TUPPERWARE BRANDS CORP
Form 10-Q
November 07, 2013
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

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x Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the 13 weeks ended September 28, 2013
OR
o Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the Transition period from to
Commission file number 1-11657

TUPPERWARE BRANDS CORPORATION
(Exact name of registrant as specified in its charter)

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

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No o

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

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

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

As of November 4, 2013, 50,663,517 shares of the common stock, $0.01 par value, of the registrant were outstanding.

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Item 1. Financial Statements (Unaudited)

TUPPERWARE BRANDS CORPORATION
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

(Dollars in millions, except per share amounts)	13 weeks ended		39 weeks ended	
	September 28, 2013	September 29, 2012	September 28, 2013	September 29, 2012
Net sales	$603.2	$594.4	$1,954.5	$1,872.8
Cost of products sold	199.6	199.5	648.4	619.3
Gross margin	403.6	394.9	1,306.1	1,253.5
Delivery, sales and administrative expense	325.4	318.0	1,023.2	986.1
Re-engineering and impairment charges	2.7	2.0	7.1	4.0
Impairment of goodwill and intangible assets	—	—	—	76.9
Gains on disposal of assets, including insurance recoveries	0.9	0.3	1.1	8.0
Operating income	76.4	75.2	276.9	194.5
Interest income	0.6	0.6	1.9	1.9
Interest expense	10.3	8.5	29.5	27.0
Other expense	1.5	—	5.0	0.1
Income before income taxes	65.2	67.3	244.3	169.3
Provision for income taxes	15.3	19.8	59.8	50.8
Net income	$49.9	$47.5	$184.5	$118.5
Earnings per share:				
Basic	$0.97	$0.86	$3.52	$2.14
Diluted	0.95	0.85	3.44	2.09
Weighted-average shares outstanding:				
Basic	51.2	55.2	52.4	55.5
Diluted	52.4	56.2	53.6	56.6
Dividends declared per common share	$0.62	$0.36	$1.86	$1.08

See accompanying Notes to Consolidated Financial Statements (Unaudited).

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TUPPERWARE BRANDS CORPORATION
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

(Dollars in millions)	13 weeks ended		39 weeks ended	
	September 28, 2013	September 29, 2012	September 28, 2013	September 29, 2012
Net income	$49.9	$47.5	$184.5	$118.5
Other comprehensive income (loss):				
Foreign currency translation adjustments	7.1	37.6	(36.7)	19.6
Deferred (loss) gain on cash flow hedges, net of tax (benefit) provision of ($0.4), ($0.4), $0.3 and ($0.1) million, respectively	(1.1)	(1.8)	1.1	(0.5)
Pension and other post-retirement costs, net of tax provision of $0.3, $0.2, $0.5 and $0.4 million, respectively	2.2	0.2	1.9	2.3
Other comprehensive income (loss)	8.2	36.0	(33.7)	21.4
Total comprehensive income	$58.1	$83.5	$150.8	$139.9

See accompanying Notes to Consolidated Financial Statements (Unaudited).

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TUPPERWARE BRANDS CORPORATION
CONSOLIDATED BALANCE SHEETS
(Unaudited)

(Dollars in millions, except share amounts)	September 28, 2013	December 29, 2012
ASSETS		
Cash and cash equivalents	$126.0	$119.8
Accounts receivable, less allowances of $33.2 and $30.4, respectively	187.1	173.4
Inventories	353.1	313.9
Deferred income tax benefits, net	111.1	94.9
Non-trade amounts receivable, net	47.4	39.0
Prepaid expenses and other current assets	30.9	25.5
Total current assets	855.6	766.5
Deferred income tax benefits, net	358.4	359.1
Property, plant and equipment, net	291.0	298.8
Long-term receivables, less allowances of $21.8 and $22.4, respectively	23.7	24.8
Trademarks and tradenames	131.8	138.4
Other intangible assets, net	3.7	5.0
Goodwill	185.7	192.9
Other assets, net	30.3	36.3
Total assets	$1,880.2	$1,821.8
LIABILITIES AND SHAREHOLDERS' EQUITY		
Accounts payable	$109.5	$154.8
Short-term borrowings and current portion of long-term debt and capital lease obligations	292.8	203.4
Accrued liabilities	364.9	336.3
Total current liabilities	767.2	694.5
Long-term debt and capital lease obligations	619.0	414.4
Other liabilities	221.9	233.8
Shareholders' equity:		
Preferred stock, $0.01 par value, 200,000,000 shares authorized; none issued	—	—
Common stock, $0.01 par value, 600,000,000 shares authorized; 63,607,090 shares issued	0.6	0.6
Paid-in capital	172.8	151.2
Retained earnings	1,233.5	1,172.4
Treasury stock, 12,547,387 and 9,547,436 shares, respectively, at cost	(829.8)	(573.8)
Accumulated other comprehensive loss	(305.0)	(271.3)
Total shareholders' equity	272.1	479.1
Total liabilities and shareholders' equity	$1,880.2	$1,821.8

See accompanying Notes to Consolidated Financial Statements (Unaudited).

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TUPPERWARE BRANDS CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

(In millions)	39 weeks ended September 28, 2013	September 29, 2012
Operating Activities:		
Net income	$184.5	$118.5
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	38.5	36.5
Unrealized foreign exchange loss	2.5	—
Equity compensation	11.9	11.3
Amortization of deferred debt costs	0.6	0.7
Premium on senior notes	6.3	—
Net gains on disposal of assets, including insurance recoveries	(0.8)	(8.0)
Provision for bad debts	9.3	8.4
Write-down of inventories	11.7	11.1
Non-cash impact of re-engineering and impairment costs	—	76.9
Net change in deferred income taxes	(18.5)	(3.1)
Excess tax benefits from share-based payment arrangements	(13.6)	(11.9)
Changes in assets and liabilities:		
Accounts and notes receivable	(29.2)	(33.3)
Inventories	(64.8)	(47.1)
Non-trade amounts receivable	(3.2)	1.1
Prepaid expenses	(5.4)	(8.8)
Other assets	4.2	(4.2)
Accounts payable and accrued liabilities	(8.3)	(18.9)
Income taxes payable	(5.8)	(20.1)
Other liabilities	2.2	0.3
Proceeds from insurance recoveries, net of costs	—	0.2
Net cash impact from hedging activity	3.8	1.9
Other	0.1	—
Net cash provided by operating activities	126.0	111.5
Investing Activities:		
Capital expenditures	(42.9)	(51.0)
Proceeds from disposal of property, plant and equipment	8.4	9.8
Net cash used in investing activities	(34.5)	(41.2)
Financing Activities:		
Dividend payments to shareholders	(84.9)	(57.5)
Net proceeds from issuance of senior notes	200.0	—
Proceeds from exercise of stock options	18.9	9.7
Repurchase of common stock	(303.7)	(104.3)
Repayment of capital lease obligations	(1.9)	(1.8)
Net change in short-term debt	87.3	47.4
Debt issuance costs	(2.1)	—
Excess tax benefits from share-based payment arrangements	13.6	11.9
Net cash used in financing activities	(72.8)	(94.6)
Effect of exchange rate changes on cash and cash equivalents	(12.5)	(0.1)
Net change in cash and cash equivalents	6.2	(24.4)

Cash and cash equivalents at beginning of year	119.8	138.2
Cash and cash equivalents at end of period	$126.0	$113.8

See accompanying Notes to Consolidated Financial Statements (Unaudited).

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TUPPERWARE BRANDS CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 1: Summary of Significant Accounting Policies

Basis of Presentation: The condensed consolidated financial statements include the accounts of Tupperware Brands Corporation and its subsidiaries, collectively “Tupperware” or the “Company”, with all intercompany transactions and balances having been eliminated. These condensed consolidated financial statements and related notes should be read in conjunction with the 2012 audited financial statements included in the Company's Annual Report on Form 10-K for the year ended December 29, 2012.

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

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

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

Note 2: Shipping and Handling Costs

The cost of products sold line item includes costs related to the purchase and manufacture of goods sold by the Company. Among these costs are inbound freight charges, purchasing and receiving costs, inspection costs, depreciation expense, internal transfer costs and warehousing costs of raw material, work in process and packing materials. The warehousing and distribution costs of finished goods are included in delivery, sales and administrative expense (“DS&A”). Distribution costs are comprised of outbound freight and associated labor costs. Fees billed to customers associated with the distribution of products are classified as revenue. The distribution costs included in DS&A expense for the third quarters of 2013 and 2012 were $36.2 million and $35.1 million, respectively, and were $114.6 million and $109.8 million for the year-to-date periods ended September 28, 2013 and September 29, 2012, respectively.

Note 3: Promotional Costs

The Company frequently makes promotional offers to members of its independent sales force to encourage them to fulfill specific goals or targets for sales levels, party attendance, recruiting of new sales force members or other business-critical functions. The awards offered are in the form of cash, product awards, special prizes or trips.

The Company accrues for the costs of these awards during the period over which the sales force qualifies for the award and reports these costs primarily as a component of DS&A expense. These accruals require estimates as to the cost of the awards, based upon estimates of achievement and actual cost to be incurred. During the qualification period, actual results are monitored, and changes to the original estimates are made when known. Promotional and other sales force compensation expenses included in DS&A expense totaled $102.3 million and $100.0 million for the third quarters of 2013 and 2012, respectively, and $332.3 million and $319.5 million for the year-to-date periods ended September 28, 2013 and September 29, 2012, respectively.

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

Note 4: Inventories

(in millions)	September 28, 2013	December 29, 2012
Finished goods	$274.6	$251.2
Work in process	31.2	22.9
Raw materials and supplies	47.3	39.8
Total inventories	$353.1	$313.9

Note 5: Net Income Per Common Share
Basic per share information is calculated by dividing net income by the weighted average number of shares outstanding. Diluted per share information is calculated by also considering the impact of potential common stock on both net income and the weighted average number of shares outstanding.
The elements of the earnings per share computations were as follows (in millions, except per share amounts):

	13 weeks ended		39 weeks ended	
	September 28, 2013	September 29, 2012	September 28, 2013	September 29, 2012
Net income	$49.9	$47.5	$184.5	$118.5
Weighted-average shares of common stock outstanding	51.2	55.2	52.4	55.5
Common equivalent shares:				
Assumed exercise of dilutive options, restricted shares, restricted stock units and performance share units	1.2	1.0	1.2	1.1
Weighted-average common and common equivalent shares outstanding	52.4	56.2	53.6	56.6
Basic earnings per share	$0.97	$0.86	$3.52	$2.14
Diluted earnings per share	$0.95	$0.85	$3.44	$2.09
Shares excluded from the determination of potential common stock because inclusion would have been anti-dilutive	—	0.4	—	0.3

Note 6: Accumulated Other Comprehensive Loss

(in millions, net of tax)	Foreign Currency Items	Cash Flow Hedges	Pension and Other Post-retirement Items	Total
Beginning of the year balance	$(218.2)	$(0.2)	$ (52.9)	$(271.3)
Other comprehensive (loss) income before reclassifications	(36.7)	2.1	(3.2)	(37.8)
Amounts reclassified from accumulated other comprehensive loss	—	(1.0)	5.1	4.1
Net current-period other comprehensive (loss) income	(36.7)	1.1	1.9	(33.7)
End of period balance	$(254.9)	$0.9	$ (51.0)	$(305.0)

Pretax amounts reclassified from accumulated other comprehensive loss that relate to cash flow hedges consisted of $1.6 million of net gains. The tax provision associated with these items was $0.6 million. See Note 11 for further discussion of derivatives.

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Pretax amounts reclassified from accumulated other comprehensive loss related to pension and other post-retirement items consisted of $0.4 million of prior service benefit, $3.0 million of pension settlement costs and $3.9 million of actuarial losses. The tax benefit associated with these items was $1.4 million. See Note 13 for further discussion of pension and other post-retirement benefit costs.

Note 7: Re-engineering and Other Exit Costs

The Company recorded $2.7 million and $2.0 million in re-engineering and impairment charges during the third quarters of 2013 and 2012, respectively, and $7.1 million and $4.0 million for the respective year-to-date periods. In both years, these charges were primarily related to severance costs incurred for headcount reductions in several of the Company's operations in connection with changes in its management and organizational structures, and in 2012, the decision to cease operating its Nutrimetics businesses in Greece and the United Kingdom, as well as the relocation of the Company's office in Poland.

The balances included in accrued liabilities related to re-engineering and impairment charges as of September 28, 2013 and December 29, 2012 were as follows (in millions):

	September 28, 2013	December 29, 2012
Beginning of the year balance	$1.5	$3.0
Provision	7.1	22.4
Cash expenditures:		
Severance	(4.7)	(6.0)
Other	(1.1)	(1.7)
Non-cash asset impairments	(0.2)	(16.2)
End of period balance	$2.6	$1.5

The accrual balance as of September 28, 2013, related primarily to severance payments to be made by the end of the second quarter of 2014.

Note 8: Goodwill and Intangible Assets

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

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

Goodwill

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

the excess.

In the third quarter of 2013, the Company completed the annual assessments for all of its reporting units, concluding there were no impairments. In light of year-to-date results of Fuller Mexico being below previous expectations and current expectations for future results, the amount by which the estimated fair value of the Fuller Mexico reporting unit exceeded its carrying value, at 21 percent, was smaller in 2013 than in previous assessments. This decrease was primarily due to ineffective recruiting and retention of sales force members in light of the competitive environment in that market, as well as the design of certain promotional programs that did not result in the benefits expected. The fair value analysis for Fuller Mexico was completed using a combination of the income and market approach with a 75 percent weighting on the income approach. The significant assumptions used in the income approach included estimates regarding future operations and the ability to generate cash flows, including projections of revenue, costs, utilization of assets and capital requirements. It also requires estimates as to the appropriate discount rate to be used. The most sensitive estimate in this valuation is the projection of operating cash flows, as these provide the basis for the fair market valuation. The Company's cash flow model used a forecast period of 10 years and a terminal value. The significant assumptions for the forecast included annual revenue growth rates ranging from zero to 5.0 percent with an average growth rate of 3 percent, including a 3 percent growth rate used in calculating the terminal value. The growth rates were determined by reviewing historical results of the operating unit and the historical results of the Company's other similar business units, along with the expected contribution from growth strategies being implemented in the Fuller Mexico reporting unit. The discount rate used was 15.6 percent. The market approach relies on an analysis of publicly-traded companies similar to Tupperware and deriving a range of revenue and profit multiples. The publicly-traded companies used in the market approach were selected based on their having similar product lines of consumer goods, beauty products and/or companies using a direct-selling distribution method. The resulting multiples were then applied to the reporting unit to determine fair value. Despite the amount by which the estimated fair value of the reporting unit exceeded its carrying value at September 28, 2013, ineffective recruiting and retention; operating performance below current expectations, including changes in projected future revenue, profitability and cash flow; as well as higher interest rates or cost of capital, could have a further negative effect on the fair value of the reporting unit and therefore reduce the fair value below the carrying value. This would result in an impairment to the goodwill. At September 28, 2013, the book value of goodwill recorded in Fuller Mexico was $117.3 million.

Other than for the Fuller Mexico reporting unit, management has concluded there is no significant foreseeable risk of failing a future step one impairment test. Given the sensitivity of fair value valuations to changes in cash flow or market multiples, the Company may be required to recognize an impairment of goodwill or indefinite lived intangible assets in the future due to changes in market conditions or other factors related to the Company's performance. Actual results below forecasted results or a decrease in the forecasted future results of the Company's business plans or changes in discount rates could also result in an impairment charge, as could changes in market characteristics including declines in valuation multiples of comparable publicly-traded companies. Further impairment charges would have an adverse impact on the Company's net income and shareholders' equity.

Tradename

The annual process for assessing the carrying value of indefinite-lived tradename intangible assets begins with a qualitative assessment that is similar to the assessment performed for goodwill. When the Company determines it is necessary, the quantitative impairment test for the Company's indefinite-lived tradenames involves comparing the estimated fair value of the assets to the carrying amounts, to determine if fair value is lower and a write-down required. If the carrying amount of a tradename exceeds its estimated fair value, an impairment charge is recognized in an amount equal to the excess.

In August of 2013, the Company concluded it should reclassify its Fuller tradename from indefinite-lived to definite-lived. This conclusion was primarily reached in light of an expected long-term transition in the Fuller Mexico business to a new brand name. As a result of this expected transition, the Company has determined that the Fuller tradename has a 10 year useful life, with amortization to be recorded on a straight-line basis. Amortization expense recorded in the third quarter of 2013 related to the Fuller tradename was $0.9 million and is expected to be an

additional $2.6 million for the remainder of 2013.

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Estimated future amortization expense related to the Fuller tradename as of September 29, 2013 was as follows:

Fiscal year:	In millions
2013 (remaining three months)	$2.6
2014	10.5
2015	10.5
2016	10.5
2017	10.5
Thereafter	59.6

The reclassification of the Fuller tradename from an indefinite-lived to definite-lived asset triggered an impairment review similar to that performed during an annual assessment, as described above. The results of the impairment test demonstrated that the current estimated fair value of the Fuller tradename exceeded its carrying value.
In the third quarter of 2013, the Company completed the annual impairment assessments for all of the indefinite-lived tradename intangible assets, determining that there had been no impairments. In addition, management has concluded there is no significant foreseeable risk of the fair value of the indefinite lived intangible assets falling below their respective carrying values. Actual results below forecasted results or a decrease in the forecasted future results of the Company’s business plans, royalty rates or changes in discount rates could also result in an impairment charge. Further impairment charges would have an adverse impact on the Company’s net income and shareholders' equity.

Note 9: Segment Information
The Company manufactures and distributes a broad portfolio of products, primarily through independent direct sales consultants. Certain operating segments have been aggregated based upon consistency of economic substance, geography, products, production process, class of customers and distribution method.
The Company's reportable segments include the following:

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

Worldwide sales of beauty and personal care products totaled $128.5 million and $146.7 million in the third quarters of 2013 and 2012, respectively, and $416.0 million and $443.6 million in the year-to-date periods ended September 28, 2013 and September 29, 2012, respectively.

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

(In millions)	13 weeks ended September 28, 2013	13 weeks ended September 29, 2012	39 weeks ended September 28, 2013	39 weeks ended September 29, 2012
Net sales:				
Europe	$146.9	$157.8	$564.3	$570.2
Asia Pacific	205.1	197.5	614.5	561.5
Tupperware North America	80.6	78.9	263.1	253.3
Beauty North America	73.9	83.8	241.2	257.0
South America	96.7	76.4	271.4	230.8
Total net sales	$603.2	$594.4	$1,954.5	$1,872.8
Segment profit:				
Europe	$10.6	$12.7	$82.2	$80.9
Asia Pacific	44.2	44.0	133.3	118.7
Tupperware North America	14.9	14.1	44.2	45.3
Beauty North America	1.5	6.0	15.0	23.0
South America	21.8	15.6	49.5	42.2
Total segment profit	$93.0	$92.4	$324.2	$310.1
Unallocated expenses	(16.3)	(15.5)	(46.3)	(42.8)
Re-engineering and impairment charges (a)	(2.7)	(2.0)	(7.1)	(4.0)
Impairment of goodwill and intangible assets	—	—	—	(76.9)
Gains on disposal of assets, including insurance recoveries	0.9	0.3	1.1	8.0
Interest expense, net	(9.7)	(7.9)	(27.6)	(25.1)
Income before taxes	$65.2	$67.3	$244.3	$169.3

Identifiable assets:	September 28, 2013	December 29, 2012
Europe	$384.5	$385.4
Asia Pacific	333.2	331.3
Tupperware North America	147.0	140.0
Beauty North America	298.3	320.3
South America	143.6	114.9
Corporate	573.6	529.9
Total identifiable assets	$1,880.2	$1,821.8

(a) See Note 7 to the Consolidated Financial Statements for a discussion of re-engineering and impairment charges.

Note 10: Debt

Senior Notes

On June 2, 2011, the Company completed the sale of $400 million in aggregate principal amount of 4.750% senior notes due June 1, 2021 at an issue price of 98.989% under an indenture, dated as of June 2, 2011 (the "Indenture"), entered into by the Company and its wholly-owned subsidiary, Dart Industries Inc. (the “Guarantor”).

On March 11, 2013, the Company issued and sold an additional $200 million in aggregate principal amount of these notes (both issuances together, the "Notes") at an issue price of 103.781% in a registered public offering pursuant to an underwriting agreement, dated March 6, 2013, among the Company, the Guarantor and the representatives of the underwriters. The Notes form a single series under the Indenture. The March 2013 proceeds were used to repay a 90-day $75 million promissory note entered into on February 1, 2013, as well as a portion of outstanding borrowings under the Company's multicurrency credit agreement in place at that time. The remaining net proceeds were used to fund share repurchases in 2013 under the Company's common stock repurchase authorization. As a result of the 2013 issuance, the Company recorded a premium of $7.6 million to be amortized over the life of the bond. The Company also incurred $1.5 million in deferred financing costs, of which $1.3 million was netted with the bond premium.

The Notes were issued under an Indenture between the Company, the Guarantor and Wells Fargo Bank, N.A., as trustee. As security for its obligations under the guarantee of the Senior Notes, the Guarantor has granted a security interest in certain "Tupperware" trademarks and service marks. The guarantee and the lien securing the guarantee may be released under certain customary circumstances specified in the Indenture. These customary circumstances include:

- payment in full of principal of and premium, if any, and interest on the Notes;
- satisfaction and discharge of the Indenture;
- upon legal defeasance or covenant defeasance of the Notes as set forth in the Indenture;
- as to any property or assets constituting Collateral owned by the Guarantor that is released from its Guarantee in accordance with the Indenture;
- with the consent of the Holders of the requisite percentage of Notes in accordance with the Indenture; and
- the rating on the Notes is changed to investment grade in accordance with the Indenture.

Credit Agreement

In September 2013, the Company and its wholly owned subsidiary Tupperware International Holdings B.V. (the “Subsidiary Borrower”), amended and restated its multicurrency Credit Agreement (the “New Credit Agreement”) with JPMorgan Chase Bank, N.A. as administrative agent (the “Administrative Agent”), swingline lender and issuing bank, Crédit Agricole Corporate and Investment Bank, HSBC Bank USA, N.A., KeyBank National Association and the Royal Bank of Scotland, as syndication agents, joint book runners and joint lead arrangers. The New Credit Agreement replaced the Credit Agreement dated June 2, 2011 (the “Old Credit Agreement”) and, other than an increased amount that may be borrowed and a more favorable interest rate spread, has terms and conditions similar to that of the Old Credit Agreement. The New Credit Agreement makes available to the Company and the Subsidiary Borrower a five-year credit facility in an aggregate amount of $650 million (the “Facility Amount”). The New Credit Agreement provides (i) a revolving credit facility, available up to the full amount of the Facility Amount, (ii) a letter of credit facility, available up to $50 million of the Facility Amount, and (iii) a swingline facility, available up to $100 million of the Facility Amount. Each of such facilities is fully available to the Company and is available to the Subsidiary Borrower up to an aggregate amount not to exceed $325 million. With the agreement of its lenders, the Company is permitted to increase, on up to three occasions, the Facility Amount by a total of up to $200 million (for a maximum aggregate Facility Amount of $850 million), subject to certain conditions. As of September 28, 2013, the Company had total borrowings of $290.3 million outstanding under its New Credit Agreement, with $134.8 million denominated in euro.

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Loans made under the revolving credit facility are either (i) “Eurocurrency Borrowings”, bearing interest determined in reference to the London interbank offered rate ("LIBOR") for the applicable currency and interest period, plus a margin or (ii) “ABR Borrowings”, bearing interest at the sum of (A) the greatest of (x) the rate of interest publicly announced from time to time by JPMorgan Chase Bank, N.A. as its prime rate, (y) the Federal funds rate plus 0.5% and (z) one month LIBOR, plus 1%, and (B) a margin. The applicable margin in each case will be determined by reference to a pricing schedule and will be based upon the ratio (the “Consolidated Leverage Ratio”) at any time of the consolidated funded indebtedness of the Company and its subsidiaries to the consolidated EBITDA (as defined in the New Credit Agreement and further described below) of the Company and its subsidiaries for the four (4) fiscal quarters then most recently ended. The applicable margin for ABR Borrowings ranges from 0.25% to 1.25%. The applicable margin for Eurocurrency Borrowings ranges from 1.25% to 2.25%. Loans made under the swingline facility bear interest, if denominated in U.S. dollars, at the same rate as an ABR Borrowing and, if denominated in another currency, at a rate to be agreed between the Company and the swingline lender prior to the extension of such loan. As of September 28, 2013, the New Credit Agreement dictated a spread of 150 basis points, which gave the Company a weighted average interest rate on LIBOR based borrowings of 1.63 percent on borrowings under the New Credit Agreement.

The New Credit Agreement contains covenants that, among other things, generally restrict the Company's ability to incur subsidiary indebtedness, create liens on and sell assets, engage in liquidation or dissolutions, engage in mergers or consolidations, or change lines of business. These covenants are subject to significant exceptions and qualifications. The New Credit Agreement also includes financial covenants providing for a maximum Consolidated Leverage Ratio of 3.25 to 1.0 and a minimum interest coverage ratio of 3.0 to 1.0 (defined as consolidated EBITDA divided by consolidated total interest expense). For purposes of the New Credit Agreement, consolidated EBITDA represents earnings before interest, income taxes, depreciation and amortization, as adjusted to exclude unusual, non-recurring gains as well as non-cash charges and certain other items. As of September 28, 2013, and currently, the Company had considerable cushion under its financial covenants.

The Guarantor unconditionally guarantees all obligations and liabilities of the Company and the Subsidiary Borrower relating to this New Credit Agreement, as well as the Notes, supported by a security interest in certain "Tupperware" trademarks and service marks.

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

At September 28, 2013, the Company had $456.6 million of unused lines of credit, including $357.5 million under the committed, secured $650 million New Credit Agreement, and $99.1 million available under various uncommitted lines around the world.

Note 11: Derivative Instruments and Hedging Activities

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

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Fair value hedges are entered into with financial instruments such as forward contracts, with the objective of limiting exposure to certain foreign exchange risks primarily associated with accounts payable and non-permanent intercompany transactions. For derivative instruments that are designated and qualify as fair value hedges, the gain or loss on the derivative, as well as the offsetting gain or loss on the hedged item attributable to the hedged risk, are recognized in current earnings. In assessing hedge effectiveness, the Company excludes forward points, which are considered to be a component of interest expense. The forward points on fair value hedges resulted in pretax gains of $3.5 million and $2.5 million in the third quarters of 2013 and 2012, respectively, and pretax gains of $7.7 million and $8.1 million for the respective year-to-date periods.

The Company also uses derivative financial instruments to hedge foreign currency exposures resulting from certain forecasted purchases and classifies these as cash flow hedges. The Company's cash flow hedge contracts are for periods ranging from one to twelve months. The effective portion of the gain or loss on the hedging instrument is recorded in other comprehensive loss and is reclassified into earnings as the transactions being hedged are recorded. As such, the balance at the end of the reporting period in other comprehensive loss, related to cash flow hedges, will be reclassified into earnings within the next twelve months. The associated asset or liability on the open hedges is recorded in other current assets or accrued liabilities, as applicable. In assessing hedge effectiveness, the Company excludes forward points, which are included as a component of interest expense. Forward points on cash flow hedges resulted in pretax expenses of $0.7 million and $0.6 million in the third quarters of 2013 and 2012, respectively, and in pretax expenses of $2.0 million and $1.8 million for the respective year-to-date periods.

The Company also uses financial instruments, such as forward contracts, to hedge a portion of its net equity investment in international operations and classifies these as net equity hedges. Changes in the value of these derivative instruments, excluding any ineffective portion of the hedges, are included in foreign currency translation adjustments within accumulated other comprehensive loss. The Company recorded a net loss associated with these hedges, in other comprehensive income, net of tax, of $3.9 million and $12.8 million in the third quarters of 2013 and 2012, respectively and a net gain (loss) of $7.2 million and $(8.2) million for the respective year-to-date periods. Due to the permanent nature of the investments, the Company does not anticipate reclassifying any portion of these amounts to the income statement in the next 12 months. In assessing hedge effectiveness, the Company excludes forward points, which are included as a component of interest expense. For the third quarters of 2013 and 2012, forward points on net equity hedges resulted in pretax expenses of $4.0 million and $3.1 million, respectively, and pretax expenses of $9.6 million and $10.4 million for the respective year-to-date periods.

While the Company's net equity and fair value hedges of non-permanent intercompany balances mitigate its exposure to foreign exchange gains or losses, they result in an impact to operating cash flows as they are settled, whereas the hedged items may not generate offsetting cash flows. The net cash flow impact of these currency hedges was an inflow of $3.8 million and $1.9 million for the year-to-date periods ended September 28, 2013 and September 29, 2012, respectively.

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Following is a listing of the Company's outstanding derivative financial instruments at fair value as of September 28, 2013 and December 29, 2012. Related to the forward contracts, the "buy" amounts represent the U.S. dollar equivalent of commitments to purchase foreign currencies, and the "sell" amounts represent the U.S. dollar equivalent of commitments to sell foreign currencies, all translated at the period-end market exchange rates for the U.S. dollar. All forward contracts are hedging net investments in certain foreign subsidiaries, cross-currency intercompany loans that are not permanent in nature, cross-currency external payables and receivables or forecasted purchases. Some amounts are between two foreign currencies:

Forward Contracts	September 28, 2013		December 29, 2012	
(in millions)	Buy	Sell	Buy	Sell
Euro	$27.9		$66.6	
U.S. dollar	27.0		69.9	
Philippine peso	11.8		9.9	
Chinese yuan renminbi	8.6		—	
Mexican peso	6.3			$22.0
Uruguayan peso	4.6		0.9	
Malaysian ringgit	4.5		17.2	
Indonesian rupiah	4.2		11.3	
South Korean won	3.8		3.0	
New Zealand dollar	1.1		1.4	
Swiss franc		$21.0		53.8
Turkish lira		13.9		12.3
Canadian dollar		13.4		3.5
Polish zloty		8.1		3.3
Russian ruble		7.5		5.7
South African rand		4.5		6.8
Brazilian real		3.9		1.7
Danish krone		3.6	0.4	
Thai baht		3.5		3.3
Indian rupee		2.8		3.7
Czech koruna		2.7		3.3
Croatian kuna		2.5		2.5
Australian dollar		2.4		15.5
Japanese yen		1.9		32.8
Hungarian forint		1.8		3.3
Swedish krona		1.7		1.7
Norwegian krone		1.6		1.9
Argentine peso		1.1		—
British pound		1.0		4.8
Other currencies (net)		3.1		2.6
	$99.8	$102.0	$180.6	$184.5

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

The following table summarizes the Company's derivative positions and the impact they had on the Company's financial position as of September 28, 2013 and December 29, 2012:

Derivatives designated as hedging instruments (in millions)	Asset derivatives			Liability derivatives		
		Fair Value			Fair Value	
	Balance sheet location	Sep 28, 2013	Dec 29, 2012	Balance sheet location	Sep 28, 2013	Dec 29, 2012
Foreign exchange contracts	Non-trade amounts receivable	$17.4	$13.1	Accrued liabilities	$17.6	$15.7

The following table summarizes the impact of the Company's derivative positions on the results of operations for the third quarters of 2013 and 2012:

Derivatives designated as fair value hedges (in millions)	Location of gain or (loss) recognized in income on derivatives	Amount of gain or (loss) recognized in income on derivatives		Location of gain or (loss) recognized in income on related hedged items	Amount of gain or (loss) recognized in income on related hedged items	
		2013	2012		2013	2012
Foreign exchange contracts	Other expense	$4.7	$19.9	Other expense	$(5.0)	$(19.8)

The following table summarizes the impact of Company's derivative positions on comprehensive income for the third quarters of 2013 and 2012:

Derivatives designated as cash flow and net equity hedges (in millions)	Amount of gain or (loss) recognized in OCI on derivatives (effective portion)		Location of gain or (loss) reclassified from accumulated OCI into income (effective portion)	Amount of gain or (loss) reclassified from accumulated OCI into income (effective portion)		Location of gain or (loss) recognized in income on derivatives (ineffective portion and amount excluded from effectiveness testing)	Amount of gain or (loss) recognized in income on derivatives (ineffective portion and amount excluded from effectiveness testing)	
Cash flow hedging relationships	2013	2012		2013	2012		2013	2012
Foreign exchange contracts	$(0.4)	$(2.0)	Cost of products sold	$1.0	$0.5	Interest expense	$(0.7)	$(0.6)
Net equity hedging relationships								
Foreign exchange contracts	(6.1)	(20.2)	Other expense	—	—	Interest expense	(4.0)	(3.1)

The following table summarizes the impact of the Company's derivative positions on the results of operations for the year-to-date periods ended September 28, 2013 and September 29, 2012:

Derivatives designated as fair value hedges (in millions)	Location of gain or (loss) recognized in income on derivatives	Amount of gain or (loss) recognized in income on derivatives		Location of gain or (loss) recognized in income on related hedged items	Amount of gain or (loss) recognized in income on related hedged items	
		2013	2012		2013	2012
Foreign exchange contracts	Other expense	$ (7.4)	$ 9.7	Other expense	$ 7.1	$ (9.6)

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The following table summarizes the impact of Company's derivative positions on comprehensive income for the year-to-date periods ended September 28, 2013 and September 29, 2012:

Derivatives designated as cash flow and net equity hedges (in millions)	Amount of gain or (loss) recognized in OCI on derivatives (effective portion)		Location of gain or (loss) reclassified from accumulated OCI into income (effective portion)	Amount of gain or (loss) reclassified from accumulated OCI into income (effective portion)		Location of gain or (loss) recognized in income on derivatives (ineffective portion and amount excluded from effectiveness testing)	Amount of gain or (loss) recognized in income on derivatives (ineffective portion and amount excluded from effectiveness testing)	
Cash flow hedging relationships	2013	2012		2013	2012		2013	2012
Foreign exchange contracts	$ 3.0	$ (0.6)	Cost of products sold	$ 1.6	$ 0.8	Interest expense	$ (2.0)	$ (1.8)
Net equity hedging relationships								
Foreign exchange contracts	11.2	(12.8)	Other expense	—	—	Interest expense	(9.6)	(10.4)

Note 12: Fair Value Measurements
The following table presents those assets and liabilities recorded at fair value on a recurring basis:

Description of Assets (in millions)	September 28, 2013	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Foreign currency derivative contracts	$ 17.4	$—	$ 17.4
Total	$ 17.4	$—	$ 17.4
Description of Liabilities (in millions)			
Foreign currency derivative contracts	$ 17.6	$—	$ 17.6
Total	$ 17.6	$—	$ 17.6

Description of Assets (in millions)	December 29, 2012	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Money market funds	$ 2.1	$ 2.1	$—
Foreign currency derivative contracts	13.1	—	13.1
Total	$ 15.2	$ 2.1	$ 13.1

Description of Liabilities (in millions)

Foreign currency derivative contracts	$15.7	$—	$15.7
Total	$15.7	$—	$15.7

The Company uses financial instruments to hedge certain of its exposures and to manage the foreign exchange impact to its financial statements. As of September 28, 2013 and December 29, 2012, the Company held foreign currency forward contracts to hedge various currencies which had a net fair value, determined based on third party quotations, of negative $0.2 million and $2.6 million, respectively. Changes in fair market value are recorded either in other comprehensive income or earnings, depending on the designation of the hedge as outlined in Note 11 to the Consolidated Financial Statements.

Included in the Company's cash equivalents balances as of December 29, 2012 was $2.1 million in money market funds, which were highly liquid investments with a maturity of three months or less. These assets were classified within Level 1 of the fair value hierarchy, as the money market funds were valued using quoted market prices in active markets. There were no such amounts amounts as of September 28, 2013.

Fair Value of Financial Instruments

Due to their short maturities or their insignificance, the carrying amounts of cash and cash equivalents, accounts and notes receivable, accounts payable, accrued liabilities and short-term borrowings approximated their fair values at September 28, 2013 and December 29, 2012. The Company estimates that, based on current market conditions, the value of its 4.750% 2021 Notes was $615 million at September 28, 2013, compared with the carrying value of $603 million. The higher fair value resulted from changes, since issuance, in the corporate bond market and investor preferences. The fair value of debt is classified as a Level 2 liability and is estimated using quoted market prices as provided in secondary markets which consider the Company's credit risk and market related conditions.

Note 13: Retirement Benefit Plans

Components of net periodic benefit cost for the third quarter and year-to-date periods ended September 28, 2013 and September 29, 2012 were as follows (in millions):

	Third Quarter				Year-to-Date			
	Pension benefits		Postretirement benefits		Pension benefits		Postretirement benefits	
	2013	2012	2013	2012	2013	2012	2013	2012
Service cost	$2.5	$2.4	$0.1	$—	$7.8	$7.2	$0.1	$0.1
Interest cost	2.2	2.2	0.2	0.4	6.4	6.7	0.8	1.1
Expected return on plan assets	(1.4)	(1.4)	—	—	(4.3)	(4.2)	—	—
Settlement/curtailment	2.6	1.0	—	—	3.0	1.0	—	—
Net amortization	1.3	1.1	—	—	3.7	3.2	(0.2)	—
Net periodic benefit cost	$7.2	$5.3	$0.3	$0.4	$16.6	$13.9	$0.7	$1.2

During the year-to-date periods ended September 28, 2013 and September 29, 2012, approximately $6.5 million and $4.2 million, respectively, were reclassified, pretax, from other comprehensive income to a component of net periodic benefit cost. As they relate to foreign plans, the Company uses current exchange rates to make these reclassifications. The impact of exchange rate fluctuations is included on the net amortization line of the table above.

Note 14: Income Taxes

As of September 28, 2013 and December 29, 2012, the Company's gross unrecognized tax benefit was $20.5 million and $24.9 million, respectively. During the third quarter of 2013, the company reduced its accrual for uncertain tax positions by $3.8 million due to the expiration of statutes of limitation in various jurisdictions. Of the accrual reduction, $1.9 million did not impact tax expense. The Company estimates that approximately $18.8 million of the unrecognized tax benefits, if recognized, would impact the effective tax rate. Interest and penalties related to uncertain tax positions in the Company's global operations are recorded as a component of the provision for income taxes. Accrued interest and penalties were $4.8 million and $5.9 million as of September 28, 2013 and December 29, 2012, respectively.

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The Company estimates that it may settle one or more foreign audits in the next twelve months that may result in a decrease in the amount of accrual for uncertain tax positions of up to $1.1 million. For the remaining balance as of September 28, 2013, the Company is not able to reliably estimate the timing or ultimate settlement amount. While the Company does not currently expect material changes, it is possible that the amount of unrecognized benefit with respect to the uncertain tax positions will significantly increase or decrease related to audits in various foreign jurisdictions that may conclude during that period or new developments that could also, in turn, impact the Company's assessment relative to the establishment of valuation allowances against certain existing deferred tax assets. These valuation allowances relate to tax assets in jurisdictions where it is management's best estimate that there is not a greater than 50 percent probability that the benefit of the assets will be realized in the associated tax returns. Subject to certain developments, it is reasonably possible that the Company will reverse a material portion of the valuation allowance in the next 12 months. This would result in a corresponding income tax benefit. If this occurs, the Company expects it would implement other tax planning strategies that would partially or fully offset the income statement impact of such a valuation allowance reversal. The likelihood of realizing the benefit of deferred tax assets is assessed on an ongoing basis. This assessment requires estimates as to future operating results, as well as an evaluation of the effectiveness of the Company's tax planning strategies. At this time, the Company is not able to make a reasonable estimate of the range of impact on the balance of unrecognized tax benefits or the impact on the effective tax rate related to these items.

The effective tax rate for the third quarter of 2013 was 23.4 percent, compared with 29.4 percent for the comparable 2012 period. The decrease was primarily due to tax benefits related to 2013 reductions in the accrual for uncertain tax positions as well as intangible impairment charges recorded in the second quarter of 2012 for which limited tax benefits were available that also impacted the tax rate in the third quarter of 2012. The effective tax rate for the year-to-date period ended September 28, 2013 was 24.5 percent, compared with 30.0 percent for the comparable 2012 period. The decrease was primarily due to the items noted above. The effective tax rates are below the U.S. statutory rate primarily due to lower foreign effective tax rates.

Note 15: Statement of Cash Flow Supplemental Disclosure

Under the Company's stock incentive programs, employees are allowed to use shares retained by the Company to satisfy minimum statutorily required withholding taxes. In the year-to-date periods ended September 28, 2013 and September 29, 2012, 47,187 and 70,183 shares, respectively, were retained to fund withholding taxes, with values totaling $3.7 million and $4.3 million, respectively, which were included as a component of stock repurchases in the Consolidated Statement of Cash Flows.

In the in the year-to-date period ended September 29, 2012, the Company acquired $1.2 million of property, plant and equipment under capital lease arrangements. There were no such capital lease arrangements initiated in the year-to-date period ended September 28, 2013.

In relation to the issuance of the Senior Notes in the first quarter of 2013, the proceeds related to the $7.6 million debt premium were reduced by $1.3 million of non-cash debt issuance costs.

Note 16: Stock Based Compensation

The Company records compensation expense using the applicable accounting guidance for share-based payments related to stock options, restricted stock, restricted stock units and performance share awards granted to directors and employees. Compensation expense for share-based awards is recorded straight line over the required service period, based on the fair value of the award, although with respect to performance share awards, this is subject to an assessment of the likelihood of reaching performance levels included in the programs.

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Stock Options

Stock options to purchase the Company's common stock are granted to employees, upon approval by the Company's Board of Directors, with an exercise price equal to the fair market value of the stock on the date of grant. Options generally become exercisable in three years, in equal installments beginning one year from the date of grant, and generally expire 10 years from the date of grant. In the year-to-date period of 2013, the Company has granted options to acquire 11,804 shares. The fair value of the Company’s stock options was estimated on the date of grant using the Black-Scholes option-pricing model. The following assumptions were used to value the 2013 option grants: dividend yield of 2.7 percent; expected volatility of 39 percent; risk-free interest rate of 1.8 percent; and expected life of 8 years. The weighted average of the grant date fair value of the stock options granted during the year-to-date period of 2013 was $25.60 per share. Options to acquire 24,300 shares of stock were granted during the year-to-date period of 2012. Compensation expense associated with all outstanding stock option awards was $0.5 million and $0.6 million in the third quarters of 2013 and 2012, respectively, and $1.4 million and $1.8 million in the respective year-to-date periods.

Stock option activity for 2013, under all of the Company's incentive plans, is summarized in the following table:

	Shares subject to option	Weighted average exercise price per share	Aggregate intrinsic value (in millions)
Outstanding at December 29, 2012	2,935,919	$37.15	
Granted	11,804	78.61	
Expired / Forfeited	(32,585)	58.08	
Exercised	(694,275)	27.27	
Outstanding at September 28, 2013	2,220,863	$40.15	$103.8
Exercisable at September 28, 2013	1,508,330	$32.12	$82.6

The intrinsic value of options exercised totaled $6.0 million and $3.2 million in the third quarters of 2013 and 2012, respectively, and $35.3 million and $18.3 million in the respective year-to-date periods.

Performance Awards, Restricted Stock and Restricted Stock Units

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

The Company granted 64,725 and 68,000 performance-vested award shares under its performance share plan in February 2013 and 2012, respectively. The Company's performance-vested awards provide incentive opportunity based on the overall success of the Company, as reflected through cash flow and earnings per share achieved over a three year performance period. The program is based upon a pre-defined number of performance share units. Depending on achievement under the performance measures, the actual payout can be up to 150 percent of share units initially granted.

In the year-to-date periods of 2013 and 2012, the Company granted 79,734 and 2,000 shares of time-vested restricted stock and restricted stock units with average fair values of $82.58 and $54.51 per share, respectively, that vest three years from the date of grant.

During the year-to-date periods of 2013 and 2012, the Company granted 13,910 and 17,600 shares of time-vested restricted stock units with average fair values of $82.72 and $53.99 per share, respectively, that provide for vesting one year from the date of grant.

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For the third quarters of 2013 and 2012, compensation expense associated with all employee and director restricted stock and restricted stock unit awards outstanding, including performance shares, was $3.7 million and $3.5 million, respectively. Such expense was $10.5 million and $9.5 million for the year-to-date periods of 2013 and 2012, respectively.

Restricted stock, restricted stock units, and performance share award activity for 2013 under all of the Company's incentive plans is summarized in the following table:

	Shares outstanding	Weighted average grant date fair value
December 29, 2012	800,041	$43.01
Granted	158,369	81.05
Performance share adjustments	29,109	58.71
Vested	(105,299)	47.08
Forfeited	(41,747)	55.73
September 28, 2013	840,473	$49.58

The fair value of performance awards, restricted stock and restricted stock units vested in the year-to-date periods of 2013 and 2012 was $7.6 million and $14.3 million, respectively. There were no such amounts vested in the third quarters of 2013 or 2012.

As of September 28, 2013, total unrecognized stock based compensation expense related to all stock based awards was $21.9 million, which is expected to be recognized over a weighted average period of 1.9 years. The average remaining contractual life on outstanding and exercisable stock options was 6.0 and 4.9 years, respectively.

Note 17: Allowance for Long-Term Receivables

As of September 28, 2013, $22.2 million of long-term receivables from both active and inactive customers were considered past due, the majority of which were reserved through the Company's allowance for uncollectible accounts. The balance of the allowance for long-term receivables as of September 28, 2013 was as follows (in millions):

Beginning of the year balance	$22.4
Write-offs	(2.3)
Provision	1.8
Currency translation adjustment	(0.1)
End of period balance	$21.8

Note 18: Guarantor Information

The Company's payment obligations under the Notes are fully and unconditionally guaranteed, on a senior secured basis, by the Guarantor. The guarantee is secured by certain "Tupperware" trademarks and service marks owned by the Guarantor, as discussed in Note 10 to the Consolidated Financial Statements.

Condensed consolidated financial information as of September 28, 2013 and December 29, 2012 and for the quarter-to-date and year-to-date periods ended September 28, 2013 and September 29, 2012 for Tupperware Brands Corporation (the "Parent"), Dart Industries Inc. (the "Guarantor") and all other subsidiaries (the "Non-Guarantors") is as follows.

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Each entity in the consolidating financial information follows the same accounting policies as described in the consolidated financial statements, except for the use by the Parent and Guarantor of the equity method of accounting to reflect ownership interests in subsidiaries that are eliminated upon consolidation. The Guarantor is 100% owned by the Parent, and there are certain entities within the Non-Guarantors classification which the Parent owns directly. There are no significant restrictions on the ability of either the Parent or the Guarantor from obtaining adequate funds from their respective subsidiaries by dividend or loan that should interfere with their ability to meet their operating needs or debt repayment obligations.

In November 2013, the Company determined that it had misclassified certain intercompany transactions previously reported in the Condensed Consolidated Statement of Cash Flows for each period included in Note 18, Guarantor Information, in the Company's 2012 Annual Report on Form 10-K and subsequent interim periods. These transactions primarily represented intercompany loans and borrowings between the Parent, Guarantor and Non-Guarantor. Depending on whether it was from the perspective of the Parent, Guarantor or Non-Guarantor, the cash flows related to these transactions should have been classified as either investing or financing activities. These misclassifications do not change the total cash flows reported in each column presented in Note 18 in the Company's 2012 Annual Report and subsequent interim periods. There was no impact on the Company's Consolidated Statement of Cash Flows. The Company assessed the materiality of these items on its previously issued annual report and quarterly financial statements in accordance with SEC Staff Accounting Bulletin No. 99, and concluded that the errors were not material to the consolidated financial statements taken as a whole. As such, the Company will revise the statements of cash flows included in the guarantor financial information of future filings in which the revised information will be presented, to reflect the required classification adjustments in the respective periods. The statements of cash flow presented below for the periods ended September 28, 2013 and September 29, 2012, as revised, reflect the correct classification of intercompany transactions as investing and financing activities.

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TUPPERWARE BRANDS CORPORATION
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(Unaudited)

Condensed Consolidating Balance Sheet

	September 28, 2013				
(In millions)	Parent	Guarantor	Non-Guarantors	Eliminations	Total
ASSETS					
Cash and cash equivalents	$—	$0.2	$ 125.8	$—	$126.0
Accounts receivable, net	—	—	187.1	—	187.1
Inventories	—	—	353.1	—	353.1
Deferred income tax benefits, net	4.8	46.8	59.6	(0.1)	111.1
Non-trade amounts receivable, net	—	7.0	40.4	—	47.4
Intercompany receivables	6.1	285.1	402.5	(693.7)	—
Prepaid expenses and other current assets	2.0	58.8	80.9	(110.8)	30.9
Total current assets	12.9	397.9	1,249.4	(804.6)	855.6
Deferred income tax benefits, net	95.8	179.7	82.9	—	358.4
Property, plant and equipment, net	—	36.5	254.5	—	291.0
Long-term receivables, net	—	0.1	23.6	—	23.7
Trademarks and tradenames	—	—	131.8	—	131.8
Other intangible assets, net	—	—	3.7	—	3.7
Goodwill	—	2.9	182.8	—	185.7
Investments in subsidiaries	1,592.4	2,337.5	—	(3,929.9)	—
Intercompany notes receivable	62.1	591.0	1,758.4	(2,411.5)	—
Other assets, net	5.8	9.9	42.7	(28.1)	30.3
Total assets	$1,769.0	$3,555.5	$ 3,729.8	$(7,174.1)	$1,880.2
LIABILITIES AND SHAREHOLDERS' EQUITY					
Accounts payable	$0.1	$1.6	$ 107.8	$—	$109.5
Short-term borrowings and current portion of long-term debt and capital lease obligations	155.5	—	137.3	—	292.8
Intercompany payables	258.6	397.8	37.3	(693.7)	—
Accrued liabilities	104.3	76.9	294.6	(110.9)	364.9
Total current liabilities	518.5	476.3	577.0	(804.6)	767.2
Long-term debt and capital lease obligations	602.7	—	16.3	—	619.0
Intercompany notes payable	349.2	1,409.1			