SILGAN HOLDINGS INC
Form S-4
September 18, 2002
Table of Contents

As filed with the Securities and Exchange Commission on September 18, 2002

Registration No. 333-

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM S-4
REGISTRATION STATEMENT

Under
THE SECURITIES ACT OF 1933

SILGAN HOLDINGS INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware	3441; 3085	06-1269834
(State or Other Jurisdiction of Incorporation or Organization)	(Primary Standard Industrial Classification Code Numbers)	(I.R.S. Employer Identification Number)

4 Landmark Square
Stamford, Connecticut 06901
(203) 975-7110
(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant s Principal Executive Offices)

Frank W. Hogan, III, Esq.
Silgan Holdings Inc.
4 Landmark Square
Stamford, Connecticut 06901
(203) 975-7110
(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)

Copies of all communications to:

Robert J. Rawn, Esq.
Pillsbury Winthrop LLP
Financial Centre
695 East Main Street
Stamford, CT 06901
(203) 348-2300

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this registration statement.

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. ¨

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

CALCULATION OF REGISTRATION FEE

Title Of Each Class Of Securities To Be Registered	Amount To Be Registered	Proposed Maximum Offering Price Per Debenture(1)	Proposed Maximum Aggregate Offering Price(1)	Amount Of Registration Fee
9% Senior Subordinated Debentures due 2009	$ 200,000,000	103%	$ 206,000,000	$ 18,952

(1) Determined solely for the purposes of calculating the registration fee in accordance with Rule 457(f)(2) promulgated under the Securities Act of 1933, as amended.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

Table of Contents

SUBJECT TO COMPLETION, DATED SEPTEMBER 18, 2002

PRELIMINARY PROSPECTUS

Silgan Holdings Inc.

OFFER TO EXCHANGE $200,000,000 AGGREGATE PRINCIPAL AMOUNT OF OUR NEW 9% SENIOR SUBORDINATED DEBENTURES DUE 2009 WHICH HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933

FOR

ALL OUTSTANDING $200,000,000 AGGREGATE PRINCIPAL AMOUNT OF OUR 9% SENIOR SUBORDINATED DEBENTURES DUE 2009 WHICH HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933

Material Terms of the Exchange Offer

The exchange offer expires at 5:00 p.m., New York City time, on October , 2002, unless extended.

We are offering to exchange all of our outstanding old debentures which have not been registered under the Securities Act that are validly tendered and not validly withdrawn for an equal principal amount of newly issued debentures which are registered under the Securities Act.

The terms of the new debentures will be substantially identical to the terms of the old debentures except for transfer restrictions and registration rights relating to the old debentures.

The new debentures, like the old debentures, will be unsecured and will rank equally with our other senior subordinated indebtedness, will be subordinated to all of our senior secured indebtedness and will be effectively subordinated to all existing and future liabilities of our subsidiaries.

You may withdraw tenders of old debentures at any time before the exchange offer expires.

You may tender old debentures only in denominations of $1,000 and multiples of $1,000.

There is no public market for the debentures and we do not intend to list the new debentures on any securities exchange or to seek approval for quotation through any automated quotation system.

The exchange of debentures will not be a taxable event for U.S. federal income tax purposes.

We will not receive any proceeds from the exchange offer.

For a discussion of certain risks that you should carefully consider before participating in the exchange offer, see Risk Factors beginning at page 11.

We are not asking you for a proxy and you are requested not to send us a proxy.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

The date of this prospectus is , 2002.

Table of Contents

This prospectus incorporates important business and financial information about us that is not included in or delivered with this prospectus. This information is available without charge to you upon written or oral request. If you would like a copy of any of this information, please submit your request to Silgan Holdings Inc., 4 Landmark Square, Stamford, CT 06901, Attention: General Counsel (telephone number (203) 975-7110). In addition, to obtain timely delivery of any information you request, you must submit your request no later than October , 2002, which is five business days before the date the exchange offer expires.

No person is authorized in connection with any offering made hereby to give any information or to make any representation other than as contained in this prospectus or the accompanying letter of transmittal, and, if given or made, such information or representation must not be relied upon as having been authorized by us. Neither this prospectus nor the accompanying letter of transmittal or both together constitute an offer to sell or a solicitation of an offer to buy any security other than the new debentures offered hereby, nor does it constitute an offer to sell or a solicitation of an offer to buy any securities offered hereby to any person in any jurisdiction in which it is unlawful to make such offer or solicitation to such person. Neither the delivery of this prospectus or the accompanying letter of transmittal or both together, nor any sale made hereunder, shall under any circumstances imply that the information contained herein is correct as of any date subsequent to the date hereof.

TABLE OF CONTENTS

	Page
Where You Can Find More Information	ii
Incorporation of Certain Documents by Reference	iii
Forward-Looking Statements	iv
Prospectus Summary	1
Risk Factors	11
The Exchange Offer	17
Use of Proceeds	27
Capitalization	28
Selected Financial Data	29
Management s Discussion and Analysis of Financial Condition and Results of Operations	32
Our Business	53
Management	66
Securities Ownership of Certain Beneficial Owners and Management	69
Certain Relationships and Related Transactions	70
Description of the Debentures	75
Description of Certain Indebtedness	115
Certain U.S. Federal Tax Considerations	124
Plan of Distribution	127
Legal Matters	128
Experts	128
Index to Consolidated Financial Statements	F-1

In this prospectus, we, our, us, and the Company mean Silgan Holdings Inc., including, unless the context otherwise requires or as otherwise expressly stated, our subsidiaries.

WHERE YOU CAN FIND MORE INFORMATION

We are subject to the informational requirements of the Securities Exchange Act of 1934, as amended, or Exchange Act, and file reports and other information with the Securities and Exchange Commission, or Commission. All such reports and other information filed by us with the Commission

Table of Contents

can be inspected and copied at prescribed rates at the public reference room of the Commission, 450 Fifth Street, N.W., Washington, D.C. 20549, and at the regional office located at Citicorp Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661. You can call the Commission at 1-800-SEC-0330 for further information about the public reference rooms. We are also required to file electronic versions of these documents with the Commission, which may be accessed from the World Wide Web site at http:\www.sec.gov. Reports, proxy and information statements and other information concerning Silgan Holdings Inc. may be inspected at The Nasdaq Stock Market at 1735 K. Street, N.W. Washington, D.C. 20006.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The following documents have been filed by us with the Commission and are hereby incorporated by reference and made a part of this prospectus:

1. Our Annual Report on Form 10-K for the year ended December 31, 2001.
2. Our Quarterly Report on Form 10-Q for the quarter ended March 31, 2002.
3. Our Quarterly Report on Form 10-Q for the quarter ended June 30, 2002.
4. Our Current Report on Form 8-K filed with the Commission on May 8, 2002.
5. Our Current Report on Form 8-K filed with the Commission on July 12, 2002.

All documents filed by us with the Commission pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act, after the date of this prospectus and prior to the termination of this offering, other than any portion of a Current Report on Form 8-K reporting information under Item 9 (and any related exhibits), shall be deemed to be incorporated by reference into the registration statement of which this prospectus is a part and to be a part hereof from the date of such filing.

Any statement contained in a document incorporated or deemed to be incorporated by reference in this prospectus shall be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained in this prospectus or in any other subsequently filed document which also is or is deemed to be incorporated by reference in this prospectus modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

We will provide without charge to each person who receives this prospectus, a copy of any and all of the information that has been incorporated by reference into this prospectus (not including exhibits to the information unless such exhibits are specifically incorporated by reference into such information). Requests for information should be addressed to: Silgan Holdings Inc., 4 Landmark Square, Stamford, CT 06901, Attention: General Counsel (Telephone Number (203) 975-7110).

Until , 2003 (90 days after the date of the exchange offer), all dealers offering transactions in the shares of new debentures, whether or not participating in the exchange offer, may be required to deliver a prospectus.

(iii)

Table of Contents

FORWARD-LOOKING STATEMENTS

The statements we have made in Management s Discussion and Analysis of Results of Operations and Financial Condition and elsewhere in this prospectus which are not historical facts are forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and the Exchange Act. These forward-looking statements are made based upon our management s expectations and beliefs concerning future events impacting us and therefore involve a number of uncertainties and risks. As a result, the actual results of our operations or our financial condition could differ materially from those expressed or implied in these forward-looking statements. Important factors that could cause the actual results of our operations or our financial condition to differ from those expressed or implied in these forward-looking statements include, but are not necessarily limited to:

- our ability to effect cost reduction initiatives and realize benefits from capital investments;
- our ability to locate or acquire suitable acquisition candidates at attractive cash flow multiples and on acceptable terms;
- our ability to assimilate the operations of our acquired businesses into our existing operations;
- our ability to generate free cash flow to invest in our business and service our indebtedness;
- limitations and restrictions contained in the instruments and agreements governing our indebtedness;
- our ability to retain sales with our major customers;
- the size and quality of the vegetable and fruit harvests in the midwest and west regions of the United States;
- changes in the pricing and availability to us of raw materials or our ability generally to pass raw material price increases through to our customers;
- changes in consumer preferences for different packaging products;
- competitive pressures, including new product developments or changes in competitors pricing for products;
- changes in governmental regulations or enforcement practices;
- changes in general economic conditions, such as fluctuations in interest rates and changes in energy costs (such as natural gas and electricity);
- changes in labor relations and costs; and
- other factors described elsewhere in this prospectus or in our other filings with the Commission.

Table of Contents

PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus. It is not complete and may not contain all the information that may be important to you. You should read the entire prospectus carefully, including the Risk Factors section and the consolidated financial statements, including the notes to those financial statements. We refer to the $300,000,000 aggregate principal amount of outstanding 9% senior subordinated debentures due 2009 that were issued in 1997 and registered under the Securities Act of 1933, as amended, or the Securities Act, as the existing debentures . We refer to the outstanding 9% senior subordinated debentures due 2009 that were issued on April 29, 2002 in a transaction exempt from registration under the Securities Act, or the private offering, as the old debentures . We refer to the 9% senior subordinated debentures due 2009 which have been registered under the Securities Act pursuant to a registration statement of which this prospectus is a part and for which you may exchange your old debentures in this exchange offer as the new debentures . The term debentures refers to the existing debentures, any old debentures that remain outstanding after the consummation of this exchange offer and the new debentures, collectively.

SILGAN HOLDINGS INC.

General

We are a leading North American manufacturer of metal and plastic consumer goods packaging products. We had consolidated net sales of $1.941 billion in 2001. Our products are used for a wide variety of end markets and we have 59 manufacturing plants throughout North America. Our product lines include:

- steel and aluminum containers for human and pet food; and
- custom designed plastic containers and closures for personal care, health care, pharmaceutical, household and industrial chemical, food, pet care, agricultural chemical, automotive and marine chemical products.

We are the largest manufacturer of metal food containers in North America, with a unit volume market share in the United States of approximately 47 percent in 2001. Our leadership in this market is driven by our high levels of quality, service and technological support, low cost producer position, strong long-term customer relationships and our proximity to customers through our widespread geographic presence. We believe we have the most comprehensive equipment capabilities in the industry. For 2001, our metal food container business had net sales of $1.401 billion (approximately 72 percent of our total net sales) and income from operations before net rationalization charges of $114.2 million (approximately 68 percent of our total income from operations before net rationalization charges).

We are also a leading manufacturer of plastic containers in North America for personal care products. Our success in the plastic packaging market is largely due to our demonstrated ability to provide high levels of quality, service and technological support, our value-added design-focused products and our extensive geographic presence. We produce plastic containers from a full range of resin materials and offer a comprehensive array of molding and decorating capabilities. For 2001, our plastic container business had net sales of $493.6 million (approximately 26 percent of our total net sales) and income from operations before rationalization charges of $49.5 million (approximately 30 percent of our total income from operations before net rationalization charges).

Our customer base includes some of the world s best-known branded consumer products companies. Our philosophy has been to develop long-term customer relationships by acting in partnership with our customers by providing reliable quality, service and technological support and

utilizing our low cost producer position. The strength of our customer relationships is evidenced by our large number of long-term supply contracts, our high retention of customers business and our continued recognition from customers, as demonstrated by the many quality and service awards we have received. We estimate that in 2002 approximately 85 percent of our projected metal food container sales and more than a majority of our projected plastic container sales will be under long-term supply arrangements.

We were founded in 1987 by our Co-Chief Executive Officers, R. Philip Silver and D. Greg Horrigan, former members of senior management of the packaging operations of Continental Group Inc., or Continental Can, which in the mid-1980 s was one of the largest packaging companies in the world. Our senior management has on average 24 years of experience in the packaging industry. Mr. Silver and Mr. Horrigan have approximately a 39 percent ownership interest in Silgan Holdings. Management s large ownership interest in Silgan Holdings fosters an entrepreneurial management style.

Our Strategy

We intend to enhance our position as a leading supplier of consumer goods packaging products by continuing to aggressively pursue a strategy designed to achieve future growth by focusing on the following key elements:

- expand through acquisitions at attractive cash flow multiples and through internal growth;
- enhance profitability of acquired companies through productivity improvements and cost reductions;
- supply best value packaging products with high levels of quality, service and technological support;
- maintain low cost producer position; and
- utilize leverage to support growth.

We believe we will be able to execute our strategy because of our leading market positions and management expertise in acquiring, financing, integrating and efficiently operating consumer goods packaging businesses. Since our inception in 1987, we have acquired seventeen businesses, including most recently RXI Holdings, Inc., or RXI, in October 2000.

Silgan Holdings Inc. is a Delaware corporation. Our principal executive offices are located at 4 Landmark Square, Stamford, Connecticut 06901 and our telephone number is (203) 975-7110.

Table of Contents

THE EXCHANGE OFFER

The Exchange Offer	We are offering to exchange up to $200,000,000 aggregate principal amount of our new debentures for a like principal amount of old debentures that are properly tendered and accepted. We will issue the new debentures on or promptly after this exchange offer expires. The old debentures are, and the new debentures will be, an additional issuance of our 9% senior subordinated debentures due 2009, of which $300,000,000 originally were issued in 1997 and currently are outstanding.
Resale of New Debentures	Based on an interpretation by the staff of the Commission set forth in no-action letters issued to third parties, we believe that the new debentures issued pursuant to the exchange offer in exchange for the old debentures may be offered for resale, resold and otherwise transferred by you (unless you are a broker-dealer who receives the new debentures directly from us to resell under Rule 144A or any other available exemption under the Securities Act or you are an affiliate of us within the meaning of Rule 405 under the Securities Act) without compliance with the registration and prospectus delivery provisions of the Securities Act, provided that you: are acquiring the new debentures in the ordinary course of your business; and have not engaged in, do not intend to engage in, and have no arrangement or understanding with any person to participate in, a distribution of such new debentures. Each broker-dealer that receives new debentures for its own account in exchange for old debentures, where the old debentures were acquired by the broker-dealer as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of such new debentures. See Plan of Distribution. You must, in the absence of an exemption, comply with the registration and prospectus delivery requirements of the Securities Act in connection with the resale of the new debentures if you: are an affiliate of us; do not acquire the new debentures in the ordinary course of your business; or

	tender in the exchange offer with the intention to participate, or for the purpose of participating, in a distribution of new debentures.
Expiration Date	This exchange offer will expire at 5:00 p.m., New York City time, on October , 2002 unless extended, in which case the expiration date shall mean the latest date and time to which we extend the exchange offer.
Conditions to the Exchange Offer	The exchange offer is not subject to any conditions other than that it not violate applicable law or any applicable interpretation of the staff of the Commission. The exchange offer is not conditioned upon any minimum aggregate principal amount of old debentures being tendered for exchange.
Procedures for Tendering Old Debentures	If you wish to tender your old debentures for new debentures pursuant to the exchange offer, you must transmit to National City Bank, N.A. as exchange agent, on or before the expiration date, either: a computer generated message transmitted through The Depository Trust Company s Automated Tender Offer Program, or ATOP, system and received by the exchange agent and forming a part of a confirmation of book-entry transfer in which you acknowledge and agree to be bound by the terms of the letter of transmittal; or a properly completed and duly executed letter of transmittal, which accompanies this prospectus, or a facsimile of the letter of transmittal, together with your old debentures or a timely confirmation of book-entry transfer of the old debentures and any other required documentation, to the exchange agent at its address listed in this prospectus and on the front cover of the letter of transmittal. If you cannot satisfy either of these procedures on a timely basis, then you should comply with the guaranteed delivery procedures described below. By executing the letter of transmittal, you will make the representations to us described under The Exchange Offer Procedures for Tendering.

Table of Contents

Special Procedures for Beneficial Owners	If you are a beneficial owner whose old debentures are registered in the name of a broker, dealer, commercial bank, trust company or other nominee and you wish to tender your old debentures in the exchange offer, you should contact the registered holder promptly and instruct the registered holder to tender your old debentures on your behalf. If you wish to tender old debentures on your own behalf, you must, prior to completing and executing the letter of transmittal and delivering your old debentures, either: make appropriate arrangements to register ownership of the old debentures in your name; or obtain a properly completed assignment from the registered holder.
Guaranteed Delivery Procedures	If you wish to tender your old debentures and your old debentures are not immediately available or you cannot deliver your old debentures, the letter of transmittal or any other documentation required by the letter of transmittal to the exchange agent before the expiration date, or you cannot complete the procedures for book-entry transfer on a timely basis, you must tender your old debentures according to the guaranteed delivery procedures set forth in The Exchange Offer Guaranteed Delivery Procedures.
Acceptance of the Old Debenture and Delivery of the New Debentures	Subject to the satisfaction or waiver of the conditions to the exchange offer, we will accept for exchange any and all old debentures that are property tendered in the exchange offer before the expiration date. The new debentures issued under the exchange offer will be delivered on the earliest practicable date following the expiration date, as described below under the caption The Exchange Offer Terms of the Exchange Offer.
Withdrawal Rights	You may withdraw your tender of your old debentures at any time before 5:00 p.m., New York City time, on the expiration date, as described below under the caption The Exchange Offer Withdrawal of Tenders.
Certain U.S. Federal Tax Considerations	The exchange of old debentures for new debentures pursuant to the exchange offer will not be a taxable event for U.S. federal income tax purposes, as described below under the caption Certain U.S. Federal Tax Considerations.

Table of Contents

Exchange Agent	National City Bank, N.A., the trustee under the indenture governing the existing debentures, old debentures and the new debentures, is serving as the exchange agent for the exchange offer.
Registration Rights Agreement	Simultaneously with the initial sale of the old debentures, we entered into a registration rights agreement, which grants the holders of the old debentures certain exchange and registration rights. This exchange offer satisfies such rights, which will terminate upon the consummation of the exchange offer.
Consequences of Failure to Exchange Old Debentures	If you do not exchange your old debentures for new debentures, you will continue to be subject to the restrictions on transfer provided in the old debentures and in the indenture governing the debentures. In general, the old debentures may not be offered or sold, unless registered pursuant to an exemption from, or in a transaction not subject to, the Securities Act and applicable state securities laws. We do not currently plan to register the old debentures under the Securities Act. Because we anticipate that most holders of old debentures will elect to exchange their old debentures, we expect that the liquidity of the market, if any, for the old debentures remaining outstanding after the completion of the exchange offer will be substantially limited. For more information regarding the consequences of not tendering your old debentures, you should also read Risk Factors Risks Relating to the Exchange Offer and The Exchange Offer Consequences of Failure to Exchange.

We explain the exchange offer in greater detail beginning on page 17.

THE NEW DEBENTURES

The form and terms of the new debentures are substantially identical to the form and terms of the old debentures, except that the new debentures will be registered under the Securities Act and, therefore, the new debentures will not be subject to the transfer restrictions, registration rights and provisions providing for an increase in the interest rate applicable to the old debentures. The new debentures will evidence the same debt as the old debentures, and both the old debentures and the new debentures are governed by the same indenture.

Issuer	Silgan Holdings Inc.

6

Table of Contents

New Debentures Offered	$200,000,000 aggregate principal amount of our 9% senior subordinated debentures due 2009. The new debentures offered hereby are an additional issuance of our 9% senior subordinated debentures due 2009 and will be treated as a single class with the existing $300,000,000 principal amount of the existing debentures and any old debentures that are not exchanged in the exchange offer.
Maturity	June 1, 2009.
Interest	Interest on the new debentures is payable semiannually in cash on June 1 and December 1 of each year, commencing December 1, 2002. Interest on the new debentures will accrue from the last interest payment date on which interest was paid on the old debentures. If your old debentures are accepted for exchange, you will be deemed to have waived your right to receive any interest accrued on the old debentures from the last interest payment date.
Sinking Fund	None.
Optional Redemption	We may redeem the new debentures, in whole or in part, at any time on or after June 1, 2002 initially at 104.5 percent of their principal amount, plus accrued interest, declining ratably to 100 percent of their principal amount, plus accrued interest, on or after June 1, 2006.
Change of Control	In the event of a change of control under the terms of the indenture, each holder of the new debentures will have the right to require us to purchase such holder s debentures at a price of 101 percent of their principal amount plus accrued interest, if any, to the date of purchase.
Ranking	The new debentures will be senior subordinated obligations. Accordingly, they will rank: behind all of our existing and future senior indebtedness; behind all existing and future liabilities (including trade payables) of our subsidiaries; equally with all of our other senior subordinated indebtedness, including the $300 million aggregate principal amount of existing debentures; and senior to all subordinated indebtedness.

Table of Contents

	At June 30, 2002, we and our subsidiaries had approximately $1,117.8 million of indebtedness outstanding, including approximately $608.9 million of senior indebtedness (all of which would have been secured). For additional information, you should also read Capitalization. At June 30, 2002, our subsidiaries had approximately $312.4 million of other liabilities outstanding excluding indebtedness under our credit agreements. For additional information, you should also read Risk Factors Risks Relating to Our Indebtedness and the Debentures and Capitalization.
Certain Covenants	The indenture contains certain covenants which, among other things, restrict our ability and the ability of our restricted subsidiaries to: incur or guarantee additional indebtedness; make certain dividends, investments and other restricted payments; create restrictions on the ability of restricted subsidiaries to make certain payments; issue or sell stock of restricted subsidiaries; enter into transactions with stockholders or affiliates; create liens; sell assets; and with respect to us, consolidate, merge or sell all or substantially all of our assets. For more information on covenants contained in the indenture, you should also read the Section entitled Description of the Debentures Covenants.
Use of Proceeds	We will not receive any cash proceeds in the exchange offer.

We explain the debentures in greater detail beginning on page 75.

RISK FACTORS

You should carefully consider all of the information in this prospectus, including the discussion under the caption Risk Factors beginning on page 11, before participating in the exchange offer.

Table of Contents

SUMMARY FINANCIAL DATA

In the table below, we provide you with summary financial data of Silgan Holdings Inc. We have prepared this data using our consolidated financial statements for the five years ended December 31, 2001 and the six month periods ended June 30, 2002 and 2001. Our consolidated financial statements for the five years ended December 31, 2001 were audited by Ernst & Young LLP, independent auditors. The condensed consolidated financial statements for the six month periods ended June 30, 2002 and 2001 have not been audited but, in the opinion of management, reflect all adjustments (consisting only of normal recurring accruals) necessary for a fair presentation of the financial statements for the interim periods. The results for the interim periods presented are not necessarily indicative of the results for the corresponding full years.

You should read this summary financial data along with the consolidated financial statements and related notes in our annual and quarterly reports, as well as the section of our annual and quarterly reports titled Management s Discussion and Analysis of Financial Condition and Results of Operations, each included elsewhere in this prospectus and incorporated by reference.

	Six Months Ended June 30,		Year Ended December 31,				
	2002	2001	2001	2000(a)	1999	1998(b)	1997
	(Dollars in millions, except per share data)						
Operating Data:							
Net sales	$ 880.5	$ 888.9	$ 1,941.0	$ 1,877.5	$ 1,892.1	$ 1,768.7	$ 1,541.3
Cost of goods sold	770.6	780.8	1,700.7	1,648.3	1,656.7	1,546.3	1,333.4
Gross profit	109.9	108.1	240.3	229.2	235.4	222.4	207.9
Selling, general and administrative expenses	38.3	38.0	78.6	72.1	75.0	68.1	60.8
Rationalization (credit) charges, net(c)	(2.3)	3.5	9.3		36.1		
Income from operations	73.9	66.6	152.4	157.1	124.3	154.3	124.6
Interest and other debt expense	34.9	44.1	81.2	91.2	86.1	81.5	80.7
Net income applicable to common stockholders	21.4	9.7	41.8	31.3	23.9	45.9	31.0
Net income per basic common share	$ 1.19	$ 0.55	$ 2.35	$ 1.77	$ 1.35	$ 2.41	$ 1.68
Net income per diluted common share	$ 1.17	$ 0.54	$ 2.31	$ 1.74	$ 1.32	$ 2.30	$ 1.57
Other Data:							
Adjusted EBITDA(d)	$ 118.4	$ 117.7	$ 257.3	$ 246.1	$ 246.4	$ 231.8	$ 210.5
Capital expenditures, net	48.7	46.4	89.1	87.4	84.9	84.3	57.7
Depreciation and amortization(e)	46.8	47.6	95.5	89.0	86.0	77.5	63.4
Cash flows (used in) provided by operating activities	(112.2)	(123.9)	143.0	95.1	143.3	147.4	117.9
Cash flows (used in) investing activities	(48.7)	(17.1)	(59.8)	(218.5)	(84.9)	(278.3)	(100.5)
Cash flows (used in) provided by financing activities	156.2	170.1	(85.3)	141.0	(60.7)	82.0	35.3
Ratio of earnings to combined fixed charges and preferred stock dividends(f)	2.1	1.5	1.9	1.7	1.4	1.9	1.5
Ratio of Adjusted EBITDA to interest and other debt expense	3.4	2.7	3.2	2.7	2.9	2.8	2.6
Balance Sheet Data (at end of period):							
Goodwill, net	$ 141.6	$ 151.9	$ 141.5	$ 153.0	$ 107.6	$ 109.2	$ 66.9
Total assets	1,496.1	1,540.4	1,311.8	1,383.8	1,185.3	1,224.0	1,050.6
Total debt	1,117.8	1,201.1	944.8	1,031.5	883.3	927.0	805.3
Stockholders equity (deficiency)	45.3	(14.1)	15.1	(20.4)	(48.7)	(57.3)	(67.3)

(footnotes to follow)

Table of Contents

Notes To Summary Financial Data

(a) On October 1, 2000, we acquired RXI. The acquisition was accounted for as a purchase transaction and the results of operations have been included with our consolidated results of operations from the date of acquisition.

(b) On June 1, 1998, we acquired the steel container manufacturing business of Campbell Soup Company, or CS Can. The acquisition was accounted for as a purchase transaction and the results of operations have been included with our consolidated results of operations from the date of acquisition.

(c) During the first quarter of 2002, certain assets of our metal food container business with carrying values that were previously written down were placed back in service. As a result, we recorded a pre-tax $2.3 million rationalization credit. You should also see Note 3 to our Condensed Consolidated Financial Statements for the six months ended June 30, 2002 included elsewhere in this prospectus. During 2001, we approved and announced plans primarily related to closing two metal food container facilities and a plastic container facility. These decisions resulted in pre-tax charges to earnings of $3.5 million for the first quarter and $5.8 million, net (including $3.0 million for the non-cash write-down in carrying value of assets) for the fourth quarter. In 1999, we approved and announced plans to close two manufacturing facilities of the metal food container business, resulting in a charge of $11.9 million (including $7.3 million for the non-cash write-down in carrying value of assets). Additionally, based upon a review of the depreciable assets of the metal food container business in 1999, we determined that adjustments were necessary to properly reflect net realizable values and recorded a non-cash, pre-tax write-down of $24.2 million in 1999 for the excess of carrying value over estimated net realizable value of machinery and equipment which had become obsolete or surplus. You should also see Note 3 to our Consolidated Financial Statements for the year ended December 31, 2001 included elsewhere in this prospectus.

(d) Adjusted EBITDA means consolidated net income before equity in losses of affiliates, extraordinary items and preferred stock dividends, plus consolidated interest expense, income tax expense and depreciation and amortization expense, as adjusted to (1) add back rationalization charges ($9.3 million, net, for the year ended December 31, 2001 and $11.9 million for the year ended December 31, 1999 each as referred to in footnote (c) above), charges incurred for the reduction in carrying value of assets ($24.2 million for the year ended December 31, 1999 as referred to in footnote (c) above) and the non-cash charge of $22.5 million incurred in 1997 in connection with our initial public offering of our common stock, or IPO, and (2) subtract the rationalization credit of $2.3 million for the six months ended June 30, 2002 and the gain on assets contributed to affiliate of $4.9 million for the year ended December 31, 2001. We have included information regarding Adjusted EBITDA because management believes that many investors and lenders consider it important in assessing a company s ability to service and incur debt. Accordingly, this information has been disclosed herein to permit a more complete analysis of our financial condition. Adjusted EBITDA should not be considered in isolation or as a substitute for net income or other consolidated statement of income or cash flows data prepared in accordance with accounting principles generally accepted in the United States as a measure of our profitability or liquidity. You should also see our Consolidated Statements of Income and Consolidated Statements of Cash Flows, including the notes thereto, included elsewhere in this prospectus. Adjusted EBITDA does not take into account our debt service requirements and other commitments and, accordingly, is not necessarily indicative of amounts that may be available for discretionary uses. Additionally, Adjusted EBITDA is not computed in accordance with accounting principles generally accepted in the United States and may not be comparable to other similarly titled measures of other companies.

(e) Depreciation and amortization excludes amortization of debt financing costs. For the six months ended June 30, 2001, depreciation and amortization includes goodwill amortization of $1.2 million for the metal food container business and $1.3 million for the plastic container business.

(f) For purposes of computing the ratio of earnings to combined fixed charges and preferred stock dividends, earnings consist of income before income taxes plus fixed charges, excluding capitalized interest and preferred stock dividends, and combined fixed charges and preferred stock dividends consist of interest, whether expensed or capitalized, minority interest expense, amortization of debt expense and discount or premium relating to any indebtedness, whether expensed or capitalized, such portion of rental expense that is representative of the interest factor in these rentals and preferred stock dividends.

Table of Contents

RISK FACTORS

You should consider carefully all of the information set forth in this prospectus and, in particular, the following risks before you decide whether to participate in the exchange offer. The risk factors set forth below, other than under the subheading Risks Relating in the Exchange Offer , are generally applicable to the old debentures as well as the new debentures. If any of the following uncertainties or risks actually occurs, our business, financial condition or results of operations could be materially adversely affected.

Risks Relating to Our Indebtedness and the Debentures

Our substantial indebtedness could adversely affect our cash flow and prevent us from fulfilling our obligations, including under the debentures.

We have a significant amount of indebtedness. We incurred much of this debt as a result of financing acquisitions. At June 30, 2002, we had approximately $1,117.8 million of total consolidated indebtedness, including $157.7 million of revolving loans outstanding related primarily to seasonal working capital needs. In addition, after taking into account letters of credit, we would have had approximately $229.5 million of additional revolving loans available to be borrowed under our new $850 million senior secured credit facility, or New Credit Agreement, and our Canadian senior secured credit agreement, or Canadian Bank Facility. At August 31, 2002, we had a total of approximately $157.2 million of revolving loans outstanding, related primarily to seasonal working capital needs.

A substantial portion of our cash flow must be used to service indebtedness and is therefore not available to be used in our business. In 2001, we paid $85.8 million in interest on our indebtedness and made mandatory principal repayments of $44.9 million. In addition, a substantial portion of our indebtedness bears interest at floating rates, and therefore a substantial increase in interest rates could adversely impact our results of operations. Based on our average outstanding amount of variable rate indebtedness in 2001, a one percentage point change in the interest rates for our variable rate indebtedness would have impacted our 2001 interest expense by an aggregate of approximately $6.4 million after taking into account the average outstanding notional principal amount of our interest rate swap agreements during 2001. Our substantial indebtedness could have important consequence to you. For example, it could:

- make it more difficult for us to satisfy our obligations with respect to the debentures;
- increase our vulnerability to general adverse economic and industry conditions;
- require us to dedicate a substantial portion of our cash flow from operations to payments on our indebtedness, thereby reducing the availability of our cash flow to fund working capital and capital expenditures, and for other general corporate purposes; and
- limit, along with the financial and other restrictive covenants in our indebtedness, among other things, our ability to borrow additional funds.

Despite our current levels of indebtedness, we may incur additional debt in the future, which could increase the risks associated with our substantial leverage.

We are continually evaluating and pursuing acquisition opportunities in the consumer goods packaging market and may incur additional indebtedness, including senior indebtedness and secured indebtedness such as indebtedness under the incremental term loan facility under our New Credit Agreement and the revolving loan facilities under our New Credit Agreement and our Canadian Bank

Facility, to finance any such acquisitions and to fund any resulting increased operating needs. If new debt is added to our current debt levels, the related risks we now face could increase. We will have to effect any new financing in compliance with the agreements governing our indebtedness. In addition, the indenture also permits us to incur certain specified additional indebtedness, including senior indebtedness, secured indebtedness and other indebtedness that is effectively senior to the debentures. For example, the indenture allows us to incur any such indebtedness as long as our Interest Coverage Ratio (as defined under Description of the Debentures Certain Definitions) is at least 2.0 to 1. As of June 30, 2002, our Interest Coverage Ratio was 3.3 to 1.

Your right to receive payments on the debentures is junior to all of our existing and future senior indebtedness.

Your right to receive payments of principal and interest on the debentures is expressly subordinate to all of our existing and future senior indebtedness. In the event of our bankruptcy, insolvency, liquidation, reorganization, dissolution or other winding up, or upon the acceleration of senior indebtedness, the lenders under our credit agreements and any holder of senior indebtedness must be paid in full before the holders of the debentures may be paid. In addition, payments on the debentures might not be permitted if a payment default under any senior indebtedness exists or if another default exists under any of our designated senior indebtedness.

We, and substantially all of our subsidiaries, guarantee the obligations under our credit agreements and such guarantees are secured by collateral which could be foreclosed upon by our lenders if we default.

Our obligations under the credit agreements are guaranteed by us and substantially all our subsidiaries. The guarantee is secured by first priority liens on all of our material assets and by pledges of the capital stock of substantially all of our subsidiaries. These liens are prior to the claims of the holders of the debentures. If we default under our credit agreements, the lenders generally would have the right to accelerate and declare due our indebtedness under the credit agreements. In the event of a default or our bankruptcy, insolvency, or other winding up, or upon the acceleration of any of our senior indebtedness, such assets and stock would be available to satisfy the guarantee obligations before any payment from those assets could be made on the debentures. To the extent such assets were not sufficient to repay all of our obligations and guarantees under the credit agreements, the lenders would have a claim against us that is senior to any claims of the holders of the debentures. As described under Description of Certain Indebtedness Description of the New Credit Agreement, as of June 30, 2002, the outstanding principal amounts of term loans and revolving loans under our New Credit Agreement were $450 million and $157.7 million, respectively. In addition, under the indenture, we may incur additional indebtedness, including senior indebtedness and secured indebtedness.

We are a holding company and our ability to meet our obligations under the debentures largely depends upon the financial condition and indebtedness of our operating subsidiaries.

We are a holding company with no significant assets other than our investments in our subsidiaries. We conduct our operations principally through each of our wholly owned operating subsidiaries, Silgan Containers Corporation, or Silgan Containers, and Silgan Plastics Corporation, or Silgan Plastics. Therefore, our ability to make interest and principal payments on the debentures largely depends upon the future performance and the cash flow of our operating subsidiaries, which will be subject to prevailing economic conditions and to financial, business and other factors (including the state of the economy and the financial markets, demand for our products, cost of raw materials, legislative and regulatory changes and other factors beyond the control of such operating subsidiaries) affecting the business and operations of such operating subsidiaries. In addition, because our subsidiaries do not guarantee the payment of principal of or interest on the debentures, claims of the holders of the

debentures effectively will be subordinated to the claims of the creditors of our operating subsidiaries, including trade creditors. At June 30, 2002, our subsidiaries had approximately $312.4 million of other liabilities, excluding indebtedness under our credit agreements, effectively senior to the debentures.

The terms of our debt instruments restrict the manner in which we conduct our business and may limit our ability to implement elements of our growth strategy.

The instruments and agreements governing our indebtedness contain numerous covenants, including financial and operating covenants, some of which are quite restrictive. In particular, certain financial covenants under our credit agreements become more restrictive over time in anticipation of scheduled debt amortization and improved operating results. These covenants affect, and in many respects limit, among other things, our ability to:

- incur additional indebtedness;
- create liens;
- consolidate, merge or sell assets;
- make certain capital expenditures;
- make certain advances, investments and loans;
- enter into certain transactions with affiliates;
- engage in any business other than the packaging business;
- pay dividends; and
- repurchase stock.

The factors described above could adversely affect our ability to meet our financial obligations, including our obligations to the holders of the debentures. These covenants could also restrict us in the pursuit of our growth strategy.

Our ability to repurchase the debentures upon a Change of Control may be limited.

We are required under the indenture to repurchase the debentures upon a change of control. In addition, before we can repurchase the debentures in the event of a change of control, we are required under the indenture to either repay all of our indebtedness then outstanding or obtain the consent of our creditors to permit the repurchase of the debentures.

We cannot assure you that we will have sufficient funds available at the time of any change of control to make any debt payment (including repurchases of debentures) required by the foregoing covenant. The above covenant requiring us to repurchase the debentures will, unless consents are obtained, require us to repay all indebtedness then outstanding which by its terms would prohibit the debenture repurchase, either prior to or concurrently with such debenture repurchase.

Our principal stockholders have substantial influence over Silgan Holdings Inc. and their interests may conflict with yours.

Messrs. Silver and Horrigan, our Co-Chief Executive Officers, own approximately 39 percent of our outstanding common stock and have significant influence over our management policies and corporate affairs. Certain decisions concerning our operations or financial structure may present conflicts of interest between owners of common stock and the holders of the debentures. For example, if we

encounter financial difficulties or are unable to pay our debts as they mature, the interests of the owners of our common stock may conflict with those of the holders of the debentures. In addition, owners of our common stock may have an interest in pursuing acquisitions, divestitures, financings or other transactions that in their judgment could enhance their equity investment, even though such transactions might involve risks to the holders of the debentures.

Risks Relating to the Exchange Offer

You will remain subject to transfer restrictions if you fail to exchange your old debentures.

If you do not exchange your old debentures for new debentures pursuant to the exchange offer, your old debentures will continue to be subject to the restrictions on transfer as stated in the legend on the old debentures, in the indenture and in the offering memorandum relating to the old debentures and you will not be entitled to an increased interest rate on the old debentures. In general, the old debentures may not be offered or sold unless registered under the Securities Act, or pursuant to an exemption from, or in a transaction not subject to, the Securities Act and applicable state securities laws. We do not currently intend to register the old debentures under the Securities Act. To the extent that old debentures are tendered and accepted in the exchange offer, the trading market for untendered and tendered but unaccepted old debentures could be adversely affected.

You must follow certain procedures to tender your old debentures and failure to do so could, among other things, result in the loss of your right to receive new debentures.

The new debentures will be issued in exchange for your old debentures only after timely receipt by the exchange agent of the old debentures, a properly completed and duly executed letter of transmittal and all other required documents. Therefore, if you desire to tender your old debentures in exchange for new debentures, you should allow sufficient time to ensure timely delivery. Your failure to follow the procedures may result in delay in receiving new debentures on a timely basis or in your loss of the right to receive new debentures. Neither we nor the exchange agent is under any duty to give notification of defect or irregularities with respect to tenders of old debentures for exchange.

If you tender old debentures in the exchange offer for the purpose of participating in a distribution of the new debentures, you will be required to comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction. Each broker-dealer that receives new debentures for its own account in exchange for old debentures, where the old debentures were acquired by the broker-dealer as a result of market-making activities or any other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of the new debentures.

A public market for the new debentures may not develop, in which case, the liquidity and the market price for the new debentures could be adversely affected.

The new debentures are a new issue of securities with no established trading market and we currently do not intend to list the new debentures on any securities exchange or automated dealer quotation system. The liquidity of the trading market in the new debentures, and the market price quoted for the new debentures, may be adversely affected by changes in the overall market for high yield securities and by changes in our financial performance or prospects generally. As a result, we cannot assure you that an active trading market will develop for the new debentures. In addition, if a large amount of old debentures are not tendered or are tendered improperly, the limited amount of new debentures that would be issued and outstanding after we consummate the exchange offer would reduce liquidity and could lower the market price of those new debentures.

Risks Relating to Our Business and Our Industry

We face intense competition from many companies and we may lose sales or experience lower margins on sales as a result of price competition.

The manufacture and sale of metal and plastic containers and closures is highly competitive. We compete with other packaging manufacturers as well as packaged goods companies who manufacture containers for their own use and for sale to others. You should read Our Business-Competition for a further description of the competition we face.

We estimate that approximately 85 percent of our projected metal food container sales in 2002 and more than a majority of projected sales for our plastic container and closure business in 2002 will be pursuant to multi-year supply arrangements. In general, many of these arrangements provide that during the term the customer may receive competitive proposals for all or up to a portion of the products we furnish to the customer. We have the right to retain the business subject to the terms and conditions of the competitive proposal.

Under our multi-year supply agreements with Nestlé Food Company, or Nestlé, Nestlé has the right at any time to receive competitive proposals only under limited circumstances. In the case of our multi-year supply agreements with Del Monte Corporation, or Del Monte, and Campbell Soup Company, or Campbell, each of Del Monte and, beginning in June 2003, Campbell may receive competitive proposals, provided that they are for 100 percent of the annual volume of metal food containers at any of its facilities. Additionally, Del Monte may not purchase more than 50 percent of its metal food containers from other suppliers pursuant to competitive proposals.

If we match a competitive proposal, it may result in reduced sales prices for the products that are the subject of the proposal. If we choose not to match a competitive proposal, we may lose the sales that were the subject of the proposal.

A substantially lower than normal crop yield may reduce demand for our metal food containers.

Our metal container business sales are dependent, in part, upon the vegetable and fruit harvests in the midwest and western regions of the United States. The size and quality of these harvests varies from year to year, depending in large part upon the acreage planted each year and the weather conditions in those regions, and our results of operations could be impacted accordingly. In 2001, for example, net sales for our metal food container business decreased from the prior year s net sales due in part to a reduced fruit and vegetable pack. Our sales, income from operations and net income could be materially adversely affected in a year in which crop yields are substantially lower than normal in both of the prime agricultural regions of the United States in which we operate.

The seasonality of the fruit and vegetable packaging industry causes us to incur short term debt.

We sell metal containers used in fruit and vegetable pack processing which is a seasonal industry. As a result, we have historically generated a disproportionate amount of our annual income in our second and third quarters. Additionally, as is common in the packaging industry, we must access working capital to build inventory and then carry accounts receivable for some customers beyond the end of the summer and fall packing season. Seasonal accounts are generally settled by year-end. Due to our seasonal requirements, we expect to incur short-term indebtedness in the form of senior secured debt under our New Credit Agreement to finance our working capital requirements.

Table of Contents

If we are unable to retain the services of our Co-Chief Executive Officers, our business could be adversely affected because we may not be able to execute our business strategy.

Our success depends to a large extent on R. Philip Silver, our Chairman of the Board and Co-Chief Executive Officer, and D. Greg Horrigan, our President and Co-Chief Executive Officer. Messrs. Silver and Horrigan are employed by S&H Inc., a company wholly owned by them that provides general management and administrative services to us and our wholly owned operating subsidiaries, Silgan Containers and Silgan Plastics, pursuant to management services agreements. The term of the management agreements currently continues until June 30, 2003. Thereafter, the term of the management agreements is automatically renewed for successive one-year periods unless either party gives written notice at least 180 days prior to the end of the then current term of its election not to renew the term. The loss of Mr. Silver and Mr. Horrigan could have a material adverse effect on our business.

We may not be able to pursue our growth strategy by acquisition.

Historically, we have grown predominantly through acquisitions. Our future growth will depend in large part on additional acquisitions of consumer goods packaging businesses. We may not be able to locate or acquire other suitable acquisition candidates at attractive cash flow multiples consistent with our strategy, and we may not be able to fund future acquisitions because of limitations relating to our indebtedness or otherwise.

Future acquisitions may create risks and uncertainties that could adversely affect our operating results and divert our management s attention.

In pursuing our strategy of growth through acquisitions, we will face risks commonly encountered with an acquisition strategy. These risks include:

- failing to assimilate the operations and personnel of the acquired businesses;
- disrupting our ongoing business;
- dissipating our limited management resources; and
- impairing relationships with employees and customers of the acquired business as a result of changes in ownership and management.

Through our experience integrating over 15 acquisitions, we have learned that depending upon the size of the acquisition, it can take us up to two to three years to completely integrate an acquired business into our operations and systems and realize the full benefit of the integration. During the early part of this integration period, the operating results of an acquired business may decrease from results attained prior to the acquisition. Moreover, additional indebtedness incurred to fund acquisitions could adversely affect our liquidity and financial stability.

If we were required to write down all or part of our goodwill, our net income and net worth could be materially adversely affected.

As a result of our acquisitions, we have $141.6 million of goodwill, net recorded on our consolidated balance sheet as of June 30, 2002. We are required to periodically determine if our goodwill has become impaired, in which case we would write down the impaired portion of our goodwill. If we were required to write down all or part of our goodwill, our net income and net worth could be materially adversely affected.

Table of Contents

THE EXCHANGE OFFER

Purpose and Effect of the Exchange Offer

We sold $200,000,000 aggregate principal amount of the old debentures in a private offering on April 29, 2002 to Morgan Stanley & Co. Incorporated, Deutsche Bank Securities Inc., Salomon Smith Barney Inc. and Fleet Securities, Inc., the initial purchasers, pursuant to the terms of a purchase agreement. The initial purchasers subsequently resold the old debentures to qualified institutional buyers in reliance on Rule 144A under the Securities Act and outside the United States to non-U.S. persons in reliance on Regulation S under the Securities Act. In connection with the sale of the old debentures, we and the initial purchasers entered into a registration rights agreement which requires that we, among other things:

- file with the Commission a registration statement under the Securities Act covering the offer by us to exchange all of the old debentures for the new debentures;
- use our best efforts to cause such registration statement to become effective under the Securities Act and commence the exchange offer promptly thereafter;
- use our best efforts to consummate the exchange offer on or prior to a date that is 180 days after the date the old debentures were first issued; and
- keep the exchange offer open for not less than 30 days.

Upon the effectiveness of that registration statement, we will offer the new debentures in exchange for the old debentures. A copy of the registration rights agreement has been filed as an exhibit to the registration statement of which this prospectus is a part. The exchange offer is being made to satisfy our obligations under the registration rights agreement. The term holder with respect to the exchange offer means any person in whose name old debentures are registered on our books or any other person who has obtained a properly completed assignment from the registered holder.

Resale of New Debentures

Based upon an interpretation by the staff of the Commission contained in no-action letters issued to third parties, we believe that you may exchange old debentures for new debentures in the ordinary course of business. For further information on the Commission s position, see Exxon Capital Holdings Corporation, available May 13, 1988, Morgan Stanley & Co. Incorporated, available June 5, 1991 and Shearman & Sterling, available July 2, 1993, and other interpretive letters to similar effect. You will be allowed to resell new debentures to the public without further registration under the Securities Act and without delivering to purchasers of the new debentures a prospectus that satisfies the requirements of Section 10 of the Securities Act so long as you do not participate, do not intend to participate, and have no arrangement with any person to participate, in a distribution of the new debentures. However, the foregoing does not apply to you if you are:

- a broker-dealer who purchased the old debentures directly from us to resell pursuant to Rule 144A or any other available exemption under the Securities Act; or
- an affiliate of us within the meaning of Rule 405 under the Securities Act.

In addition, if:

- you are a broker-dealer; or

- you acquire new debentures in the exchange offer for the purpose of distributing or participating in the distribution of the new debentures

you cannot rely on the position of the staff of the Commission contained in the no-action letters mentioned above and must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction, unless an exemption from registration is otherwise available.

Each broker-dealer that receives new debentures for its own account in exchange for old debentures, which the broker-dealer acquired as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of the new debentures. The letter of transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the Securities Act. A broker-dealer may use this prospectus, as it may be amended or supplemented from time to time, in connection with resales of new debentures received in exchange for old debentures which the broker-dealer acquired as a result of market-making or other trading activities.

Terms of the Exchange Offer

Upon the terms and subject to the conditions described in this prospectus and in the letter of transmittal, we will accept any and all old debentures validly tendered and not withdrawn before the expiration date. We will issue $1,000 principal amount of new debentures in exchange for each $1,000 principal amount of outstanding old debentures surrendered pursuant to the exchange offer. You may tender old debentures only in integral multiples of $1,000.

The form and terms of the new debentures are substantially identical to the form and terms of the old debentures except that:

- we have registered the new debentures under the Securities Act and, therefore, the new debentures will not bear legends restricting their transfer; and

- holders of the new debentures will not be entitled to any of the rights of holders of old debentures under the registration rights agreement, which rights will terminate upon the completion of the exchange offer.

The new debentures will evidence the same debt as the old debentures and will be issued under the same indenture, so the existing debentures, the old debentures not exchanged in the exchange offer and the new debentures will be treated as a single class of debt securities under the indenture.

As of the date of this prospectus, $300,000,000 aggregate principal amount of existing debentures and $200,000,000 aggregate principal amount of old debentures are outstanding and registered in the name of Cede & Co., as nominee for The Depository Trust Company, or DTC. Only registered holders of the old debentures, or their legal representative or attorney-in-fact, as reflected on the records of the trustee under the indenture, may participate in the exchange offer. We will not set a fixed record date for determining registered holders of the old debentures entitled to participate in the exchange offer.

You do not have any appraisal or dissenters rights under the indenture in connection with the exchange offer. We intend to conduct the exchange offer in accordance with the provisions of the registration rights agreement and the applicable requirements of the Securities Act, the Exchange Act of 1934, as amended, or the Exchange Act, and the rules and regulations of the Commission thereunder.

We shall be deemed to have accepted validly tendered old debentures when, as and if we shall have given oral or written notice thereof to the exchange agent. The exchange agent will act as agent for

the tendering holders for the purposes of receiving the new debentures from us. Old debentures that are not tendered for exchange under the exchange offer will remain outstanding and you will be entitled to the rights and benefits you have as holders under the indenture.

If you tender old debentures in the exchange offer, you will not be required to pay brokerage commissions or fees or, subject to the instructions in the letter of transmittal, transfer taxes with respect to the exchange pursuant to the exchange offer. We will pay all charges and expenses, other than certain applicable taxes described below in connection with the exchange offer.

Expiration Date; Extensions; Amendments

The term expiration date shall mean 5:00 p.m., New York City time on October , 2002, unless we, in our sole discretion, extend the exchange offer, in which case the term expiration date shall mean the latest date and time to which the exchange offer is extended.

To extend the exchange offer, we will notify the exchange agent of any extension by oral or written notice and the exchange agent will mail to the registered holders an announcement thereof, prior to 9:00 a.m., New York City time, on the next business day after the previously scheduled expiration date.

We reserve the right, in our sole discretion:

- to delay accepting any old debentures;
- to extend the exchange offer;
- if any of the conditions listed below under Conditions shall not have been satisfied, to refuse to accept for exchange, or exchange the new debentures for, any old debentures and may terminate the exchange offer; or
- to amend the terms of the exchange offer in any manner.

We will follow any such delay in acceptances, extension, termination or amendment as promptly as practicable with oral or written notice thereof to the exchange agent and the registered holders. If we determine to amend the exchange offer in a manner constituting a material change, we will promptly disclose such amendment in a prospectus supplement that we will distribute to the registered holders, and we will extend the exchange offer for a period of five to ten business days, depending upon the significance of the amendment and the manner of disclosure to the registered holders, if the exchange offer would otherwise expire during such five to ten business day period.

Without limiting the manner in which we may choose to make a public announcement of any delay, extension, amendment or termination of the exchange offer, we shall have no obligation to publish, advertise, or otherwise communicate any such public announcement, other than by making a timely release to an appropriate news agency.

Interest on New Debentures

The new debentures will accrue interest from the date of the last interest payment on the old debentures. Such interest will be payable semi-annually in cash on June 1 and December 1 of each year. If your old debentures are accepted for exchange, you will be deemed to have waived the right to receive any interest accrued on the old debentures.

Table of Contents

Procedures for Tendering

You may tender old debentures in the exchange offer only if you are a registered holder of old debentures. To tender in the exchange offer by utilizing the letter of transmittal, you must:

- complete, sign and date the letter of transmittal, or a facsimile;
- have the signatures guaranteed if required by the letter of transmittal; and
- mail or otherwise deliver the letter of transmittal or the facsimile to the exchange agent prior to the expiration date.

In addition, either:

- the exchange agent must receive certificates for the old debentures along with the letter of transmittal into its account at DTC pursuant to the procedure for book-entry transfer described below before the expiration date;
- the exchange agent must receive a timely confirmation of a book-entry transfer of the old debentures, if such procedure is available, into the exchange agent s account at DTC pursuant to the procedure for book-entry transfer described below before the expiration date; or
- you must comply with the guaranteed delivery procedures described below.

The exchange agent and DTC have confirmed that any financial institution that is a participant in DTC s system may utilize ATOP to tender old debentures in lieu of the letter of transmittal. Accordingly, DTC participants may electronically transmit their acceptance of the exchange offer by causing DTC to transfer old debentures to the exchange agent in accordance with ATOP procedures for transfer. Upon receipt of such holder s acceptance through ATOP, DTC will edit and verify the acceptance and send an agent s message to the exchange agent pursuant to the book-entry delivery procedures described below or the tendering DTC participant must comply with the guaranteed delivery procedures described below.

The term agent s message means a message transmitted by DTC, and received by the exchange agent and forming part of the confirmation of a book-entry transfer, which states that:

- DTC has received an express acknowledgment from the participant in DTC tendering old debentures subject to the book-entry confirmation;
- the participant has received and agrees to be bound by the terms of the letters of transmittal; and
- we may enforce such agreement against such participant.

If you do not withdraw your tender prior to the expiration date, it will constitute an agreement between you and us in accordance with the terms and subject to the conditions described in this prospectus and in the letter of transmittal.

The method of delivery of old debentures and the letter of transmittal and all other required documents to the exchange agent is at your election and risk. We recommend that instead of delivery by mail, you use an overnight or hand delivery service, properly insured. In all cases, you should allow sufficient time to assure delivery to the exchange agent before the expiration date. Do not send any letter of transmittal or old debentures to us. You may request your respective

Table of Contents

brokers, dealers, commercial banks, trust companies or nominees to effect the above transactions for you.

If you are a beneficial owner whose old debentures are registered in the name of a broker, dealer, commercial bank, trust company or other nominee and you wish to tender your old debentures, you should contact the registered holder promptly and instruct them to tender such old debentures on your behalf. If you wish to tender your old debentures on your own behalf, you must, prior to completing and executing the letter of transmittal and delivering your old debentures, either make appropriate arrangements to register ownership of the old debentures in your name or obtain a properly completed assignment from the registered holder. The transfer of registered ownership of old debentures may take considerable time.

Signatures on a letter of transmittal or a notice of withdrawal must be guaranteed by an eligible guarantor institution, meaning, an institution which is:

- a member firm of a registered national securities exchange or of the National Association of Securities Dealers, Inc.,
- a commercial bank or trust company having an office or correspondent in the United States; or
- an eligible guarantor institution within the meaning of Rule l7Ad-15 under the Exchange Act.

No such guarantee is required if the signatures on a letter of transmittal or a notice of withdrawal for old debentures are tendered:

- by a registered holder who has not completed the box entitled Special Payment Instructions or Special Delivery Instructions on the letter of transmittal; or
- for the account of an eligible institution.

If the letter of transmittal is signed by a person other than the registered holder, the old debentures must be endorsed or accompanied by a properly completed bond or stock power, as the case may be, signed by the registered holder as their name appears on the old debentures.

If the letter of transmittal or any old debentures or bond or stock powers are signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity, such persons should so indicate when signing, and unless waived by us, evidence satisfactory to us of their authority to so act must be submitted with the letter of transmittal.

We will determine, in our sole discretion, all questions as to the validity, form, eligibility, including time of receipt, acceptance and withdrawal of tendered old debentures, which determination will be final and binding. We reserve the absolute right to reject any and all old debentures not properly tendered or any old debentures our acceptance of which would, in the opinion of our counsel, be unlawful. We also reserve the right to waive any defects, irregularities or conditions of tender as to particular old debentures. Our interpretation of the terms and conditions of the exchange offer, including the instructions in the letter of transmittal, will be final and binding on all parties. Unless waived by us, you must cure any defects or irregularities in connection with tenders of old debentures within the time as we determine. Although we intend to notify you of defects or irregularities with respect to tenders of old debentures, neither we, the exchange agent nor any other person shall incur any liability for failure to give such notification. Tenders of old debentures will not be deemed to have been made until such defects or irregularities have been cured or waived.

Table of Contents

While we have no present plan to acquire any old debentures that are not tendered in the exchange offer or to file a registration statement to permit resales of any old debentures that remain outstanding after the expiration date, we reserve the right in our sole discretion to purchase or make offers for any old debentures that remain outstanding after the expiration date. We also reserve the right, as described below under Conditions , to terminate the exchange offer and, to the extent permitted by applicable law, purchase old debentures in the open market, in privately negotiated transactions or otherwise. The terms of any such purchases or offers could differ from the terms of the exchange offer.

If you wish to tender old debentures in exchange for new debentures in the exchange offer, we will require that you represent to us that, among other things:

- you are not an affiliate of us;
- you will acquire any new debentures in the ordinary course of your business;
- you are not engaging nor do you intend to engage in a distribution of such new debentures; and
- at the time of completion of the exchange offer, you have no arrangement with any person to participate in the distribution of the new debentures.

In addition, in connection with the resale of new debentures, any participating broker-dealer who acquired the old debentures for its own account as a result of market-making or other trading activities must deliver a prospectus meeting the requirements of the Securities Act. The Commission has taken the position that participating broker-dealers may fulfill their prospectus delivery requirements with respect to the new debentures, other than a resale of an unsold allotment from the original sale of the debentures, with this prospectus.

Return of Old Debentures

If we do not accept any tendered old debentures for any reason described in the terms and conditions of the exchange offer or if you withdraw any tendered old debentures or submit old debentures for a greater principal amount than you desire to exchange, we will return the unaccepted, withdrawn or non-exchanged old debentures without expense to you as promptly as practicable. In the case of old debentures tendered by book-entry transfer into the exchange agent s account at the depositary pursuant to the book-entry transfer procedures described below, we will credit the old debentures to an account maintained with the depositary as promptly as practicable.

Book-Entry Transfer

The exchange agent will make a request to establish an account with respect to the old debentures at DTC s book-entry transfer facility for the purposes of the exchange offer within two business days after the date of this prospectus. Any financial institution that is a participant in DTC s systems may make book-entry delivery of old debentures by causing DTC to transfer the old debentures into the exchange agent s account at DTC. Although delivery of old debentures may be effected through book-entry transfer at DTC, you must transmit and the exchange agent must receive, the letter of transmittal or facsimile of the letter of transmittal, or an agent s message in lieu of the letter of transmittal, with any required signature guarantees and any other required documents at the address below under Exchange Agent on or before the expiration date or pursuant to the guaranteed delivery procedures described below.

Guaranteed Delivery Procedures

If you wish to tender your old debentures and (1) your old debentures are not immediately available, or (2) you cannot deliver your old debentures, the letter of transmittal or any other required documents to the exchange agent before the expiration date or (3) you cannot comply with the book-entry transfer procedures on a timely basis, you may effect a tender if:

(a) the tender is made by or through an eligible guarantor institution;

(b) before the expiration date, the exchange agent receives from the eligible guarantor institution a properly completed and duly executed notice of guaranteed delivery (by facsimile transmission, mail or hand delivery), substantially in the form provided by us, that:

states your name and address, the certificate number(s) of the old debentures (if you hold physical certificates representing the old debentures) and the principal amount of old debentures tendered;

states that the tender is being made by that notice of guaranteed delivery; and

guarantees that, within five New York Stock Exchange trading days after the expiration date, the eligible institution will deposit with the exchange agent the letter of transmittal, together with the certificate(s) representing the old debentures in proper form for transfer or a confirmation of book-entry transfer, as the case may be, and any other documents required by the letter of transmittal; and

(c) the exchange agent receives within five New York Stock Exchange trading days after the expiration date either the properly completed and executed letter of transmittal, as well as the certificate(s) representing all tendered old debentures in proper form for transfer or a confirmation of book-entry transfer, as the case may be, and other documents required by the letter of transmittal.

Upon request to the exchange agent, you will be sent a notice of guaranteed delivery if you wish to tender your old debentures according to the guaranteed delivery procedures set forth above.

Withdrawal of Tenders

Except as otherwise provided in this prospectus, you may withdraw your tender of old debentures at any time prior to 5:00 p.m., New York City time, on the expiration date.

To withdraw a tender of old debentures in the exchange offer, you must send a written or facsimile transmission notice of withdrawal to the exchange agent at its address before 5:00 p.m., New York City time, on the expiration date. Any such notice of withdrawal must:

specify the name of the person having deposited the old debentures to be withdrawn;

identify the old debentures to be withdrawn including the certificate number;

be signed by you in the same manner as the original signature on the letter of transmittal by which such old debentures were tendered including any required signature guarantees.

All questions as to the validity, form and eligibility (including time of receipt) of such notices will be determined by us and shall be final and binding on all parties. We will not deem any old debentures properly withdrawn to have been validly tendered for purposes of the exchange offer, and we

will not issue new debentures with respect to those old debentures unless you validly retender the withdrawn old debentures. Properly withdrawn old debentures may be retendered by following one of the procedures described above under Procedures for Tendering at any time before the expiration date.

Conditions

Notwithstanding any other term of the exchange offer, we will not be required to accept for exchange, or exchange the new debentures for, any old debentures and may terminate the exchange offer before the acceptance of any old debentures for exchange, if the exchange offer violates applicable law or any applicable interpretation of the staff of the Commission.

If we determine in our sole discretion that any of these conditions is not satisfied, we may:

- refuse to accept any old debentures and return all tendered old debentures to you;
- extend the exchange offer and retain all old debentures tendered prior to the expiration of the exchange offer, subject, however, to your rights to withdraw the old debentures; or
- waive such unsatisfied conditions with respect to the exchange offer and accept all properly tendered old debentures which have not been withdrawn.

If the waiver constitutes a material change to the exchange offer, we will promptly disclose the waiver by means of a prospectus supplement that will be distributed to the registered holders of old debentures, and we will extend the exchange offer for a period of five to ten business days, depending upon the significance of the waiver and the manner of disclosure to the registered holders, if the exchange offer would otherwise expire during such five to ten business day period.

Termination of Certain Rights

All of your rights under the registration rights agreement will terminate upon consummation of the exchange offer except with respect to our continuing obligations to:

- indemnify you and certain parties related to you against certain liabilities including liabilities under the Securities Act; and
- provide, upon your request, the information required by Rule 144A(d)(4) under the Securities Act in order to permit resales of such old debentures pursuant to Rule 144A.

Exchange Agent

National City Bank, N.A. has been appointed exchange agent for the exchange offer. Questions and requests for assistance, requests for additional copies of this prospectus or the letter of transmittal and requests for a notice of guaranteed delivery with respect to the old debentures should be addressed to the exchange agent as follows:

By Registered Mail, Certified Mail, Overnight Courier or Hand Delivery:

Table of Contents

National City Bank, N.A.
629 Euclid Avenue, Suite 635
Cleveland, OH 44114
Attention: Corporate Trust Administration

By Telephone: (216) 222-9352

By Facsimile: (216) 222-9326

Fees and Expenses

We will pay the expenses of soliciting tenders in connection with the exchange offer. The principal solicitation is being made by mail; additional principal solicitations may be made by telecopier, telephone or in person by our officers and regular employees and our affiliates.

We have not retained any dealer-manager in connection with the exchange offer and will not make any payments to brokers-dealers or others soliciting acceptances of the exchange offer. We will however, pay the exchange agent reasonable and customary fees for their services and will reimburse them for their reasonable out-of-pocket expenses.

We will pay cash expenses to be incurred in connection with the exchange offer which we estimate in the aggregate to be approximately $170,000. These expenses include registration fees, fees and expenses of the exchange agent, accounting and legal fees and printing costs, among others.

We will pay all transfer taxes, if any, applicable to the exchange of the old debentures pursuant to the exchange offer. The amount of any transfer taxes will be payable by you if:

- certificates representing old debentures for shares not tendered or accepted for exchange are to be delivered to, or are to be issued in the name of, any person other than the registered holder of old debentures tendered;
- the old debentures tendered are registered in the name of any person other than the person signing the letter of transmittal; or
- a transfer tax is imposed for any reason other than the exchange of the old debentures pursuant to the exchange offer.

If you do not submit satisfactory evidence of payment of the transfer taxes or exemption therefrom with the letter of transmittal, we will bill the amount of the transfer taxes directly to you.

Consequence of Failure to Exchange

Participation in the exchange offer is voluntary. We urge you to consult your financial and tax advisors in making your decisions on what action to take. Old debentures that are not exchanged for new debentures pursuant to the exchange offer will remain restricted securities. Accordingly, those old debentures may be resold only:

- to a person to whom the seller reasonably believes is a qualified institutional buyer in a transaction meeting the requirements of Rule 144A under the Securities Act;
- in a transaction meeting the requirements of Rule 144 under the Securities Act;

Table of Contents

- outside the United States to a foreign person in a transaction meeting the requirements of Rule 903 or 904 of Regulation S under the Securities Act;
- in accordance with another exemption from the registration requirements of the Securities Act and based upon an opinion of counsel if we so request;
- to us; or
- pursuant to an effective registration statement.

In each case, the old debentures may be resold only in accordance with any applicable securities laws of any state of the Untied States or any other applicable jurisdiction.

Table of Contents

USE OF PROCEEDS

We will not receive any cash proceeds from the issuance of the new debentures. In consideration for issuing the new debentures as contemplated in this prospectus, we will receive in exchange old debentures in like principal amount, which we will cancel and as such will not result in any increase in our indebtedness.

The net proceeds from the private offering were approximately $202.0 million, after deducting selling commissions and offering expenses payable by us. We used the net proceeds from the private offering to repay a portion of our revolving loan obligations under our previous U.S. senior secured credit facility dated as of July 29, 1997 (as amended), or our U.S. Credit Agreement. In addition, we were paid accrued interest of $7.4 million from December 1, 2001 by purchasers of the old debentures offered thereby. All debenture holders of record as of May 15, 2002 received a scheduled interest payment on June 1, 2002, accruing from December 1, 2001.

Table of Contents

CAPITALIZATION

The following table sets forth our consolidated capitalization as of June 30, 2002. You should read this table in conjunction with our consolidated financial statements and related notes and with Management s Discussion and Analysis of Financial Condition and Results of Operations included elsewhere in this prospectus.

	June 30, 2002
	(Unaudited) (Dollars in millions)
Long-term debt:	
Bank debt:(a)	
Bank Revolving Loans	$ 157.7
Bank A Term Loans	100.0
Bank B Term Loans	350.0
Canadian Bank Facility	1.2
Total bank debt	608.9
Subordinated debt:	
9% Debentures (b)	505.9
Other	3.0
Total subordinated debt	508.9
Total debt:	1,117.8
Less current portion	159.5
Total long-term debt	$ 958.3
Stockholders equity:	
Common stock, par value $.01 per share, 100,000,000 shares authorized, 20,906,517 shares issued and 18,221,042 shares outstanding	$ 0.2
Paid-in capital	124.1
Retained earnings (accumulated deficit)	(13.5)
Accumulated other comprehensive income (loss)	(5.1)
Treasury stock (2,685,475 shares)	(60.4)
Total stockholders equity	45.3
Total capitalization	$1,163.1

(a) On June 28, 2002, we entered into our New Credit Agreement. Our New Credit Agreement provides us with $100 million of A term loans, $350 million of B term loans and up to $400 million of revolving loans. We also have $4.5 million of bank revolving loans available under our Canadian Bank Facility. At June 30, 2002, after taking into account outstanding letters of credit of $17.3 million, borrowings available under the revolving credit facilities of our credit agreements were $229.5 million. At June 30, 2002, we expected to repay $157.7 million of revolving loans and $1.8 million of term loans within one year.

(b) After the private offering, we have $500 million aggregate principal amount of 9% debentures outstanding. The $505.9 million amount in the capitalization table above includes a $5.9 million unamortized premium paid to us on the debentures issued in the private offering. This premium is being amortized over the remaining life of the debentures.

Table of Contents

SELECTED FINANCIAL DATA

In the table below, we provide you with selected financial data of Silgan Holdings Inc. We have prepared this data using the consolidated financial statements of Silgan Holdings Inc. for the five years ended December 31, 2001 and the six month periods ended June 30, 2002 and 2001. The consolidated financial statements for the five years ended December 31, 2001 were audited by Ernst & Young LLP, independent auditors. The condensed consolidated financial statements for the six month periods ended June 30, 2002 and 2001 have not been audited but, in the opinion of management, reflect all adjustments (consisting only of normal recurring accruals) necessary for a fair presentation of the financial statements for the interim periods. The results for the interim periods presented are not necessarily indicative of the results for the corresponding full years.

You should read this financial data along with the consolidated financial statements and related notes in our annual and quarterly reports, as well as the section of our annual and quarterly reports titled Management s Discussion and Analysis of Financial Condition and Results of Operations, included elsewhere in this prospectus and incorporated by reference.

	Six Months Ended June 30,		Year Ended December 31,				
	2002	**2001**	**2001**	**2000(a)**	**1999**	**1998(b)**	**1997**
			(Dollars in millions, except per share data)				
Operating Data:							
Net sales	$ 880.5	$ 888.9	$ 1,941.0	$ 1,877.5	$ 1,892.1	$ 1,768.7	$ 1,541.3
Cost of goods sold	770.6	780.8	1,700.7	1,648.3	1,656.7	1,546.3	1,333.4
Gross profit	109.9	108.1	240.3	229.2	235.4	222.4	207.9
Selling, general and administrative expenses	38.3	38.0	78.6	72.1	75.0	68.1	60.8
Non-cash stock option charge(c)							22.5
Rationalization (credit) charges, net(d)	(2.3)	3.5	9.3		36.1		
Income from operations	73.9	66.6	152.4	157.1	124.3	154.3	124.6
Gain on assets contributed to affiliate			4.9				
Interest and other debt expense	34.9	44.1	81.2	91.2	86.1	81.5	80.7
Income before income taxes and equity in losses of affiliates	39.0	22.5	76.1	65.9	38.2	72.8	43.9
Provision for (benefit from) income taxes(e)	15.2	9.0	30.2	25.8	14.3	26.9	(6.7)
Income before equity in losses of affiliates and extraordinary items	23.8	13.5	45.9	40.1	23.9	45.9	50.6
Equity in losses of affiliates, net of income taxes	1.8	3.8	4.1	4.6			
Income before extraordinary items	22.0	9.7	41.8	35.5	23.9	45.9	50.6
Extraordinary items loss on early extinguishment of debt, net of income taxes	0.6			4.2			16.4
Income before preferred stock dividend requirement			41.8	31.3	23.9	45.9	34.2
Preferred stock dividend requirement							3.2
Net income applicable to common stockholders	$ 21.4	$ 9.7	$ 41.8	$ 31.3	$ 23.9	$ 45.9	$ 31.0
Per Share Data:							
Basic earnings per common share:							
Income before extraordinary items and preferred stock dividend requirement	$ 1.22	$ 0.55	$ 2.35	$ 2.01	$ 1.35	$ 2.41	$ 2.75

Extraordinary items	(0.03)			(0.24)			(0.89)
Preferred stock dividend requirement							(0.18)
Net income per basic common share	$ 1.19	$ 0.55	$ 2.35	$ 1.77	$ 1.35	$ 2.41	$ 1.68
Diluted earnings per common share:							
Income before extraordinary items and preferred stock dividend requirement	$ 1.20	$ 0.54	$ 2.31	$ 1.97	$ 1.32	$ 2.30	$ 2.56
Extraordinary items	(0.03)			(0.23)			(0.83)
Preferred stock dividend requirement							(0.16)
Net income per diluted common share	$ 1.17	$ 0.54	$ 2.31	$ 1.74	$ 1.32	$ 2.30	$ 1.57

Table of Contents

SELECTED FINANCIAL DATA (Continued)

	Six Months Ended June 30,		Year Ended December 31,				
	2002	2001	2001	2000(a)	1999	1998(b)	1997
	(Dollars in millions, except per share data)						
Selected Segment Data(f):							
Net sales:							
Metal food containers	$ 627.0	$ 583.5	$ 1,401.1	$ 1,387.7	$ 1,440.0	$ 1,333.0	$ 1,170.3
Plastic containers	253.5	259.2	493.6	399.0	350.5	337.5	289.3
Metal closures		46.2	46.3	90.8	101.6	98.2	81.7
Income from operations(g):							
Metal food containers	42.7	39.2	114.2	120.2	120.6	115.7	117.9
Plastic containers	31.6	29.7	49.5	36.9	40.0	37.4	28.5
Metal closures		3.3	3.3	3.7	3.7	4.3	2.5
Other Data:							
Adjusted EBITDA(h)	$ 118.4	$ 117.7	$ 257.3	$ 246.1	$ 246.4	$ 231.8	$ 210.5
Capital expenditures, net	48.7	46.4	89.1	87.4	84.9	84.3	57.7
Depreciation and amortization(i)	46.8	47.6	95.5	89.0	86.0	77.5	63.4
Cash flows (used in) provided by operating activities	(112.2)	(123.9)	143.0	95.1	143.3	147.4	117.9
Cash flows (used in) investing activities	(48.7)	(17.1)	(59.8)	(218.5)	(84.9)	(278.3)	(100.5)
Cash flows provided by (used in) financing activities	156.2	170.1	(85.3)	141.0	(60.7)	82.0	35.3
Ratio of earnings to combined fixed charges and preferred stock dividends(j)	2.1	1.5	1.9	1.7	1.4	1.9	1.5
Ratio of Adjusted EBITDA to interest and other debt expense	3.4	2.7	3.2	2.7	2.9	2.8	2.6
Balance Sheet Data (at end of period):							
Goodwill, net	$ 141.6	$ 151.9	$ 141.5	$ 153.0	$ 107.6	$ 109.2	$ 66.9
Total assets	1,496.1	1,540.4	1,311.8	1,383.8	1,185.3	1,224.0	1,050.6
Total debt	1,117.8	1,201.1	944.8	1,031.5	883.3	927.0	805.3
Stockholders equity (deficiency)	45.3	(14.1)	15.1	(20.4)	(48.7)	(57.3)	(67.3)

Notes To Selected Financial Data

(a) On October 1, 2000, we acquired RXI. The acquisition was accounted for as a purchase transaction and the results of operations have been included with our consolidated results of operations from the date of acquisition.

(b) On June 1, 1998, we acquired CS Can. The acquisition was accounted for as a purchase transaction and the results of operations have been included with our consolidated results of operations from the date of acquisition.

(c) In connection with our IPO, we recognized a non-cash charge of $22.5 million at the time of our IPO for the excess of the fair market value over the grant price of certain stock options, less $3.7 million previously accrued.

(d) During the first quarter of 2002, certain assets of our metal food container business with carrying values that were previously written down were placed back in service. As a result, we recorded a pre-tax $2.3 million rationalization credit. You should also see Note 3 to our Condensed Consolidated Financial Statements for the six months ended June 30, 2002 included elsewhere in this prospectus. During 2001, we approved and announced plans primarily related to closing two metal food container facilities and a plastic container facility. These decisions resulted in pre-tax charges to earnings of $3.5 million for the first quarter and $5.8 million, net (including $3.0 million for the non-cash write-down in carrying value of assets) for the fourth quarter. In 1999, we approved and announced plans to close two manufacturing facilities of the metal food container business, resulting in a charge of $11.9 million (including $7.3 million for the non-cash write-down in carrying value of assets). Additionally, based upon a review of the depreciable assets of the metal food container business in 1999, we determined that adjustments were necessary to properly reflect net realizable values and recorded a non-cash, pre-tax write-down of $24.2 million in 1999 for the excess of carrying value over estimated net realizable value of machinery and equipment which had become obsolete or surplus. You should also see Note 3 to our Consolidated Financial Statements for the year ended December

31, 2001 included elsewhere in this prospectus.

(e) During 1997, we determined that it was more likely than not that future tax benefits arising from our net operating loss carryforwards would be realized in future years due to our continued improvement in earnings and the probability of future taxable income. Accordingly, in accordance with Statement of Financial Accounting Standards No. 109, we recognized an income tax benefit of $27.4 million for our recoverable net operating loss carryforwards.

(f) As a result of a joint venture (Amcor White Cap, LLC) we formed with Schmalbach-Lubeca AG (whose interest in the joint venture was recently purchased by Amcor, Ltd.) to which we contributed our metal closure business, we no longer report the results of our remaining specialty packaging business, which had net sales of approximately $34.3 million, $33.1 million and $36.5 million in 2001, 2000 and 1999, respectively, as a separate business segment. The results of the Omni plastic container and Polystar easy-open plastic end businesses are reported with our plastic container business, and the results of the paperboard container business are reported with our metal food container business. The historical results of the metal closure business are reported separately. Prior year amounts have been restated to conform with the current presentation. You should also read Note 8 to our Condensed Consolidated Financial Statements for the six months ended June 30, 2002 and Note 18 to our Consolidated Financial Statements for the year ended December 31, 2001, each included elsewhere in this prospectus.

(g) Income from operations in the selected segment data excludes (1) a rationalization credit of $2.3 million for the six months ended June 30, 2002 as referred to in footnote (d) above, (2) net charges of $9.3 million for the year ended December 31, 2001 as referred to in footnote (d) above, (3) charges of $36.1 million for the year ended December 31, 1999 as referred to in footnote (d) above, (4) the non-cash stock option charge of $22.5 million incurred as a result of our IPO in February 1997 as referred to in footnote (c) above, and (5) corporate expense.

(h) Adjusted EBITDA means consolidated net income before equity in losses of affiliates, extraordinary items and preferred stock dividends, plus consolidated interest expense, income tax expense and depreciation and amortization expense, as adjusted to (1) add back rationalization charges ($9.3 million, net, for the year ended December 31, 2001 and $11.9 million for the year ended December 31, 1999, each as referred to in footnote (d) above), charges incurred for the reduction in carrying value of assets ($24.2 million for the year ended December 31, 1999 as referred to in footnote (d) above) and the non-cash charge of $22.5 million incurred in 1997 in connection with our IPO as referred to in footnote (c) above, and (2) subtract the rationalization credit of $2.3 million for the six months ended June 30, 2002 and the gain on assets contributed to affiliate of $4.9 million for the year ended December 31, 2001. We have included information regarding Adjusted EBITDA because management believes that many investors and lenders consider it important in assessing a company s ability to service and incur debt. Accordingly, this information has been disclosed herein to permit a more complete analysis of our financial condition. Adjusted EBITDA should not be considered in isolation or as a substitute for net income or other consolidated statement of income or cash flows data prepared in accordance with accounting principles generally accepted in the United States as a measure of our profitability or liquidity. You should also see our Consolidated Statements of Income and Consolidated Statements of Cash Flows, including the notes thereto, included elsewhere in this prospectus. Adjusted EBITDA does not take into account our debt service requirements and other commitments and, accordingly, is not necessarily indicative of amounts that may be available for discretionary uses. Additionally, Adjusted EBITDA is not computed in accordance with accounting principles generally accepted in the United States and may not be comparable to other similarly titled measures of other companies.

(i) Depreciation and amortization excludes amortization of debt financing costs. For the six months ended June 30, 2001, depreciation and amortization includes goodwill amortization of $1.2 million for the metal food container business and $1.3 million for the plastic container business.

(j) For purposes of computing the ratio of earnings to combined fixed charges and preferred stock dividends, earnings consist of income before income taxes plus fixed charges, excluding capitalized interest, and preferred stock dividends, and combined fixed charges and preferred stock dividends consist of interest, whether expensed or capitalized, minority interest expense, amortization of debt expense and discount or premium relating to any indebtedness, whether expensed or capitalized, such portion of rental expense that is representative of the interest factor in these rentals and preferred stock dividends.

Table of Contents

MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis is intended to assist you in an understanding of our consolidated financial condition and results of operations for the six months ended June 30, 2002 and 2001 and for the three-year period ended December 31, 2001. Our consolidated financial statements and the accompanying notes included elsewhere in this prospectus contain detailed information that you should refer to in conjunction with the following discussion and analysis.

Revenue Growth

Our objective is to increase shareholder value through efficiently deploying capital and management resources to grow our business and reduce costs of existing operations and to make acquisitions at attractive cash flow multiples. We have increased our revenues and market share in the metal food container and plastic container and closure markets through acquisitions and internal growth. As a result, we have expanded and diversified our customer base, geographic presence and product line.

During the past fourteen years, the metal food container market has experienced significant consolidation primarily due to the desire by food processors to reduce costs and focus resources on their core operations. Our acquisitions of the metal food container manufacturing operations of Nestlé, The Dial Corporation, or Dial, Del Monte, Agrilink Foods, Inc., or Agrilink, and Campbell reflect this trend.

We have improved the market position of our plastic container and closure business since 1987, with sales increasing more than fivefold to $493.6 million in 2001. We achieved this improvement primarily through strategic acquisitions, including most recently RXI, as well as through internal growth. The plastic container and closure business of the consumer goods packaging industry is highly fragmented, and we intend to pursue further consolidation opportunities in this market. We also believe that we can successfully apply our acquisition and operating expertise to new markets of the consumer goods packaging industry. For example, with the acquisition of RXI we expanded our business into plastic closures, caps, sifters and fitments and thermoformed plastic tubs. We expect to continue to generate internal growth in our plastic container and closure business. For example, we intend to aggressively market our plastic closures to existing customers of our plastic container business. Additionally, we intend to continue to expand our customer base in the markets that we serve, such as the personal care, health care, pharmaceutical, household and industrial chemical, food, pet care, agricultural chemical, automotive and marine chemical markets.

Operating Performance

We use a disciplined approach to acquire businesses at attractive cash flow multiples and to enhance profitability through productivity and cost reduction opportunities. The additional sales and production capacity provided through acquisitions have enabled us to rationalize plant operations and decrease overhead costs through plant closings and downsizings. In addition, our acquisitions have enabled us to realize manufacturing efficiencies as a result of optimizing production scheduling and minimizing product transportation costs. We have also benefited from our economies of scale and from the elimination of redundant selling and administrative functions. In addition to the benefits realized through the integration of acquired businesses, we have improved the operating performance of our plant facilities by making capital investments for productivity improvements and manufacturing cost reductions.

Historically, we have been able to improve the operating margins of our acquired businesses through productivity and cost reduction opportunities. Following an acquisition, we initiate a systematic

program implemented over a number of years to optimize our manufacturing facilities. As a result, an improvement to operating margins of the acquired businesses has in general been realized over a number of years.

In addition to the benefits realized through the integration of acquired businesses, we have improved the operating performance of our existing plant facilities through the investment of capital for productivity improvements and manufacturing cost reductions. We have also invested capital for new market opportunities, such as easy-open ends for metal food containers. Over the past five fiscal years through 2001, we have invested $418.0 million in capital to improve our productivity, reduce our manufacturing costs and invest in new market opportunities.

For the period from 1995 through 2001, the operating margins of our metal food container business (without giving effect to rationalization charges in 1995 and 2001) improved from approximately 6.5 percent in 1995 to 8.2 percent in 2001. We achieved this improvement principally as a result of the following factors and despite competitive pricing pressure:

- the benefits realized from rationalization and integration activities;
- economies of scale and the elimination of redundant costs related to acquisitions;
- the investment of capital for productivity improvements and manufacturing cost reductions; and
- an improved sales mix.

The operating margins of our plastic container business (without giving effect to a rationalization charge in 2001) also improved from approximately 6.0 percent in 1995 to 10.0 percent in 2001. This improvement was primarily due to:

- volume benefits realized principally as a result of acquisitions;
- economies of scale and the elimination of redundant costs related to acquisitions;
- the investment of capital for productivity improvements; and
- an improved sales mix.

We operate in a competitive industry where it is necessary to realize cost reduction opportunities to offset continued competitive pricing pressure. Further, the multi-year supply arrangements entered into by our businesses with many of our customers limit our ability to increase our margins. We estimate that approximately 85 percent of our projected metal food container sales in 2002 and more than a majority of our projected plastic container and closure sales in 2002 will be under multi-year arrangements. These multi-year supply arrangements generally provide for the pass through of changes in material, labor and other manufacturing costs, thereby significantly reducing the exposure of our results of operations to the volatility of these costs.

Historically, we have been successful in continuing our multi-year supply arrangements with our customers, without any resulting material adverse effect on our financial condition or results of operations. In 2000, we agreed to extend the term of our supply agreements with Nestlé for approximately half of the metal containers sales covered under these agreements by seven years from 2001 through 2008, in return for price reductions which took effect in 2001. These price reductions did not have a material adverse effect on our financial condition or results of operations. You should also read the discussion concerning our Nestlé agreements contained in Our Business-Sales and Marketing-Metal Food Container Business.

Our metal food container business sales and, to a lesser extent, operating income are dependent, in part, upon the vegetable and fruit harvests in the midwest and western regions of the United States. The size and quality of these harvests varies from year to year, depending in large part upon the weather conditions in those regions. Because of the seasonality of the harvests, we have historically experienced higher unit sales volume in the third quarter of our fiscal year and generated a disproportionate amount of our annual income from operations during that quarter. This seasonal impact has been mitigated somewhat by the acquisition of CS Can from Campbell. Sales to Campbell generally have been highest in the fourth quarter due to the seasonal demand for soup products.

Use of Capital

We use leverage to support our growth and increase shareholder returns. Our stable and predictable cash flow, generated largely as a result of our long-term customer relationships and generally recession resistant business, supports our financial strategy. We intend to continue using leverage, supported by our stable cash flows, to make value-enhancing acquisitions. In the absence of attractive acquisition opportunities, we intend to use our free cash flow to repay indebtedness or for other permitted purposes. For example, in 2001, we did not complete any acquisitions, and we reduced our total debt by $86.3 million. Similarly, in 1999, we did not complete any acquisitions, and we reduced our total debt by $44.7 million despite, among other things, the incurrence of $16.6 million of debt for common stock repurchases.

To the extent we utilize debt for acquisitions or other permitted purposes in future periods, our interest expense may increase. Further, since the revolving loan and term loan borrowings under our senior secured credit facilities bear interest at floating rates, our interest expense is sensitive to changes in prevailing rates of interest and, accordingly, our interest expense may vary from period to period.

In light of our strategy to use leverage to support our growth and optimize shareholder returns, we have incurred and will continue to incur significant interest expense. For 2001, our aggregate financing costs were 50.2 percent of our income from operations as compared to 58.0 percent, 53.6 percent, 52.8 percent, and 57.1 percent for 2000, 1999, 1998 and 1997, respectively (without giving effect to rationalization charges in 2001 and 1999 and a non-cash stock option charge in 1997).

On June 28, 2002, we completed the refinancing of our U.S. Credit Agreement by entering into our New Credit Agreement. Our New Credit Agreement provides us with $100 million of A term loans, $350 million of B term loans and up to $400 million of revolving loans, letters of credit and swingline loans. The A term loans and revolving loans mature on June 28, 2008 and the B term loans mature on November 30, 2008. Our New Credit Agreement also contains an incremental uncommitted term loan facility of up to $275 million. All amounts owing under our U.S. Credit Agreement were repaid with proceeds from loans made under the New Credit Agreement. We may use proceeds from future revolving loans for general corporate and working capital purposes, including permitted acquisitions. For additional information on the New Credit Agreement, you should read Capital Resources and Liquidity and Description of Certain Indebtedness.

Packtion Investment

In April 2000, we, together with Morgan Stanley Private Equity and Diamondcluster International, Inc., agreed to invest in Packtion Corporation, or Packtion, an e-commerce joint venture aimed at integrating the packaging supply chain, from design through manufacture and procurement. The parties agreed to make the investments through Packaging Markets LLC, a limited liability company. The joint venture was expected to provide a comprehensive online marketplace for packaging goods and services and to combine content, tools and collaboration capabilities to streamline the product development process and enhance transaction opportunities for buyers and sellers of packaging. The products that Packtion was

developing included a web-based software tool to enable product and package design, development and collaboration; an internet-based secure environment enabling the sharing of packaging related product information and the transaction of business electronically; and an informational source of packaging related knowledge, tools and expert services. Packtion had insignificant sales for internet consulting services and incurred net losses.

In June and August 2000, we invested a total of $7.0 million in Packtion representing approximately a 45 percent interest in Packtion. For the year ended December 31, 2000, we recorded equity losses of $4.6 million in Packtion. In addition, we recorded our share of Packtion s closing costs, $0.2 million, as a reduction to our investment. In the first quarter of 2001 in connection with an investment by The Procter & Gamble Company and E.I. Du Pont de Nemours & Co. in Packtion, we funded additional investments of $3.1 million, bringing our total investment to $10.1 million representing approximately a 25 percent interest in Packtion. In connection with this transaction, we also recorded a reduction to paid-in capital of $1.4 million due to the dilution of our investment. Packtion was dissolved on May 31, 2001 after its board of directors determined that there had been slower than anticipated market acceptance of its business. During 2001, we recorded equity losses of Packtion aggregating $3.8 million, which included our final losses and eliminated our investment.

White Cap Joint Venture

Effective July 1, 2001, we formed a joint venture company with Schmalbach-Lubeca AG (whose interest in the joint venture was recently purchased by Amcor, Ltd.) that supplies an extensive range of metal and plastic closures to the food and beverage industries in North America. The joint venture operates under the name Amcor White Cap, LLC, or White Cap. We contributed certain metal closure assets, including our manufacturing facilities in Evansville and Richmond, Indiana to White Cap in return for a 35 percent interest in and $32.4 million of cash proceeds from the joint venture. Net sales of our metal closure business which was contributed to the White Cap joint venture totaled $46.3 million, $90.8 million and $101.6 million for the six months ended June 30, 2001 and the years ended December 31, 2000 and 1999, respectively. During 2001, we recorded equity in losses of the White Cap joint venture of $0.3 million and a gain on the assets contributed to the joint venture of $4.9 million. For the six months ended June 30, 2002, we recorded equity in losses of White Cap of $1.8 million, net of income taxes. These results included $2.0 million, net of income taxes, for our portion of White Cap s second quarter rationalization charge to close a metal closure manufacturing facility and $0.7 million, net of income taxes, for our portion of White Cap s gain on the sale of certain assets at a price in excess of book value.

Historically, we reported the results of our specialty packaging business as a separate business segment, which included our metal closure business. As a result of the White Cap joint venture on July 1, 2001, we no longer report the financial results of our remaining specialty packaging business, which had net sales of $34.3 million, $33.1 million and $36.5 million in 2001, 2000 and 1999, respectively, as a separate business segment. We report the results of our Omni plastic container and our Polystar easy-open plastic end businesses with our plastic container business and the results of our paperboard container business with our metal food container business. We report the historical results of our metal closures business separately. We have restated prior year amounts to conform with the current presentation.

Results of Operations

The following table sets forth certain income statement data expressed as a percentage of net sales for each of the periods presented. You should read this table in conjunction with our Consolidated Financial Statements and the accompanying notes included elsewhere in this prospectus.

	Six Months Ended June 30,		Year Ended December 31,		
	2002	2001	2001	2000	1999
Operating Data:					
Net sales:					
Metal food containers	71.2%	65.6%	72.2%	73.9%	76.1%
Plastic containers	28.8	29.2	25.4	21.3	18.5
Metal closures		5.2	2.4	4.8	5.4
Total	100.0	100.0	100.0	100.0	100.0
Cost of goods sold	87.5	87.8	87.6	87.8	87.6
Gross profit	12.5	12.2	12.4	12.2	12.4
Selling, general and administrative expenses	4.4	4.3	4.0	3.8	3.9
Rationalization (credit) charges, net	(0.3)	0.4	0.5		1.9
Income from operations	8.4	7.5	7.9	8.4	6.6
Gain on assets contributed to affiliate			0.3		
Interest and other debt expense	4.0	5.0	4.2	4.9	4.6
Income before income taxes, equity in losses of affiliates and extraordinary item	4.4	2.5	4.0	3.5	2.0
Provision for income taxes	1.7	1.0	1.6	1.4	0.7
Income before equity in losses of affiliates and extraordinary item	2.7	1.5	2.4	2.1	1.3
Equity in losses of affiliates, net income taxes	0.2	0.4	0.2	0.2	
Income before extraordinary item	2.5	1.1	2.2	1.9	1.3
Extraordinary item loss on early extinguishment of debt, net of income taxes	0.1			0.2	
Net income	2.4%	1.1%	2.2%	1.7%	1.3%

Table of Contents

Results of Operations Six Months

Summary unaudited results of operations for the six months ended June 30, 2002 and 2001 are provided below.

	Six Months Ended June 30,	
	2002	2001
	(Dollars in millions)	
Net sales:		
Metal food containers	$ 627.0	$ 583.5
Plastic containers	253.5	259.2
Metal closures		46.2
Consolidated	$ 880.5	$ 888.9
Operating profit:		
Metal food containers(1)	$ 45.0	$ 39.2
Plastic containers(2)	31.6	26.2
Metal closures		3.3
Corporate	(2.7)	(2.1)
Consolidated	$ 73.9	$ 66.6

(1) Includes a rationalization credit of $2.3 million recorded in the first quarter of 2002 primarily relating to certain assets previously written down that were placed back in service. You should also read Note 3 to our Condensed Consolidated Financial Statements for the six months ended June 30, 2002 included elsewhere in this prospectus.

(2) Includes a rationalization charge of $3.5 million recorded in the first quarter of 2001 relating to closing a manufacturing facility. You should also read Note 3 to our Condensed Consolidated Financial Statements for the six months ended June 30, 2002 included elsewhere in this prospectus.

Six Months Ended June 30, 2002 Compared with Six Months Ended June 30, 2001

Net Sales. Consolidated net sales decreased $8.4 million, or 0.9 percent, to $880.5 million for the six months ended June 30, 2002, as compared to net sales of $888.9 million for the same six months in the prior year. This decrease was the result of the impact of contributing the metal closure business to the White Cap joint venture and lower sales of the plastic container business, partially offset by higher sales of the metal food container business. Excluding net sales for the first six months of 2001 of $46.2 million of the metal closure business, net sales for the first six months of 2002 increased $37.8 million, or 4.5 percent, as compared to the same period in the prior year.

Net sales for the metal food container business were $627.0 million for the six months ended June 30, 2002, an increase of $43.5 million, or 7.5 percent, from net sales of $583.5 million for the same period in 2001. This increase was primarily attributable to higher unit volume.

Net sales for the plastic container business of $253.5 million for the six months ended June 30, 2002 decreased $5.7 million, or 2.2 percent, from net sales of $259.2 million for the same period in 2001. This decrease was primarily a result of lower average sales prices due to the pass through of lower resin costs, partially offset by higher unit volume.

Cost of Goods Sold. Cost of goods sold was 87.5 percent of consolidated net sales for the six months ended June 30, 2002, a decrease of 0.3 percentage points as compared to 87.8 percent for the same period in 2001. The increase in gross margin was primarily attributable to an improved product mix and increased productivity of the plastic container business and the elimination of goodwill amortization, partially offset by a less favorable sales mix, higher depreciation expense and costs incurred to absorb new volume awarded in the metal food container business.

Table of Contents

Selling, General and Administrative Expenses. Selling, general and administrative expenses were $38.3 million, or 4.4 percent of consolidated net sales, for the six months ended June 30, 2002, as compared to $38.0 million, or 4.3 percent, for the same period in 2001. Higher selling, general and administrative expenses in the plastic container business were largely offset by the impact of contributing the metal closure business to the White Cap joint venture and lower selling, general and administrative expenses in the metal food container business.

Income from Operations. Excluding rationalization credits and charges in both periods, income from operations for the first six months of 2002 increased $1.5 million, or 2.1 percent, to $71.6 million, as compared to $70.1 million in the same period in 2001. This increase was primarily a result of higher sales and income from operations in the metal food container business, higher income from operations in the plastic container business and the elimination of goodwill amortization, partially offset by the impact of contributing the metal closure business to White Cap. Excluding rationalization credits and charges in both periods and income from operations of the metal closure business which was contributed to the White Cap joint venture in 2001, income from operations for the first six months of 2002 increased by $4.8 million, or 7.2 percent, as compared to the same period in 2001. Excluding rationalization credits and charges, operating margin for the first six months of 2002 improved 0.2 percentage points to 8.1 percent, as compared to 7.9 percent for the same period in 2001. This increase in operating margin was primarily the result of higher margins in the plastic container business. Including the effects of rationalization credits and charges, income from operations for the first six months of 2002 increased $7.3 million, or 11.0 percent, to $73.9 million, as compared to $66.6 million in the same period in 2001.

In the first quarter of 2002, we recorded a rationalization credit of $2.3 million primarily relating to certain assets of our metal food container business previously written down that were placed back in service. In the first quarter of 2001, we recorded a rationalization charge of $3.5 million relating to closing a plastic container manufacturing facility.

Excluding the rationalization credit in 2002, income from operations of the metal food container business in the first six months of 2002 increased $3.5 million, or 8.9 percent, to $42.7 million as compared to $39.2 million for the first six months of 2001, and operating margin increased 0.1 percentage points to 6.8 percent as compared to 6.7 percent for the same period in 2001. Income from operations of the metal food container business for the first six months of 2001 included $1.2 million of goodwill amortization. The increase in income from operations and operating margin was principally due to higher sales and the elimination of goodwill amortization, partially offset by a less favorable sales mix, higher depreciation expense and costs incurred to absorb new volume awarded. Including the rationalization credit, income from operations of the metal food container business was $45.0 million and operating margin was 7.2 percent for the six months ended June 30, 2002.

Excluding the rationalization charge in 2001, income from operations for the plastic container business for the six months ended June 30, 2002 increased $1.9 million, or 6.4 percent, to $31.6 million as compared to $29.7 million for the same period in 2001, and operating margin increased 1.0 percentage points to 12.5 percent as compared to 11.5 percent for the first six months of 2001. Income from operations of the plastic container business for the first six months of 2001 included $1.3 million of goodwill amortization. The increase in income from operations and operating margin was primarily a result of an improved sales mix, increased productivity and the elimination of goodwill amortization. Including the effect of the rationalization charge, income from operations and operating margin for the plastic container business were $26.2 million and 10.1 percent, respectively, for the six months ended June 30, 2001.

Interest Expense. Interest expense decreased $9.2 million to $34.9 million for the six months ended June 30, 2002 as compared to the same period in 2001. The decrease in interest expense was a

Table of Contents

result of lower interest rates and approximately $100 million in lower average borrowings as compared to the same period last year.

Income Taxes. The provision for income taxes for the six months ended June 30, 2002 and 2001 was recorded at an effective annual income tax rate of 39.0 percent and 40.2 percent, respectively. The decrease in the effective tax rate was largely due to the discontinuation of goodwill amortization that was non-deductible for income tax purposes.

Net Income and Earnings per Share. Net income for the first six months of 2002 was $21.4 million, or $1.17 per diluted share, as compared to net income of $9.7 million, or $0.54 per diluted share, for the first six months of 2001. Net income for the first six months of 2002 included our portion of the rationalization charge of White Cap of $2.0 million, net of tax, or $0.11 per diluted share, and our portion of the gain on the sale of assets by White Cap of $0.7 million, net of tax, or $0.04 per diluted share. Net income for the first six months of 2002 also included a rationalization credit of $2.3 million, or $0.07 per diluted share, and an extraordinary charge, net of tax, of $0.6 million, or $0.03 per diluted share. Net income for the first six months of 2001 included equity in losses of Packtion of $3.8 million, or $0.20 per diluted share, and a rationalization charge of $3.5 million, or $0.12 per diluted share.

Excluding both our portion of the rationalization charge and the gain on the sale of assets recorded by White Cap and the rationalization credit and extraordinary charge in 2002, earnings for the first six months of 2002 were $21.9 million, or $1.20 per diluted share. Excluding the rationalization charge and equity in losses of Packtion, earnings were $15.6 million, or $0.86 per diluted share, for the first six months of 2001.

SFAS No. 142 required us to eliminate the amortization of goodwill effective January 1, 2002. However, if we continued to amortize goodwill during the first six months of 2002, we would have recorded additional expense of approximately $2.5 million, or $0.08 per diluted share.

Results of Operations Year End

Summary results for our business segments, metal food containers, plastic containers and metal closures, for the years ended December 31, 2001, 2000, and 1999 are provided below.

	Year Ended December 31,		
	2001	2000	1999
	(Dollars in millions)		
Net sales:(1)			
Metal food containers	$ 1,401.1	$ 1,387.7	$ 1,440.0
Plastic containers	493.6	399.0	350.5
Metal closures	46.3	90.8	101.6
Consolidated	$ 1,941.0	$ 1,877.5	$ 1,892.1
Income from operations:(1)			
Metal food containers	$ 114.2	$ 120.2	$ 120.6
Plastic containers	49.5	36.9	40.0
Metal closures	3.3	3.7	3.7
Rationalization charges, net(2)	(9.3)		(36.1)
Corporate	(5.3)	(3.7)	(3.9)
Consolidated	$ 152.4	$ 157.1	$ 124.3

Table of Contents

(1) As a result of the White Cap joint venture, we no longer report the results of our remaining specialty packaging business, which had net sales of $34.3 million, $33.1 million and $36.5 million in 2001, 2000 and 1999, respectively, as a separate business segment. The results of the Omni plastic container and Polystar easy-open plastic end businesses are reported with our plastic container business, and the results of the paperboard container business are reported with our metal food container business. The historical results of the metal closure business are reported separately. Prior year amounts have been restated to conform with the current presentation.

(2) Included in income from operations in 2001 are net rationalization charges of $9.3 million, consisting of $5.8 million (including $3.0 million for the non-cash write-down in carrying value of certain assets) relating primarily to closing two metal food container manufacturing facilities and $3.5 million relating to closing a plastic container manufacturing facility. Included in income from operations in 1999 are $36.1 million of rationalization charges, consisting of a charge of $11.9 million relating to the closing of two manufacturing facilities of the metal food container business (which included $7.3 million for the non-cash write-down in carrying value of assets) and a non-cash charge of $24.2 million for the excess of carrying value over estimated net realizable value of machinery and equipment of the metal food container business which had become obsolete or surplus. You should also read Note 3 to our Consolidated Financial Statements for the year ended December 31, 2001 included elsewhere in this prospectus.

Year Ended December 31, 2001 Compared with Year Ended December 31, 2000

Net Sales. Consolidated net sales increased $63.5 million, or 3.4 percent, to $1.941 billion for the year ended December 31, 2001, as compared to net sales of $1.878 billion for the prior year. This increase was the result of increased net sales of the plastic container business largely due to the acquisition of RXI in October 2000 and slightly higher net sales of the metal food container business, partially offset by the impact of contributing the metal closure business to the White Cap joint venture. Excluding incremental sales added by RXI and the impact of the White Cap joint venture, consolidated net sales for 2001 increased by $21.5 million, or 1.2 percent, from the prior year.

Net sales for the metal food container business were $1.401 billion for the year ended December 31, 2001, an increase of $13.4 million, or 1.0 percent, from net sales of $1.388 billion for the prior year. This increase was primarily due to the acquisition of new food can customers and a favorable sales mix primarily driven by increased sales of convenience ends, largely offset by weaker fruit and vegetable packs in 2001 as compared to 2000 and generally softer market conditions in the first half of the year as compared to last year.

Net sales for the plastic container business of $493.6 million for the year ended December 31, 2001 increased $94.6 million, or 23.7 percent, from net sales of $399.0 million for 2000. This increase in net sales was largely due to the acquisition of RXI in October 2000. Excluding incremental sales added by RXI, net sales for the plastic container business for 2001 increased $10.3 million, or 2.6 percent, from the prior year as customer inventory restocking in the first half of the year more than offset generally softer market conditions later in the year.

Net sales for the metal closure business were $46.3 million for the year ended December 31, 2001, as compared to net sales of $90.8 million for the prior year. The decrease in net sales was a result of contributing the metal closure business to the White Cap joint venture on July 1, 2001.

Cost of Goods Sold. Cost of goods sold as a percentage of consolidated net sales was 87.6 percent ($1.701 billion) for the year ended December 31, 2001, a decrease of 0.2 percentage point as compared to 87.8 percent ($1.648 billion) in 2000. The increase in gross profit margin was attributable to higher margins from the plastic container business and was offset in part by lower margins realized by the metal food container business.

Selling, General and Administrative Expenses. Selling, general and administrative expenses as a percentage of consolidated net sales for the year ended December 31, 2001 increased to 4.0 percent ($78.5 million), as compared to 3.8 percent ($72.1 million) for the prior year. This increase in selling, general and administrative expenses as a percentage of consolidated net sales was primarily a result of costs we incurred related to the secondary public offering by a selling stockholder in November 2001.

Table of Contents

Income from Operations. Excluding net rationalization charges of $9.3 million recorded in 2001, income from operations increased $4.6 million, or 2.9 percent, to $161.7 million for the year ended December 31, 2001, as compared to income from operations of $157.1 million for the prior year. This increase was primarily a result of higher sales in the plastic container business, partially offset by lower operating income in the metal food container business and the impact of contributing the metal closure business to the White Cap joint venture. Including rationalization charges, income from operations for the year ended December 31, 2001 was $152.4 million. Excluding rationalization charges, income from operations as a percentage of consolidated net sales for the year ended December 31, 2001 was 8.3 percent, as compared to 8.4 percent for 2000. The slight decline in operating margins was attributable to lower operating margins of the metal food container business, which was largely offset by the improved performance of the plastic container business.

During the fourth quarter of 2001, we recorded a net rationalization charge of $5.8 million. This charge was comprised of a charge of $7.0 million, including $4.2 million for the non-cash write-down in carrying value of assets, primarily relating to closing two metal food container manufacturing facilities and a $1.2 million credit to income as a result of placing certain assets with carrying values that were previously written-down back in service. In the first quarter of 2001, we recorded a rationalization charge of $3.5 million relating to closing a plastic container manufacturing facility.

Excluding the effect of the net rationalization charge recorded in the fourth quarter of 2001, income from operations for the metal food container business for the year ended December 31, 2001 was $114.2 million, a $6.0 million decrease from income from operations of $120.2 million for the prior year. Including the effect of the rationalization charge, income from operations for the metal food container business for the year ended December 31, 2001 was $108.4 million.

Excluding the effect of the rationalization charge, income from operations as a percentage of net sales for the metal food container business was 8.2 percent for the year ended December 31, 2001, as compared to 8.7 percent in 2000. The lower operating margins of the metal food container business was principally attributable to higher energy costs, higher depreciation expense, start-up costs related to the manufacture of convenience ends and higher employee medical costs, partially offset by benefits realized from a previous plant rationalization and a favorable sales mix.

Excluding the first quarter 2001 rationalization charge, income from operations for the plastic container business for the year ended December 31, 2001 was $49.5 million, a $12.6 million increase over income from operations of $36.9 million for the prior year. Including the effect of the rationalization charge, income from operations for the plastic container business for the year ended December 31, 2001 was $46.0 million.

Excluding the effect of the rationalization charge, income from operations as a percentage of net sales for the plastic container business for the year ended December 31, 2001 was 10.0 percent, as compared to 9.2 percent for 2000. The increase in income from operations as a percentage of net sales for the plastic container business was primarily a result of higher unit volume.

Income from operations for the metal closure business for the year ended December 31, 2001 was $3.3 million, as compared to income from operations of $3.7 million for the prior year. The decrease in income from operations was the result of contributing the metal closure business to the White Cap joint venture on July 1, 2001.

Interest Expense. Interest expense decreased $10.0 million to $81.2 million for the year ended December 31, 2001, as compared to $91.2 million in 2000. This decrease was principally a result of the benefit of lower interest rates that more than offset the impact of higher average borrowings outstanding, principally due to debt incurred in the fourth quarter of 2000 for the acquisition of RXI.

Income Taxes. The provision for income taxes for the year ended December 31, 2001 was recorded at an effective tax rate of 39.7 percent ($30.2 million), as compared to 39.1 percent ($25.8 million) for 2000.

Net Income and Earnings per Share. Before net rationalization charges and the impact of our equity investments, income for the year ended December 31, 2001 was $48.5 million, or $2.69 per diluted share. Income for the year ended December 31, 2000 was $40.1 million, or $2.23 per diluted share, before equity in losses of Packtion and an extraordinary loss related to the early extinguishment of our 13 1/4% Subordinated Debentures. Including net rationalization charges of $9.3 million, or $0.31 per diluted share, equity in losses of Packtion and White Cap of $4.1 million, or $0.23 per diluted share, and the gain on assets contributed to the White Cap joint venture of $4.9 million, or $0.16 per diluted share, net income for the year ended December 31, 2001 was $41.8 million, or $2.31 per diluted share. Including equity in losses of Packtion of $4.6 million, or $0.26 per diluted share, and the extraordinary loss, net of tax, of $4.2 million, or $0.23 per diluted share, net income for the year ended December 31, 2000 was $31.3 million, or $1.74 per diluted share.

Year Ended December 31, 2000 Compared with Year Ended December 31, 1999

Net Sales. Consolidated net sales decreased $14.6 million, or 0.7 percent, to $1.878 billion for the year ended December 31, 2000, as compared to net sales of $1.892 billion for the prior year. This decrease resulted primarily from lower unit sales of the metal food container and metal closure businesses, which was largely offset by higher net sales of the plastic container business. Excluding incremental sales added by the October 2000 acquisition of RXI, consolidated net sales for 2000 decreased by $41.2 million, or 2.2 percent, from the prior year.

Net sales for the metal food container business were $1.388 billion for the year ended December 31, 2000, a decrease of $52.3 million, or 3.6 percent, from net sales of $1.440 billion for the prior year. This decrease was primarily due to the withdrawal from lower margin sales related to the closure of a West Coast facility at the beginning of 2000 and to lower unit sales principally due to a reduced fruit and vegetable pack in 2000 and generally lower demand from customers.

Net sales for the plastic container business of $399.0 million for the year ended December 31, 2000 increased $48.5 million, or 13.8 percent, from net sales of $350.5 million for 1999. This increase in net sales was principally attributable to higher average sales prices due to the pass through of increased resin costs and to incremental sales added by RXI. Excluding incremental sales added by RXI, net sales for the plastic container business for 2000 increased $21.9 million, or 6.2 percent, from the prior year.

Net sales for the metal closure business were $90.8 million for the year ended December 31, 2000, as compared to $101.6 million for the prior year. The decrease in net sales was primarily due to generally soft demand from customers and to the continued conversion of metal closures to plastic closures.

Cost of Goods Sold. Cost of goods sold as a percentage of consolidated net sales was 87.8 percent ($1.648 billion) for the year ended December 31, 2000, an increase of 0.2 percentage point as compared to 87.6 percent ($1.657 billion) in 1999. The decline in gross profit margin was attributable to lower margins realized by the plastic container and metal closure businesses as discussed below, and was offset in part by higher margins from the metal food container business.

Selling, General and Administrative Expenses. Selling, general and administrative expenses as a percentage of consolidated net sales for the year ended December 31, 2000 decreased to 3.8 percent ($72.1 million), as compared to 3.9 percent ($75.0 million) for the prior year. This decrease was

Table of Contents

primarily a result of the absence in 2000 of costs incurred in 1999 for Year 2000 readiness issues, lower headcount and generally lower spending.

Income from Operations. Income from operations decreased $3.3 million, or 2.1 percent, to $157.1 million for the year ended December 31, 2000, as compared to income from operations of $160.4 million for the prior year excluding the effect of an aggregate of $36.1 million of rationalization charges recorded in 1999. This decrease was primarily a result of lower operating income of the plastic container business. Including the effect of the rationalization charges, income from operations for the year ended December 31, 1999 was $124.3 million. Income from operations as a percentage of consolidated net sales for the year ended December 31, 2000 was 8.4 percent, as compared to 8.5 percent for 1999 excluding the effect of the rationalization charges recorded in 1999. The slight decline in operating margins was attributable to lower operating margins of the plastic container business, which was largely offset by the improved operating performance of the metal food container business.

Income from operations for the metal food container business for the year ended December 31, 2000 was $120.2 million, a $0.4 million decrease from income from operations, excluding the effect of the rationalization charges recorded in 1999, of $120.6 million for the prior year. Including the effect of the rationalization charges, income from operations for the metal food container business for the year ended December 31, 1999 was $84.5 million. Income from operations as a percentage of net sales for the metal food container business was 8.7 percent for the year ended December 31, 2000, as compared to 8.4 percent in 1999 excluding the effect of the rationalization charges recorded in 1999. The improved operating margins of the metal food container business was principally attributable to benefits realized from an improved sales mix, plant rationalizations and lower selling, general and administrative expenses, and was partially offset by higher energy costs and depreciation expense.

Pursuant to continued efforts to optimize production efficiencies and to withdraw from lower margin business, we decided in the fourth quarter of 1999 to close two West Coast manufacturing facilities of the metal food container business, and accordingly recorded a pre-tax charge to earnings of $11.9 million, which included $7.3 million for the non-cash write-down in carrying value of certain assets. Additionally, in the third quarter of 1999, we recorded a non-cash pre-tax charge to earnings of $24.2 million to reduce the carrying value of certain assets of the metal food container business determined to be surplus or obsolete.

Income from operations for the plastic container business for the year ended December 31, 2000 was $36.9 million, a $3.1 million decrease from income from operations for the prior year. Income from operations as a percentage of net sales for the plastic container business for the year ended December 31, 2000 was 9.2 percent, as compared to 11.4 percent for 1999. The decrease in income from operations as a percentage of net sales for the plastic container business was principally attributable to the effects of increased resin prices which resulted in an increase in net sales but not in income from operations and to lower selling prices relating to the extension of certain long-term contracts.

Income from operations for the metal closure business for the year ended December 31, 2000 of $3.7 million remained essentially even with income from operations for the prior year. Income from operations as a percentage of net sales for the metal closure business increased to 4.1 percent for the year ended December 31, 2000, as compared to 3.6 percent in 1999. The increase in operating margins of the metal closure business was primarily a result of lower selling, general and administrative expenses, partially offset by lower unit sales, operating inefficiencies at two plants and higher energy costs.

Interest Expense. Interest expense increased $5.1 million to $91.2 million for the year ended December 31, 2000, as compared to $86.1 million in 1999. This increase was principally a result of increased borrowing in the fourth quarter of 2000 to finance the acquisition of