.6 of the Registrant's Current Report on Form 8-K dated December 17, 1996 (File No. 1-2227)).

4.e Form of the Registrant's 7-1/2% Debentures Due 2096 (incorporated by reference to Exhibit 99.2 of the Registrant's Current Report on Form 8-K dated December 17, 1996 (File No. 1-2227)).

4.f Officers' Certificate for 7-1/2% Debentures Due 2096 (incorporated by reference to Exhibit 99.7 of the Registrant's Current Report on Form 8-K dated December 17, 1996 (File No. 1-2227)).

4.g Terms Agreement, dated December 12, 1996 (incorporated by reference to Exhibit 1.1 of the Registrant's Current Report on Form 8-K dated December 17, 1996 (File No. 1-2227)).

4.h Form of Bearer Security Depositary Agreement (incorporated by reference to Exhibit 4.2 of the Registrant's Registration Statement on Form S-3, dated November 26, 1996, amended December 5 and 10, 1996 (File No. 333-16869)).

Crown Holdings, Inc.

- 4.i Amended and Restated Rights Agreement, dated as of December 9, 2004, between Crown Holdings, Inc. and Wells Fargo Bank, N.A., as Rights Agent (incorporated by reference to Exhibit 4.1 of the Registrant's Current Report on Form 8-K dated December 9, 2004 (File No. 0-50189)).
- 4.j Amendment No. 1 to the Amended and Restated Rights Agreement, dated as of December 14, 2012, between Crown Holdings, Inc. and Wells Fargo Bank, N.A., as Rights Agent (incorporated by reference to Exhibit 4.1 of the Registrant's Current Report on Form 8-K dated December 13, 2012 (File No. 0-50189)).
- 4.k Supplemental Indenture to Indenture dated April 1, 1993, dated as of February 25, 2003, between Crown Cork & Seal Company, Inc., as Issuer, Crown Holdings, Inc., as Guarantor and Bank One Trust Company, N.A., as Trustee (incorporated by reference to Exhibit 4.3 of the Registrant's Current Report on Form 8-K dated February 26, 2003 (File No. 0-50189)).
- 4.l Supplemental Indenture to Indenture dated December 17, 1996, dated as of February 25, 2003, between Crown Cork & Seal Company, Inc., as Issuer and Guarantor, Crown Cork & Seal Finance PLC, as Issuer, Crown Cork & Seal Finance S.A., as Issuer, Crown Holdings, Inc., as Additional Guarantor and Bank One Trust Company, N.A., as Trustee (incorporated by reference to Exhibit 4.5 of the Registrant's Current Report on Form 8-K dated February 26, 2003 (File No. 0-50189)).
- 4.m U.S. Guarantee Agreement, dated as of September 1, 2004, among the Domestic Subsidiaries referred to therein and Citicorp North America Inc., as Administrative Agent (incorporated by reference to Exhibit 4.g of the Registrant's Current Report on Form 8-K dated September 1, 2004 (File No. 0-50189)).
- 4.n Credit Agreement, dated as of November 18, 2005, among Crown Americas LLC, as U.S. Borrower, Crown European Holdings, S.A., as European Borrower, CROWN Metal Packaging Canada LP, as Canadian Borrower, the Subsidiary Borrowers named therein, the Company, Crown International Holdings, Inc. and Crown Cork & Seal Company, Inc., as Parent Guarantors, Deutsche Bank AG New York Branch, as Administrative Agent and U.K. Administrative Agent, The Bank of Nova Scotia, as Canadian Administrative Agent, and various Lending Institutions (incorporated by reference to Exhibit 4.i of the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2011 (File No. 0-50189)).
- 4.o Euro Bank Pledge Agreement, dated as of November 18, 2005, by Crown Cork & Seal Company, Inc., Crown Americas LLC, Crown International Holdings, Inc., the U.S. Subsidiaries party thereto, as Pledgors and Deutsche Bank AG New York Branch, as Euro Collateral Agent (incorporated by reference to Exhibit 4.b of the Registrant's Current Report on Form 8-K dated November 18, 2005 (File No. 0-50189)).
- 4.p Second Amended and Restated CEH Pledge Agreement, dated as of November 18, 2005, by Crown European Holdings S.A., as Pledgor and Deutsche Bank AG New York Branch, as Euro Collateral Agent (incorporated by reference to Exhibit 4.c of the Registrant's Current Report on Form 8-K dated November 18, 2005 (File No. 0-50189)).
- 4.q Second Amended and Restated Shared Pledge Agreement, dated as of November 18, 2005, by the Company, Crown Cork & Seal Company, Inc., Crown Americas LLC, Crown International Holdings, Inc., the U.S. Subsidiaries party thereto, as Pledgors and Deutsche Bank AG New York Branch, as Collateral Agent (incorporated by reference to Exhibit 4.d of the Registrant's Current Report on Form 8-K dated November 18, 2005 (File No. 0-50189)).
- 4.r Bank Pledge Agreement, dated as of November 18, 2005, by the Company, Crown Cork & Seal Company, Inc., Crown Americas LLC, Crown International Holdings, Inc., the U.S. Subsidiaries party thereto, as Pledgors and Deutsche Bank AG New York Branch, as Collateral Agent (incorporated by reference to Exhibit 4.e of the Registrant's Current Report on Form 8-K dated November 18, 2005 (File No. 0-50189)).
- 4.s Second Amended and Restated U.S. Security Agreement, dated as of November 18, 2005, by the Company, Crown Cork & Seal Company, Inc., Crown Americas LLC, Crown International Holdings, Inc., the U.S. Subsidiaries party thereto, as Grantors and Deutsche Bank AG New York Branch (incorporated by reference to Exhibit 4.f of the Registrant's Current Report on Form 8-K dated November 18, 2005 (File No. 0-50189)).
- 4.t U.S. Guarantee Agreement, dated as of November 18, 2005, among each of the subsidiaries listed therein of Crown Americas LLC and Deutsche Bank AG New York Branch, as Administrative Agent (incorporated by reference to Exhibit 4.g of the Registrant's Current Report on Form 8-K dated November 18, 2005 (File No. 0-50189)).

Crown Holdings, Inc.

- 4.u Second Amended and Restated U.S. Intercreditor and Collateral Agency Agreement, dated as of November 18, 2005, among Deutsche Bank AG New York Branch, as Administrative Agent, Deutsche Bank AG New York Branch, as U.K. Agent, The Bank of Nova Scotia, as Canadian Administrative Agent, Wells Fargo Bank, N.A., as First Priority Notes Trustee, Deutsche Bank AG New York Branch, as U.S. Collateral Agent (as defined within), the Company, Crown Americas LLC, Crown Cork & Seal Company, Inc., Crown International Holdings, Inc., each of the U.S. subsidiaries of the Company listed therein, and the other persons who may become parties to the Agreement from time to time pursuant to and in accordance with Section 8 of the Agreement (incorporated by reference to Exhibit 4.o of the Registrant's Current Report on Form 8-K dated November 18, 2005 (File No. 0-50189)).
- 4.v Second Amended and Restated Euro Intercreditor and Collateral Agency Agreement, dated as of November 18, 2005, among Deutsche Bank AG New York Branch, as U.K. Administrative Agent, The Bank of Nova Scotia, as Canadian Administrative Agent, Wells Fargo Bank, N.A., as First Priority Notes Trustee, Deutsche Bank AG New York Branch, as Euro Collateral Agent, Crown European Holdings SA, the subsidiaries of Crown European Holdings identified thereto and the other persons who may become parties to the Agreement from time to time pursuant to and in accordance with Section 6 of the Agreement, and any other obligor under any Financing Documents (as defined therein) (incorporated by reference to Exhibit 4.p of the Registrant's Current Report on Form 8-K dated November 18, 2005 (File No. 0-50189)).
- 4.w First Amendment to Credit Agreement, dated as of August 4, 2006, by and among Crown Americas LLC, as U.S. Borrower, the other undersigned Credit Parties, the undersigned financial institutions, including Deutsche Bank AG New York Branch, as Lenders, and Deutsche Bank AG New York Branch, as Administrative Agent and as Collateral Agent for Lenders, and with Deutsche Bank Securities, Inc. and Lehman Commercial Paper, Inc., as Joint Lead Arrangers for the Additional Term B Loans and as Joint Book Managers, and Lehman Commercial Paper, Inc., as Syndication Agent (incorporated by reference to Exhibit 4 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2006 (File No. 0-50189)).
- 4.x Second Amendment to Credit Agreement, dated as of November 12, 2009, by and among Crown Americas LLC, as U.S. Borrower, the other undersigned Credit Parties, the undersigned financial institutions, including Deutsche Bank AG New York Branch, as Lenders, and Deutsche Bank AG New York Branch, as Administrative Agent and as Collateral Agent for Lenders (incorporated by reference to Exhibit 4.1 of the Registrant's Current Report on Form 8-K dated November 12, 2009 (File No. 0-50189)).
- 4.y Third Amendment to Credit Agreement, dated as of May 14, 2010, by and among Crown Americas LLC, as U.S. Borrower, the other undersigned Credit Parties, the undersigned financial institutions, including Deutsche Bank AG New York Branch, as lenders thereunder, and Deutsche Bank AG New York Branch, as Administrative Agent and as Collateral Agent for the Lenders. (incorporated by reference to Exhibit 4.1 of the Registrant's Current Report on Form 8-K dated May 14, 2010 (File No. 0-05189)).
- 4.z Fourth Amendment to Credit Agreement and Waiver, dated as of June 15, 2010, by and among Crown Americas LLC, as U.S. Borrower, Crown European Holdings SA, as European Borrower, CROWN Metal Packaging Canada LP, as Canadian Borrower, the Subsidiary Borrowers named therein, the Company, Crown International Holdings, Inc. and Crown Cork & Seal Company, Inc., as Parent Guarantors, the financial institutions party thereto, including Deutsche Bank AG New York Branch, as lenders, The Bank of Nova Scotia, as Canadian Administrative Agent, and Deutsche Bank AG New York Branch, as Administrative Agent and U.K. Administrative Agent, European Swing Line Lender, U.S. Swing Line Lender, Facing Agent and Collateral Agent. (incorporated by reference to Exhibit 4.2 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2011 (File No. 0-05189)).
- 4.aa Fifth Amendment to Credit Agreement, dated as of December 3, 2010, by and among Crown Americas LLC, as U.S. Borrower, the other undersigned Credit Parties, the undersigned financial institutions, including Deutsche Bank AG New York Branch, as lenders thereunder, and Deutsche Bank AG New York Branch, as Administrative Agent and as Collateral Agent for the Lenders (incorporated by reference to Exhibit 4.1 of the Registrant's Current Report on Form 8-K dated December 9, 2010 (File No. 0-05189)).
- 4.bb Sixth Amendment to Credit Agreement, dated as of June 9, 2011, by and among Crown Americas LLC, as U.S. Borrower, Crown European Holdings S.A., as European Borrower, CROWN Metal Packaging Canada LP, as Canadian Borrower, the Subsidiary Borrowers named therein, the Company, Crown International Holdings, Inc. and Crown Cork & Seal Company, Inc., as Parent Guarantors, the financial institutions party thereto, including

Crown Holdings, Inc.

- Deutsche Bank AG New York Branch, as lenders, The Bank of Nova Scotia, as Canadian Administrative Agent, and Deutsche Bank AG New York Branch, as Administrative Agent and U.K. Administrative Agent and Collateral Agent (incorporated by reference to Exhibit 4.3 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2011 (File No. 0-05189))
- 4.cc Seventh Amendment to Credit Agreement, dated as of November 30, 2011, by and among Crown Americas LLC, as U.S. Borrower, Crown European Holdings S.A., as European Borrower, CROWN Metal Packaging Canada LP, as Canadian Borrower, the Subsidiary Borrowers named therein, the Company, Crown International Holdings, Inc. and Crown Cork & Seal Company, Inc., as Parent Guarantors, the financial institutions party thereto, including Deutsche Bank AG New York Branch, as lenders, The Bank of Nova Scotia, as Canadian Administrative Agent, and Deutsche Bank AG New York Branch, as Administrative Agent and U.K. Administrative Agent and Collateral Agent (incorporated by reference to Exhibit 4.dd of the Registrant's Annual Report on Form 10-K for the year ended December 31, 2011 (File No. 0.-50189)).
- 4.dd First Amendment to Euro Bank Pledge Agreement, dated as of June 15, 2010, by Crown Cork & Seal Company, Inc., Crown Americas LLC, Crown International Holdings, Inc., the U.S. subsidiaries of the Company party thereto, as Pledgors, and Deutsche Bank AG New York Branch, as Euro Collateral Agent. (incorporated by reference to Exhibit 4.2 of the Registrant's Current Report on Form 8-K dated June 15, 2010 (File No. 0-05189)).
- 4.ee First Amendment to Second Amended and Restated CEH Pledge Agreement, dated as of June 15, 2010, by Crown European Holdings S.A., as Pledgor, and Deutsche Bank AG New York Branch, as Euro Collateral Agent. (incorporated by reference to Exhibit 4.3 of the Registrant's Current Report on Form 8-K dated June 15, 2010 (File No. 0-05189)).
- 4.ff First Amendment to Second Amended and Restated Shared Pledge Agreement, dated as of June 15, 2010, by the Company, Crown Cork & Seal Company, Inc., Crown Americas LLC, Crown International Holdings, Inc., the U.S. subsidiaries of the Company party thereto, as Pledgors, and Deutsche Bank AG New York Branch, as Collateral Agent. (incorporated by reference to Exhibit 4.4 of the Registrant's Current Report on Form 8-K dated June 15, 2010 (File No. 0-05189)).
- 4.gg First Amendment to Bank Pledge Agreement, dated as of June 15, 2010, by the Company, Crown Cork & Seal Company, Inc., Crown Americas LLC, Crown International Holdings, Inc., the U.S. subsidiaries of the Company party thereto, as Pledgors, and Deutsche Bank AG New York Branch, as Collateral Agent. (incorporated by reference to Exhibit 4.5 of the Registrant's Current Report on Form 8-K dated June 15, 2010 (File No. 0-05189)).
- 4.hh First Amendment to Second Amended and Restated U.S. Security Agreement, dated as of June 15, 2010, by the Company, Crown Cork & Seal Company, Inc., Crown Americas LLC, Crown International Holdings, Inc., the U.S. subsidiaries of the Company party thereto, as Grantors, and Deutsche Bank AG New York Branch, as Collateral Agent. (incorporated by reference to Exhibit 4.6 of the Registrant's Current Report on Form 8-K dated June 15, 2010 (File No. 0-05189)).
- 4.ii First Amendment to U.S. Guarantee Agreement, dated as of June 15, 2010, among each of the subsidiaries listed therein of Crown Americas LLC, as Guarantors, and Deutsche Bank AG New York Branch, as Administrative Agent. (incorporated by reference to Exhibit 4.7 of the Registrant's Current Report on Form 8-K dated June 15, 2010 (File No. 0-05189)).
- 4.jj First Amendment to Second Amended and Restated U.S. Intercreditor and Collateral Agency Agreement, dated as of June 15, 2010, among Deutsche Bank AG New York Branch, as Administrative Agent, Deutsche Bank AG New York Branch, as U.K. Agent, The Bank of Nova Scotia, as Canadian Administrative Agent, Deutsche Bank AG New York Branch, as U.S. Collateral Agent, the Company, Crown Americas LLC, Crown Cork & Seal Company, Inc., Crown International Holdings, Inc. and each of the U.S. subsidiaries of the Company listed therein. (incorporated by reference to Exhibit 4.8 of the Registrant's Current Report on Form 8-K dated June 15, 2010 (File No. 0-05189)).
- 4.kk First Amendment to Second Amended and Restated Euro Intercreditor and Collateral Agency Agreement, dated as of June 15, 2010, among Deutsche Bank AG New York Branch, as U.K. Administrative Agent, The Bank of Nova Scotia, as Canadian Administrative Agent, Deutsche Bank AG New York Branch, as Euro Collateral Agent, Crown European Holdings SA, and each of the subsidiaries of Crown European Holdings identified therein.

Crown Holdings, Inc.

(incorporated by reference to Exhibit 4.9 of the Registrant's Current Report on Form 8-K dated June 15, 2010 (File No. 0-05189)).

- 4.ll Indenture, dated as of July 28, 2010, by and among Crown European Holdings SA, as Issuer, the Guarantors named therein and The Bank of New York Mellon, as Trustee, relating to the 7 1/8% Senior Notes due 2018 (incorporated by reference to Exhibit 4.1 of the Registrant's Current Report on Form 8-K dated July 28, 2010 (File No. 0-05189)).
- 4.mm Form of 7 1/8% Senior Notes due 2018 (included in Exhibit 4.ll).
- 4.nn Indenture, dated as of January 31, 2011, by and among Crown Americas LLC, Crown Americas Capital Corp. III, as Issuers, the Guarantors named therein and The Bank of New York Mellon Trust Company, N.A., as Trustee, relating to the 6 1/4% Senior Notes due 2021. (incorporated by reference to Exhibit 4.2 of the Registrant's Current Report on Form 8-K dated January 31, 2011 (File No. 0-05189)).
- 4.oo Form of 6 1/4% Senior Notes due 2021 (included in Exhibit 4.nn).
- 4.pp Registration Rights Agreement, dated as of January 9, 2013, by and among the Company, Crown Americas LLC and Crown Americas Capital Corp. IV, Deutsche Bank Securities Inc., as Representative of the several Initial Purchasers named therein and the Guarantors (as defined therein), relating to the \$800 million 4 1/2% Senior Notes due 2023 (incorporated by reference to Exhibit 4.1 of the Registrant's Current Report on Form 8-K dated January 9, 2013 (File No. 0.-50189)).
- 4.qq Indenture, dated as of January 9, 2013, by and among Crown Americas LLC and Crown Americas Capital Corp. IV, as Issuers, the Guarantors named therein and The Bank of New York Mellon Trust Company, N.A., as Trustee, relating to the 4 1/2% Senior Notes due 2023 (incorporated by reference to Exhibit 4.2 of the Registrant's Current Report on Form 8-K dated January 9, 2013 (File No. 0.-50189)).
- 4.rr Form of 4 1/2% Senior Notes due 2023 (included in Exhibit 4.qq).
- 4.ss Registration Rights Agreement, dated as of January 15, 2013, by and among the Company, Crown Americas LLC and Crown Americas Capital Corp. IV, Deutsche Bank Securities Inc., as the Initial Purchaser, and the Guarantors (as defined therein), relating to the \$200 million 4 1/2% Senior Notes due 2023 (incorporated by reference to Exhibit 4.1 of the Registrant's Current Report on Form 8-K dated January 15, 2013 (File No. 0.-50189)).

Other long-term agreements of the Registrant are not filed pursuant to Item 601(b)(4)(iii)(A) of Regulation S-K, and the Registrant agrees to furnish copies of such agreements to the Securities and Exchange Commission upon its request.

- 10.a First Amendment, dated as of September 1, 2004, to Second Amended and Restated Receivables Purchase Agreement among Crown Cork & Seal Receivables (DE) Corporation, as Seller, CROWN Cork & Seal USA, Inc. (formerly known as Crown Cork & Seal Company (USA), Inc.), as Servicer, the banks and other financial institutions party thereto, as Purchasers, and Citibank, N.A., as Agent (incorporated by reference to Exhibit 10.a of the Registrant's Current Report on Form 8-K dated September 1, 2004 (File No. 0-50189)).
- 10.b Second Amended and Restated Receivables Purchase Agreement, dated as of December 5, 2003, among Crown Cork & Seal Receivables (DE) Corporation, as Seller, CROWN Cork & Seal USA, Inc. (formerly known as Crown Cork & Seal Company (USA), Inc.), as Servicer, the banks and other financial institutions party thereto as Purchasers, and Citibank, N.A., as Agent (incorporated by reference to Exhibit 10.a of the Registrant's Annual Report on Form 10-K for the year ended December 31, 2003 (File No. 0-50189)).
- 10.c First Amendment, dated as of September 1, 2004, to Second Amended and Restated Receivables Contribution and Sale Agreement among CROWN Cork & Seal USA, Inc. (formerly known as Crown Cork & Seal Company (USA), Inc.), CROWN Risdon USA, Inc. (formerly known as Risdon-AMS (USA), Inc.), CROWN Zeller USA, Inc. (formerly known as Zeller Plastik, Inc.), CROWN Metal Packaging Canada LP, and Crown Cork & Seal Receivables (DE) Corporation (incorporated by reference to Exhibit 10.b of the Registrant's Current Report on Form 8-K dated September 1, 2004 (File No. 0-50189)).
- 10.d Second Amended and Restated Receivables Contribution and Sale Agreement, dated as of December 5, 2003, among CROWN Cork & Seal USA, Inc. (formerly known as Crown Cork & Seal Company (USA), Inc.), CROWN

Crown Holdings, Inc.

- Risdon USA, Inc. (formerly known as Risdon-AMS (USA), Inc.), CROWN Zeller USA, Inc. (formerly known as Zeller Plastik, Inc.), Crown Canadian Holdings ULC, and CROWN Metal Packaging Canada LP, as Sellers, Crown Cork & Seal Receivables (DE) Corporation, as Buyer, and CROWN Cork & Seal USA, Inc., as the Buyer's Servicer (incorporated by reference to Exhibit 10.b of the Registrant's Annual Report on Form 10-K for the year ended December 31, 2003 (File No. 0-50189)).
- 10.e Third Amended and Restated Parent Undertaking Agreement, dated as of September 1, 2004, made by Crown Holdings, Inc., Crown Cork & Seal Company, Inc. and Crown International Holdings, Inc, in favor of Citibank, N.A., as Agent and the Purchasers (incorporated by reference to Exhibit 10.c of the Registrant's Current Report on Form 8-K dated September 1, 2004 (File No. 0-50189)).
- 10.f Second Amended and Restated Intercreditor Agreement dated as of September 1, 2004, among Citibank, N.A., as Agent, Crown Holdings, Inc., Crown International Holdings, Inc., Crown Cork & Seal Company, Inc., Crown Cork & Seal Receivables (DE) Corporation, CROWN Cork & Seal USA, Inc. (formerly known as Crown Cork & Seal Company (USA), Inc.), CROWN Risdon USA, Inc. (formerly known as Risdon-AMS (USA), Inc.), CROWN Zeller USA, Inc. (formerly known as Zeller Plastik, Inc.), and Citicorp North America, Inc., as Administrative Agent and U.S. Collateral Agent (incorporated by reference to Exhibit 10.d of the Registrant's Current Report on Form 8-K dated September 1, 2004 (File No. 0-50189)).
- 10.g Intercreditor Agreement dated as of November 18, 2005, among Citibank, N.A., as Program Agent, the Company, Crown International Holdings, Inc., Crown Cork & Seal Company, Inc., Crown Cork & Seal Receivables (DE) Corporation, Crown Cork & Seal USA, Inc., Crown Risdon USA, Inc., CROWN Metal Packaging Canada LP and Deutsche Bank AG New York Branch and The Bank of Nova Scotia, as Bank Agent (incorporated by reference to Exhibit 10.a of the Registrant's Current Report on Form 8-K dated November 18, 2005 (File No. 0-50189)).
- 10.h Purchase Agreement, dated as of January 3, 2013, by and among the Company, Crown Americas LLC, Crown Americas Capital Corp. IV, Deutsche Bank Securities Inc. as Representative, the Initial Purchasers (as defined therein) and the Guarantors (as defined therein) (incorporated by reference to Exhibit 10.1 of the Registrant's Current Report on Form 8-K dated January 3, 2013 (File No. 0-50189)).
- 10.i Purchase Agreement, dated as of January 9, 2013, by and among the Company, Crown Americas LLC, Crown Americas Capital Corp. IV, Deutsche Bank Securities Inc., as the Initial Purchaser, and the Guarantors (as defined therein) (incorporated by reference to Exhibit 10.1 of the Registrant's Current Report on Form 8-K dated January 9, 2013 (File No. 0-50189)).
- 10.j Employment Contracts:
- (1) Employment contract between Crown Holdings, Inc. and John W. Conway, dated May 3, 2007 (incorporated by reference to Exhibit 10.1(a) of the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2007 (File No. 0-50189)).
 - (2) Second amendment to the employment contract, dated May 3, 2007, between Crown Holdings, Inc. and Timothy J. Donahue, dated as of December 11, 2008 (incorporated by reference to Exhibit 10.2 of the Registrant's Current Report on Form 8-K dated December 11, 2008).
 - (3) Employment contract between Crown Holdings, Inc. and Timothy J. Donahue, dated May 3, 2007 (incorporated by reference to Exhibit 10.1(e) of the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2007 (File No. 0-50189)).
 - (4) Employment contract between CROWN Packaging Europe GmbH and Christopher C. Homfray, dated May 4, 2011 (incorporated by reference to Exhibit 10.1 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2011 (File No. 0-50189)).
 - (5) Employment contract between Crown Holdings, Inc. and Raymond L. McGowan, Jr., dated May 3, 2007 (incorporated by reference to Exhibit 10.h(7) of the Registrant's Annual Report on Form 10-K for the year ended December 31, 2007 (File No. 0-50189)).

Crown Holdings, Inc.

- (6) Executive Employment Agreement, effective June 1, 2012, between Crown Holdings, Inc. and Gerard Gifford (incorporated by reference to Exhibit 10.1 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2012 (File No 0-50189)).
- (7) Employment contract between Crown Holdings, Inc. and Jozef Salaerts, dated November 5, 2012 (incorporated by reference to Exhibit 10 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2012 (File No 0-50189)).
- 10.k Crown Holdings, Inc. Economic Profit Incentive Plan, effective as of January 1, 2007 (incorporated by reference to Exhibit 10.i of the Registrant's Annual Report on Form 10-K for the year ended December 31, 2008 (File No. 0-50189)).
- 10.l Crown Holdings, Inc. Senior Executive Retirement Plan, as amended and restated as of January 1, 2008 (incorporated by reference to Exhibit 10.1 of the Registrant's Annual Report on Form 10-K for the year ended December 31, 2007 (File No. 0-50189)).
- 10.m Senior Executive Retirement Agreements:
 - (1) Senior Executive Retirement Agreement between Crown Holdings, Inc. and John W. Conway, dated May 3, 2007 (incorporated by reference to Exhibit 10.4(a) of the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2007 (File No. 0-50189)).
 - (2) Senior Executive Retirement Agreement between Crown Holdings, Inc. and Timothy J. Donahue, dated May 3, 2007 (incorporated by reference to Exhibit 10.4(e) of the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2007 (File No. 0-50189)).
 - (3) Senior Executive Retirement Agreement between Crown Holdings, Inc. and Christopher C. Homfray, effective January 1, 2008 (incorporated by reference to Exhibit 10.m(6) of the Registrant's Annual Report on Form 10-K for the year ended December 31, 2007 (File No. 0-50189)).
 - (4) Senior Executive Retirement Agreement between Crown Holdings, Inc. and Raymond L. McGowan, Jr., dated May 3, 2007 (incorporated by reference to Exhibit 10.m(7) of the Registrant's Annual Report on Form 10-K for the year ended December 31, 2007 (File No. 0-50189)).
 - (5) Senior Executive Retirement Agreement between Crown Holdings, Inc. and Jozef Salaerts, effective January 1, 2008 (incorporated by reference to Exhibit 10.m(8) of the Registrant's Annual Report on Form 10-K for the year ended December 31, 2007 (File No. 0-50189)).
 - (6) Senior Executive Retirement Agreement, effective June 1, 2012, between Crown Holdings, Inc. and Gerard Gifford (incorporated by reference to Exhibit 10.2 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2012 (File No 0-50189)).
 - (7) Amendment No. 1 to the Senior Executive Retirement Agreement, effective June 1, 2012, between Crown Holdings, Inc. and Gerard Gifford dated December 28, 2012.
- 10.n Crown Holdings, Inc. 2001 Stock-Based Incentive Compensation Plan, dated as of February 22, 2001 (incorporated by reference to the Registrant's Definitive Proxy Statement on Schedule 14A, filed with the Securities and Exchange Commission on March 27, 2001 (File No. 1-2227)).
- 10.o Amendment No. 1 to the Crown Holdings, Inc. 2001 Stock-Based Incentive Compensation Plan, dated as of January 1, 2003 (incorporated by reference to Exhibit 10.s of the Registrant's Annual Report on Form 10-K for the year ended December 31, 2002 (File No. 0-50189)).
- 10.p Amendment No. 2, effective December 14, 2006, to the Crown Holdings, Inc. 2001 Stock-Based Incentive Compensation Plan (incorporated by reference to Exhibit 10.bb of the Registrant's Annual Report on Form 10-K for the year ended December 31, 2006 (File No. 0-50189)).
- 10.q Form of Agreement for Restricted Stock Awards under Crown Holdings, Inc. 2004 Stock-Based Incentive Compensation Plan (incorporated by reference to Exhibit 10.x of the Registrant's Annual Report on Form 10-K for the year ended December 31, 2004 (File No. 0-50189)).

Crown Holdings, Inc.

- 10.r Form of Agreement for Restricted Stock Awards under Crown Holdings, Inc. 2006 Stock-Based Incentive Compensation Plan (incorporated by reference to Exhibit 10.dd of the Registrant's Annual Report on Form 10-K for the year ended December 31, 2006 (File No. 0-50189)).
- 10.s Crown Holdings, Inc. 2004 Stock-Based Incentive Compensation Plan, dated as of April 22, 2004 (incorporated by reference to the Registrant's Definitive Proxy Statement on Schedule 14A, filed with the Securities and Exchange Commission on March 19, 2004 (File No. 0-50189)).
- 10.t Amendment No. 1, effective December 14, 2006, to the Crown Holdings, Inc. 2004 Stock-Based Incentive Compensation Plan (incorporated by reference to Exhibit 10.ff of the Registrant's Annual Report on Form 10-K for the year ended December 31, 2006 (File No. 0-50189)).
- 10.u Form of Agreement for Non-Qualified Stock Option Awards under Crown Holdings, Inc. 2004 Stock-Based Incentive Compensation Plan (incorporated by reference to Exhibit 10.6 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2004 (File No. 0-51089)).
- 10.v Crown Holdings, Inc. Deferred Compensation Plan for Directors, as Amended and Restated, effective January 1, 2008 (incorporated by reference to Exhibit 10.w of the Registrant's Annual Report on Form 10-K for the year ended December 31, 2008 (File No. 0-50189)).
- 10.w Crown Holdings, Inc. Stock Compensation Plan for Non-Employee Directors, dated as of April 22, 2004 (incorporated by reference to the Registrant's Definitive Proxy Statement on Schedule 14A, filed with the Securities and Exchange Commission on March 19, 2004 (File No. 0-50189)).
- 10.x Crown Cork & Seal Company, Inc. Pension Plan for Outside Directors, dated as of October 27, 1994 (incorporated by reference to Exhibit 10.c of the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1995 (File No. 1-2227)).
- 10.y Amendment No. 1, effective April 1, 2005, to the Crown Holdings, Inc. Stock Compensation Plan for Non-Employee Directors, dated as of April 22, 2004 (incorporated by reference to Exhibit 10 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2005 (File No. 0-50189)).
- 10.z Master Definitions Agreement, dated June 21, 2005, between France Titrisation, as Management Company, BNP Paribas, as Custodian Calculation Agent, FCC Account Bank, Liquidity Facility Provider and Swap Counterparty, Eliopée Limited, as Eliopée, GE Factofrance, as Back-up Servicer, Crown European Holdings, as Parent Company, the Entities listed in Schedule, as Sellers or Servicers, CROWN Emballage France SAS, as French Administrative Agent and CROWN Packaging UK PLC, as English Administrative Agent (incorporated by reference to Exhibit 10.a to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2005 (File No. 0-50189)).
- 10.aa Master Receivables Transfer and Servicing Agreement, dated June 21, 2005, between France Titrisation, as Management Company, BNP Paribas, as Custodian, the Entities listed in Schedule 1 of Appendix 1, as Sellers or Servicers, CROWN Emballage France SAS, as French Administrative Agent and CROWN Packaging UK PLC, as English Administrative Agent (incorporated by reference to Exhibit 10.b to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2005 (File No. 0-50189)).
- 10.bb Crown Holdings, Inc. 2006 Stock-Based Incentive Compensation Plan (incorporated by reference to the Registrant's Definitive Proxy Statement on Schedule 14A, filed with the Securities and Exchange Commission on March 24, 2006 (File No. 0-50189)).
- 10.cc Amendment No. 1, effective December 14, 2006, to the Crown Holdings, Inc. 2006 Stock-Based Incentive Compensation Plan (incorporated by reference to Exhibit 10.pp of the Registrant's Annual Report on Form 10-K for the year ended December 31, 2006 (File No. 0-50189)).
- 10.dd Amendment No. 2, effective July 28, 2010, to the Crown Holdings, Inc. 2006 Stock-Based Incentive Compensation Plan (incorporated by reference to Exhibit 10.1 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2010 (File No. 0-50189)).

Crown Holdings, Inc.

- 10. ee Form of Agreement for Non-Qualified Stock Option Awards under Crown Holdings, Inc. 2006 Stock-Based Incentive Compensation Plan (incorporated by reference to Exhibit 10.2 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2007 (File No. 0-50189)).
- 10. ff Crown Cork & Seal Company, Inc. Restoration Plan, dated July 28, 2010 (incorporated by reference to Exhibit 10.3 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2012 (File No 0-50189)).
- 10. gg Amendment No. 1, effective July 1, 2011, to the Crown Cork & Seal Company, Inc. Restoration Plan (incorporated by reference to Exhibit 10.4 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2012 (File No 0-50189)).
- 10. hh Receivables Purchase Agreement, dated as of March 9, 2010, among Crown Cork & Seal Receivables (DE) Corporation, as the seller, Crown Cork & Seal USA, Inc., as the servicer, Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. "Rabobank Nederland", New York Branch, as administrative agent, and the conduit purchasers, alternate purchasers, facility agents party thereto from time to time (incorporated by reference to Exhibit 10.1 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2010 (File No 0-50189)).
- 10. ii Parent Undertaking Agreement, dated as of March 9, 2010, made by Crown Holdings, Inc., Crown Cork & Seal Company, Inc. and Crown International Holdings, Inc. in favor of the purchasers, the facility agents and Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. "Rabobank Nederland", New York Branch, as administrative agent (incorporated by reference to Exhibit 10.2 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2010 (File No 0-50189)).
- 10. jj Third Amended and Restated Receivables Sale Agreement, dated as of March 9, 2010, among Crown Cork and Seal USA, Inc., as a seller and the servicer, CROWN Metal packaging Canada LP, as a seller, and Crown Cork & Seal Receivables (DE) Corporation, as the buyer (incorporated by reference to Exhibit 10.3 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2010 (File No 0-50189)).

Exhibits 10.j through 10.jj, with the exception of 10.z, 10.aa and 10.hh - 10.jj, are management contracts or compensatory plans or arrangements required to be filed as exhibits pursuant to Item 14(c) of this Report.

- 12 Computation of ratio of earnings to fixed charges.
- 21 Subsidiaries of Registrant.
- 23 Consent of Independent Registered Public Accounting Firm.
- 31.1 Certification of Chief Executive Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities and Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 31.2 Certification of Chief Financial Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities and Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 32 Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, executed by John W. Conway, Chairman of the Board, President and Chief Executive Officer of Crown Holdings, Inc. and Timothy J. Donahue, Executive Vice President and Chief Financial Officer of Crown Holdings, Inc.
- 101 The following financial information from the Registrant's Annual Report on Form 10-K for the year ended December 31, 2012 formatted in XBRL (eXtensible Business Reporting Language): (i) Consolidated Statements of Operations for the twelve months ended December 31, 2012, 2011 and 2010, (ii) Consolidated Statements of Comprehensive Income for the twelve months ended December 31, 2012, 2011 and 2010; (iii) Consolidated Balance Sheets as of December 31, 2012 and December 31, 2011, (iv) Consolidated Statements of Cash Flows for the twelve months ended December 31, 2012, 2011 and 2010, (v) Consolidated Statements of Changes in Shareholders' Equity for the twelve months ended December 31, 2012, 2011 and 2010 and (vi) Notes to Consolidated Financial Statements.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Crown Holdings, Inc.
Registrant

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

Date: March 1, 2013

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints John W. Conway, Timothy J. Donahue and William T. Gallagher, and each of them, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities to sign any and all amendments to the Annual Report on Form 10-K for the Company's 2012 fiscal year, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or either of them, or their or his substitutes, may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated above.

SIGNATURE

TITLE

/s/ John W. Conway
John W. Conway

Chairman of the Board, President and Chief Executive Officer

/s/ Timothy J. Donahue
Timothy J. Donahue

Executive Vice President and Chief Financial Officer

/s/ Kevin C. Clothier
Kevin C. Clothier

Vice President and Corporate Controller

SIGNATURE

DIRECTORS

/s/ Jenne K. Britell
Jenne K. Britell

/s/ Josef M. Müller
Josef M. Müller

/s/ Arnold W. Donald
Arnold W. Donald

/s/ Thomas A. Ralph
Thomas A. Ralph

/s/ William G. Little
William G. Little

/s/ Hugues du Rouret
Hugues du Rouret

/s/ Hans J. Löliger
Hans J. Löliger

Jim L. Turner

/s/ James H. Miller
James H. Miller

/s/ William S. Urkiel
William S. Urkiel

Division Officers

Americas Division

RAYMOND L. MCGOWAN, JR. | President

C. ANDERSON BOLTON

President – CROWN Aerosol Packaging North America

JOSEPH R. PIERCE

President – CROWN Beverage Packaging North America

JAMES D. WILSON

President – CROWN Food Packaging North America and CROWN Closures and Speciality Packaging North America

RAMIRO BARNEY DUSSAN

President – CROWN Latin America and Caribbean

RINALDO LOPES

President – CROWN Beverage Packaging South America

RICHARD A. FORTI

Senior Vice President – Business Support

EDWARD C. VESEY

Senior Vice President – Sourcing

TIMOTHY P. AUST

Vice President and Chief Financial Officer

ALFRED J. DERMODY

Vice President – Human Resources, Americas

Asia Pacific Division

JOZEF SALAERTS | President

HOCK HUAT GOH

Senior Vice President – Finance and Human Resources

ROBERT BOURQUE, JR.

Vice President – CROWN Beverage Packaging China and Hong Kong

GARY FISHLOCK

Vice President – Manufacturing

FRANK KOH

Vice President – CROWN Beverage Packaging South East Asia

PATRICK LEE

General Manager – CROWN Food and Aerosol Thailand

CHEE MENG WAN

General Manager – Superior Multi-Packaging Limited

PATRICK NG

Director – Sourcing

European Division

GERARD H. GIFFORD | President

CHRISTOPHER HOMFRAY

Executive Vice President

JOHN CLINTON

Senior Vice President – Sourcing

PETER LOCKLEY

Senior Vice President – CROWN Bevcan Europe and Middle East

HOWARD LOMAX

Senior Vice President and Chief Financial Officer

DIDIER SOURISSEAU

Senior Vice President – CROWN Food and Closures Europe

DAVID UNDERWOOD

Senior Vice President – Operations Support

THOMAS T. FISCHER

Vice President – CROWN Aerosols Europe

DAVID HARRISON

Vice President – CROWN Speciality Packaging Europe

MARTIN REYNOLDS

Vice President – External and Regulatory Affairs

PIERRE SIRBAT

Vice President – Environment, Quality and WCP

LAURENT WATTEAUX

Vice President and General Counsel

CROWN Packaging Technology

DANIEL A. ABRAMOWICZ | President

KEVIN AMBROSE

Vice President – Metals Development

IAN BUCKLOW

Vice President – Sustainability and Materials Development

BRIAN ROGERS

Vice President – Project Management and Engineering

NIGEL WAKELY

Vice President – Engineering Development

Investor Information

Company Profile

Crown Holdings, Inc. is a leading manufacturer of packaging products for consumer marketing companies around the world. We make a wide range of metal packaging for food, beverage, household and personal care and industrial products and metal vacuum closures and caps. As of December 31, 2012, the Company operated 149 plants located in 41 countries, employing 21,856 people.

STOCK TRADING INFORMATION

Stock Symbol: **CCK** (Common)

Stock Exchange Listing: **New York Stock Exchange**

CORPORATE HEADQUARTERS

One Crown Way
Philadelphia, PA 19154-4599
Main phone: (215) 698-5100

SHAREHOLDER SERVICES

Registered shareholders needing information about stock holdings, transfer requirements, registration changes, account consolidations, lost certificates or address changes should contact the Company's stock transfer agent and registrar:

Mailing Address:

Wells Fargo Shareowner Services
P.O. Box 64854
St. Paul, MN 55164-0854

General Telephone Number:

1-800-468-9716

Website: www.shareowneronline.com

Owners of shares in street name (shares held by any bank or broker in the name of the bank or brokerage house) should direct communications or administrative matters to their bank or stockbroker.

FORM 10-K AND OTHER REPORTS

The Company will provide without charge a copy of its 2012 Annual Report on Form 10-K, excluding exhibits, as filed with the U.S. Securities and Exchange Commission ("SEC"). To request a copy of the Company's annual report, call toll free 888-400-7789. Canadian callers should dial 888-757-5989. Copies in electronic format of the Company's annual report and filings with the SEC are available at the Company's website at www.crowncork.com in the "For Investors" section under Annual Report and SEC filings.

INTERNET

Visit our website at www.crowncork.com for more information about the Company, including news releases and investor information.

CERTIFICATIONS

The Company included as Exhibit 31 to its 2012 Annual Report on Form 10-K, as filed with the U.S. Securities and Exchange Commission, certifications of the Chief Executive Officer and Chief Financial Officer of the Company. The CEO and CFO certify to, among other things, the information contained in the Company's Form 10-K. The Company has also submitted to the New York Stock Exchange a certification from the CEO certifying that he is not aware of any violation by the Company of New York Stock Exchange corporate governance listing standards.



Please visit our website www.crowncork.com
to read more of our story and obtain additional information.

CORPORATE/AMERICAS DIVISION HEADQUARTERS

Crown Holdings, Inc.
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EUROPEAN DIVISION HEADQUARTERS

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CH-6340 Baar
Switzerland
Main Tel: +41 41 759 10 00