



Creating Value
That Stands the Test of Time

ANNUAL REPORT 2013

Financial Highlights

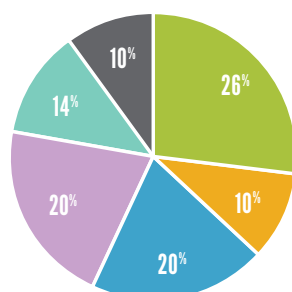
(in millions, except share, per share, employee, and statistical data)

	2013	2012	% Change
NET SALES	\$8,656	\$8,470	2.2
GROSS PROFIT	1,342	1,277	5.1
INTEREST EXPENSE	236	226	4.4
NET INCOME ATTRIBUTABLE TO CROWN HOLDINGS	324	559	(42.0)
PER AVERAGE COMMON SHARE:			
EARNINGS ATTRIBUTABLE TO CROWN HOLDINGS - DILUTED	\$2.30	\$3.77	(39.0)
MARKET PRICE (CLOSING)*	44.57	36.81	21.1
TOTAL ASSETS	\$8,030	\$7,500	7.1
COMMON SHARES REPURCHASED	6,925,789	6,954,968	(0.4)
CASH FLOW FROM OPERATIONS	\$885	\$621	42.5
CAPITAL EXPENDITURES	275	324	(15.1)
NUMBER OF EMPLOYEES	21,335	21,856	(2.4)
SHARES OUTSTANDING AT DECEMBER 31	138,207,889	143,136,473	(3.4)
AVERAGE SHARES OUTSTANDING - DILUTED	140,699,764	148,407,801	(5.2)

* Source: New York Stock Exchange - Composite Transactions

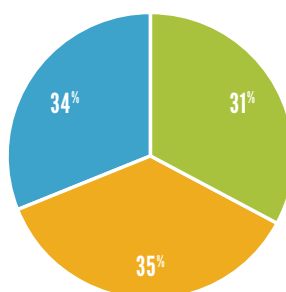
Net Sales 2013

BY SEGMENT



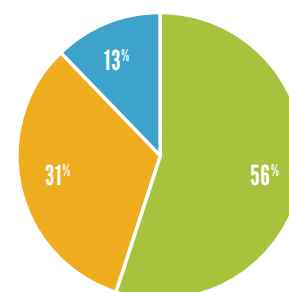
- Americas Beverage
- North America Food
- European Beverage
- European Food
- Asia Pacific
- Non-reportable

BY GEOGRAPHIC AREA



- United States and Canada
- Western Europe
- Developing Markets

BY PRODUCT



- Beverage Cans
- Food Cans & Closures
- Other

Chairman's Letter

Dear Fellow Shareholders,

Our Company achieved another year of solid results in 2013, improving profitability over the prior year despite continued macroeconomic challenges in Europe. A key element of our progress is the growth in beverage can volumes, as global shipments rose 5% in 2013, following a 5% increase in 2012 over 2011. The emerging market capacity expansion program we began in 2009 has been instrumental in achieving this result. We also made significant strides toward cost reduction and continuous operational improvement during the year, achieving gains through projects like restructuring and automation as well as process enhancements.

We generated record free cash flow of \$641 million in 2013 and returned \$300 million to shareholders through the repurchase of 6.9 million shares, or 5% of the Company's outstanding common stock. Our strategy of focusing on metal packaging through a balanced portfolio of both products and geography will benefit our shareholders through continued significant free cash flow generation and increased profitability in the years ahead.

As you will see in the following pages of this report, we have outlined how our Company views "value" from several perspectives, but all with an eye toward enhancing the lives of consumers through the convenience, safety, sustainability and other benefits of our metal packaging. An integral part of this value is to work closely with our customers to help build brands that will connect with consumers around the world. We have placed considerable focus on food cans in this year's report to highlight the many advantages this package brings to our daily lives.

In the fourth quarter of 2013, we announced an agreement to acquire Mivisa Envases, SAU, the largest food can producer in both the Iberian Peninsula and Morocco, for €1.2 billion. We are excited about this strategic acquisition as it will substantially increase our presence in Spain, one of Europe's leading agricultural economies. We also believe that adding this well-performing business to our broad network of food can operations will result in compelling benefits to both customers and shareholders. The acquisition is

currently being reviewed by the European Commission and other competition authorities and is expected to close this year.

Over the past five years, we have continued to develop our beverage can platform in emerging markets, focused in particular on Brazil, China, Eastern Europe and Southeast Asia. Sales of beverage cans in developing markets accounted for 26% of total Company revenue and 46% of global beverage can revenue in 2013. With the commencement of production at our Teresina, Brazil facility during the first quarter of this year, the Company will have added 16 billion cans of annual capacity to our global beverage can footprint since 2009. This has been achieved through the installation of 21 new can production lines, including the construction of 13 new factories. During 2013, the Company added capacity in Cambodia, China, Malaysia, Thailand and Vietnam. Our decades-long leadership position in many of these markets has helped to facilitate this growth and has allowed us to be a preferred supplier to both multinational and regional beverage companies as they continue to promote their brands and expand their own presence.

Our beverage can volume growth in each of the geographic areas in which we compete was in many cases higher than the market as a whole. Beverage can unit shipments increased 4% in Europe, 7% in Latin America and 19% in Asia Pacific. Our improved sales and income results in Europe were driven not only by the addition of the Company's new plant in Turkey, but also by robust shipments throughout the region and a focus on cost containment. Our Latin American platform, which includes Mexico and Colombia in addition to Brazil, benefited from an increasing preference for cans in the package mix and the ability to offer a variety of different can sizes. While the majority of our Asian beverage can business is derived from Southeast Asia, where we hold a leading position, we now have the capability to supply the Chinese market on a national basis. In North America, the only global beverage can market in which we compete that has not been growing, our 1% decline in shipments was better than the overall market. Nonetheless, we continue to cultivate areas of

growth such as craft brewers and energy drinks while at the same time lowering our manufacturing costs through increased operational effectiveness.

Food cans represented 27% of the Company's sales in 2013, and we consider this business an integral part of our future. Our North American food can segment finished another strong year, benefiting from a balanced portfolio and continued manufacturing excellence. In my letter last year, I highlighted the Company's participation in an industry-sponsored, multi-platform marketing campaign to raise awareness of the benefits and advantages of canned food over frozen food as well as glass, paper, plastic and flexible package formats. The program officially rolled out in 2013 with help from our customer and retailer partners.

In 2013, the Company's European food can business continued to face macroeconomic challenges, which were a significant factor behind an unfavorable product mix situation resulting in an increased consumer preference for smaller can sizes. We continue to address these challenges through our previously announced restructuring programs as well as additional and aggressive cost reduction initiatives. As the economies improve in Europe, the Company will be well positioned to serve our customers with a more efficient and nimble manufacturing base.

The Company's non-reportable segment is comprised of our global aerosol, European specialty packaging and equipment manufacturing businesses. In 2013, our aerosol business performed well, marked by stable volumes in both North America and Europe and the realization of cost reductions resulting from the European restructuring actions taken in 2012. However, these gains were offset by continued weakness in European industrial specialty packaging demand.

We will continue to identify and evaluate growth opportunities through line additions in existing plants, new plants in developing markets that we already know and understand, and potential strategic acquisitions in geographic areas and product lines in which we already operate. At the same time, we will be prudent stewards of the Company's capital,

and, as such, we rigorously examine each opportunity against a variety of metrics including economic profit, return on invested capital and cash flow generation. Every approved project is undertaken with an eye toward creating long-term shareholder value.

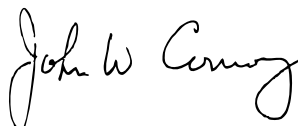
Looking ahead, we believe that the Company is uniquely positioned to seize the opportunities offered by higher-growth developing markets. At the same time, in the more mature markets of North America and Western Europe, our focus on operational excellence and stringent cost controls and reductions will continue to support significant cash flow generation in these businesses. We are excited about 2014 and the prospects of the years ahead.

Last year, I wrote that Chris Homfray stepped down in May 2012 as President of the European Division. It is with deep regret that I note his untimely passing in March 2013. Chris was an integral part of our senior management team since his appointment to that role in 2006, and he made a lasting impression on all of us who had the privilege to work with him. Chris's friendship, intellect and business acumen are greatly missed.

I would like to express my utmost appreciation to Hugues du Rouret, who retired from our Board of Directors in February. During his 13 years of service, Hugues contributed greatly to the progress of the Company through his wisdom, insight and global perspective. We would also like to welcome Caesar Sweitzer as the newest member of the Board. Having spent more than 30 years in the banking industry, Caesar's knowledge of business and the financial markets will be very beneficial to the Company.

In closing, I want to acknowledge and thank our 21,000 employees in 40 countries around the world. Their continued dedication, creativity and drive for excellence is the foundation for our success.

Sincerely,



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

The word “value” has many different meanings...



The can is a staple in consumers’ lives around the world and has been for more than 200 years. And while the format is steeped in history, it has continued to evolve in terms of convenience, production efficiency and sustainability. This evolution has brought the can through to the modern day, offering significant value for brand owners, retailers and consumers alike.

This is no small achievement, since value means something different to each of these stakeholders. Brand owners need to stay ahead of the competition, so they actively seek value in the form of innovative packaging that can help them respond to evolving consumer needs while still offering supply chain efficiencies. For retailers, it is critical to move products off store shelves while offering value to consumers and reducing their own costs. And consumers are looking for products that make their lives easier, whether that means helping them maintain healthy lifestyles while on the go or allowing them to put nutritious and affordable meals on the table for their families.

Metal packaging is well suited to address each of these interpretations of “value” thanks to its inherent properties and the innovation that has taken place throughout its history.



01

WE BELIEVE IN NUTRITION

HELPING CONSUMERS GET THE NUTRITION THEY NEED

When it comes to food, consumer tastes may vary, but the qualities they value do not. Freshness, high-quality ingredients, convenience and environmental responsibility invariably find their way to the top of consumer demands for their food products and packaging. The can helps brands achieve all of these, but many consumers are not aware of this fact.

Metal cans have been keeping food fresh since King George II granted Peter Durand a patent for his idea of preserving food in airtight tin containers in 1810. By the end of the 20th century, canned fruits, vegetables, meats and meals had become a standard part of our culture and could be found in almost every household's pantry.

“Canned foods are nutritionally on par with fresh and frozen products, and in many cases, they are actually **more** nutritious.”

Today, however, while we continue to value canned foods for the **convenience** they offer, we tend to forget the benefits that drove people like Durand to package foods in metal in the first place, namely the health and nutritional advantages that the format affords. Some consumers are of the mindset that canned foods are less nutritious than their fresh or frozen counterparts. But, in fact, nothing could be further from the truth.

Canned foods are nutritionally on par with fresh and frozen products, and in many cases, they are actually **more** nutritious. According to a recent study by Michigan State University¹, for example, the retort process employed during canning tomatoes actually improves their B vitamins, vitamin E and carotenoid content. Canning also helps make fiber in certain vegetables, like beans, more soluble and therefore more useful to the human body.

Canning facilities are strategically located near farms so that fruit and vegetables are canned within hours of being picked—the time when they are at their freshest. The food is then cooked in the can to destroy bacteria,

leaving a low oxygen environment that maintains the same amount of vitamins and nutrients from the day the food was canned—without the need for any chemical preservatives—for the can's entire shelf life.

This is an important distinction between canned and fresh foods. Fruit and vegetables begin to lose nutritional value from the first moment they are picked, and canning and freezing facilities are located near farms for that very reason. It can, however, sometimes take weeks to transport fresh produce from the farm to store shelves, during which many of the valuable nutrients can be lost. As a result, fresh food is typically treated with preservatives after picking that prevent it from spoiling but also expose consumers to otherwise unnecessary chemicals. When it comes to frozen foods, produce is flash frozen immediately to lock in freshness. However, brands are then faced with high energy costs to maintain vegetables in that frozen state during storage and transportation. Canned goods avoid this problem since they can be transported as-is.



¹ Miller S and Knudson B. "Nutrition & Costs Comparisons of Select Canned, Frozen and Fresh Fruits and Vegetables." Michigan State University – March 2012.



“ Canned fruits and vegetables provide a smart, shelf-stable option for families and one that offers **valuable** savings... ”

THE VALUE OF METAL PACKAGING

The high temperatures of retort cooking effectively sterilize the food in cans, which is critical to maintaining the safety of those products. Metal cans protect food against any external influence during heat treatment as well as storage because of the hermetic seal formed prior to retorting. According to the Center for Disease Control, at least 128,000 Americans are hospitalized each year with food-borne illnesses, and analyses conclude that canned foods are the safer option thanks in part to the canning process that creates a barrier to microbiological contamination. ***In fact, according to U.S. Food & Drug Administration records, there has not been an incidence of food-borne illness resulting from a failure of metal packaging in more than 35 years.***

As metal packaging transfers heat during the retort process to the food more rapidly than alternative materials and allows the heat to completely penetrate to the center of the product, the food is completely cooked and preserved without risk of spoiling during storage. This is essentially the exact same process used in home canning, simply on a larger scale—the

food, water and any salt or spices for taste are canned, heated, then left to cool. No further additives, preservatives or chemicals are needed.

Canned foods provide a smart, shelf-stable option for families and one that offers valuable savings, both reducing the amount of time required to prepare a meal and also helping families maintain a healthy lifestyle on a tight budget.

And once the packaging process is complete, it is the metal can that most effectively continues to preserve the quality of the food it contains. Foods typically degrade through extended exposure to air or sunlight, and metal is the only container material that completely prevents light and oxygen from infiltrating the package, offering excellent barrier properties. This is, of course, why products ranging from condensed milk to pet food have traditionally been packaged in metal, as the barrier of the can best protects and greatly extends the product's shelf life.



GETTING AMERICANS COOKING WITH CANS

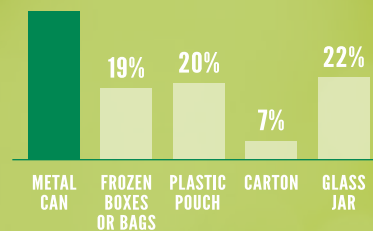
A recently conducted *Canned Food Category Values Study*² provided game-changing insights on consumers' strong positive associations with canned food. Here are just a few of the facts revealed:

- ▷ 83% of consumers include canned foods in meals weekly.
- ▷ 34% do so 3+ times per week.
- ▷ When asked which package is best for sealing in nutrients, existing canned food users chose the can nearly twice as often as frozen boxes/bags or glass jars.

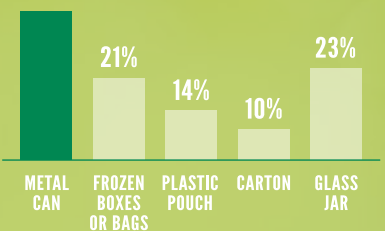
The study has also served as the foundation for Cans Get You Cooking™, a multi-year program supported by the Can Manufacturers Institute and its members, including Crown. Launched publicly in February 2013, the fully integrated campaign is designed to showcase the many benefits of cooking with canned food and demonstrate the variety of ways consumers can count on canned foods to help them get delicious, nutritious meals on the table for their family that they can feel good about, every day.

CONSUMERS RATE CANS HIGHER THAN OTHER PACKAGING ACROSS MANY ATTRIBUTES:

32% OF CONSUMERS BELIEVED FRESHNESS IS LOCKED IN



32% OF CONSUMERS BELIEVED NUTRITION IS SEALED IN



² Canned Food Category Values Study, Artemis Strategy Group – July 11, 2012



2

WE BELIEVE IN CONVENIENCE

MAKING LIVES EASIER

Convenience is one of the defining characteristics of the 21st century. From information flow to transportation to social media, nearly everything is available on demand and easy to use. In this context, how does the can stack up?

Like many successful technologies, cans have demonstrated the ability to adapt and evolve with the marketplace they serve. They started by extending the shelf life of food from days into months; they then took food preparation time from hours to mere minutes. Today, technology innovations pushed forward by companies like Crown offer new levels of convenience to help redefine how consumers integrate products into their lives.

CROWN LOOKS AT CONVENIENCE FROM THREE BASIC PERSPECTIVES:

▷ *Simplicity or how intuitive a package is to open*

Openability is a key element of convenience in the minds of consumers. Marked demographic shifts, including a rapidly growing 65+ population, have helped drive this demand and shaped some of the most recent metal packaging advancements.

▷ *How packaging enhances the user experience*

Metal packaging also adds value for consumers by ensuring they have positive experiences each time they interact with a product. This can be achieved in a number of ways, including by making their favorite food and beverage products portable and helping consumers maintain healthier diets. Single-serve cans with peelable lids, for example, allow consumers to enjoy portion-controlled meals and healthy snacks straight from the package, helping save time and effort associated with preparing a separate dish and cleaning up. Beverage cans are also available in a number of different sizes, including 8oz and 10oz formats, to limit consumption in a single serving.

▷ *Supply chain efficiencies—all the way through to consumer use*

Cans are an economical form of packaging and they are unmatched for their supply chain efficiency. They fill the fastest on packaging lines, weigh less than glass, cost less to transport, stack easily and resist breakage throughout the

production process. In addition, cans require no refrigeration during shipping and storage, reducing energy costs and cutting CO₂ emissions for brand owners and retailers.

Canned products remain the perfect staple foods to stock up on and have on hand at any time and are available year round, in the process providing an easy means for people to consume the recommended daily amounts and varieties of fruits, vegetables, meats and beans.



EASYLIFT™

Crown's Easylift™ easy-open ends were developed with the express purpose of improving openability. Featuring a generous gap under the tab, Easylift™ easy-open ends allow consumers of all ages, including seniors and children, to easily open food cans.





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.



03

WE BELIEVE IN A PURE ENVIRONMENT



METAL PACKAGING: SUSTAINABILITY PERSONIFIED

Consumers sometimes deem packaging as wasteful. After all, once foods or beverages are consumed, their packaging is discarded. However, food spoilage and waste are significant sustainability concerns.

CONSIDER THESE FACTS, COURTESY OF THE FOOD AND AGRICULTURAL ORGANIZATION OF THE UNITED NATIONS³:

- ▷ Roughly one third of the food produced in the world for human consumption every year—approximately 1.3 billion metric tons—gets lost or wasted.
- ▷ Food losses and waste amount to roughly \$680 billion in industrialized countries and \$310 billion in developing countries.
- ▷ In developing countries, 40% of losses occur at post-harvest and processing levels while in industrialized countries more than 40% of losses happen at retail and consumer levels.

When you think about it, sustainability starts with food protection and preservation, making packaging critical. So in reality, packaging actually promotes sustainability by preventing waste.

BUT NOT ALL PACKAGING IS CREATED EQUAL

Two of the most critical advantages of metal are its abundance and recyclability. Aluminum and iron ore—the building blocks of metal packaging—are the third and fourth most plentiful elements in the earth's crust. Metal packaging is 100% recyclable and can be infinitely recycled with no loss of physical properties. Put another way, 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.

No other packaging material has a stronger or more firmly established global recycling infrastructure than metal, largely due to the economic value of the materials. The materials are so valuable that not only do they more than pay for the cost of their own collection, they effectively subsidize the recycling of all other packaging materials, some of which have no post-consumer value.

³ <http://www.fao.org/save-food/key-findings/en/>

⁴ Joint press release from the Aluminum Association, Can Manufacturers Institute (CMI) and Institute of Scrap Recycling Industries (ISRI) – October 24, 2013

⁵ Steel Recycling Institute

⁶ Press release from the European Aluminium Association – July 16, 2012

⁷ Press release from The Brazilian Aluminum Association – November 4, 2013

RECYCLING RATES FOR BOTH STEEL AND ALUMINUM AROUND THE WORLD CONTINUE TO RISE:

- ▷ In the U.S., the recycling rate for aluminum beverage containers continued its decade-long upward trend, reaching a rate of 67% in 2012⁴. This is the highest recycling rate since the early 1990s and marks progress toward the industry's goal of 75% recycling by 2015.
- ▷ Steel can recycling rates in North America have risen from 15% in 1988 to 71% in 2012. In that year alone, more than 1.3 million tons of tinsplate steel—the equivalent of 21 billion steel cans—were recycled⁵.
- ▷ The overall recycle rate for aluminum beverage cans in the EU 27 including EFTA countries and Turkey increased by 2.4% to 66.7% in 2010. With a total of 36 billion aluminum beverage containers produced in 2010, the recycling rate means at least 24 billion cans were recycled⁶.
- ▷ The latest figures from APEAL (The Association of European Producers of Steel for Packaging) show that European households recycled 2.6 million metric tons of steel packaging in 2011 (corresponding to an average rate in Europe of 74%), increasing the percentage of steel packaging recycled for the 12th successive year.
- ▷ ABAL and ABRALATAS (The Brazilian Association of Highly-recyclable Can Manufacturers) report that Brazil recycled 267,100 tons of aluminum beverage cans from the 272,800 tons available in the market in 2012, putting the recycling rate at 97.9%⁷.





DID YOU KNOW?:

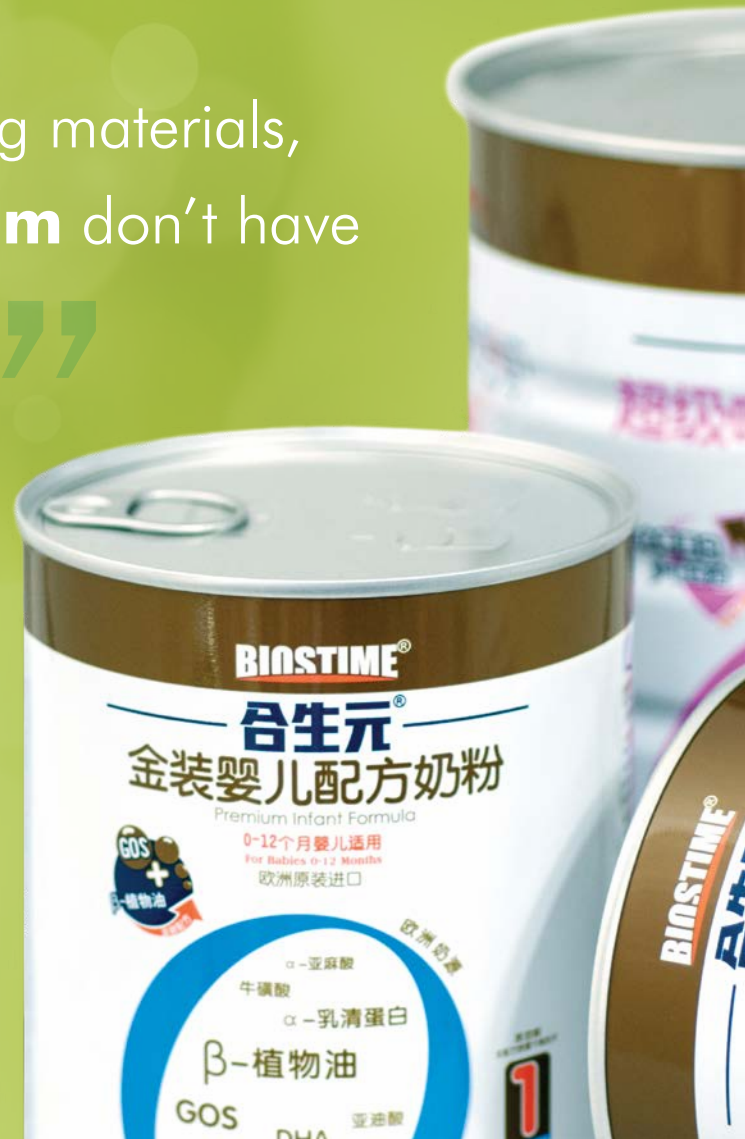
- ▷ Food and beverage cans are made from steel and aluminum produced on average with more than 50% recycled material⁸.
- ▷ Almost 50% of all harvestable food in the U.S. is thrown out. Cans help minimize food waste by providing the longest shelf life of any package.
- ▷ Nearly 75% of all aluminum and 80%-90% of all steel that has ever been produced is still in use today.
- ▷ New cans produced with recycled steel reduce greenhouse gas emissions by 75%.
- ▷ New cans produced with recycled aluminum reduce greenhouse gas emissions by 95%.
- ▷ 9 million cans are recycled every hour worldwide.
- ▷ The beverage can you drink from today can return to the shelf as another beverage can in as little as 60 days.

Sources: *Can Manufacturers Institute, Empac*

⁸Secondary raw material used in the production of steel and aluminum constitutes more than 50% of the total production of those materials.



“ Unlike other packaging materials, **steel and aluminum** don't have to be sent to landfills. ”





WE BELIEVE IN VALUE

CROWN'S UNIQUE VALUE

Here at Crown, we're passionate about helping our customers build their brands and connect with consumers around the world. We do this by delivering innovative packaging that boosts a product's shelf appeal, enhances convenience and spurs consumer engagement.

We are one of the very few companies with the breadth and depth of product lines in metal to support the needs of brand owners and retailers around the world. With 147 plants in 40 countries, we are also uniquely positioned to bring sustainable best practices in quality and manufacturing to growing economies in Asia, Eastern Europe, South America and the Middle East and North Africa.

This experience gives us a deep understanding of market nuances. We've also managed to stay the course during difficult economic periods in these regions, demonstrating our commitment to support our local and international customers with innovative metal packaging.

“ We are one of the very few companies with the breadth and depth of product lines in metal to support the needs of brand owners and retailers **around the world.** ”

The fact is, we have been committed to many of these economies for decades, long before many other companies began investing in them.

By the time Crown's founder, William Painter, died in 1906, Crown had opened plants abroad, including Germany, France, the United Kingdom, Japan and Brazil. By the end of the 1920's the company's manufacturing base had expanded throughout Europe, South America and Asia.



Board of Directors

JENNE K. BRITELL, PH.D. (B)
Chairman of United Rentals

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

ARNOLD W. DONALD (C)
President and Chief Executive Officer of Carnival Corporation

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

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

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

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

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

CAESAR F. SWEITZER (B)
Former Senior Advisor and Managing Director of Citigroup Global Markets

JIM L. TURNER (C)
Principal of JLT Beverages

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

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

TIMOTHY J. DONAHUE
President and Chief Operating Officer

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

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

THOMAS A. KELLY
Senior Vice President and Chief Financial Officer

MICHAEL B. BURNS
Vice President and Treasurer

KEVIN C. CLOTHIER
Vice President and Corporate Controller

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

THOMAS T. FISCHER
Vice President – Investor Relations, Public Relations and Corporate Affairs

KAREN E. BERIGAN
Vice President – Corporate Risk Management

TORSTEN J. KREIDER
Vice President – Planning and Development

JOSEPH C. PEARCE
Vice President – Corporate Tax

ADAM J. DICKSTEIN
Assistant Corporate Secretary and Assistant General Counsel

MICHAEL J. ROWLEY
Assistant Corporate Secretary and Assistant General Counsel

ROSEMARY M. HASELROTH
Assistant Corporate Secretary

Division Officers

AMERICAS DIVISION

RAYMOND L. MCGOWAN, JR. | President

C. ANDERSON BOLTON
President – Aerosol, Closures and Specialty Packaging North America

RAMIRO BARNEY DUSSAN
President – CROWN Latin America and Caribbean

TIMOTHY J. LORGE
President – CROWN Beverage Packaging North America

DJALMA NOVAES
President – CROWN Beverage Packaging South America

JAMES D. WILSON
President – CROWN Food Packaging North 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

JOHN BEARDSLEY

Senior Vice President and Chief Financial Officer

JOHN CLINTON

Senior Vice President – Sourcing

PETER LOCKLEY

Senior Vice President – CROWN Bevcan Europe and Middle East

DIDIER SOURISSEAU

Senior Vice President – CROWN Food and Closures Europe

DAVID UNDERWOOD

Senior Vice President – Operations Support

DAVID HARRISON

Vice President – CROWN Speciality Packaging and Aerosols 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, 2013, the Company operated 147 plants located in 40 countries, employing 21,335 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: +1 (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 Annual Report 2013 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. 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 Annual Report 2013 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.

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**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, 2013

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, 2013, 140,789,829 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 \$5,790,685,667 based on the New York Stock Exchange closing price for such shares on that date.

As of February 24, 2014, 138,384,712 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 24, 2014	Part III to the extent described therein

2013 FORM 10-K ANNUAL REPORT

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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, 2013, the Company operated 147 plants along with sales and service facilities throughout 40 countries and had approximately 21,300 employees. Consolidated net sales for the Company in 2013 were \$8.7 billion with 74% 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. The Company’s Asia Pacific Division is a reportable segment which primarily consists of beverage can operations and also includes the Company’s non-beverage can operations, primarily food cans and specialty packaging. The Company’s non-reportable segments 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 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, 2013, the division operated 45 plants in 8 countries and had approximately 5,400 employees. In 2013, the Americas Division had net sales of \$3.4 billion.

Americas Beverage

The Americas Beverage segment manufactures aluminum beverage cans and ends and steel crowns in the U.S., Brazil, Canada, Colombia and Mexico. Americas Beverage had net sales in 2013 of \$2.3 billion and segment income (as defined under [Note X](#) to the consolidated financial statements) of \$327 million.

North America Food

The North America Food segment manufactures steel and aluminum food cans and ends and metal vacuum closures in the U.S. and Canada. North America Food had net sales in 2013 of \$845 million and segment income (as defined under [Note X](#) to the consolidated financial statements) of \$119 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, 2013, the division operated 70 plants in 26 countries and had approximately 10,900 employees. Net sales in 2013 were \$4.0 billion. Within the European Division, net sales in the United Kingdom were \$759 million and in France were \$547 million in 2013.

European Beverage

The European Beverage segment manufactures steel and aluminum beverage cans and ends in Europe, the Middle East and North Africa. European Beverage had net sales in 2013 of \$1.7 billion and segment income (as defined under [Note X](#) to the consolidated financial statements) of \$257 million.

European Food

The European Food segment manufactures steel and aluminum food cans and ends, and metal vacuum closures, in Europe and Africa. European Food had net sales in 2013 of \$1.8 billion and segment income (as defined under [Note X](#) to the consolidated financial statements) of \$144 million.

ASIA PACIFIC DIVISION

The Asia Pacific Division is a reportable segment which primarily consists of beverage can operations in Cambodia, China, Malaysia, Singapore, Thailand and Vietnam and also includes the Company's non-beverage can operations, primarily food cans and specialty packaging in China, Singapore, Thailand and Vietnam. At December 31, 2013, the division operated 30 plants in 6 countries and had 4,400 employees. Net sales in 2013 were \$1.2 billion.

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, shaped beverage cans which include 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 the metal content of 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-piece and three-piece cans in numerous shapes and sizes, and sells food cans to food marketers such as Bonduelle, Cecab, 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, 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, KIK Custom, 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 is primarily located in Europe and Asia. 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, Nippon Paints, PPG, Tikkurlia Oy 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 in the Northern Hemisphere 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, Silgan Holdings Inc. and Toyo Seikan Group.

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 29% of its 2013 net sales. In each of the years in the period 2011 through 2013, 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 packaging products or enhance existing packaging products through the application of new technologies that better differentiate our customers' 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 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 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 seeks 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, the 360 End™ beverage end 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 \$36 million in 2013, \$43 million in 2012, and \$43 million in 2011 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 improved value-added packaging systems. 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 2013, consumption of steel and aluminum represented 25% and 39%, 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 were 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 will attempt 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 flows from operations, revolving credit facilities and receivables securitization and factoring programs.

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 caption "Liquidity" 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, 2013, the Company had approximately 21,300 employees. Collective bargaining agreements with varying terms and expiration dates cover approximately 13,500 employees. The Company does not expect that renegotiation of the agreements expiring in 2014 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 74% of its consolidated net sales in 2013, 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 74%, 73% and 73%, of its consolidated net sales in the years ended 2013, 2012 and 2011, respectively. The consummation of the Company's pending acquisition of Mivisa would increase sales generated by international operations. 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 34% 32% and 30% of the Company's consolidated net sales in the years ended 2013, 2012 and 2011, 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.

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 government's 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 2013, consumption of steel and aluminum represented 25% and 39%, 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. In addition, the consummation of the Company's pending acquisition of Mivisa would increase the Company's indebtedness. As of December 31, 2013, the Company and its subsidiaries had approximately \$3.8 billion of indebtedness. The Company's ratio of earnings to fixed charges was 3.2 times for the year ended December 31, 2013.

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 €110 million (\$151 million at December 31, 2013) European securitization facility in July 2017; its €500 million (\$688 million at December 31, 2013) 7.125% senior notes in August 2018; its \$1,200 million revolving credit facilities in December 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 \$363 million of other indebtedness in various currencies at various dates through 2020. In addition the Company's term loan facilities mature as follows: \$18 million in December 2015, \$37 million in December 2016, \$56 million in December 2017 and \$260 million in December 2018.

The substantial indebtedness of the Company could:

- increase the Company's vulnerability to general adverse 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, 2013, approximately \$850 million of the Company's \$3.8 billion of total indebtedness and other outstanding obligations were 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 \$236 million, \$226 million and \$232 million for 2013, 2012 and 2011, respectively. Based on the amount of variable rate debt outstanding at December 31, 2013, a 1% increase in variable interest rates would increase its annual interest expense by \$8.5 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 \$8.5 million as the Company's average borrowings on its variable rate debt may be higher during the year than the amount at December 31, 2013. 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" in the Company's Annual Report on Form 10-K for the year ended December 31, 2013, and "Quantitative and Qualitative Disclosures About Market Risk" in this report.

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 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 the debt agreements governing the Company's current or future indebtedness 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 the Company and its subsidiaries to take certain actions. These restrictions may limit the Company'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 years ended December 31, 2013, 2012 and 2011, the Company derived approximately 74%, 73% and 73%, 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 foreign exchange adjustments decreased reported income before tax by \$3 million in 2013 and \$2 million in 2011 and increased reported income before tax by \$1 million in 2012. See "Management's Discussion and Analysis of Financial Condition and Results of Operations-Liquidity and Capital Resources-Market Risk" in the Company's Annual Report on Form 10-K for the year ended December 31, 2013 and "Quantitative and Qualitative Disclosures About Market Risk" in this report. 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, 2013, a 0.10 movement in the average Euro rate (e.g., from 1.33 USD = 1 Euro to 1.23 USD = 1 Euro) would have reduced net income by \$7 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 \$32 million, \$35 million and \$28 million to increase its accrual for asbestos-related liabilities in 2013, 2012 and 2011, respectively. As of December 31, 2013, Crown Cork's accrual for pending and future asbestos-related claims and related legal costs was \$260 million, including \$221 million for unasserted claims. Crown Cork's accrual includes estimated probable costs for claims through the year 2023. Crown Cork's accrual excludes potential costs for claims beyond 2023 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 included in this Annual Report, 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 53,000 asbestos-related claims outstanding at December 31, 2013. Of these claims, approximately 16,000 claims relate to claimants alleging first exposure to asbestos after 1964 and approximately 37,000 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 16,000 were filed in other states. The outstanding claims at December 31, 2013 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.

During the year ended December 31, 2013, Crown Cork received approximately 4,000 new claims, settled or dismissed approximately 2,000 claims, and had approximately 53,000 claims outstanding at the end of the period.

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 in each of the years 2013, 2012 and 2011 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's 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 included in this Annual Report.

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 2013, 2012 and 2011, the Company contributed \$84 million, \$102 million and \$404 million, respectively, to its pension plans. Pension expense was \$75 million in 2013 and is expected to be \$63 million in 2014. A 0.25% change in the 2014 expected rate of return assumptions would change 2014 pension expense by approximately \$11 million. A 0.25% change in the discount rates assumptions as of December 31, 2013 would change 2014 pension expense by approximately \$5 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 \$77 million in 2014, \$117 million in 2015, \$88 million in 2016, \$92 million in 2017 and \$91 in 2018 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 in this Annual Report. 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, 2013 the unfunded accumulated postretirement benefit obligation, as calculated in accordance with U.S. generally accepted accounting principles, for retiree medical benefits was approximately \$274 million, based on assumptions set forth under [Note V](#) to the Company's audited consolidated financial statements in this Annual Report.

Acquisitions or investments that the Company is considering, may pursue or are pending 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. In addition, the Company expects to consummate the pending acquisition of Mivisa in 2014. These pending and 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.

Anti-takeover provisions in the Company's organizational documents and under Pennsylvania law could prevent or delay a change in control of the Company.

Provisions of Pennsylvania law and of the Company's Articles of Incorporation and By-Laws could make it more difficult for a third party to acquire control of the Company or have the effect of discouraging a third party from attempting to acquire control of the Company. The Company's Articles of Incorporation and By-Laws and Pennsylvania law include certain provisions which may be considered to be "anti-takeover" in nature because they may have the effect of discouraging or making more difficult the acquisition of control over the Company by means of a hostile tender offer, exchange offer, proxy contest or similar transaction. For example, the Company's Articles and By-Laws or Pennsylvania law:

- provide that shareholders may not act by written consent in lieu of a shareholder meeting;
- do not permit shareholders to call a special meeting of shareholders;
- limit the ability of shareholders to modify the authority of the Company's Board of Directors or create a committee on the Board of Directors by amending the By-Laws;
- limit the size of the Company's Board of Directors;
- require advance notice for shareholder business and nominations at a shareholder meeting;
- do not provide for cumulative voting by shareholders;
- authorize the issuance of "blank check" preferred shares by the Company's Board of Directors;
- impose certain requirements on business combinations that could delay for five years and impose conditions upon business combinations between an interested shareholder and the Company, unless the transaction is approved by the Company's Board of Directors;
- include a statute regarding disgorgement of profits arising from the sale of Company common stock by certain controlling shareholders following attempts to acquire control; and
- require disinterested shareholder approval of certain business combinations with interested shareholders.

These provisions are intended to protect the Company's shareholders by providing a measure of assurance that the Company's shareholders will be treated fairly in the event of an unsolicited takeover bid and by preventing a successful takeover bidder from exercising its voting control to the detriment of the other shareholders. To the extent that these provisions actually discourage a transaction, holders of the Company's common stock may not have an opportunity to dispose of part or all of their stock at a higher price than that prevailing in the market. In addition, some of these provisions make it more difficult to remove the Company's incumbent directors and officers, even if their removal would be regarded by some shareholders as desirable.

The Company has authorized and unissued approximately 362 million shares of common stock, including treasury shares, and 30 million shares of preferred stock. The shares of preferred stock may be issued at any time or from time to time and the board of directors has authority to fix the designations, number and voting rights, preferences, privileges, limitations, restrictions, conversion rights and other special or relative rights, if any, of any class or series of any class of preferred stock that may be desired, provided the shares of any such class or series of preferred stock shall not be entitled to more than one vote per share when voting as a class with holders of the Company's common stock. The Company no longer has a policy limiting the issuance of the preferred stock for certain corporate purposes such as corporate financings or acquisitions. One of the effects of the existence of authorized but unissued shares of the Company's common stock or preferred stock may be to enable the Company's board of directors to render it more difficult or to discourage an attempt to obtain control of the Company and thereby protect the continuity of the Company's management, which may adversely affect the market price of the Company's common stock. If in the due exercise of its fiduciary obligations, for example, the Company's board of directors were to determine that a takeover proposal were not in the Company's best interests, such shares could be issued by the board of directors without stockholder approval in one or more private placements or other transactions that might prevent, render more difficult or make more costly the completion of any attempted takeover transaction by diluting voting or other rights of the proposed acquirer or insurgent stockholder group, by creating a substantial voting bloc in institutional or other hands that might support the position of the incumbent board of directors, by effecting an acquisition that might complicate or preclude the takeover, or otherwise.

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 the years ended 2013, 2012 or 2011, 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 on the Company's 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 the Company's debt and the Company cannot assure you that the amount of cash and cash flow reflected on the Company's financial statements will be fully available to the Company.

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, and in July 2013, the FDA banned the use of bisphenol-A in epoxy resins that coat infant formula cans. 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. In the first quarter of 2014, the European Food Safety Authority recommended that the tolerable daily intake of bisphenol-A be lowered. 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 April 11, 2013, the State of California declared bisphenol-A a reproductive system hazard. However, this declaration was enjoined on April 19, 2013 pending the resolution of a suit challenging the classification. If the injunction is lifted, it 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" in this Annual Report.

The Company has a significant amount of goodwill, and if impaired in the future, would result in lower reported net income and a reduction of its net worth.

Impairment of the Company's goodwill would require write down of goodwill, which would reduce the Company's net income in the period of any such write down. At December 31, 2013, the carrying value of the Company's goodwill was \$2,016 million. 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.

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 downturn in certain global economies could have adverse effects on the Company.

The downturn in certain global economies 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 individual income tax increases and government spending restrictions that recently came into effect in the U.S.

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.

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 reintroduced by Congress, 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, 2013, the Company operated 147 manufacturing facilities of which 31 were leased. The Company has three divisions, defined geographically, within which it manufactures and markets its products. The Americas Division has 45 operating facilities of which 10 are leased. Within the Americas Division, 30 facilities operate in the U.S. of which 7 are leased. The European Division has 70 operating facilities of which 15 are leased and the Asia Pacific Division has 30 operating facilities of which 5 are leased. The Company also has canmaking and spare part operations in the U.S. and the U.K., which include one leased facility. Certain leases provide renewal or purchase options. The principal manufacturing facilities at December 31, 2013 are listed below and are grouped by product and by division.

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 Wantage, England.

The Company's manufacturing and support facilities are designed according to the requirements of the products to be manufactured. Therefore, the type of construction may vary from plant to plant. Warehouse space is generally provided at each of the manufacturing locations, although the Company also leases 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 is contained within "Management's Discussion and Analysis of Financial Condition and Results of Operations" under the caption "Provision for Restructuring," and under [Note M](#) 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 or dispose of existing facilities.

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

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, 2013, the accrual for pending and future asbestos claims and related legal costs that are probable and estimable was \$260 million.

The Company's Italian subsidiaries received assessments for value added taxes and related income taxes from the Italian tax authorities 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. In 2013, the Company entered into a formal agreement with the Italian tax authorities to settle these matters and as a result recorded a pre-tax charge of \$20 million.

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. MINE SAFETY DISCLOSURES

Not applicable.

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 24, 2014, there were 4,551 registered shareholders of the Registrant’s common stock, including 1,285 participants in the Company’s Employee Stock Purchase Plan. The market price of the Registrant’s common stock at December 31, 2013 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 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, 2013.

2013	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)
Second Quarter	4,375,301	\$ 42.80	4,375,301	\$ 613
Third Quarter	2,380,126	44.60	2,380,126	\$ 507
Total	6,755,427	\$ 43.43	6,755,427	\$ 507

The table above excludes 170,362 shares repurchased by the Company in connection with the surrender of shares to cover taxes upon the vesting of restricted stock.

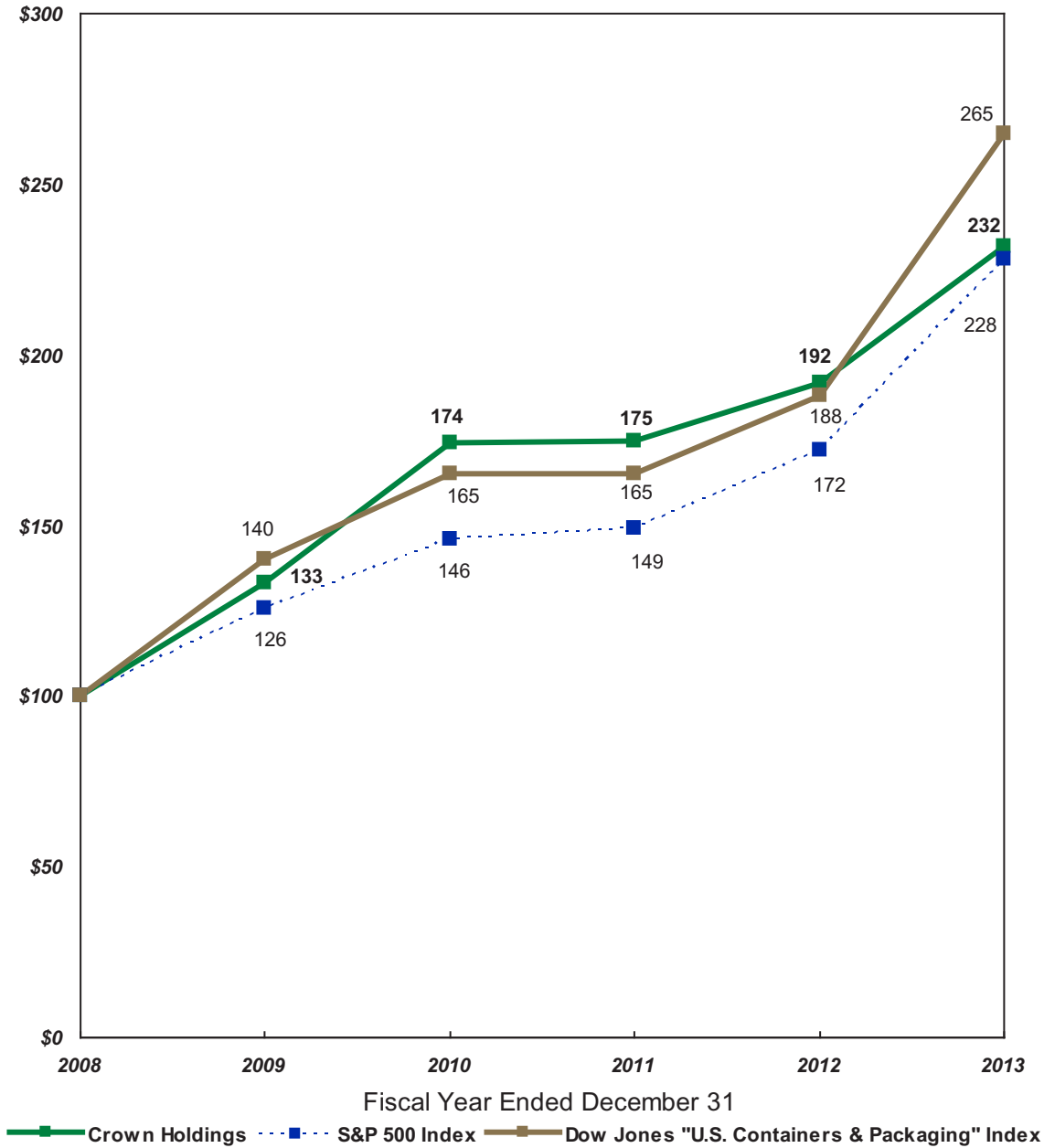
In April 2013, the Company entered into a daily stock repurchase agreement to repurchase shares of its common stock. Pursuant to the agreement, the Company repurchased 6,422,992 shares for approximately \$279 million. In September 2013, the Company entered into a new agreement to repurchase shares of its common stock under a daily agreement with 332,435 shares repurchased for \$14 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, 2013, \$507 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, 2008 and that all dividends were reinvested.
- (b) Industry index is weighted by market capitalization and is comprised of Crown Holdings, AptarGroup, Avery Dennison, 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)	2013	2012	2011	2010	2009
Summary of Operations					
Net sales	\$ 8,656	\$ 8,470	\$ 8,644	\$ 7,941	\$ 7,938
Cost of products sold, excluding depreciation and amortization	7,180	7,013	7,120	6,519	6,551
Depreciation and amortization	134	180	176	172	194
Selling and administrative expense	425	382	395	360	381
Provision for asbestos	32	35	28	46	55
Provision for restructuring	46	48	77	42	43
Asset impairments and sales	(12)	(48)	6	(18)	(6)
Loss from early extinguishments of debt	41	—	32	16	26
Interest expense, net of interest income	231	219	221	194	241
Translation and exchange adjustments	3	(1)	2	(4)	(6)
Income before income taxes and equity earnings	576	642	587	614	459
Provision for/(benefit from) income taxes	148	(17)	194	165	7
Equity earnings/(loss)	—	5	3	3	(2)
Net income	428	664	396	452	450
Net income attributable to noncontrolling interests	(104)	(105)	(114)	(128)	(116)
Net income attributable to Crown Holdings	\$ 324	\$ 559	\$ 282	\$ 324	\$ 334
Financial Position at December 31					
Working capital	\$ 260	\$ 228	\$ 318	\$ 272	\$ 317
Total assets	8,030	7,500	6,868	6,899	6,532
Total cash and cash equivalents	689	350	342	463	459
Total debt	3,842	3,665	3,532	3,048	2,798
Total equity/(deficit)	289	129	(239)	229	383
Common Share Data (dollars per share)					
Earnings:					
Basic	\$ 2.32	\$ 3.83	\$ 1.86	\$ 2.03	\$ 2.10
Diluted	2.30	3.77	1.83	2.00	2.06
Market price on December 31	44.57	36.81	33.58	33.38	25.58
Number of shares outstanding at year-end	138.2	143.1	148.4	155.3	161.5
Average shares outstanding					
Basic	139.5	146.1	151.7	159.4	159.1
Diluted	140.7	148.4	154.3	162.4	161.9
Other					
Capital expenditures	\$ 275	\$ 324	\$ 401	\$ 320	\$ 180

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, 2013. 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, cost control and careful capital allocation.

In recent years, the Company has expanded its beverage can businesses 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. In 2013, the Company commercialized second beverage can lines in Putian, China and Bangi, Malaysia and commercialized new beverage can plants in Sihanoukville, Cambodia, Danang, Vietnam and Bangkok, Thailand. In addition, the Company has begun construction on a new facility in northern Brazil in the city of Teresina and expects to begin commercial shipments in the first half of 2014. There can be no assurance, however, that the Company will be able to implement its expansion plans according to 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.

In October 2013, the Company entered into an agreement to acquire Mivisa Envases, S.A.U. ("Mivisa"), a leading Spanish manufacturer of two- and three-piece food cans in a cash transaction valued at €1.2 billion (\$1.7 billion at December 31, 2013), including debt assumed. The acquisition, which is subject to review by the European Commission and other competition authorities, is expected to close during 2014. The acquisition of Mivisa will significantly build upon the Company's existing position in the strategically important European food can segment by substantially increasing the Company's presence in Spain, one of Europe's leading agricultural economies and is expected to be earnings accretive.

Beverage can sales unit 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 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 has not been 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

	2013	2012	2011
Net sales	\$8,656	\$8,470	\$8,644
Beverage cans and ends as a percentage of net sales	56%	55%	52%
Food cans and ends as a percentage of net sales	27%	29%	30%

Year ended December 31, 2013 compared to 2012

Net sales increased primarily due to increased global beverage can volumes, \$124 from the acquisition of Superior in the fourth quarter of 2012 and \$54 from the impact of foreign currency translation, partially offset by the pass-through of lower raw material costs.

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 higher sales unit volumes primarily due to organic growth and increased customer demand for beverage cans.

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 and supplies a variety of customers from its operations in the U.S., Brazil, Canada, Colombia and Mexico. The U.S. and Canadian beverage can markets are mature markets which have 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. The Company recently began construction on a new facility in northern Brazil and expects to begin commercial shipments in the first half of 2014.

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

	2013	2012	2011
Net sales	\$ 2,289	\$ 2,274	\$ 2,273
Segment income	327	311	302

Year ended December 31, 2013 compared to 2012

Net sales increased primarily due to \$23 from higher sales unit volumes in Brazil, Colombia and Mexico which offset lower volumes in North America and \$7 from the impact of foreign currency translation. Sales unit volumes in Brazil remain strong due to various factors, including its growing middle class, increasing disposable income and shift in packaging mix to two-piece aluminum beverage cans from other packages.

Segment income increased primarily due to \$9 from higher sales unit volumes and \$11 from lower depreciation, resulting from a change in the estimated useful lives of the Company's can-making equipment, partially offset by a benefit from reduced post-employment benefits in 2012 that did not recur in 2013.

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 was primarily the result of recent capacity additions in Ponta Grossa and Estancia.

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.

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:

	2013	2012	2011
Net sales	\$ 845	\$ 876	\$ 889
Segment income	119	146	146

Year ended December 31, 2013 compared to 2012

Net sales decreased primarily due to a 1% decline in sales unit volumes and unfavorable sales unit volume mix.

Segment income decreased primarily due to a charge of \$18 to record a reserve against an outstanding receivable balance from a bankrupt customer and lower sales unit volumes.

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 raw material 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.

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.

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

	2013	2012	2011
Net sales	\$ 1,731	\$ 1,653	\$ 1,669
Segment income	257	217	210

Year ended December 31, 2013 compared to 2012

Net sales increased primarily due to 4% higher sales unit volumes, most notably in Turkey. The increase in Turkey is primarily attributable to the Company's new plant in Osmaniye, Turkey which began commercial operations in the second quarter of 2012.

Segment income increased primarily due to \$12 from higher sales unit volumes, \$13 from lower depreciation resulting from a change in the estimated useful lives of the Company's can-making equipment and from improved cost performance.

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 sales unit volumes in France and Spain and \$16 from increased selling prices. The increase in Turkey was 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.

European Food

The European Food segment manufactures steel and aluminum food cans, 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.

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

	2013	2012	2011
Net sales	\$ 1,751	\$ 1,793	\$ 1,999
Segment income	144	180	239

Year ended December 31, 2013 compared to 2012

Net sales decreased primarily due to \$59 from lower selling prices reflecting the pass-through of lower material costs and the impact of competitive price compression and \$24 from unfavorable sales unit volumes and mix. The decreases were partially offset by \$41 from the impact of foreign currency translation.

Segment income decreased primarily due to the impact of competitive price compression, \$14 from unfavorable sales unit volumes and mix and a charge of \$21 to record a reserve against a portion of an outstanding customer receivable balance, partially offset by improved cost performance and \$11 from lower depreciation resulting from a change in the estimated useful lives of the Company's can-making equipment. As of December 31, 2013, the Company's net receivable from the customer was \$25. If the Company's expectations with respect to collectability change, the Company may need to record an additional charge in the future that could be material.

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 and 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.

Asia Pacific

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

In 2012, the Company commercialized new beverage can plants in Putian, Ziyang and Heshan, China and expanded capacity at its plant in Ho Chi Minh City, Vietnam. 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.

In the first quarter of 2013, the Company commercialized second beverage can lines at its facilities in Putian, China and Bangi, Malaysia. In the second quarter of 2013, the Company commercialized new beverage can plants in Danang, Vietnam and Bangkok, Thailand; and in July, the Company began production at its new plant in Sihanoukville, Cambodia.

Net sales and segment income in the Asia Pacific segment are as follows:

	2013	2012	2011
Net sales	\$ 1,189	\$ 979	\$ 861
Segment income	133	137	125

Year ended December 31, 2013 compared to 2012

Net sales increased primarily due to a 19% increase in beverage can sales unit volumes and \$124 from the acquisition of Superior in the fourth quarter of 2012, partially offset by lower selling prices primarily due to the pass-through of lower raw material costs and the impact of competitive price compression.

Segment income decreased as the impact of higher beverage can sales unit volumes was offset by higher start-up costs, lower manufacturing efficiencies associated with recent capacity expansion and the impact of competitive price compression.

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 was 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.

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 U.K. In recent years, the Company's specialty packaging and aerosol can businesses have experienced slightly declining volumes.

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

	2013	2012	2011
Net sales	\$ 851	\$ 895	\$ 953
Segment income	102	98	139

Year ended December 31, 2013 compared to 2012

Net sales decreased primarily due to lower sales in the Company's European specialty packaging and aerosol can businesses.

Segment income increased as the impact of lower sales in the Company's European specialty packaging and aerosol businesses was offset by the benefits of recent restructuring actions.

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 can 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 can equipment sales.

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 can businesses and \$7 from inventory holding gains in 2011 that did not recur in 2012.

Corporate and Unallocated Expense

	2013	2012	2011
Corporate and unallocated expense	\$ 165	\$ 194	\$ 208

Corporate and unallocated costs decreased in 2013 compared to 2012 primarily due to \$22 from lower pension expense, \$7 from lower technology costs and a net benefit of \$1 from legal matters. As further described in [Note L](#) to the consolidated financial

statements, the Company recorded a benefit of \$16 for a legal settlement related to environmental remediation costs partially offset by a charge of \$15 for certain Italian valued added tax assessments.

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.

COST OF PRODUCTS SOLD (EXCLUDING DEPRECIATION AND AMORTIZATION)

Cost of products sold (excluding depreciation and amortization) increased from \$7,013 in 2012 to \$7,180 in 2013 primarily due to increased global beverage can volumes partially offset by the pass-through of lower raw material costs.

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.

DEPRECIATION AND AMORTIZATION

For the year ended December 31, 2013 compared to 2012, depreciation and amortization decreased from \$180 to \$134 primarily due to \$49 from a change in the estimated useful lives of the Company's two-piece and three-piece can-making equipment.

The Company, with the assistance of a third party appraiser, completed an evaluation of the estimated useful lives of its two-piece and three-piece can-making equipment. As a result, effective January 1, 2013, the Company adjusted the estimated useful lives of its can-making equipment to reflect its current estimates of the useful lives.

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.

SELLING AND ADMINISTRATIVE EXPENSE

Selling and administrative expense increased from \$382 in 2012 to \$425 in 2013 primarily due to charges of \$39 related to reserves provided against outstanding receivable balances due from a European food can customer and a North American food can customer and \$4 from the impact of foreign currency translation.

Selling and administrative expense decreased from \$395 in 2011 to \$382 in 2012 primarily due \$11 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 2013, 2012 and 2011 the Company recorded charges of \$32, \$35 and \$28, respectively, to increase its accrual for asbestos-related costs and made asbestos-related payments of \$28 in each year. The Company expects 2014 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 of \$46, \$48 and \$77 in 2013, 2012 and 2011, respectively. The 2013 charge includes \$31 related to a cost-reduction initiative to better align costs with ongoing market conditions in the Company's European operations, primarily in its food, aerosol and specialty packaging businesses. The action is expected to result in the reduction of approximately 235 employees when completed in 2014. The Company expects this action to result in annual cost savings of approximately \$25. However, there can be no assurance that any such pre-tax savings will be realized.

See [Note M](#) to the consolidated financial statements for additional information on these charges.

INTEREST EXPENSE

Interest expense increased from \$226 in 2012 to \$236 in 2013 primarily due to higher average debt outstanding and \$5 of expense related to the Italian value added tax assessments described in [Note L](#) to the consolidated financial statements.

Crown Holdings, Inc.

Interest expense decreased from \$232 in 2011 to \$226 in 2012 primarily due to \$4 from the impact of foreign currency translation.

TAXES ON INCOME

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

	2013	2012	2011
Income before income taxes	\$ 576	\$ 642	\$ 587
Provision for / (benefit from) income taxes	148	(17)	194
Effective income tax rate	25.7%	(2.6)%	33.0%

The low effective income tax rate in 2012 was primarily due to a benefit of \$175, net of valuation allowance, related to the recognition of previously unrecognized U.S. foreign tax credits and a benefit of \$10 from the receipt of non-taxable insurance proceeds related to flooding in Thailand.

For additional information regarding income taxes, see [Note W](#) to the consolidated financial statements and 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 \$105 in 2012 to \$104 in 2013 as increased earnings in the Company's beverage can operations in Brazil and the Middle East in 2013 were offset by \$11 of bargain purchase gain allocated to the Company's joint venture partner related to the acquisition of Superior in 2012.

Net income attributable to noncontrolling interests decreased from \$114 in 2011 to \$105 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.

LIQUIDITY AND CAPITAL RESOURCES

OPERATING ACTIVITIES

Cash provided by operating activities increased from \$621 in 2012 to \$885 in 2013 primarily due to working capital improvements.

Receivables increased from \$1,057 in 2012 to \$1,064 in 2013 and used cash of \$51 in 2013 compared to \$113 in 2012. Days sales outstanding for trade receivables improved from 39 in 2012 to 38 in 2013.

Inventories increased from \$1,166 in 2012 to \$1,213 in 2013 and used cash of \$45 in 2013 compared to provided cash of \$21 in 2012. In 2013, inventories increased primarily to support recent capacity expansion.

Accounts payable and accrued liabilities increased from \$2,146 in 2012 to \$2,547 in 2013 and provided cash of \$246 in 2013 compared to used cash of \$6 in 2012. The improvement in accounts payables is primarily due to the Company's initiatives to extend supplier payment terms.

INVESTING ACTIVITIES

Cash used for investing activities decreased from \$362 in 2012 to \$246 in 2013 primarily due to lower capital expenditures and cash used for business acquisitions.

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.

At December 31, 2013, the Company had \$88 of capital commitments primarily related to capacity expansion in Brazil and various other projects in the U.S., Europe and Asia. 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.

FINANCING ACTIVITIES

Cash used for financing activities was \$306, \$254 and \$129 in 2013, 2012 and 2011, respectively.

In 2013, 2012 and 2011, 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, cash used for financing activities also included purchases of additional ownership interests in certain operations from noncontrolling interests and additional borrowings to prefund \$328 of pension obligations in the U.S. and Canada.

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, 2013, \$501 of the Company's \$689 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 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., \$318 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, 2013, the Company has available capacity of \$100 under its North American securitization facility, \$46 under its European securitization facility and \$1,057 under its revolving credit facilities. The Company has current maturities of long-term debt of \$94 due in 2013 and is not required to refinance or renegotiate any of its current sources of liquidity in 2014. As described in [Note Q](#) to the consolidated financial statements, in December 2013, the Company entered into a new revolving credit facility agreement due in 2018 and secured financing for its pending acquisition of Mivisa as described in [Note S](#) to the consolidated financial statements.

The Company has substantial debt outstanding. The ratio of total debt, less cash and cash equivalents, to total capitalization was 91.6% and 96.3% at December 31, 2013 and 2012, respectively. Total capitalization is defined by the Company as total debt plus total equity, less cash and cash equivalents.

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, 2013 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 2.7 to 1.0 at December 31, 2013 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 LIBOR plus a margin of 1.50% up to 2.00% based on the total net leverage ratio. The term loans bear interest of LIBOR or EURIBOR plus 1.75%.

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 (\$151 at December 31, 2013) European securitization facility in July 2017; its €500 (\$688 at December 31, 2013) 7.125% senior notes in August 2018; its \$1,200 revolving credit facilities in December 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 \$363 of other indebtedness in various currencies at various dates through 2020. In addition the Company's term loan facilities mature as follows: \$18 in December 2015, \$37 in December 2016, \$56 in December 2017 and \$260 in December 2018.

CONTRACTUAL OBLIGATIONS

Contractual obligations as of December 31, 2013 are summarized in the table below.

	Payments Due by Period						
	2014	2015	2016	2017	2018	2019 & after	Total
Long-term debt	\$ 94	\$ 97	\$ 92	\$ 89	\$ 1,071	\$ 2,122	\$ 3,565
Interest on long-term debt	191	187	183	180	177	120	1,038
Operating leases	55	41	32	24	14	55	221
Projected pension contributions	77	117	88	92	91		465
Postretirement obligations	21	21	20	20	20	92	194
Purchase obligations	3,637	1,156	693	444	282		6,212
Total contractual cash obligations	\$ 4,075	\$ 1,619	\$ 1,108	\$ 849	\$ 1,655	\$ 2,389	\$ 11,695

All amounts due in foreign currencies are translated at exchange rates as of December 31, 2013.

The Company expects to fund its obligations 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 programs.

Interest on long-term debt is presented through 2019 only and represents the interest that will accrue by year based on interest rates in effect as of December 31, 2013. Interest on the Company's revolving credit facility is calculated based on \$103 of outstanding borrowings as of December 31, 2013.

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, 2013. 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 \$31 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 addition, the table above excludes any amounts related to the Company's pending acquisition of Mivisa as discussed in [Note S](#) to the consolidated financial statements.

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 viewed as risk management tools, involve little complexity, and are not used for trading or speculative purposes. The extent to which the Company uses such instruments is dependent upon its 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, 2013 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	\$ 53	\$ —	1.35
Sterling/Euro	525	14	0.86
Euro/Sterling	712	(15)	0.85
Euro/U.S. dollars	243	3	1.37
U.S. dollars/Sterling	34	(1)	1.60
Sterling/U.S. dollars	50	2	1.58
U.S. dollars/Thai Baht	45	3	30.98
Turkish Lira/U.S. dollars	121	(13)	2.07
Euro/Singapore dollars	92	3	1.68
U.S. dollars/Turkish Lira	87	10	2.07
	<u>\$ 1,962</u>	<u>\$ 6</u>	

At December 31, 2013, the Company had additional contracts with an aggregate notional value of \$248 to purchase or sell other currencies, primarily Asian currencies, including the Singapore dollar and Malaysian ringgit, European currencies, including the Hungarian forint and Polish zloty and African currencies, including the Moroccan dirham and the Tunisian dinar. The aggregate fair value of these contracts was a loss of less than \$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, 2013. Variable interest rates disclosed represent the weighted average rates at December 31, 2013.

Debt	Year of Maturity					
	2014	2015	2016	2017	2018	Thereafter
Fixed rate	\$ 70	\$ 40	\$ 34	\$ 21	\$ 706	\$ 2,123
Average interest rate	4.7%	5.3%	5.1%	5.8%	7.1%	5.6%
Variable rate	\$ 303	\$ 56	\$ 58	\$ 68	\$ 365	
Average interest rate	2.1%	2.8%	2.3%	2.0%	2.0%	

Total future payments at December 31, 2013 include \$2,685 of U.S. dollar-denominated debt, \$1,026 of euro-denominated debt and \$133 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 2013, consumption of steel and aluminum represented 25% and 39%, 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 \$379 and a fair value loss of \$29. 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.

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, claims alleging first exposure to asbestos after 1964 which are assumed to have no value and claims which are projected will never be paid which are assumed to have a reduced or nominal value based on the length of time outstanding. Projected future claims are calculated based on actual data for the most recent five years and are adjusted to account for the expectation that a percentage of these claims will never be paid. 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 \$12,100, \$10,600 and \$8,200 for 2013, 2012 and 2011, 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, 56%, 54% and 45% in 2013, 2012 and 2011 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 2013, the Company recorded a charge of \$32 primarily due to the impact of including an additional year of settlement and legal costs in the Company's projection period and the impact of valuing higher levels of outstanding and projected claims, which include a higher percentage of claims alleging serious disease, at higher average settlement amounts.

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, 2013 by \$26 for the following ten-year period. A 10% increase in these two factors at the same time would increase the estimated liability at December 31, 2013 by \$55 for the following ten-year period. A 10% decrease in these two factors at the same time would decrease the estimated liability at December 31, 2013 by \$49 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 a 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 five years is the product of 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 in its 2013 review which was consistent with the multiple used in 2012 and is supported by recent transactions in the industry. The Company used a discount rate of 6.8% in its 2013 review which increased from the 6.5% used in 2012 due to an increase in the weighted average cost of capital of companies in the packaging industry.

The Company completed its annual review for 2013 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 2013 whose fair value did not materially exceed its carrying value.

As of December 31, 2013, the estimated fair value of the European Aerosols and Specialty Packaging reporting unit, using the methods and assumptions described above, was 50% higher than its carrying value, and the reporting unit had \$155 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 \$8. 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 \$9; a change of 0.5 in the assumed EBITDA multiple changes the excess of estimated fair value over carrying value by \$17; and an increase in the discount rate from 6.8% to 7.8% changes the excess of estimated fair value over carrying value by \$6. Under each of these scenarios, the reporting unit's fair value exceeded its carrying value. The projections used in the Company's analysis did not assume a significant recovery in sales unit volumes in 2014 but did assume that the Company will be able to realize the anticipated savings from its recent headcount and capacity reductions. 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 \$155 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 from reversing temporary differences. Should the Company change its estimate of the amount of 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 \$75 in 2013 and currently projects its 2014 pension expense to be \$63 using foreign currency exchange rates in effect at December 31, 2013.

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 2013 and is 8.0% in 2014. The U.K. plan's assumed rate of return was 5.75% in 2013 and is 6.25% in 2014. The assumed rate of return for 2014 was calculated on a similar basis to 2013 as described in [Note V](#) to the consolidated financial statements. A 0.25% change in the expected rates of return would change 2014 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, 2013 would change 2014 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, 2013 would have changed the pension benefit obligation by approximately \$156 and the postretirement benefit obligation by \$4 as of December 31, 2013. See [Note V](#) to the consolidated financial statements for additional information on pension and postretirement benefit obligations and assumptions.

As of December 31, 2013, the Company had pre-tax unrecognized net losses in other comprehensive income of \$1,906 related to its pension plans and a net gain of \$77 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 loss of \$28 due to actual asset returns lower than expected returns and a gain of \$124 primarily due to lower discount rates at the end of 2013 compared to 2012. 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, 2013 included charges of \$126 for the amortization of unrecognized net losses, and the Company estimates charges of \$113 in 2014. The unrecognized net losses in the pension plans as of December 31, 2013 include \$1,040 in the U.K. defined benefit plan, \$733 in the U.S defined benefit plans and \$129 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 8 years. An increase of 10% in the number of years used to amortize unrecognized losses in each plan would decrease estimated charges for 2014 by \$10. A decrease of 10% in the number of years would increase the estimated 2014 charge by \$13.

Unrecognized net losses of \$77 in the Company's other postretirement benefit plans as of December 31, 2013, primarily include \$60 in the U.S. plans, with the amortizable portion being recognized over the average remaining service life of active participants of 10 years. The Company's other postretirement benefits expense for the year ended December 31, 2013 included a loss of \$10 for the amortization of unrecognized net losses, and the Company estimates losses of \$8 in 2014. An increase of 10% in the number of years used to amortize the unrecognized losses in each plan would decrease the estimated charge for 2014 by \$1. A decrease of 10% in the number of years would increase the estimated charge for 2014 by \$1.

RECENT ACCOUNTING GUIDANCE

In March 2013, the FASB issued changes to the guidance on a parent's accounting for cumulative translation adjustments upon derecognition of certain subsidiaries or groups of assets within a foreign entity or of an investment in a foreign entity. The changes primarily clarify existing guidance regarding when cumulative translation adjustments should be released into earnings upon the occurrence of various events. The guidance, which will be effective for the Company on January 1, 2014, will be applied prospectively to future transactions and is not expected to have a material impact on the Company's financial statements.

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 Company's ability to close the Mivisa transaction in 2014, or at all; whether the transaction will be approved by the European Commission or other competition authorities; whether the transaction will be accretive to the Company's earnings; whether sales and profits of Mivisa will continue to grow; whether the combination of the Company and Mivisa will provide benefits to customers and shareholders; whether the operations of Mivisa can be successfully integrated into the Company's operations; 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 tinsplate, 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

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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, 2013. 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 (1992)*. Based on its assessment, management has concluded that, as of December 31, 2013, 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, 2013 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, 2013 and December 31, 2012, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2013 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, 2013, based on criteria established in *Internal Control - Integrated Framework (1992)* 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 3, 2014

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

For the Years Ended December 31	2013	2012	2011
Net sales	\$ 8,656	\$ 8,470	\$ 8,644
Cost of products sold, excluding depreciation and amortization	7,180	7,013	7,120
Depreciation and amortization	134	180	176
Gross profit	<u>1,342</u>	<u>1,277</u>	<u>1,348</u>
Selling and administrative expense	425	382	395
Provision for asbestos	32	35	28
Provision for restructuring	46	48	77
Asset impairments and sales	(12)	(48)	6
Loss from early extinguishments of debt	41	—	32
Interest expense	236	226	232
Interest income	(5)	(7)	(11)
Foreign exchange	3	(1)	2
Income before income taxes and equity earnings	<u>576</u>	<u>642</u>	<u>587</u>
Provision for / (benefit from) income taxes	148	(17)	194
Equity earnings in affiliates	—	5	3
Net income	<u>428</u>	<u>664</u>	<u>396</u>
Net income attributable to noncontrolling interests	(104)	(105)	(114)
Net income attributable to Crown Holdings	<u>\$ 324</u>	<u>\$ 559</u>	<u>\$ 282</u>
Earnings per common share attributable to Crown Holdings:			
Basic	<u>\$ 2.32</u>	<u>\$ 3.83</u>	<u>\$ 1.86</u>
Diluted	<u>\$ 2.30</u>	<u>\$ 3.77</u>	<u>\$ 1.83</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	2013	2012	2011
Net income	\$ 428	\$ 664	\$ 396
Other comprehensive income / (loss), net of tax			
Foreign currency translation adjustments	(10)	76	(54)
Pension and other postretirement benefits	126	(135)	(120)
Derivatives qualifying as hedges	(17)	40	(93)
Total other comprehensive income / (loss)	99	(19)	(267)
Total comprehensive income	527	645	129
Net income attributable to noncontrolling interests			
Net income attributable to noncontrolling interests	(104)	(105)	(114)
Translation adjustments attributable to noncontrolling interests	—	(1)	(2)
Derivatives qualifying as hedges attributable to noncontrolling interests	2	(4)	6
Comprehensive income attributable to Crown Holdings	\$ 425	\$ 535	\$ 19

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

CONSOLIDATED BALANCE SHEETS
(in millions, except share data)

December 31	2013	2012
Assets		
Current assets		
Cash and cash equivalents	\$ 689	\$ 350
Receivables, net	1,064	1,057
Inventories	1,213	1,166
Prepaid expenses and other current assets	214	177
Total current assets	3,180	2,750
Goodwill	2,016	1,998
Property, plant and equipment, net	2,152	2,005
Other non-current assets	682	747
Total	\$ 8,030	\$ 7,500
Liabilities and equity		
Current liabilities		
Short-term debt	\$ 279	\$ 261
Current maturities of long-term debt	94	115
Accounts payable and accrued liabilities	2,547	2,146
Total current liabilities	2,920	2,522
Long-term debt, excluding current maturities	3,469	3,289
Postretirement and pension liabilities	891	1,098
Other non-current liabilities	461	462
Commitments and contingent liabilities (Note L)		
Equity/(deficit)		
Noncontrolling interests	285	289
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	431	668
Accumulated earnings	1,395	1,071
Accumulated other comprehensive loss	(2,513)	(2,614)
Treasury stock at par value (2013 - 47,536,183 shares; 2012 - 42,607,599 shares)	(238)	(214)
Crown Holdings shareholders' equity/(deficit)	4	(160)
Total equity	289	129
Total	\$ 8,030	\$ 7,500

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	2013	2012	2011
Cash flows from operating activities			
Net income	\$ 428	\$ 664	396
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	134	180	176
Provision for restructuring	46	48	77
Asset impairments and sales	(12)	(48)	6
Provision for bad debts	41	—	2
Pension expense	75	97	97
Pension contributions	(84)	(102)	(404)
Stock-based compensation	21	18	18
Deferred income taxes	50	(101)	83
Changes in assets and liabilities:			
Receivables	(51)	(113)	(36)
Inventories	(45)	21	(119)
Accounts payable and accrued liabilities	246	(6)	100
Other, net	36	(37)	(17)
Net cash provided by operating activities	885	621	379
Cash flows from investing activities			
Capital expenditures	(275)	(324)	(401)
Insurance proceeds	8	48	—
Acquisition of businesses, net of cash acquired	(16)	(78)	—
Proceeds from sale of businesses, net of cash sold	10	—	4
Proceeds from sale of property, plant and equipment	29	3	26
Other	(2)	(11)	(1)
Net cash used for investing activities	(246)	(362)	(372)
Cash flows from financing activities			
Proceeds from long-term debt	1,083	110	1,770
Payments of long-term debt	(1,022)	(66)	(1,069)
Net change in revolving credit facility and short-term debt	18	28	(192)
Debt issue costs	(32)	—	(22)
Common stock issued	21	15	11
Common stock repurchased	(300)	(257)	(312)
Purchase of noncontrolling interests	(16)	(4)	(202)
Dividends paid to noncontrolling interests	(78)	(79)	(104)
Other	20	(1)	(9)
Net cash used for financing activities	(306)	(254)	(129)
Effect of exchange rate changes on cash and cash equivalents	6	3	1
Net change in cash and cash equivalents	339	8	(121)
Cash and cash equivalents at January 1	350	342	463
Cash and cash equivalents at December 31	\$ 689	\$ 350	\$ 342

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, 2011	\$ 929	\$ 1,231	\$ 230	\$ (2,333)	\$ (153)	\$ (96)	\$ 325	\$ 229
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			559			559	105	664
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>\$ 1,071</u>	<u>\$ (2,614)</u>	<u>\$ (214)</u>	<u>\$ (160)</u>	<u>\$ 289</u>	<u>\$ 129</u>
Net income			324			324	104	428
Other comprehensive income / (loss)				101		101	(2)	99
Dividends paid to noncontrolling interests							(93)	(93)
Restricted stock awarded		(6)			6			
Stock-based compensation		21				21		21
Common stock issued		16			5	21		21
Common stock repurchased		(265)			(35)	(300)		(300)
Purchase of noncontrolling interests		(3)				(3)	(13)	(16)
Balance at December 31, 2013	<u>\$ 929</u>	<u>\$ 431</u>	<u>\$ 1,395</u>	<u>\$ (2,513)</u>	<u>\$ (238)</u>	<u>\$ 4</u>	<u>\$ 285</u>	<u>\$ 289</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 or experiencing financial difficulties. The current year expense to adjust the allowance for doubtful accounts is recorded within selling and administrative expense in the consolidated statements of operations.

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 – 18

The Company, with the assistance of a third party appraiser, completed an evaluation of the estimated useful lives of its two-piece and three-piece can-making equipment. As a result, effective January 1, 2013, the company adjusted the estimated useful lives of its can-making equipment to reflect its current estimate of the useful lives. As a result of this change, for the year ended December 31, 2013, depreciation and amortization was lower by \$49 and net income higher by \$36 or \$0.26 per diluted share.

Goodwill. Goodwill is carried at cost and reviewed for impairment in the fourth quarter of each year or when facts and circumstances indicate goodwill may be impaired. Goodwill was allocated to the reporting units at the time of the acquisition based on the relative fair values of the reporting units. In assessing goodwill for impairment, the Company may 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 the Company determines that an impairment is more likely than not, it will perform the two-step quantitative impairment test using a combination of market values for comparable businesses and discounted cash flow projections compared to the reporting unit's carrying value including goodwill. 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.

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. Investment tax credits are accounted for using the deferral method.

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 \$36, \$43 and \$43 in 2013, 2012 and 2011, 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. As discussed further in [Note S](#) to the Company's consolidated financial statements, in the fourth quarter of 2013, the Company finalized the purchase price allocation related to its acquisition of Superior and as a result revised the presentation of certain 2012 amounts.

Recent Accounting and Reporting Pronouncements. In the first quarter of 2013, the Company adopted changes to the disclosure of offsetting assets and liabilities. These changes require an entity to disclose both gross and net information about instruments and transactions subject to an agreement similar to a master netting arrangement and eligible for offset in the statement of financial position. The 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. Other than disclosure, these changes had no impact on the Company's consolidated financial statements. See [Note R](#) for the Company's disclosures.

In the first quarter of 2013, the Company adopted changes to the disclosure of amounts reclassified out of accumulated other comprehensive income. These 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. Other than disclosure, these changes had no impact on the Company's consolidated financial statements. See [Note B](#) for the Company's disclosures.

In the fourth quarter of 2013, the Company elected to early adopt changes to the presentation of an unrecognized tax benefit when a net operating loss or similar tax carryforward exists. The new guidance requires that an entity net its liability for an unrecognized tax benefit against all same-jurisdiction loss or similar tax carryforwards that would apply if the unrecognized tax benefit were settled for the presumed amount at the balance sheet date. The change did not have a material impact on the Company's consolidated balance sheet and had no impact on the Company's consolidated statements of operations, comprehensive income, cash flows or changes in shareholders' equity.

B. Accumulated Other Comprehensive Loss Attributable to Crown Holdings

The following table provides information about the changes in each component of accumulated other comprehensive income for the year ended December 31, 2013.

	Defined Benefit Plans	Foreign Currency Translation	Gains and Losses on Cash Flow Hedges	Total
Balance at December 31, 2012	\$ (1,954)	\$ (648)	\$ (12)	\$ (2,614)
Other comprehensive income (loss) before reclassifications	60	(8)	(49)	3
Amounts reclassified from accumulated other comprehensive income	66	(2)	34	98
Other comprehensive income (loss)	126	(10)	(15)	101
Balance at December 31, 2013	\$ (1,828)	\$ (658)	\$ (27)	\$ (2,513)

The following table provides information about the amounts reclassified out of accumulated other comprehensive income in 2013.

Details about Accumulated Other Comprehensive Income Components	Amount Reclassified from Accumulated Other Comprehensive Income	Affected Line Item in the Statement of Operations
Gains and losses on cash flow hedges		
Commodities	\$ 43	Cost of products sold
	43	Total before tax
	(11)	Provision for income taxes
	\$ 32	Net of tax
Foreign exchange		
Foreign exchange	\$ 9	Net sales
	(7)	Cost of products sold
	2	Total before tax
	—	Provision for income taxes
	\$ 2	Net of tax
Total gains and losses on cash flow hedges	\$ 34	
Foreign currency translation		
Currency translation on disposed investment	\$ (2)	Asset impairments and sales
	(2)	Total before tax
	—	Provision for income taxes
	\$ (2)	Net of tax
Amortization of defined benefit plan items		
Actuarial losses	\$ 136	(a)
Prior service credit	(52)	(a)
	84	Total before tax
	(18)	Provision for income taxes
	\$ 66	Net of tax
Total reclassifications for the period	\$ 98	Net of tax

(a) These accumulated other comprehensive income components are included in the computation of net period pension and postretirement cost. See [Note V](#) for further details.

C. Receivables

	2013	2012
Accounts receivable	\$ 962	\$ 922
Less: allowance for doubtful accounts	(78)	(37)
Net trade receivables	884	885
Miscellaneous receivables	180	172
	<u>\$ 1,064</u>	<u>\$ 1,057</u>

As of December 31, 2013, the Company has a net receivable of \$25 from a European Food customer who has been experiencing financial difficulties. If the Company's expectations with respect to collectability change, the Company may need to record an additional charge in the future that could be material.

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 (\$151 at December 31, 2013) 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, amounts securitized or factored were as follows:

	2013	2012
Accounted for as secured borrowings	\$ 233	\$ 216
Accounted for as sales	\$ 348	\$ 312

In 2013, 2012 and 2011, the Company recorded expenses related to securitization and factoring facilities of \$10, \$8 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

	2013	2012
Raw materials and supplies	\$ 645	\$ 602
Work in process	128	128
Finished goods	440	436
	<u>\$ 1,213</u>	<u>\$ 1,166</u>

E. Goodwill

Changes in the carrying amount of goodwill by reportable segment for the years ended December 31, 2013 and 2012 were as follows:

	Americas Beverage	North America Food	European Beverage	European Food	Non- reportable Segments	Total
Balance at January 1, 2012:						
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
Foreign currency translation	(4)	(6)	2	22	4	18
Balance at December 31, 2013:						
Goodwill	453	158	753	1,320	308	2,992
Accumulated impairment losses	(29)		(73)	(724)	(150)	(976)
Net	<u>\$ 424</u>	<u>\$ 158</u>	<u>\$ 680</u>	<u>\$ 596</u>	<u>\$ 158</u>	<u>\$ 2,016</u>

F. Property, Plant and Equipment

	2013	2012
Buildings and improvements	\$ 942	\$ 923
Machinery and equipment	4,768	4,559
Land and improvements	143	167
Construction in progress	172	185
	<u>6,025</u>	<u>5,834</u>
Less: accumulated depreciation and amortization	(3,873)	(3,829)
	<u>\$ 2,152</u>	<u>\$ 2,005</u>

G. Other Non-Current Assets

	2013	2012
Deferred taxes	\$ 488	\$ 577
Debt issue costs	54	40
Investments	20	30
Fair value of derivatives	—	1
Other	120	99
	<u>\$ 682</u>	<u>\$ 747</u>

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

H. Accounts Payable and Accrued Liabilities

	2013	2012
Trade accounts payable	\$ 1,768	\$ 1,470
Salaries, wages and other employee benefits, including pension and postretirement	164	168
Accrued taxes, other than on income	118	117
Restructuring	60	70
Accrued interest	68	47
Fair value of derivatives	58	27
Asbestos liabilities	28	25
Income taxes payable	19	12
Deferred taxes	30	15
Other	234	195
	<u>\$ 2,547</u>	<u>\$ 2,146</u>

I. Other Non-Current Liabilities

	2013	2012
Asbestos liabilities	\$ 232	\$ 231
Postemployment benefits	28	37
Income taxes payable	22	29
Deferred taxes	31	23
Environmental	12	12
Fair value of derivatives	2	3
Other	134	127
	<u>\$ 461</u>	<u>\$ 462</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 \$55 in 2014, \$41 in 2015, \$32 in 2016, \$24 in 2017, \$14 in 2018 and \$55 thereafter. Such rental commitments have been reduced by minimum sublease rentals of \$9 due under non-cancelable subleases. Rental expense (net of sublease rental income) was \$65, \$63 and \$62 in 2013, 2012 and 2011, respectively. The Company did not have any significant capital leases at December 31, 2013.

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, Tennessee, 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

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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 2013, 2012 and 2011 was as follows:

	2013	2012	2011
Beginning claims	51,000	50,000	50,000
New claims	4,000	3,000	2,000
Settlements or dismissals	(2,000)	(2,000)	(2,000)
Ending claims	53,000	51,000	50,000

The Company's cash payments during the years ended 2013, 2012, and 2011 were as follows:

	2013	2012	2011
Asbestos-related payments	\$ 28	\$ 28	\$ 28
Settled claims payments (included in asbestos-related payments above)	21	20	20

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, 2013 and December 31, 2012, the Company's outstanding claims were:

	2013	2012
Claimants alleging first exposure after 1964	16,000	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	6,000
Other states	16,000	15,000
Total claims outstanding	53,000	51,000

The outstanding claims in each period 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:

	2013	2012	2011
Total claims	21%	19%	18%
Pre-1964 claims in states without asbestos legislation	39%	36%	33%

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, 2013.

As of December 31, 2013, the Company's accrual for pending and future asbestos-related claims and related legal costs was \$260, including \$221 for unasserted claims. The Company's accrual includes estimated probable costs for claims through the year 2023. The Company's accrual excludes potential costs for claims beyond 2023 because the Company believes that the key assumptions underlying its accrual are subject to greater uncertainty as the projection period lengthens.

Approximately 87% of the claims outstanding at the end of 2013 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 12% 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 (87% 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. In 2013, in connection with a favorable arbitration ruling, the Company recorded a receivable of \$3 for the recovery of certain remediation costs from a third party. 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 received assessments for value added taxes and related income taxes from the Italian tax authorities 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. In 2013, the Company entered into a formal agreement with the Italian tax authorities to settle these matters and as a result recorded a pre-tax charge of \$20 (\$14 after-tax).

In 2013, an arbitrator ruled in favor of the Company over certain environmental indemnification matters related to a prior acquisition. Under the terms of the ruling, the Company received payment of \$16 and as a result recognized a pre-tax gain of \$16 (\$11 after-tax).

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, 2013, 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 \$7. 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, 2013, the Company also had guarantees of \$39 related to the residual values of leased assets.

M. Restructuring

The Company recorded restructuring charges as follows:

	2013	2012	2011
North America Food	5	3	3
European Food	14	15	9
European Beverage	2	—	—
Asia Pacific	1	4	—
Non-reportable segments	16	18	45
Corporate	8	8	20
	<u>\$ 46</u>	<u>\$ 48</u>	<u>\$ 77</u>

Restructuring charges by type are as follows:

	2013	2012	2011
Termination benefits	\$ 35	\$ 35	\$ 56
Other exit costs	11	13	21
	<u>\$ 46</u>	<u>\$ 48</u>	<u>\$ 77</u>

2011 European Division Headquarters Relocation

As of December 31, 2013, the Company incurred costs of \$40 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	Total
Balance at December 31, 2011	\$ —	\$ 19	\$ 19
Provisions	—	3	3
Balance at December 31, 2012	—	22	22
Provisions	—	3	3
Payments	—	(7)	(7)
Balance at December 31, 2013	<u>\$ —</u>	<u>\$ 18</u>	<u>\$ 18</u>

Other exit costs represent employee compensation costs resulting from an intercompany payment related to the relocation. The Company expects to pay the remaining costs in 2014 and 2015.

2012 European Food Actions

Through December 31, 2013, the Company incurred costs of \$17 in connection with actions taken in 2012 to reduce manufacturing capacity and headcount in its European Food segment. These actions combined are expected to reduce headcount by approximately 165 and to eliminate approximately 7% of the business' capacity. The Company currently expects to incur future additional charges of \$1 related to the actions which are expected to be completed in 2014 at an estimated aggregate cost of \$18. 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.

	Termination benefits	Other exit costs	Total
Balance at December 31, 2011	\$ 10	\$ —	\$ 10
Provisions	14	1	15
Payments made	(7)	(1)	(8)
Foreign currency translation	1	—	1
Balance at December 31, 2012	18	—	18
Provisions	—	2	2
Payments	(12)	(2)	(14)
Balance at December 31, 2013	<u>\$ 6</u>	<u>\$ —</u>	<u>\$ 6</u>

2011 and 2012 European Division Actions

Through December 31, 2013, the Company incurred costs of \$67 in connection with actions taken in 2011 and 2012 to reduce manufacturing capacity and headcount in its European Aerosol and Specialty Packaging businesses. 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 them in the rollforward presented below. The Company currently expects to incur future additional charges of \$2 related to the actions which are expected to be completed in 2014 at an estimated aggregate cost of \$69. The Company expects to pay the liability through 2024 as certain employees have elected to receive payout as a fixed monthly sum over 11 years. 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.

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

	Termination benefits	Other exit costs	Total
Balance at December 31, 2011	\$ 45	\$ —	\$ 45
Provisions	15	3	18
Payments made	(23)	(3)	(26)
Balance at December 31, 2012	37	—	37
Provisions	—	4	4
Payments made	(20)	(4)	(24)
Foreign currency translation	(1)	—	(1)
Balance at December 31, 2013	<u>\$ 16</u>	<u>\$ —</u>	<u>\$ 16</u>

2013 European Division Actions

During 2013, the Company recorded a charge of \$31 related to a cost-reduction initiative to better align costs with ongoing market conditions in its European operations, primarily in its food, aerosol and specialty packaging businesses. The action is expected to result in the reduction of approximately 235 employees when completed in 2014. The Company expects to pay the liability in 2014 and does not expect to incur any additional charges related to this action.

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

	Termination benefits	Other exit costs	Total
Balance at December 31, 2012	\$ —	\$ —	\$ —
Provision	31	—	31
Payments	(5)	—	(5)
Foreign currency translation	1	—	1
Balance at December 31, 2013	<u>\$ 27</u>	<u>\$ —</u>	<u>\$ 27</u>

Other

As a result of prior restructuring actions in the Company's North America food business, the Company may incur a future charge of up to \$16 related to pension settlements which may be triggered as employees elect to receive lump sum distributions. The timing and amount of the charge may be impacted by the number of employees who elect to receive lump sum distributions.

N. Asset Impairments and Sales

During 2013, the Company recognized a net gain of \$12 for asset impairments and sales including \$9 related to the sale of land and a building in Belgium.

During 2012, the Company recognized a net gain of \$48 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 \$20 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.

O. Capital Stock

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

	2013	2012	2011
Common shares outstanding at January 1	143,136,473	148,449,293	155,256,791
Shares repurchased	(6,925,789)	(6,954,968)	(7,965,176)
Shares issued upon exercise of employee stock options	855,061	1,143,755	666,183
Restricted stock issued to employees, net of forfeitures	1,115,484	468,323	463,885
Shares issued to non-employee directors	26,660	30,070	27,610
Common shares outstanding at December 31	<u>138,207,889</u>	<u>143,136,473</u>	<u>148,449,293</u>

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. As of December 31, 2013, \$507 of the Company's outstanding common stock may be repurchased under the authorization.

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 and has authority to fix the designations, number and voting rights, preferences, privileges, limitations, restrictions, conversion rights and other special or relative rights, if any, of any class or series of any class of preferred stock that may be desired, provided the shares of any such class or series of preferred stock shall not be entitled to more than one vote per share when voting as a class with holders of the Company's common stock.

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. There have been no awards of SARs.

In April 2013, the Company's shareholders approved the 2013 Stock-Based Incentive Compensation Plan (the "Plan") which allows for a total of 6.2 million shares to be issued under future awards. As of December 31, 2013, approximately 5.0 million shares are available for future awards under the Plan.

Stock-based compensation expense was as follows:

	2013	2012	2011
Stock options	\$ 1	\$ 5	\$ 5
Restricted stock/deferred stock	20	12	12

Stock Options

A summary of stock option activity follows:

	2013	
	Shares	Weighted average exercise price
Options outstanding at January 1	2,556,114	\$ 21.38
Granted	—	—
Exercised	(851,061)	21.72
Forfeited	(5,000)	23.45
Expired	(5,000)	23.45
Options outstanding at December 31	<u>1,695,053</u>	21.20
Options fully vested or expected to vest at December 31	<u>1,693,076</u>	\$ 21.18

The following table summarizes outstanding and exercisable options at December 31, 2013:

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	353,020	0.3	\$ 8.61	353,020	\$ 8.61
\$13.20 to \$23.19	20,500	2.9	19.50	18,500	19.10
\$23.45	1,205,533	3.0	23.45	1,205,533	23.45
\$23.88 to \$40.01	116,000	6.6	36.41	38,000	31.32
	<u>1,695,053</u>	2.7	21.20	<u>1,615,053</u>	20.34

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, 2013 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, 2013) of \$40. The aggregate intrinsic value of options exercised during the years ended December 31, 2013, 2012 and 2011 was \$17, \$27 and \$15, respectively.

At December 31, 2013, options that were fully vested or expected to vest had an aggregate intrinsic value of \$40 and a weighted average remaining contractual term of 2.7 years, and options exercisable had an aggregate intrinsic value of \$39 and a weighted average remaining contractual term of 2.5 years. Also at December 31, 2013, there was \$1 of unrecognized compensation expense related to outstanding nonvested stock options with a weighted average recognition period of 3.2 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 2013 or 2012. The fair value of stock option grants during 2011 were estimated using the following weighted average assumptions:

	2011
Risk-free interest rate	2.4%
Expected life of option (years)	6.8
Expected stock price volatility	31.7%
Expected dividend yield	0.0%

The weighted average grant-date fair values for options granted during 2011 were \$14.98.

The Company has assumed an annual forfeiture rate of between three and six percent in each year based on historical data of the forfeiture of nonvested stock options through the termination of service by plan participants.

Restricted and Deferred Stock

Annually the Company awards shares of restricted stock 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.

In May 2013, the Company issued a general award of 0.7 million shares of time-vesting restricted stock and 0.5 million shares of time-vesting deferred stock which vest ratably over 4 years commencing in 2015. The Company has assumed an initial annual forfeiture rate of 5 percent

A summary of restricted and deferred stock activity follows:

	<u>Number of shares</u>
Non-vested shares outstanding at January 1, 2013	898,190
Awarded:	
Time-vesting, net of forfeitures	1,275,078
Performance-based	243,251
Performance-based – achieved 141% level (grant-date fair value of \$37.91)	93,755
Released:	
Time-vesting shares awarded in 2010 through 2012	(144,623)
Performance-based shares awarded in 2010	(229,624)
Performance-based awards – achieved 141% level	(93,755)
Non-vested shares outstanding at December 31, 2013	<u><u>2,042,272</u></u>

The average grant-date fair value of restricted stock awarded in 2013, 2012 and 2011 follows:

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Time-vested restricted stock	\$ 43.19	\$ 33.75	\$ 33.70
Performance-based shares	\$ 36.75	\$ 39.52	\$ 41.69
Deferred stock	\$ 43.79		

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

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Risk-free interest rate	0.3%	0.4%	1.0%
Expected term (years)	3	3	3
Expected stock price volatility	22.4%	27.8%	37.9%

During 2013, the Company issued 93,755 additional performance-based shares under its 2010 award because it exceeded the target level (100%) of performance-based shares, established on the original date of the related award, by 41%. These shares were issued without restriction.

At December 31, 2013, unrecognized compensation cost related to outstanding restricted stock was \$51. The weighted average period over which the expense is expected to be recognized is 3.3 years. The aggregate market value of the shares released and issued on the vesting dates was \$18.

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 2013, \$1 of stock-based compensation was recognized under this plan.

Q. Debt

	2013	2012
Short-term debt		
Receivables securitization	\$ 205	\$ 203
Bank loans/overdrafts/factoring	74	58
Total short-term debt	<u>\$ 279</u>	<u>\$ 261</u>
Long-term debt		
Senior secured borrowings:		
Revolving credit facilities	\$ 103	\$ 45
Term loan facilities		
U.S. dollar at LIBOR plus 1.75% due 2018	220	550
Euro (€110 at December 31, 2013) at EURIBOR plus 1.75% due 2018	151	362
Senior notes and debentures:		
U.S. dollar 7.625% due 2017	—	400
Euro (€500 at December 31, 2013) 7.125% due 2018	688	659
U.S. dollar 6.25% due 2021	700	700
U. S. dollar 4.50% due 2023	1,000	—
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 2013 from 1.0% to 8.5% due through 2020	180	157
Variable rate with average rates in 2013 from 2.4% to 6.1% through 2018	109	126
Unamortized discounts	(2)	(9)
Total long-term debt	<u>3,563</u>	<u>3,404</u>
Less: current maturities	(94)	(115)
Total long-term debt, less current maturities	<u>\$ 3,469</u>	<u>\$ 3,289</u>

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 \$3,645 at December 31, 2013 and \$3,603 at December 31, 2012.

The weighted average interest rates were as follows:

	2013	2012	2011
Short-term debt	1.9%	1.9%	2.5%
Revolving credit facilities	3.6%	3.5%	3.6%

Aggregate maturities of long-term debt for the five years subsequent to 2013, excluding unamortized discounts, are \$94, \$97, \$92, \$89 and \$1,071, respectively. Cash payments for interest during 2013, 2012 and 2011 were \$199, \$205 and \$203, respectively.

In January 2013, the Company issued \$1,000 principal amount of 4.5% senior unsecured notes due 2023. The Company paid \$15 in issuance costs that will be amortized over the term of the debt. 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 December 2013, the Company entered into a new credit agreement which provides for a \$1,200 revolving credit facility, a \$220 Term Loan A facility, a €110 (\$151 at December 31, 2013) Term Euro facility, a \$580 Delayed Draw Term Loan A Facility, a €590 (\$812 at December 31, 2013) Delayed Draw Term Euro Facility and a \$362 Farm Credit Facility. The Delayed Draw Term Loan A Facility, the Delayed Draw Term Euro Facility and the Farm Credit Facility are subject to consummation of the Mivisa acquisition discussed in [Note S](#). The maturity date for the facilities, other than the Farm Credit Facility, is December 19, 2018. The maturity date for the Farm Credit Facility is December 19, 2019.

The Company used proceeds from the facilities to repay borrowings under its previous credit facility and term loans.

In connection with the above transactions, the Company recorded a loss from early extinguishment of debt of \$41, including \$23 for premiums paid, \$12 for the write off of deferred financing fees and \$6 for the write off of unamortized discounts.

The revolving credit facilities include provisions for letters of credit up to \$210 that reduce the amount of borrowing capacity otherwise available. At December 31, 2013, the Company's available borrowing capacity under the credit facilities was \$1,057, equal to the facilities' aggregate capacity of \$1,200 less \$103 of borrowings and \$40 of outstanding letters of credit. The interest rate on the facilities can vary from LIBOR or EURIBOR plus a margin of 1.50% up to 2.00% based on the Company's total net leverage ratio plus a 0.25% facing fee on letters of credit. The term loans bear interest of LIBOR or EURIBOR plus 1.75%. The revolving credit facilities and term loans contain financial covenants including an interest coverage ratio and a total net leverage ratio.

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 2011, 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.

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, 2013 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.

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	
	2013	2012	2013	2012
Foreign exchange	\$ (5)	\$ —	\$ (2)	\$ —
Commodities	(44)	(82)	(32)	(46)
Total	<u>\$ (49)</u>	<u>\$ (82)</u>	<u>\$ (34)</u>	<u>\$ (46)</u>

(1) Within the Statement of Operations for the twelve months ended December 31, 2013, a gain of \$7 was recognized in cost of products sold and a loss of \$9 was recognized in net sales. During the twelve months ended December 31, 2012, a gain of \$14 was recognized in cost of products sold and a loss of \$14 recognized in net sales.

(2) Within the Statement of Operations for the twelve months ended December 31, 2013, a loss of \$43, including a reduction of \$2 for ineffectiveness, was recognized in cost of products sold and a tax benefit of \$11 was recognized in income tax expense. During the twelve months ended December 31, 2012, a gain of \$60, including \$3 of ineffectiveness, was recognized in cost of products sold and a tax charge of \$14 was recognized in income tax expense.

For the twelve-month period ending December 31, 2014, a net loss of \$32 (\$25, net of tax) is expected to be reclassified to earnings. No amounts were reclassified during the twelve months ended December 31, 2013 and 2012 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, 2013.

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 less than \$1 for the twelve months ended December 31, 2013 and a gain of \$4 for the twelve months ended December 31, 2012. The impact on earnings from foreign exchange contracts not designated as hedges was a gain of \$4 for the twelve months ended December 31, 2013 and a gain of \$2 for the same period in 2012. 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.

Fair Values of Derivative Financial Instruments and Valuation Hierarchy

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, 2013 and December 31, 2012, respectively.

<u>Derivative Assets</u>	<u>Balance Sheet Classification</u>	<u>Fair Value Hierarchy</u>	<u>December 31, 2013</u>	<u>December 31, 2012</u>
Derivatives designated as hedges:				
Foreign exchange	Other current assets	2	\$ 29	\$ 5
Commodities	Other current assets	1	—	5
Commodities	Other non-current assets	1	—	1
Derivatives not designated as hedges:				
Foreign exchange	Other current assets	2	8	11
Total			<u>\$ 37</u>	<u>\$ 22</u>

<u>Derivative Liabilities</u>	<u>Balance Sheet Classification</u>			
Derivatives designated as hedges:				
Foreign exchange	Accounts payable and accrued liabilities	2	\$ 30	\$ 6
Commodities	Accounts payable and accrued liabilities	1	27	17
Commodities	Other non-current liabilities	1	2	3
Derivatives not designated as hedges:				
Foreign exchange	Accounts payable and accrued liabilities	2	1	4
Total			<u>\$ 60</u>	<u>\$ 30</u>

Offsetting of Derivative Assets and Liabilities

Certain derivative financial instruments are subject to agreements with counterparties similar to master netting arrangements and are eligible for offset. The Company has made an accounting policy election not to offset the fair values of these instruments within the statement of financial position. In the table below, the aggregate fair values of the the Company's derivative assets and liabilities are presented on both a gross and net basis, where appropriate.

	Gross Amounts Recognized in the Balance Sheet	Gross Amounts Not Offset in the Balance Sheet	Net Amount
<u>Balance at December 31, 2013</u>			
Derivative Assets	37	2	35
Derivative Liabilities	60	2	58
<u>Balance at December 31, 2012</u>			
Derivative Assets	22	7	15
Derivative Liabilities	30	7	23

Notional Values of Outstanding Derivative Instruments

The aggregate U.S. dollar-equivalent notional values of outstanding derivative instruments in the Consolidated Balance Sheets at December 31, 2013 and December 31, 2012 were:

	December 31, 2013	December 31, 2012
Derivatives in cash flow hedges:		
Foreign exchange	\$ 724	\$ 471
Commodities	379	434
Derivatives in fair value hedges:		
Foreign exchange	128	105
Derivatives not designated as hedges:		
Foreign exchange	675	924

S. Acquisitions

Pending Acquisition

On October 30, 2013, the Company entered into an agreement (the "Purchase Agreement") to acquire Mivisa Envases, S.A.U. ("Mivisa"), a leading Spanish manufacturer of two- and three-piece food cans and ends, from certain investment funds managed by affiliates of The Blackstone Group L.P., N+1 Mercapital and management. The Company will pay €500 (\$688 at December 31, 2013) plus €5.5 (\$7.6 at December 31, 2013) per month from June 30, 2013 to closing to acquire the equity of Mivisa and will assume €700 (\$963 at December 31, 2013) of pre-acquisition debt which it will repay at closing. The Purchase Agreement reflects a "locked box" approach, such that the Company will acquire Mivisa with economic effect from June 30, 2013.

The Company has obtained debt financing commitments for the transaction as described in [Note Q](#) to the consolidated financial statements. The aggregate proceeds from the commitments, together with available cash on hand, will be sufficient for the Company to pay the purchase price and related fees and expenses.

The acquisition, which is subject to review by the European Commission and competition authorities in other jurisdictions, is expected to close in 2014. If necessary to obtain approval of the transaction from relevant competition authorities, the Company has agreed to certain divestiture and other commitments principally related to the Company's food can operations. The Company has agreed to pay a transaction payment of €41 (\$56 at December 31, 2013) if (i) the transaction is not consummated prior to September 5, 2014; (ii) if the European Commission determines that the transaction is impermissible; or (iii) subject to the satisfaction of certain conditions, the Purchase Agreement is terminated due to the breach by either party of its material obligations with respect to the application for antitrust approvals, in each case only if Seller is not in material breach of any of its material obligations and such breach has resulted in a required antitrust approval not being obtained.

The Purchase Agreement permits the Company and Seller to terminate the Purchase Agreement under certain circumstances, including, among others, (i) by mutual agreement of the Company and Seller; (ii) by either party if the other breaches any of its material obligations with respect to the antitrust approval process; (iii) by either party if the European Commission determines that the transaction is impermissible; and (iv) by either party upon notice to the other after September 5, 2014 (but only if such party is not in material breach of its material obligations under the Purchase Agreement at the time of such notice).

For its fiscal year ended June 30, 2013, Mivisa had sales of approximately €555 (\$764 at December 31, 2013).

Recently Completed Acquisitions

In the fourth quarter of 2013, the Company paid \$16 to acquire a food can production business in Turkey. The purchase price was allocated entirely to fixed assets.

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. As of December 31, 2013, the joint venture owns approximately 96% of the shares of Superior.

The Company has consolidated both the joint venture and Superior in its financial statements. In 2013, Superior had net sales of \$132 and in 2012 had net sales of \$126 of which \$8 was generated post-acquisition and is included in the Company's net sales.

As initially reported at December 31, 2012, the Company's 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 remained publicly traded was determined based on the acquisition date share price. In the fourth quarter of 2013, the Company finalized its purchase price allocation and allocated an additional \$10 to fixed assets, \$1 to accounts payable, \$3 to deferred income taxes and \$4 to non-controlling interests.

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 initially recognized a bargain purchase gain of \$14 included in asset impairments and sales in the consolidated statements of operations. Upon finalization of the Company's purchase price allocation, the Company recognized an additional bargain purchase gain of \$6 in asset impairments and sales in the consolidated statements of operations. Net income attributable to noncontrolling interests includes \$11 of bargain purchase gain allocated to the Company's joint venture partner.

In accordance with the applicable accounting standards, 2012 amounts have been revised to account for the final purchase price allocation adjustments described above.

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 purchase price allocation was appropriate.

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 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 life of the contracts.

T. Noncontrolling interests

In 2013, the Company paid an aggregate of \$16 to increase its ownership interests in non-wholly owned subsidiaries in Asia.

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%.

Crown Holdings, Inc.

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:

	2013	2012	2011
Net income attributable to Crown Holdings	\$ 324	\$ 559	\$ 282
Transfers to noncontrolling interests – Decrease in paid-in-capital for purchase of noncontrolling interests	(3)	—	(119)
Net income attributable to Crown Holdings after transfers to noncontrolling interests	<u>\$ 321</u>	<u>\$ 559</u>	<u>\$ 163</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.

	2013	2012	2011
Net income attributable to Crown Holdings	\$ 324	\$ 559	\$ 282
Weighted average shares outstanding:			
Basic	139.5	146.1	151.7
Add: dilutive stock options and restricted stock	1.2	2.3	2.6
Diluted	<u>140.7</u>	<u>148.4</u>	<u>154.3</u>
Basic EPS	<u>\$ 2.32</u>	<u>\$ 3.83</u>	<u>\$ 1.86</u>
Diluted EPS	<u>\$ 2.30</u>	<u>\$ 3.77</u>	<u>\$ 1.83</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	0.1

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.S. Plans	2013	2012	2011
Service cost	\$ 15	\$ 12	\$ 11
Interest cost	62	69	72
Expected return on plan assets	(99)	(94)	(80)
Amortization of actuarial loss	55	56	47
Amortization of prior service cost	1	—	3
Net periodic cost	<u>\$ 34</u>	<u>\$ 43</u>	<u>\$ 53</u>

Crown Holdings, Inc.

<u>Non-U.S. Plans</u>	2013	2012	2011
Service cost	\$ 24	\$ 26	\$ 27
Interest cost	138	153	161
Expected return on plan assets	(176)	(186)	(196)
Settlements	(2)	—	—
Amortization of actuarial loss	71	61	50
Amortization of prior service cost/(credit)	(14)	—	2
Net periodic cost	\$ 41	\$ 54	\$ 44

The non-U.S. pension expense excludes \$4 of cost attributable to plan curtailments and settlements that was recorded in restructuring expense in 2013.

Additional pension expense of \$5 was recognized in each of 2013, 2012 and 2011 for multi-employer plans.

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>U.S. Plans</u>		<u>Non-U.S. Plans</u>	
	2013	2012	2013	2012
<u>Projected Benefit Obligations</u>				
Benefit obligations at January 1	\$ 1,609	\$ 1,502	\$ 3,572	\$ 3,256
Service cost	15	12	24	26
Interest cost	62	69	138	153
Plan participants' contributions	—	1	4	5
Amendments	2	2	(1)	(108)
Actuarial (gain) / loss	(122)	131	46	279
Benefits paid	(112)	(108)	(189)	(181)
Foreign currency translation	—	—	57	142
Benefit obligations at December 31	\$ 1,454	\$ 1,609	\$ 3,651	\$ 3,572
<u>Plan Assets</u>				
Fair value of plan assets at January 1	\$ 1,292	\$ 1,172	\$ 3,116	\$ 2,894
Actual return on plan assets	162	195	85	201
Employer contributions	7	32	77	70
Plan participants' contributions	—	1	4	5
Benefits paid	(112)	(108)	(189)	(181)
Foreign currency translation	—	—	42	127
Fair value of plan assets at December 31	\$ 1,349	\$ 1,292	\$ 3,135	\$ 3,116
Funded Status	\$ (105)	\$ (317)	\$ (516)	\$ (456)
Accumulated benefit obligations at December 31	\$ 1,423	\$ 1,575	\$ 3,488	\$ 3,427

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>U.S.</u>	2013	2012
Projected benefit obligations	\$ 1,454	\$ 1,609
Accumulated benefit obligations	1,423	1,575
Fair value of plan assets	1,349	1,292

Crown Holdings, Inc.

Non-U.S.	2013	2012
Projected benefit obligations	\$ 3,318	\$ 3,559
Accumulated benefit obligations	3,187	3,427
Fair value of plan assets	2,800	3,104

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 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.

Crown Holdings, Inc.

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.

The levels assigned to the defined benefit plan assets as of December 31, 2013 and 2012 are summarized in the tables below:

	2013		
	U.S. plan assets	Non-U.S. plan assets	Total
<u>Level 1</u>			
Cash and cash equivalents	\$ 68	\$ 125	\$ 193
Global large cap equity	—	76	76
U.S. large cap equity	170	50	220
U.S. mid/small cap equity	257	16	273
Mutual funds – global equity	214	—	214
Mutual funds – U.S. equity	93	—	93
Mutual funds – fixed income	147	—	147
	949	267	1,216
<u>Level 2</u>			
Government issued debt securities	50	504	554
Corporate debt securities	103	133	236
Asset backed securities	11	7	18
Structured debt	2	685	687
Insurance contracts	—	12	12
Derivatives	—	64	64
Investment funds – fixed income	16	442	458
Investment funds – global equity	—	317	317
Investment funds – emerging markets	40	157	197
	222	2,321	2,543
<u>Level 3</u>			
Investment funds – real estate	47	88	135
Hedge funds	75	150	225
Private equity	37	298	335
Real estate – direct	17	5	22
	176	541	717
Total	\$ 1,347	\$ 3,129	\$ 4,476

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	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
	<u>893</u>	<u>271</u>	<u>1,164</u>
<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
	<u>221</u>	<u>2,282</u>	<u>2,503</u>
<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
	<u>176</u>	<u>558</u>	<u>734</u>
Total	<u><u>\$ 1,290</u></u>	<u><u>\$ 3,111</u></u>	<u><u>\$ 4,401</u></u>

Accrued income excluded from the table above is as follows:

	<u>2013</u>	<u>2012</u>
U.S. plan assets	2	2
Non-U.S. plan assets	6	5

Plan assets include \$150 and \$124 of the Company's common stock at December 31, 2013 and 2012, 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, 2012	\$ 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
Foreign currency translation	3	7	1	11
Asset returns – assets held at reporting date	8	(11)	7	4
Asset returns – assets sold during the period	7	43	1	51
Purchases, sales and settlements, net	(7)	(73)	(3)	(83)
December 31, 2013	<u>\$ 225</u>	<u>\$ 335</u>	<u>\$ 157</u>	<u>\$ 717</u>

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

	2013	2012
Non-current assets	\$ 21	\$ —
Current liabilities	7	9
Non-current liabilities	635	764

The Company's current liability at December 31, 2013, represents the expected required payments to be made for unfunded plans over the next twelve months. Total estimated 2014 employer contributions are \$77 for the Company's pension plans.

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

	2013		2012		2011	
	Net loss	Prior service	Net loss	Prior service	Net loss	Prior service
Balance at January 1	\$ 2,619	\$ (102)	\$ 2,382	\$ 4	\$ 2,135	\$ 9
Reclassification to net periodic benefit cost	(130)	13	(117)	—	(97)	(5)
Current year loss/(gain)	(47)	(1)	295	—	358	—
Amendments	—	—	—	(106)	—	(1)
Foreign currency translation	24	(4)	59	—	(14)	1
Balance at December 31	<u>\$ 2,466</u>	<u>\$ (94)</u>	<u>\$ 2,619</u>	<u>\$ (102)</u>	<u>\$ 2,382</u>	<u>\$ 4</u>

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 2014 are \$113 and \$(14).

Expected future benefit payments as of December 31, 2013 were:

	U.S. plans	Non-U.S. plans
2014	\$ 109	\$ 192
2015	140	195
2016	107	203
2017	112	208
2018	104	214
2019 - 2023	507	1,127

Crown Holdings, Inc.

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

U.S.	2013	2012	2011
Discount rate	4.8%	4.0%	4.8%
Compensation increase	3.0%	3.0%	3.0%

Non-U.S.	2013	2012	2011
Discount rate	4.4%	4.1%	4.7%
Compensation increase	3.2%	2.8%	3.3%

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

U.S.	2013	2012	2011
Discount rate	4.0%	4.8%	5.1%
Compensation increase	3.0%	3.0%	3.0%
Long-term rate of return	8.00%	8.00%	8.75%

Non-U.S.	2013	2012	2011
Discount rate	4.1%	4.7%	5.4%
Compensation increase	2.8%	3.3%	3.3%
Long-term rate of return	6.0%	6.4%	7.0%

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 2013 assumed asset rate of return was based on a calculation using underlying assumed rates of return of 9.8% for equity securities and alternative investments, and 4.0% 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, 2012. 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 2013 assumed asset rate of return was based on a calculation using underlying assumed rates of return of 9.8% for equity securities and alternative investments, and 4.1% for debt securities and real estate. Equity securities in the U.K. plan as of December 31, 2012 were allocated approximately 41% to U.S. securities, 26% to securities in developed European countries, and 33% 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.

Crown Holdings, Inc.

The components of net postretirement benefits cost were as follows:

<u>Other Postretirement Benefits</u>	2013	2012	2011
Service cost	\$ 3	\$ 3	\$ 8
Interest cost	13	16	20
Amortization of prior service credit	(39)	(44)	(36)
Amortization of actuarial loss	10	14	13
Net periodic (benefit) / cost	<u>\$ (13)</u>	<u>\$ (11)</u>	<u>\$ 5</u>

Changes in the benefit obligations were:

	2013	2012
Benefit obligations at January 1	\$ 352	\$ 337
Service cost	3	3
Interest cost	13	16
Amendments	(18)	—
Actuarial loss/(gain)	(49)	16
Benefits paid	(22)	(22)
Foreign currency translation	(5)	2
Benefit obligations at December 31	<u>\$ 274</u>	<u>\$ 352</u>

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

	2013		2012		2011	
	Net loss	Prior service	Net loss	Prior service	Net loss	Prior service
Balance at January 1	\$ 157	\$ (269)	\$ 157	\$ (313)	\$ 174	\$ (242)
Reclassification to net periodic benefit cost	(10)	39	(14)	44	(13)	36
Current year (gain)/loss	(49)	—	16	—	(3)	—
Amendments	—	(18)	—	—	—	(107)
Foreign currency translation	(1)	2	(2)	—	(1)	—
Balance at December 31	<u>\$ 97</u>	<u>\$ (246)</u>	<u>\$ 157</u>	<u>\$ (269)</u>	<u>\$ 157</u>	<u>\$ (313)</u>

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 2014 are \$8 and \$(32).

In 2013, a non-U.S. plan was amended to eliminate certain health coverage benefits. In 2011, the U.S. plans were amended to, among other things, eliminate health coverage for retirees who are not yet eligible for Medicare.

Expected future benefit payments, as of December 31, 2013, net of expected Medicare Part D subsidies of \$6 in the aggregate were:

	<u>Benefit Payments</u>
2014	\$ 21
2015	21
2016	20
2017	20
2018	20
2019 - 2023	92

Crown Holdings, Inc.

The assumed health care cost trend rates at December 31, 2013 are as follows:

Health care cost trend rate assumed for next year	5.8%
Rate that the cost trend rate gradually declines to	4.4%
Year that the rate reaches the rate it is assumed to remain	2020

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	\$ 2	\$ 2
Effect on postretirement benefit obligation	\$ 20	\$ 17

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.

	2013	2012	2011
Benefit obligations	4.8%	4.1%	4.9%
Cost	4.1%	4.9%	5.1%

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

	2013	2012	2011
Amortization of net loss and prior service cost	\$ 18	\$ 19	\$ 18
Net loss and prior service cost adjustments arising in the current year	(39)	60	52

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 2013 and 2012 were 26,777 and 31,598, 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:

	2013	2012	2011
U.S.	\$ 116	\$ 127	\$ 66
Foreign	460	515	521
	<u>\$ 576</u>	<u>\$ 642</u>	<u>\$ 587</u>

Crown Holdings, Inc.

The provision for income taxes consisted of the following:

	2013	2012	2011
Current tax:			
U.S. federal	11	—	—
State and foreign	\$ 87	\$ 84	\$ 111
	<u>\$ 98</u>	<u>\$ 84</u>	<u>\$ 111</u>
Deferred tax:			
U.S. federal	\$ 41	\$ (131)	\$ 69
State and foreign	9	30	14
	<u>50</u>	<u>(101)</u>	<u>83</u>
Total	<u>\$ 148</u>	<u>\$ (17)</u>	<u>\$ 194</u>

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:

	2013	2012	2011
U.S. statutory rate at 35%	\$ 203	\$ 223	\$ 205
Tax on foreign income	(53)	(70)	(50)
Valuation allowance	1	56	(19)
Tax law changes	11	2	(4)
Other items, net	(14)	(228)	62
Income tax provision	<u>\$ 148</u>	<u>\$ (17)</u>	<u>\$ 194</u>

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 2012, the Company committed to a formal repatriation plan, including certain steps that were completed with the filing of its 2011 U.S. income tax return, which allowed it to claim certain 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.

In connection with the action, the Company amended its 2003 U.S. income tax return to claim foreign taxes paid as a credit rather than as a tax deduction. In 2012, the Company recorded a valuation allowance of \$38 against certain of these credits that expire in 2013 which, at the time, the Company did not believe were more likely than not to be realized prior to expiration. In 2013, the Company identified additional tax planning actions which allowed it to accelerate taxable income into 2013 and as a result released \$16 of valuation allowance. The release was offset by additional valuation allowances recorded in jurisdictions where the Company does not believe it is more likely than not it will realize the benefit.

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. These incentives increased net income attributable to the Company by \$11 in both 2012 and 2013.

The Company paid taxes of \$114, \$92 and \$107 in 2013, 2012 and 2011, respectively.

Crown Holdings, Inc.

The components of deferred taxes at December 31 are:

	2013		2012	
	Assets	Liabilities	Assets	Liabilities
Tax loss and credit carryforwards	\$ 640	\$ —	\$ 744	\$ —
Postretirement and postemployment benefits	107	—	130	—
Pensions	150	1	246	10
Property, plant and equipment	13	111	7	114
Asbestos	98	—	97	—
Accruals and other	120	123	86	140
Valuation allowances	(343)	—	(400)	—
Total	<u>\$ 785</u>	<u>\$ 235</u>	<u>\$ 910</u>	<u>\$ 264</u>

At December 31, 2013 and 2012, \$123 and \$104 of deferred tax assets were included in prepaid expenses and other current assets.

Tax loss and credit carryforwards expire as follows:

2014	\$ 24
2015	23
2016	13
2017	32
2018	32
Thereafter	368
Unlimited	148

Tax loss and credit carryforwards expiring after 2018 include \$181 of state tax loss carryforwards. The unlimited category includes \$101 of French tax loss carryforwards. The tax loss carryforwards presented above exclude \$55 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, 2013 include \$162 in the U.S., \$94 in France, \$55 in Canada and \$15 in Belgium.

The Company's valuation allowance in the U.S. relates to state tax loss carryforwards that the Company does not believe are more likely than not to 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 primarily 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.

At December 31, 2013, the Company had a net deferred tax asset of \$14 in a Spanish food can business for which a valuation allowance was not recorded because the Company believes, based on current circumstances, that it is more likely than not to realize the benefit. However, the Company is considering certain planning actions in connection with its planned acquisition of Mivisa which, if implemented, may require the Company to record a valuation allowance in the future.

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 \$639 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.

A reconciliation of unrecognized tax benefits for 2013, 2012 and 2011 follows.

	2013	2012	2011
Balance at January 1	\$ 35	\$ 37	\$ 37
Additions for current year tax positions	—	—	8
Reductions to prior period tax positions	—	—	(5)
Lapse of statute of limitations	(5)	(3)	(2)
Foreign currency translation	1	1	(1)
Balance at December 31	<u>\$ 31</u>	<u>\$ 35</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, 2013. The total interest and penalties recorded in the statement of operations was less than \$1 in each of the last three years.

The unrecognized tax benefits as of December 31, 2013 include \$26 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, 2013 were 2005 and subsequent years for France; 2006 and subsequent years for Spain and the U.K.; 2009 and subsequent years for Germany and Italy; 2010 and subsequent years for the U.S. and Canada. In addition, tax authorities in certain jurisdictions may examine earlier years when tax carryforwards that were generated in those years are subsequently utilized.

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. Within the Asia Pacific division, the Company has aggregated its beverage and non-beverage operations into a single reportable segment based on similar economic and qualitative characteristics.

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, 2013, 2012 and 2011:

<u>2013</u>	External sales	Inter-segment sales	Segment assets	Depreciation and amortization	Capital expenditures	Segment income
Americas Beverage	\$ 2,289	\$ 61	\$ 1,588	\$ 35	\$ 76	\$ 327
North America Food	845	10	457	10	5	119
European Beverage	1,731	1	1,605	26	24	257
European Food	1,751	76	1,500	16	28	144
Asia Pacific	1,189	—	1,277	33	110	133
Total reportable segments	7,805	148	6,427	120	243	\$ 980
Non-reportable segments	851	113	633	8	21	
Corporate and unallocated items	—	—	970	6	11	
Total	\$ 8,656	\$ 261	\$ 8,030	\$ 134	\$ 275	

<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	—	1,147	27	181	137
Total reportable segments	7,575	186	6,208	159	291	\$ 991
Non-reportable segments	895	128	611	15	24	
Corporate and unallocated items	—	—	681	6	9	
Total	\$ 8,470	\$ 314	\$ 7,500	\$ 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	

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, 2013, 2012 and 2011 follows:

	2013	2012	2011
Segment income of reportable segments	\$ 980	\$ 991	\$ 1,022
Segment income of non-reportable segments	102	98	139
Corporate and unallocated items	(165)	(194)	(208)
Provision for asbestos	(32)	(35)	(28)
Provision for restructuring	(46)	(48)	(77)
Asset impairments and sales	12	48	(6)
Loss from early extinguishments of debt	(41)	—	(32)
Interest expense	(236)	(226)	(232)
Interest income	5	7	11
Foreign exchange	(3)	1	(2)
Income before income taxes and equity earnings	<u>\$ 576</u>	<u>\$ 642</u>	<u>\$ 587</u>

For the three years ended December 31, 2013, 2012 and 2011, intercompany profit of \$2, \$5 and \$7 was eliminated within segment income of non-reportable segments.

For the three years ended December 31, 2013, 2012 and 2011, no one customer accounted for more than 10% of the Company's consolidated net sales.

Sales by major product were:

	2013	2012	2011
Metal beverage cans and ends	\$ 4,824	\$ 4,649	\$ 4,532
Metal food cans and ends	2,339	2,425	2,614
Other metal packaging	1,211	1,244	1,373
Other products	282	152	125
Consolidated net sales	<u>\$ 8,656</u>	<u>\$ 8,470</u>	<u>\$ 8,644</u>

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

	Net Sales			Long-Lived Assets	
	2013	2012	2011	2013	2012
United States	\$ 2,214	\$ 2,275	\$ 2,297	\$ 315	\$ 309
United Kingdom	759	852	826	163	138
France	547	568	675	70	65
Other	5,136	4,775	4,846	1,604	1,493
Consolidated total	<u>\$ 8,656</u>	<u>\$ 8,470</u>	<u>\$ 8,644</u>	<u>\$ 2,152</u>	<u>\$ 2,005</u>

Y. Condensed Combining Financial Information

Crown European Holdings SA (Issuer), a wholly owned subsidiary of the Company, has €500 (\$688 at December 31, 2013) 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, 2013, 2012, 2011, and
- balance sheets as of December 31, 2013 and December 31, 2012

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, 2013
(in millions)

	Parent	Issuer	Guarantors	Non-Guarantors	Eliminations	Total Company
Net sales			\$ 4,303	\$ 4,353		\$ 8,656
Cost of products sold, excluding depreciation and amortization		\$ (1)	3,512	3,669		7,180
Depreciation and amortization			51	83		134
Gross profit		1	740	601		1,342
Selling and administrative expense		(1)	315	111		425
Provision for asbestos			32			32
Provision for restructuring			36	10		46
Asset impairments and sales			(16)	4		(12)
Loss from early extinguishment of debt		2	39			41
Net interest expense		54	125	52		231
Technology royalty			(33)	33		—
Translation and foreign exchange			2	1		3
Income/(loss) before income taxes		(54)	240	390	—	576
Provision for / (benefit from) income taxes		1	90	57		148
Equity earnings / (loss) in affiliates	\$ 324	221	174		\$ (719)	—
Net income	324	166	324	333	(719)	428
Net income attributable to noncontrolling interests				(104)		(104)
Net income attributable to Crown Holdings	<u>\$ 324</u>	<u>\$ 166</u>	<u>\$ 324</u>	<u>\$ 229</u>	<u>\$ (719)</u>	<u>\$ 324</u>
Comprehensive income	\$ 425	\$ 152	\$ 425	\$ 308	\$ (783)	\$ 527
Comprehensive income attributable to noncontrolling interests				(102)		(102)
Comprehensive income attributable to Crown Holdings	<u>\$ 425</u>	<u>\$ 152</u>	<u>\$ 425</u>	<u>\$ 206</u>	<u>\$ (783)</u>	<u>\$ 425</u>

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)	(47)	\$ 977	(48)
Net interest expense		57	121	41		219
Technology royalty			(31)	31		—
Translation and foreign exchange			(1)			(1)
Income/(loss) before income taxes		923	265	431	(977)	642
Provision for / (benefit from) income taxes		8	(81)	56		(17)
Equity earnings / (loss) in affiliates	\$ 559	242	213	1	(1,010)	5
Net income	559	1,157	559	376	(1,987)	664
Net income attributable to noncontrolling interests				(105)		(105)
Net income attributable to Crown Holdings	\$ 559	\$ 1,157	\$ 559	\$ 271	\$ (1,987)	\$ 559
Comprehensive income	\$ 535	\$ 1,202	\$ 535	\$ 427	\$ (2,054)	\$ 645
Comprehensive income attributable to noncontrolling interests				(110)		(110)
Comprehensive income attributable to Crown Holdings	\$ 535	\$ 1,202	\$ 535	\$ 317	\$ (2,054)	\$ 535

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	\$ 282	\$ 162	\$ 282	\$ 201	\$ (645)	\$ 282
Comprehensive income	\$ 19	\$ 3	\$ 19	\$ 219	\$ (131)	\$ 129
Comprehensive income attributable to noncontrolling interests				(110)		(110)
Comprehensive income attributable to Crown Holdings	\$ 19	\$ 3	\$ 19	\$ 109	\$ (131)	\$ 19

CONDENSED COMBINING BALANCE SHEET

As of December 31, 2013
(in millions)

	Parent	Issuer	Guarantors	Non-Guarantors	Eliminations	Total Company
Assets						
Current assets						
Cash and cash equivalents		\$ 48	\$ 392	\$ 249		\$ 689
Receivables, net		1	246	817		1,064
Intercompany receivables		2	89	63	\$ (154)	—
Inventories			565	648		1,213
Prepaid expenses and other current assets	\$ 1	10	146	57		214
Total current assets	<u>1</u>	<u>61</u>	<u>1,438</u>	<u>1,834</u>	<u>(154)</u>	<u>3,180</u>
Intercompany debt receivables		1,531	3,746	589	(5,866)	—
Investments	1,176	4,155	(325)		(5,006)	—
Goodwill			1,444	572		2,016
Property, plant and equipment, net			643	1,509		2,152
Other non-current assets		29	562	91		682
Total	<u>\$ 1,177</u>	<u>\$ 5,776</u>	<u>\$ 7,508</u>	<u>\$ 4,595</u>	<u>\$ (11,026)</u>	<u>\$ 8,030</u>
Liabilities and equity						
Current liabilities						
Short-term debt			\$ 2	\$ 277		\$ 279
Current maturities of long-term debt				94		94
Accounts payable and accrued liabilities	\$ 16	\$ 22	1,277	1,232		2,547
Intercompany payables		8	55	91	\$ (154)	—
Total current liabilities	<u>16</u>	<u>30</u>	<u>1,334</u>	<u>1,694</u>	<u>(154)</u>	<u>2,920</u>
Long-term debt, excluding current maturities		942	2,332	195		3,469
Long-term intercompany debt	1,157	2,510	1,515	684	(5,866)	—
Postretirement and pension liabilities			870	21		891
Other non-current liabilities		8	281	172		461
Commitments and contingent liabilities						
Noncontrolling interests				285		285
Crown Holdings shareholders' equity/(deficit)	4	2,286	1,176	1,544	(5,006)	4
Total equity/(deficit)	<u>4</u>	<u>2,286</u>	<u>1,176</u>	<u>1,829</u>	<u>(5,006)</u>	<u>289</u>
Total	<u>\$ 1,177</u>	<u>\$ 5,776</u>	<u>\$ 7,508</u>	<u>\$ 4,595</u>	<u>\$ (11,026)</u>	<u>\$ 8,030</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			\$ 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	751	3,841	(276)		(4,316)	—
Goodwill			1,429	569		1,998
Property, plant and equipment, net			610	1,395		2,005
Other non-current assets		24	658	65		747
Total	<u>\$ 752</u>	<u>\$ 5,459</u>	<u>\$ 6,716</u>	<u>\$ 4,175</u>	<u>\$ (9,602)</u>	<u>\$ 7,500</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	1,010		2,146
Intercompany payables			32	43	\$ (75)	—
Total current liabilities	<u>18</u>	<u>41</u>	<u>1,157</u>	<u>1,381</u>	<u>(75)</u>	<u>2,522</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				289		289
Crown Holdings shareholders' equity/(deficit)	(160)	2,143	751	1,422	(4,316)	(160)
Total equity/(deficit)	<u>(160)</u>	<u>2,143</u>	<u>751</u>	<u>1,711</u>	<u>(4,316)</u>	<u>129</u>
Total	<u>\$ 752</u>	<u>\$ 5,459</u>	<u>\$ 6,716</u>	<u>\$ 4,175</u>	<u>\$ (9,602)</u>	<u>\$ 7,500</u>

CONDENSED COMBINING STATEMENT OF CASH FLOWS

For the year ended December 31, 2013
(in millions)

	Parent	Issuer	Guarantors	Non-Guarantors	Eliminations	Total Company
Net cash provided by/(used for) operating activities	\$ 16	\$ (48)	\$ 364	\$ 553		\$ 885
Cash flows from investing activities						
Capital expenditures			(81)	(194)		(275)
Insurance proceeds				8		8
Acquisition of businesses, net of cash acquired				(16)		(16)
Proceeds from sale of businesses, net of cash sold			10			10
Proceeds from sale of property, plant and equipment			20	9		29
Intercompany investing activities		(40)	114		\$ (74)	—
Other, net				(2)		(2)
Net cash provided by/(used for) investing activities	—	(40)	63	(195)	(74)	(246)
Cash flows from financing activities						
Proceeds from long-term debt			1,000	83		1,083
Payments of long-term debt		(218)	(730)	(74)		(1,022)
Net change in revolving credit facility and short-term debt		97	(45)	(34)		18
Net change in long-term intercompany balances	263	255	(380)	(138)		—
Debt issue costs		(6)	(26)			(32)
Capital contribution				40	(40)	—
Common stock issued	21					21
Common stock repurchased	(300)					(300)
Dividends paid				(114)	114	—
Purchase of noncontrolling interests				(16)		(16)
Dividends paid to noncontrolling interests				(78)		(78)
Other		8	12			20
Net cash provided by/(used for) financing activities	(16)	136	(169)	(331)	74	(306)
Effect of exchange rate changes on cash and cash equivalents				6		6
Net change in cash and cash equivalents	—	48	258	33	—	339
Cash and cash equivalents at January 1			134	216		350
Cash and cash equivalents at December 31	\$ —	\$ 48	\$ 392	\$ 249	\$ —	\$ 689

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	\$ 16	\$ (66)	\$ 299	\$ 372		\$ 621
Cash flows from investing activities						
Capital expenditures			(77)	(247)		(324)
Insurance proceeds				48		48
Acquisition of businesses, net of cash acquired			(29)	(49)		(78)
Proceeds from sale of intercompany investment		1,205	(1,205)			—
Proceeds from sale of property, plant and equipment			3			3
Intercompany investing activities		(741)	293		\$ 448	—
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				110		110
Payments of long-term debt			(1)	(65)		(66)
Net change in revolving credit facility and short-term debt		(4)	(103)	135		28
Net change in long-term intercompany balances	226	(232)	77	(71)		—
Capital contribution			1,205	8	(1,213)	—
Common stock issued	15					15
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	(9)			(1)
Net cash provided by/(used for) financing activities	(16)	(398)	796	(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 businesses, net of cash sold			4			4
Proceeds from sale of property, plant and equipment			26			26
Intercompany investing activities		8	290	(180)	(118)	—
Other			(1)			(1)
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

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, 2013, 2012, 2011, and
- balance sheets as of December 31, 2013 and December 31, 2012

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, 2013
(in millions)

	Parent	Issuer	Non-Guarantors	Eliminations	Total Company
Net sales			\$ 8,656		\$ 8,656
Cost of products sold, excluding depreciation and amortization		\$ (16)	7,196		7,180
Depreciation and amortization			134		134
Gross profit		16	1,326		1,342
Selling and administrative expense		6	419		425
Provision for asbestos		32			32
Provision for restructuring			46		46
Asset impairments and sales		(2)	(10)		(12)
Loss from early extinguishment of debt			41		41
Net interest expense		101	130		231
Translation and foreign exchange			3		3
Income/(loss) before income taxes		(121)	697		576
Provision for / (benefit from) income taxes		(28)	176		148
Equity earnings / (loss) in affiliates	\$ 324	417		\$ (741)	—
Net income	324	324	521	(741)	428
Net income attributable to noncontrolling interests			(104)		(104)
Net income attributable to Crown Holdings	<u>\$ 324</u>	<u>\$ 324</u>	<u>\$ 417</u>	<u>\$ (741)</u>	<u>\$ 324</u>
Comprehensive income	\$ 425	\$ 425	\$ 620	\$ (943)	\$ 527
Comprehensive income attributable to noncontrolling interests			(102)		(102)
Comprehensive income attributable to Crown Holdings	<u>\$ 425</u>	<u>\$ 425</u>	<u>\$ 518</u>	<u>\$ (943)</u>	<u>\$ 425</u>

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			(48)		(48)
Net interest expense		90	129		219
Translation and foreign exchange			(1)		(1)
Income/(loss) before income taxes		(134)	776		642
Provision for / (benefit from) income taxes		(36)	19		(17)
Equity earnings / (loss) in affiliates	\$ 559	657		\$ (1,211)	5
Net income	559	559	757	(1,211)	664
Net income attributable to noncontrolling interests			(105)		(105)
Net income attributable to Crown Holdings	\$ 559	\$ 559	\$ 652	\$ (1,211)	\$ 559
Comprehensive income	\$ 535	\$ 535	\$ 738	\$ (1,163)	\$ 645
Comprehensive income attributable to noncontrolling interests			(110)		(110)
Comprehensive income attributable to Crown Holdings	\$ 535	\$ 535	\$ 628	\$ (1,163)	\$ 535

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)	201		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 BALANCE SHEET

As of December 31, 2013
(in millions)

	Parent	Issuer	Non-Guarantors	Eliminations	Total Company
Assets					
Current assets					
Cash and cash equivalents			\$ 689		\$ 689
Receivables, net			1,064		1,064
Inventories			1,213		1,213
Prepaid expenses and other current assets	\$ 1	\$ 103	110		214
Total current assets	<u>1</u>	<u>103</u>	<u>3,076</u>		<u>3,180</u>
Intercompany debt receivables			1,908	\$ (1,908)	—
Investments	1,176	2,212		(3,388)	—
Goodwill			2,016		2,016
Property, plant and equipment, net			2,152		2,152
Other non-current assets		349	333		682
Total	<u>\$ 1,177</u>	<u>\$ 2,664</u>	<u>\$ 9,485</u>	<u>\$ (5,296)</u>	<u>\$ 8,030</u>
Liabilities and equity					
Current liabilities					
Short-term debt			\$ 279		\$ 279
Current maturities of long-term debt			94		94
Accounts payable and accrued liabilities	\$ 16	\$ 36	2,495		2,547
Total current liabilities	<u>16</u>	<u>36</u>	<u>2,868</u>		<u>2,920</u>
Long-term debt, excluding current maturities		412	3,057		3,469
Long-term intercompany debt	1,157	751		\$ (1,908)	—
Postretirement and pension liabilities			891		891
Other non-current liabilities		289	172		461
Commitments and contingent liabilities					
Noncontrolling interests			285		285
Crown Holdings shareholders' equity/(deficit)	4	1,176	2,212	(3,388)	4
Total equity/(deficit)	<u>4</u>	<u>1,176</u>	<u>2,497</u>	<u>(3,388)</u>	<u>289</u>
Total	<u>\$ 1,177</u>	<u>\$ 2,664</u>	<u>\$ 9,485</u>	<u>\$ (5,296)</u>	<u>\$ 8,030</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	751	1,770		(2,521)	—
Goodwill			1,998		1,998
Property, plant and equipment, net			2,005		2,005
Other non-current assets		504	243		747
Total	<u>\$ 752</u>	<u>\$ 2,357</u>	<u>\$ 8,681</u>	<u>\$ (4,290)</u>	<u>\$ 7,500</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	2,094		2,146
Total current liabilities	<u>18</u>	<u>34</u>	<u>2,470</u>		<u>2,522</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			289		289
Crown Holdings shareholders' equity/(deficit)	(160)	751	1,770	(2,521)	(160)
Total equity/(deficit)	<u>(160)</u>	<u>751</u>	<u>2,059</u>	<u>(2,521)</u>	<u>129</u>
Total	<u>\$ 752</u>	<u>\$ 2,357</u>	<u>\$ 8,681</u>	<u>\$ (4,290)</u>	<u>\$ 7,500</u>

CONDENSED COMBINING STATEMENT OF CASH FLOWS

For the year ended December 31, 2013

(in millions)

	Parent	Issuer	Non-Guarantors	Eliminations	Total Company
Net cash provided by/(used for) operating activities	\$ 16	\$ 37	\$ 832		\$ 885
Cash flows from investing activities					
Capital expenditures			(275)		(275)
Insurance proceeds			8		8
Acquisition of businesses, net of cash acquired			(16)		(16)
Proceeds from sale of businesses, net of cash sold		10			10
Proceeds from sale of property, plant and equipment			29		29
Intercompany investing activities		77		\$ (77)	—
Other			(2)		(2)
Net cash provided by/(used for) investing activities	—	87	(256)	(77)	(246)
Cash flows from financing activities					
Proceeds from long-term debt			1,083		1,083
Payments of long-term debt			(1,022)		(1,022)
Net change in revolving credit facility and short-term debt			18		18
Net change in long-term intercompany balances	263	(124)	(139)		—
Debt issue costs			(32)		(32)
Common stock issued	21				21
Common stock repurchased	(300)				(300)
Dividends paid			(77)	77	—
Purchase of noncontrolling interests			(16)		(16)
Dividend paid to noncontrolling interests			(78)		(78)
Other			20		20
Net cash provided by/(used for) financing activities	(16)	(124)	(243)	77	(306)
Effect of exchange rate changes on cash and cash equivalents			6		6
Net change in cash and cash equivalents	—	—	339	—	339
Cash and cash equivalents at January 1			350		350
Cash and cash equivalents at December 31	\$ —	\$ —	\$ 689	\$ —	\$ 689

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	\$ 16	\$ (217)	\$ 822		\$ 621
Cash flows from investing activities					
Capital expenditures			(324)		(324)
Insurance proceeds			48		48
Acquisition of businesses, net of cash acquired			(78)		(78)
Proceeds from sale of property, plant and equipment			3		3
Intercompany investing activities		67		\$ (67)	—
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			110		110
Payments of long-term debt			(66)		(66)
Net change in revolving credit facility and short-term debt			28		28
Net change in long-term intercompany balances	226	150	(376)		—
Common stock issued	15				15
Common stock repurchased	(257)				(257)
Dividends paid			(67)	67	—
Purchase of noncontrolling interests			(4)		(4)
Dividend paid to noncontrolling interests			(79)		(79)
Other			(1)		(1)
Net cash provided by/(used for) financing activities	(16)	150	(455)	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)
Proceeds from sale of business, net of cash sold			4		4
Proceeds from sale of property, plant and equipment			26		26
Intercompany investing activities		49		\$ (49)	—
Other			(1)		(1)
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

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 \$700 principal amount of 6.25% senior notes due 2021 and \$1,000 principal amount of 4.5% senior notes due 2023, 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, 2013, 2012, 2011, and
- balance sheets as of December 31, 2013 and December 31, 2012

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, 2013

(in millions)

	Parent	Issuer	Guarantors	Non-Guarantors	Eliminations	Total Company
Net sales			\$ 2,214	\$ 6,442		\$ 8,656
Cost of products sold, excluding depreciation and amortization			1,746	5,434		7,180
Depreciation and amortization			29	105		134
Gross profit			439	903		1,342
Selling and administrative expense		\$ 9	154	262		425
Provision for asbestos			32			32
Provision for restructuring			5	41		46
Asset impairments and sales			(3)	(9)		(12)
Loss from early extinguishment of debt		39	—	2		41
Net interest expense		46	91	94		231
Technology royalty			(48)	48		—
Translation and foreign exchange				3		3
Income/(loss) before income taxes		(94)	208	462		576
Provision for / (benefit from) income taxes		(36)	100	84		148
Equity earnings / (loss) in affiliates	\$ 324	247	216		\$ (787)	—
Net income	324	189	324	378	(787)	428
Net income attributable to noncontrolling interests				(104)		(104)
Net income attributable to Crown Holdings	\$ 324	\$ 189	\$ 324	\$ 274	\$ (787)	\$ 324
Comprehensive income	\$ 425	\$ 332	\$ 425	\$ 336	\$ (991)	\$ 527
Comprehensive income attributable to noncontrolling interests				(102)		(102)
Comprehensive income attributable to Crown Holdings	\$ 425	\$ 332	\$ 425	\$ 234	\$ (991)	\$ 425

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			\$ 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)	(47)		(48)
Net interest expense		50	90	79		219
Technology royalty			(41)	41		—
Translation and foreign exchange				(1)		(1)
Income/(loss) before income taxes		(57)	196	503		642
Provision for / (benefit from) income taxes		(22)	(97)	102		(17)
Equity earnings / (loss) in affiliates	\$ 559	217	266	1	\$ (1,038)	5
Net income	559	182	559	402	(1,038)	664
Net income attributable to noncontrolling interests				(105)		(105)
Net income attributable to Crown Holdings	\$ 559	\$ 182	\$ 559	\$ 297	\$ (1,038)	\$ 559
Comprehensive income	\$ 535	\$ 162	\$ 535	\$ 391	\$ (978)	\$ 645
Comprehensive income attributable to noncontrolling interests				(110)		(110)
Comprehensive income attributable to Crown Holdings	\$ 535	\$ 162	\$ 535	\$ 281	\$ (978)	\$ 535

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 BALANCE SHEET

As of December 31, 2013
(in millions)

	Parent	Issuer	Guarantors	Non-Guarantors	Eliminations	Total Company
Assets						
Current assets						
Cash and cash equivalents		\$ 177	\$ 2	\$ 510		\$ 689
Receivables, net			26	1,038		1,064
Intercompany receivables			30	81	\$ (111)	—
Inventories			266	947		1,213
Prepaid expenses and other current assets	\$ 1	2	109	102		214
Total current assets	<u>1</u>	<u>179</u>	<u>433</u>	<u>2,678</u>	<u>(111)</u>	<u>3,180</u>
Intercompany debt receivables		1,476	1,808	19	(3,303)	—
Investments	1,176	1,917	685		(3,778)	—
Goodwill			453	1,563		2,016
Property, plant and equipment, net		1	314	1,837		2,152
Other non-current assets		36	388	258		682
Total	<u>\$ 1,177</u>	<u>\$ 3,609</u>	<u>\$ 4,081</u>	<u>\$ 6,355</u>	<u>\$ (7,192)</u>	<u>\$ 8,030</u>
Liabilities and equity						
Current liabilities						
Short-term debt				\$ 279		\$ 279
Current maturities of long-term debt				94		94
Accounts payable and accrued liabilities	\$ 16	\$ 49	\$ 466	2,016		2,547
Intercompany payables			81	30	\$ (111)	—
Total current liabilities	<u>16</u>	<u>49</u>	<u>547</u>	<u>2,419</u>	<u>(111)</u>	<u>2,920</u>
Long-term debt, excluding current maturities		1,920	412	1,137		3,469
Long-term intercompany debt	1,157	594	1,353	199	(3,303)	—
Postretirement and pension liabilities			299	592		891
Other non-current liabilities			294	167		461
Commitments and contingent liabilities						
Noncontrolling interests				285		285
Crown Holdings shareholders' equity/(deficit)	4	1,046	1,176	1,556	(3,778)	4
Total equity/(deficit)	<u>4</u>	<u>1,046</u>	<u>1,176</u>	<u>1,841</u>	<u>(3,778)</u>	<u>289</u>
Total	<u>\$ 1,177</u>	<u>\$ 3,609</u>	<u>\$ 4,081</u>	<u>\$ 6,355</u>	<u>\$ (7,192)</u>	<u>\$ 8,030</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	751	1,560	608		(2,919)	—
Goodwill			453	1,545		1,998
Property, plant and equipment, net		1	308	1,696		2,005
Other non-current assets		26	529	192		747
Total	<u>\$ 752</u>	<u>\$ 3,147</u>	<u>\$ 3,777</u>	<u>\$ 6,059</u>	<u>\$ (6,235)</u>	<u>\$ 7,500</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	1,778		2,146
Intercompany payables			17	7	\$ (24)	—
Total current liabilities	<u>18</u>	<u>61</u>	<u>334</u>	<u>2,133</u>	<u>(24)</u>	<u>2,522</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				289		289
Crown Holdings shareholders' equity/(deficit)	(160)	714	751	1,454	(2,919)	(160)
Total equity/(deficit)	<u>(160)</u>	<u>714</u>	<u>751</u>	<u>1,743</u>	<u>(2,919)</u>	<u>129</u>
Total	<u>\$ 752</u>	<u>\$ 3,147</u>	<u>\$ 3,777</u>	<u>\$ 6,059</u>	<u>\$ (6,235)</u>	<u>\$ 7,500</u>

CONDENSED COMBINING STATEMENT OF CASH FLOWS

For the year ended December 31, 2013
(in millions)

	Parent	Issuer	Guarantors	Non-Guarantors	Eliminations	Total Company
Net provided by/(used for) operating activities	\$ 16	\$ (18)	\$ 352	\$ 535		\$ 885
Cash flows from investing activities						
Capital expenditures			(37)	(238)		(275)
Insurance proceeds				8		8
Acquisition of businesses, net of cash acquired				(16)		(16)
Proceeds from sale of businesses, net of cash sold			10			10
Proceeds from sale of property, plant and equipment			4	25		29
Intercompany investing activities		32	91		\$ (123)	—
Other				(2)		(2)
Net cash provided by/(used for) investing activities		32	68	(223)	(123)	(246)
Cash flows from financing activities						
Proceeds from long-term debt		1,000		83		1,083
Payments of long-term debt		(730)		(292)		(1,022)
Net change in revolving credit facility and short-term debt				18		18
Net change in long-term intercompany balances	263	(108)	(419)	264		—
Debt issue costs		(26)		(6)		(32)
Common stock issued	21					21
Common stock repurchased	(300)					(300)
Dividends paid				(123)	123	—
Purchase of noncontrolling interests				(16)		(16)
Dividends paid to noncontrolling interests				(78)		(78)
Other				20		20
Net cash provided by/(used for) financing activities	(16)	136	(419)	(130)	123	(306)
Effect of exchange rate changes on cash and cash equivalents				6		6
Net change in cash and cash equivalents	—	150	1	188	—	339
Cash and cash equivalents at January 1		27	1	322		350
Cash and cash equivalents at December 31	\$ —	\$ 177	\$ 2	\$ 510	\$ —	\$ 689

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	\$ 16	\$ (28)	\$ 213	\$ 420		\$ 621
Cash flows from investing activities						
Capital expenditures			(41)	(283)		(324)
Insurance proceeds				48		48
Acquisition of businesses, net of cash acquired			(29)	(49)		(78)
Proceeds from sale of property, plant and equipment			1	2		3
Intercompany investing activities		29	268		\$ (297)	—
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				110		110
Payments of long-term debt			(1)	(65)		(66)
Net change in revolving credit facility and short-term debt		(104)		132		28
Net change in long-term intercompany balances	226	109	(408)	73		—
Common stock issued	15					15
Common stock repurchased	(257)					(257)
Dividends paid				(297)	297	—
Purchase of noncontrolling interests			(3)	(1)		(4)
Dividends paid to noncontrolling interests				(79)		(79)
Other				(1)		(1)
Net cash provided by/(used for) financing activities	(16)	5	(412)	(128)	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 businesses, net of cash sold			4			4
Proceeds from sale of property, plant and equipment				26		26
Intercompany investing activities		31	53		\$ (84)	—
Other			(1)			(1)
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

Quarterly Data (unaudited)

(in millions)	2013				2012			
	First ⁽¹⁾	Second ⁽²⁾	Third ⁽³⁾	Fourth ⁽⁴⁾	First	Second ⁽⁵⁾	Third ⁽⁶⁾	Fourth ⁽⁷⁾
Net sales	\$ 1,973	\$ 2,223	\$ 2,389	\$ 2,071	\$ 1,947	\$ 2,184	\$ 2,302	\$ 2,037
Gross profit *	299	375	394	274	287	340	369	281
Net income attributable to Crown Holdings	41	133	101	49	69	134	325	31
Earnings per average common share:								
Basic	0.29	0.94	0.73	\$ 0.36	0.47	0.91	2.23	0.22
Diluted	0.28	0.93	0.73	\$ 0.36	0.46	0.89	2.20	0.21
Average common shares outstanding:								
Basic	142.5	141.2	137.8	136.6	147.8	148.0	145.5	143.0
Diluted	144.0	142.5	139.2	137.7	150.0	150.5	147.8	145.3
Common stock price range: **								
High	\$ 41.69	\$ 44.31	\$ 45.40	\$ 44.94	\$ 38.13	\$ 38.56	\$ 37.66	\$ 39.05
Low	37.00	39.32	40.92	39.77	33.57	32.40	33.13	35.84
Close	41.61	41.13	42.28	44.57	36.83	34.49	36.75	36.81

* 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 charges of \$38 for loss from early debt extinguishment and \$4 for restructuring.
- (2) Includes pre-tax charge of \$4 for restructuring.
- (3) Includes pre-tax charge of \$33 for restructuring, pre-tax gain of \$2 for asset impairments and sales and an income tax charge of \$18 for tax law changes.
- (4) Includes pre-tax charges of \$32 for asbestos claims, \$5 for restructuring and \$3 for loss from early extinguishment of debt, pre-tax gain of \$10 for asset impairments and sales and an income tax benefit of \$7 for tax law changes.
- (5) Includes pre-tax charge of \$3 for restructuring and pre-tax gain of \$10 for asset impairments and sales.
- (6) 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.
- (7) Includes pre-tax charges of \$35 for asbestos claims, \$38 for restructuring, pre-tax gain of \$24 for asset impairments and sales and an income tax charge of \$4 for tax law changes.

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, 2013

Allowances deducted from assets to which they apply:

Trade accounts receivable	\$ 37	\$ 41	\$ 2	\$ (2)	\$ 78
Deferred tax assets	400	(1)	1	(57)	343

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

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, 2013 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

On February 27, 2014, following approval by the Board of Directors, the Company amended and restated its By-Laws, in their entirety. The amendments removed the prohibition on directors entering into certain voting commitments and receiving third-party compensation for services as a Company director and provide that a nominee for election to the Board of Directors must provide disclosure to the Company regarding any such voting commitments and compensation arrangements. The foregoing summary description is qualified in its entirety by reference to the Amended and Restated By-Laws of Crown Holdings, Inc., a copy of which is attached hereto as Exhibit 3.b and incorporated herein by reference.

On February 27, 2014, Caesar F. Sweitzer was elected to serve on the Board of Directors of the Company and was named to the Company's Audit Committee. Mr. Sweitzer formerly served as the senior advisor and managing director of Citigroup Global Markets. There are no arrangements between Mr. Sweitzer and any other person pursuant to which Mr. Sweitzer was elected to serve as a director of the Company, nor are there any transactions in which the Company is a participant in which Mr. Sweitzer has a direct or indirect material interest.

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	68	Chairman of the Board and Chief Executive Officer	2001
Timothy J. Donahue	51	President and Chief Operating Officer	2013
Raymond L. McGowan, Jr.	62	President – Americas Division	2008
Gerard H. Gifford	58	President – European Division	2012
Jozef Salaerts	59	President – Asia Pacific Division	2007
Thomas A. Kelly	54	Senior Vice President and Chief Financial Officer	2013
Kevin C. Clothier	45	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 24, 2014" and "Common Stock Ownership of Certain Beneficial Owners, Directors and Executive Officers" and is incorporated herein by reference.

Crown Holdings, Inc.

The following table provides information as of December 31, 2013 with respect to shares of the Company's Common Stock that may be issued under its equity compensation plans:

Equity Compensation Plan Information			
Plan category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available For Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected In Column (a)) (c)
Equity compensation plans approved by security holders	2,191,653 ⁽¹⁾⁽²⁾	21.20 ⁽²⁾	6,131,128 ⁽³⁾
Equity compensation plans not approved by security holders		N/A	
Total	2,191,653	\$21.20	6,131,128

- (1) Includes the 2001, 2004, 2006 and 2013 Stock-Based Incentive Compensation Plans.
- (2) Includes 496,600 shares of deferred stock awarded from the 2013 Stock-Based Incentive Compensation Plan in May 2013. The shares are time-vesting and will be issued over three years commencing May 2015. The weighted-average exercise price in the table does not include these shares.
- (3) Includes 4,992,473, 907,455 and 231,200 shares available for issuance at December 31, 2013 under the 2013 Stock Based Incentive Compensation Plan, the Company's Employee Stock Purchase Plan and the Stock Compensation Plan for Non-Employee Directors, respectively.

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, 2013, 2012 and 2011

Consolidated Statements of Comprehensive Income for the years ended December 31, 2013, 2012 and 2011

Consolidated Balance Sheets as of December 31, 2013 and 2012

Consolidated Statements of Cash Flows for the years ended December 31, 2013, 2012 and 2011

Consolidated Statements of Shareholders' Equity for the years ended December 31, 2013, 2012 and 2011

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

2. Share Purchase Agreement, dated October 30, 2013, between Lata Lux Holding Parent S.à r.l and Crown Holdings, Inc.
- 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.
- 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)).

Crown Holdings, Inc.

- 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)).
- 4.i 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.j 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.k 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.l Form of 7 1/8% Senior Notes due 2018 (included in Exhibit 4.k).
- 4.m 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.n Form of 6 1/4% Senior Notes due 2021 (included in Exhibit 4.m).
- 4.o 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.p 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.q Form of 4 1/2% Senior Notes due 2023 (included in Exhibit 4.p).
- 4.r 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)).
- 4.r Credit Agreement, dated as of December 19, 2013, 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, Deutsche Bank AG New York Branch, as Administrative Agent, Deutsche Bank AG London Branch, a U.K. Administrative Agent, Deutsche Bank AG Canada Branch, as Canadian Administrative Agent, and various Lending Institutions (incorporated by reference to Exhibit 10.1 of the Registrant's Current Report on Form 8-K dated December 20, 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.

Crown Holdings, Inc.

- 10.a 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.b 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.c 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 employment contract, dated May 3, 2007, between Crown Holdings, Inc. and John W. Conway, dated as of December 11, 2013 (incorporated by reference to Exhibit 10.1 of the Registrant's Current Report on Form 8-K dated December 17, 2013 (File No. 0-50189)).
 - (3) 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).
 - (4) 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)).
 - (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)).
 - (6) First amendment to the employment contract, effective June 1, 2012, between Crown Holdings, Inc. and Gerard Gifford, dated as of July 24, 2013 (incorporated by reference to Exhibit 10.3 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2013 (File No 0-50189)).
 - (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 Thomas A. Kelly, dated July 24, 2013 (incorporated by reference to Exhibit 10 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2013 (File No. 0-50189)).
 - (8) 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.d 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.e 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.f Senior Executive Retirement Agreements:

Crown Holdings, Inc.

- (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 (incorporated by reference to Exhibit 10.m(7) of the Registrant's Annual Report on Form 10-K for the year ended December 31, 2012 (File No. 0-50189)).
 - (8) Senior Executive Retirement Agreement, effective July 24, 2013, between Crown Holdings, Inc. and Thomas A. Kelly (incorporated by reference to Exhibit 10.2 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2013 (File No 0-50189)).
- 10.g 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.h 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.i 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.j 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)).
- 10.k 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.l 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.m 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)).

Crown Holdings, Inc.

- 10.n 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.o 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.p 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.q 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.r 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.s 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.t 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.u 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.v 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.w 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)).
- 10.x 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.y Crown Holdings, Inc. 2013 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 18, 2013 (File No. 0-50189)).
- 10.z Form of Agreement for Restricted Stock Awards under Crown Holdings, Inc. 2013 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 September 30, 2013 (File No. 0-50189)).

Crown Holdings, Inc.

- 10.aa Form of Agreement for Deferred Stock Awards under Crown Holdings, Inc. 2013 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 September 30, 2013 (File No. 0-50189)).
- 10.bb 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.cc 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.dd 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.ee 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.ff 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.c through 10.r, with the exception of 10.s, 10t and 10.dd - 10.ff, 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, 2013 formatted in XBRL (eXtensible Business Reporting Language): (i) Consolidated Statements of Operations for the twelve months ended December 31, 2013, 2012 and 2011, (ii) Consolidated Statements of Comprehensive Income for the twelve months ended December 31, 2013, 2012 and 2011; (iii) Consolidated Balance Sheets as of December 31, 2013 and December 31, 2012, (iv) Consolidated Statements of Cash Flows for the twelve months ended December 31, 2013, 2012 and 2011, (v) Consolidated Statements of Changes in Shareholders' Equity for the twelve months ended December 31, 2013, 2012 and 2011 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 3, 2014

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 2013 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 and Chief Executive Officer

/s/ Thomas A. Kelly

Thomas A. Kelly

Senior 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

/s/ Jim L. Turner

Jim L. Turner

/s/ James H. Miller

James H. Miller

/s/ William S. Urkiel

William S. Urkiel

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