SILGAN HOLDINGS INC
Form 10-Q
November 09, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)
[x] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2011

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ________________ to ________________

Commission file number 000-22117

SILGAN HOLDINGS INC.
(Exact name of Registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	06-1269834 (I.R.S. Employer Identification No.)
4 Landmark Square Stamford, Connecticut (Address of principal executive offices)	06901 (Zip Code)

(203) 975-7110
(Registrant's telephone number, including area code)

N/A
(Former name, former address and former fiscal year, if changed since last report)

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

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

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

Large accelerated filer [X]	Accelerated filer [ ]
Non-accelerated filer [ ] (Do not check if a smaller reporting company)	Smaller reporting company [ ]

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes [ ] No [X]

As of October 31, 2011, the number of shares outstanding of the Registrant's common stock, $0.01 par value, was 69,802,589.

SILGAN HOLDINGS INC.

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Part I. Financial Information
Item 1. Financial Statements

SILGAN HOLDINGS INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Dollars in thousands)

	Sept. 30, 2011 (unaudited)	Sept. 30, 2010 (unaudited)	Dec. 31, 2010
Assets			
Current assets:			
Cash and cash equivalents	$140,465	$393,132	$175,226
Trade accounts receivable, net	579,515	473,727	214,443
Inventories	580,425	427,641	438,536
Prepaid expenses and other current assets	45,234	15,305	36,290
Total current assets	1,345,639	1,309,805	864,495
Property, plant and equipment, net	1,071,367	847,577	849,720
Goodwill	395,449	299,097	324,763
Other intangible assets, net	99,376	53,678	72,054
Other assets, net	107,753	63,943	64,986
	$3,019,584	$2,574,100	$2,176,018
Liabilities and Stockholders' Equity			
Current liabilities:			
Revolving loans and current portion of long-term debt	$118,155	$213,158	$13,949
Trade accounts payable	278,914	255,437	288,858
Accrued payroll and related costs	76,314	71,115	68,387
Accrued liabilities	160,536	71,395	52,914
Total current liabilities	633,919	611,105	424,108
Long-term debt	1,312,795	892,346	890,725
Other liabilities	405,359	275,303	307,586
Stockholders' equity:			
Common stock	874	871	873
Paid-in capital	192,049	178,575	183,524
Retained earnings	873,637	731,987	740,923
Accumulated other comprehensive loss	(71,880)	(55,256)	(63,026)
Treasury stock	(327,169)	(60,831)	(308,695)
Total stockholders' equity	667,511	795,346	553,599
	$3,019,584	$2,574,100	$2,176,018

See accompanying notes.

SILGAN HOLDINGS INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
For the three months ended September 30, 2011 and 2010
(Dollars and shares in thousands, except per share amounts)
(Unaudited)

	2011	2010
Net sales	$1,148,008	$1,002,056
Cost of goods sold	965,054	839,651
Gross profit	182,954	162,405
Selling, general and administrative expenses	46,221	40,480
Rationalization charges	682	971
Income from operations	136,051	120,954
Interest and other debt expense before loss on early extinguishment of debt	16,292	15,940
Loss on early extinguishment of debt	976	4,537
Interest and other debt expense	17,268	20,477
Income before income taxes	118,783	100,477
Provision for income taxes	40,027	35,246
Net income	$78,756	$65,231
Earnings per share:		
Basic net income per share	$1.13	$0.85
Diluted net income per share	$1.12	$0.84
Dividends per share	$0.11	$0.11
Weighted average number of shares:		
Basic	69,981	76,767
Effect of dilutive securities	339	608
Diluted	70,320	77,375

See accompanying notes.

SILGAN HOLDINGS INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
For the nine months ended September 30, 2011 and 2010
(Dollars and shares in thousands, except per share amounts)
(Unaudited)

	2011	2010
Net sales	$2,673,318	$2,359,940
Cost of goods sold	2,271,508	1,985,636
Gross profit	401,810	374,304
Selling, general and administrative expenses	112,872	125,853
Rationalization charges	4,782	3,733
Income from operations	284,156	244,718
Interest and other debt expense before loss on early extinguishment of debt	46,678	40,446
Loss on early extinguishment of debt	976	4,537
Interest and other debt expense	47,654	44,983
Income before income taxes	236,502	199,735
Provision for income taxes	80,427	71,469
Net income	$156,075	$128,266
Earnings per share:		
Basic net income per share	$2.23	$1.67
Diluted net income per share	$2.22	$1.66
Dividends per share	$0.33	$0.32
Weighted average number of shares:		
Basic	70,036	76,699
Effect of dilutive securities	408	605
Diluted	70,444	77,304

See accompanying notes.

SILGAN HOLDINGS INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the nine months ended September 30, 2011 and 2010
(Dollars in thousands)
(Unaudited)

	2011	2010
Cash flows provided by (used in) operating activities:		
Net income	$156,075	$128,266
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	120,893	108,899
Rationalization charges	4,782	3,733
Loss on early extinguishment of debt	976	4,537
Excess tax benefit from stock-based compensation	(1,856)	(1,065)
Other changes that provided (used) cash, net of effects from acquisitions:		
Trade accounts receivable, net	(286,666)	(280,075)
Inventories	(47,204)	(43,276)
Trade accounts payable	45,712	68,986
Accrued liabilities	41,492	23,326
Contributions to pension benefit plans	-	(92,287)
Other, net	41,951	51,373
Net cash provided by (used in) operating activities	76,155	(27,583)
Cash flows provided by (used in) investing activities:		
Purchases of businesses, net of cash acquired	(289,367)	-
Capital expenditures	(123,265)	(76,017)
Proceeds from asset sales	3,440	676
Net cash used in investing activities	(409,192)	(75,341)
Cash flows provided by (used in) financing activities:		
Borrowings under revolving loans	982,177	248,412
Repayments under revolving loans	(935,908)	(248,768)
Proceeds from issuance of long-term debt	1,088,823	634,386
Repayments of long-term debt	(689,631)	(318,475)
Debt issuance costs	(12,943)	(11,673)
Changes in outstanding checks - principally vendors	(92,928)	(89,782)
Dividends paid on common stock	(23,361)	(24,513)
Proceeds from stock option exercises	1,116	1,055
Excess tax benefit from stock-based compensation	1,856	1,065
Repurchase of common stock under stock plan	(5,128)	(1,405)
Repurchase of common stock under share repurchase authorization	(15,797)	-
Net cash provided by financing activities	298,276	190,302
Cash and cash equivalents:		
Net (decrease) increase	(34,761)	87,378

Balance at beginning of year	175,226	305,754
Balance at end of period	$140,465	$393,132
Interest paid, net	$46,158	$39,346
Income taxes paid, net	4,373	24,612

See accompanying notes.

SILGAN HOLDINGS INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
For the nine months ended September 30, 2011 and 2010
(Dollars and shares in thousands)
(Unaudited)

	Common Stock Shares Outstanding	Common Stock Par Value	Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Treasury Stock	Total Stockholders' Equity
Balance at December 31, 2009	38,284	$ 435	$ 173,176	$ 628,234	$ (55,601)	$ (60,482)	$ 685,762
Comprehensive income:							
Net income	-	-	-	128,266	-	-	128,266
Changes in net prior service credit and actuarial losses, net of tax provision of $2,407	-	-	-	-	3,730	-	3,730
Change in fair value of derivatives, net of tax benefit of $724	-	-	-	-	(1,056)	-	(1,056)
Foreign currency translation, net of tax provision of $4,448	-	-	-	-	(2,329)	-	(2,329)
Comprehensive income							128,611
Dividends declared on common stock	-	-	-	(24,513)	-	-	(24,513)
Stock compensation expense	-	-	4,510	-	-	-	4,510

Stock option exercises, including tax benefit of $918	106	1	1,972	-	-	-	1,973
Net issuance of treasury stock for vested restricted stock units, including tax benefit of $408	65	-	(648)	-	-	(349)	(997)
Two-for-one stock split, net of treasury shares of 5,171	38,332	435	(435)	-	-	-	-
Balance at September 30, 2010	76,787	$ 871	$ 178,575	$ 731,987	$ (55,256)	$ (60,831)	$ 795,346
Balance at December 31, 2010	69,876	$ 873	$ 183,524	$ 740,923	$ (63,026)	$ (308,695)	$ 553,599
Comprehensive income:							
Net income	-	-	-	156,075	-	-	156,075
Changes in net prior service credit and actuarial losses, net of tax provision of $2,200	-	-	-	-	3,581	-	3,581
Change in fair value of derivatives, net of tax benefit of $35	-	-	-	-	(62)	-	(62)
Foreign currency translation, net of tax benefit of $2,442	-	-	-	-	(12,373)	-	(12,373)
Comprehensive income							147,221
Dividends declared on common stock	-	-	-	(23,361)	-	-	(23,361)

Stock compensation expense	-	-	6,251	-	-	-	6,251
Stock option exercises, including tax benefit of $1,754	136	1	2,869	-	-	-	2,870
Net issuance of treasury stock for vested restricted stock units, including tax benefit of $1,856	229	-	(595)	-	-	(2,677)	(3,272)
Repurchases of common stock	(441)	-	-	-	-	(15,797)	(15,797)
Balance at September 30, 2011	69,800	$ 874	$ 192,049	$ 873,637	$ (71,880)	$ (327,169)	$ 667,511

See accompanying notes.

SILGAN HOLDINGS INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Information at September 30, 2011 and 2010 and for the
three and nine months then ended is unaudited)

Note 1. Significant Accounting Policies

Basis of Presentation. The accompanying unaudited condensed consolidated financial statements of Silgan Holdings Inc., or Silgan, have been prepared in accordance with U.S. generally accepted accounting principles, or GAAP, for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, the accompanying financial statements include all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation. The results of operations for any interim period are not necessarily indicative of the results of operations for the full year.

The Condensed Consolidated Balance Sheet at December 31, 2010 has been derived from our audited consolidated financial statements at that date, but does not include all of the information and footnotes required by GAAP for complete financial statements.

You should read the accompanying condensed consolidated financial statements in conjunction with our consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2010.

Goodwill and Other Intangible Assets. We review goodwill and other indefinite-lived intangible assets for impairment as of July 1 each year and more frequently if circumstances indicate a possible impairment. We determined that our goodwill and other indefinite-lived intangible assets were not impaired in our annual 2011 assessment performed during the third quarter.

Recently Issued Accounting Pronouncements. In June 2011, the Financial Accounting Standards Board, or FASB, issued an accounting standards update, or ASU, which amends the guidance for presenting comprehensive income. This amendment will require us to present the components of net income and other comprehensive income either as one continuous statement or as two consecutive statements. This amendment is effective for us on January 1, 2012 with retrospective application required. We are currently evaluating the presentation implications of this amendment, however the adoption of it will not have an effect on our financial position, results of operations or cash flows.

In September 2011, the FASB issued an ASU which amends the guidance for testing goodwill for impairment. This amendment will allow us, at our option, to first perform a qualitative assessment to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. The result of this qualitative assessment will dictate if we need to perform the existing two-step impairment test under GAAP. This amendment is effective for us on January 1, 2012, with early adoption permitted. We adopted this amendment as a part of our annual impairment test performed in the third quarter of 2011, and the adoption of it did not have an effect on our financial position, results of operations or cash flows.

In September 2011, the FASB issued an ASU which amends the guidance for disclosures about an employer's participation in a multiemployer plan. This amendment will require us to provide additional quantitative and qualitative disclosures for our significant participation in multiemployer plans. This amendment is effective for us on December 31, 2011. We are currently evaluating the presentation implications of this amendment, however the adoption of it will not have an effect on our financial position, results of operations or cash flows.

SILGAN HOLDINGS INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Information at September 30, 2011 and 2010 and for the
three and nine months then ended is unaudited)

Note 2. Acquisitions

Nestlé Purina PetCare

On September 1, 2011, we acquired the metal container manufacturing assets of Nestlé Purina PetCare Company, or NPPC, for a purchase price of $25.0 million which we funded with cash on hand. We applied the acquisition method of accounting and recognized assets acquired and liabilities assumed at fair value as of the acquisition date. We recognized goodwill of $6.5 million and a customer relationship intangible asset of $6.0 million. The purchase price allocation is preliminary and subject to change pending a final valuation of the assets and liabilities. NPPC's results of operations are included in our metal container business and are not significant.

Graham Packaging

In June 2011, Graham Packaging Company Inc., or Graham Packaging, terminated our definitive merger agreement and paid us a termination fee of $39.5 million in accordance with the terms of such merger agreement. The proceeds from the termination fee and costs associated with corporate development activities have been recorded in selling, general and administrative expenses in the Condensed Consolidated Statement of Income for the nine months ended September 30, 2011.

Vogel & Noot

On March 1, 2011, we acquired the metal container operations of Vogel & Noot Holding AG, or VN, which is headquartered in Vienna, Austria. VN manufactures metal food and general line containers, with manufacturing facilities in Central and Eastern Europe and several new facilities in other developing Eastern countries scheduled to be opened in the near term. We acquired these operations for a total purchase price of €212.4 million ($292.7 million translated at the U.S. dollar exchange rate at the date of acquisition), net of cash acquired. A portion of the purchase price, with an acquisition date fair value of €35.6 million ($49.0 million translated at the U.S. dollar exchange rate at the date of acquisition), is payable in March 2012. We funded the purchase price for this acquisition from Euro denominated revolving loan borrowings under our previous senior secured credit facility.

The VN acquisition represents a strategically important acquisition for us, providing us with an opportunity to expand our metal container franchise as we partner with our global customers to support their growth in the Central and developing Eastern European markets. VN, which employs approximately 1,600 employees, had annual net sales of approximately $310 million for the year ended December 31, 2010. The acquired VN operations have been combined with our pre-existing U.S. metal food container operations to form our metal containers business segment (see Note 13).

The initial purchase price has been allocated to assets acquired and liabilities assumed based on estimated fair values at the date of acquisition using valuation techniques including the income, cost and market approaches. The purchase price allocation is preliminary and subject to change pending a final determination of the purchase price and a final valuation of the assets and liabilities, including property, plant and equipment and intangible assets, and the related tax impact of any adjustments to such valuations. Based on revised estimates of fair value of certain assets and liabilities from our preliminary purchase price allocation presented in our Quarterly Report on Form 10-Q for the period ended

March 31, 2011, we increased goodwill by $3.2 million.

SILGAN HOLDINGS INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Information at September 30, 2011 and 2010 and for the
three and nine months then ended is unaudited)

Note 2. Acquisitions (continued)

Vogel & Noot (continued)

The allocated fair value of assets acquired and liabilities assumed are summarized as follows (in thousands):

Trade accounts receivable	$ 73,929
Inventories	93,050
Property, plant and equipment	212,237
Other intangible assets	22,732
Other assets	11,044
Trade accounts payable and accrued liabilities	(56,665)
Debt	(77,238)
Other liabilities	(90,201)
Total identifiable net assets	188,888
Goodwill	54,800
Cash paid at closing, net of cash acquired	$ 243,688

Goodwill of $54.8 million consists largely of our increased capacity to serve our global customers and achieve operational synergies and has been assigned to our metal containers segment. None of the goodwill is expected to be deductible for tax purposes. Other intangible assets consist of customer relationships of $19.3 million with an estimated remaining life of 20 years, and a trade name of $3.4 million with an estimated remaining life of 10 years. Acquired property, plant and equipment are being depreciated on a straight-line basis with estimated remaining lives up to 35 years.

Our consolidated results of operations for the nine months ended September 30, 2011 included the results for VN since the acquisition date. Net sales from the VN operations of $203.7 million were included in our Condensed Consolidated Statement of Income for the nine months ended September 30, 2011. VN's results of operations since the acquisition date, which were not significant, included the pre-tax negative impact of $5.5 million of expense related to the inventory write-up for VN as a result of purchase accounting in connection with the acquisition.

Pro Forma Information

The following unaudited pro forma financial information includes our historical results of operations for the three and nine months ended September 30, 2011 and 2010 and gives pro forma effect to the VN acquisition as if it had been completed as of January 1, 2010. The pro forma results of operations include interest expense related to incremental borrowings used to finance the VN acquisition and adjustments to depreciation and amortization expense for the valuation of property, plant and equipment and intangible assets. In addition, net income for the nine months ended September 30, 2010 includes the impact of the initial inventory write-up and acquisition costs. The pro forma results of operations do not give effect to potential synergies or additional costs resulting from the integration of VN with our existing operations.

SILGAN HOLDINGS INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Information at September 30, 2011 and 2010 and for the
three and nine months then ended is unaudited)

Note 2. Acquisitions (continued)

Vogel & Noot (continued)

The unaudited pro forma financial information is not intended to represent or be indicative of our consolidated results of operations or financial condition that would have been reported had the VN acquisition been completed as of the beginning of the periods presented, nor should it be taken as indicative of our future consolidated results of operations or financial condition.

Unaudited pro forma financial information:

	Three Months Ended		Nine Months Ended	
	Sept. 30, 2011	Sept. 30, 2010	Sept. 30, 2011	Sept. 30, 2010
	(Dollars in thousands, except per share data)			
Net sales	$1,148,008	$1,098,794	$2,718,839	$2,593,033
Net income	$78,966	$72,341	$160,591	$135,901
Earnings per share:				
Basic net income per share	$1.13	$0.94	$2.29	$1.77
Diluted net income per share	$1.12	$0.93	$2.28	$1.76

DGS

On March 1, 2011, we acquired the twist-off metal closure business of DGS S.A. in Poland, or DGS. The purchase price of $20.7 million, net of cash acquired, was primarily funded with foreign bank revolving loan borrowings. We applied the acquisition method of accounting and recognized assets acquired and liabilities assumed at fair value as of the acquisition date. We recognized goodwill of $8.1 million and a customer relationship intangible asset of $2.9 million. DGS's results of operations were included in our closures business since the acquisition date and were not significant since such date.

SILGAN HOLDINGS INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Information at September 30, 2011 and 2010 and for the
three and nine months then ended is unaudited)

Note 3. Rationalization Charges

As part of our plans to rationalize certain facilities, we have established reserves for employee severance and benefits and plant exit costs. Activity in our rationalization reserves since December 31, 2010 is summarized as follows:

	Employee Severance and Benefits	Retirement Benefit Curtailments	Plant Exit Costs	Non-Cash Asset Write-Down	Total
			(Dollars in thousands)		
Balance at December 31, 2010	$11,056	$ -	$217	$ -	$11,273
Activity for the Nine Months Ended September 30, 2011					
Prior Years' Rationalization Plan Reserves Established	2,903	(449)	776	1,552	4,782
Prior Years' Rationalization Plan Reserves Utilized	(10,166)	449	(659)	(1,552)	(11,928)
Currency Translation	608	-	-	-	608
Total Activity	(6,655)	-	117	-	(6,538)
Balance at September 30, 2011	$4,401	$ -	$334	$ -	$4,735

In the third quarter of 2011, we recognized a curtailment gain for our pension benefits related to our 2010 plan to reduce costs in our closures manufacturing facility in Germany.

Rationalization reserves as of September 30, 2011 and December 31, 2010 are included in the Condensed Consolidated Balance Sheets as accrued liabilities.

SILGAN HOLDINGS INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Information at September 30, 2011 and 2010 and for the
three and nine months then ended is unaudited)

Note 4. Accumulated Other Comprehensive (Loss) Income

Accumulated other comprehensive (loss) income is reported in the Condensed Consolidated Statements of Stockholders' Equity. Amounts included in accumulated other comprehensive (loss) income, net of tax, consisted of the following:

	Sept. 30, 2011	Sept. 30, 2010	Dec. 31, 2010
	(Dollars in thousands)		
Foreign currency translation	$4,903	$19,763	$17,276
Change in fair value of derivatives	(6,757)	(8,951)	(6,695)
Unrecognized net periodic pension and other postretirement benefit costs:			
Net prior service credit	6,156	6,573	6,391
Net actuarial loss	(76,182)	(72,641)	(79,998)
Accumulated other comprehensive loss	$(71,880)	$(55,256)	$(63,026)

Note 5. Inventories

Inventories consisted of the following:

	Sept. 30, 2011	Sept. 30, 2010	Dec. 31, 2010
	(Dollars in thousands)		
Raw materials	$174,895	$108,355	$133,594
Work-in-process	114,306	84,068	83,375
Finished goods	346,594	301,051	276,578
Other	13,579	13,071	13,938
	649,374	506,545	507,485
Adjustment to value inventory at cost on the LIFO method	(68,949)	(78,904)	(68,949)
	$580,425	$427,641	$438,536

SILGAN HOLDINGS INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Information at September 30, 2011 and 2010 and for the
three and nine months then ended is unaudited)

Note 6. Long-Term Debt

Long-term debt consisted of the following:

	Sept. 30, 2011	Sept. 30, 2010	Dec. 31, 2010
	(Dollars in thousands)		
Bank debt			
Bank revolving loans	$15,000	$-	$ -
U.S. term loans	520,000	400,000	400,000
Canadian term loans	79,194	78,505	81,000
Euro term loans	456,035	169,625	165,313
Other foreign bank revolving and term loans	115,696	13,158	13,949
Total bank debt	1,185,925	661,288	660,262
7¼% Senior Notes, net of unamortized discount	245,025	244,216	244,412
6¾% Senior Subordinated Notes	-	200,000	-
Total debt	1,430,950	1,105,504	904,674
Less current portion	118,155	213,158	13,949
	$1,312,795	$892,346	$890,725

At September 30, 2011, amounts expected to be repaid within one year consisted of $15.0 million of bank revolving loans under our Credit Agreement and $103.2 million of foreign bank revolving term loans.

Bank Credit Agreement

On July 28, 2011, we completed the refinancing of our previous senior secured credit facility by entering into a new $1.9 billion senior secured credit facility, or the Credit Agreement. Our Credit Agreement provides us with term loans and revolving loans. The term loans, or the Term Loans, provided under the Credit Agreement refinanced the term loans under our previous senior secured credit facility and certain Euro revolving loan borrowings used to finance the Vogel & Noot acquisition in March 2011 and certain U.S. dollar revolving loan borrowings under our previous senior secured credit facility. The Term Loans consist of $520 million of U.S. term loans, €335 million of Euro term loans and Cdn $81 million of Canadian term loans. The revolving loans, or the Revolving Loans, consist of a $790 million multicurrency revolving loan facility and a Cdn $10 million Canadian revolving loan facility. Our Credit Agreement also provides us with an uncommitted multicurrency incremental loan facility for up to an additional U.S. $750 million, which may be used to finance acquisitions and for other permitted purposes.

SILGAN HOLDINGS INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Information at September 30, 2011 and 2010 and for the
three and nine months then ended is unaudited)

Note 6. Long-Term Debt (continued)

Bank Credit Agreement (continued)

We may use Revolving Loans under the Credit Agreement for working capital and other general corporate purposes, including acquisitions, dividends, stock repurchases and refinancing of other debt. Revolving Loans may be borrowed, repaid and reborrowed until their final maturity on July 28, 2016. The Term Loans mature on July 28, 2017 and are payable in installments as follows (amounts in thousands):

Year	U.S. Term Loans	Euro Term Loans	Canadian Term Loans
2013	$78,000	€50,250	Cdn $12,150
2014	$78,000	€50,250	Cdn $12,150
2015	$104,000	€67,000	Cdn $16,200
2016	$104,000	€67,000	Cdn $16,200
2017	$156,000	€100,500	Cdn $24,300

The final maturity date for the Revolving Loans and Term Loans will be July 7, 2016 if our 7¼% Senior Notes have not been refinanced in full on or before July 7, 2016.

The Credit Agreement requires us to prepay the Term Loans with proceeds received from certain assets sales and, under certain circumstances, with 50 percent of our excess cash flow. The mandatory repayment provisions are no more restrictive in the aggregate than under our previous senior secured credit facility. Generally, mandatory repayments of Term Loans are allocated pro rata to each of the Term Loans and applied first to the scheduled amortization payments in the year of such prepayments and, to the extent in excess thereof, pro rata to the remaining installments of the Term Loans. Voluntary prepayments of Term Loans may be applied to any tranche of Term Loans at our discretion and are applied first to the scheduled amortization payments in the year of such prepayment and, to the extent in excess thereof, pro rata to the remaining installments. Amounts repaid under the Term Loans may not be reborrowed.

The uncommitted multicurrency incremental loan facility provides, among other things, that any incremental term loan borrowing shall be denominated in a single currency, either U.S. dollars or certain foreign currencies; have a maturity date no earlier than the maturity date for the Term Loans; and be used for working capital and general corporate purposes, including to finance acquisitions, to refinance any indebtedness assumed as part of such acquisitions, to pay dividends, to repurchase common stock, to refinance or repurchase debt as permitted and to repay outstanding Revolving Loans.

Under the Credit Agreement, the interest rate for U.S. term loans will be either LIBOR or the base rate under the Credit Agreement plus a margin, the interest rate for Euro term loans will be the Euribor rate under the Credit Agreement plus a margin and the interest rate for Canadian term loans will be either the Bankers' Acceptance discount rate or the Canadian prime rate under the Credit Agreement plus a margin. Initially, for Term Loans and Revolving Loans maintained as LIBOR, Euribor or Bankers' Acceptance loans the margin was 1.75 percent, and for Term Loans and Revolving Loans maintained as base rate or Canadian prime rate loans the margin was 0.75 percent. The Credit

Agreement provides for the payment of a commitment fee ranging from 0.25 percent to 0.375 percent per annum on the daily average unused portion of commitments available under the Revolving Loans. Initially, the commitment fee was 0.375 percent per annum. The margins for Term Loans and Revolving Loans and the commitment fee are subject to adjustment quarterly based upon our Total Leverage Ratio as provided in the Credit Agreement.

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Note 6. Long-Term Debt (continued)

Bank Credit Agreement (continued)

We may utilize up to a maximum of $200 million of our multicurrency revolving loan facility under the Credit Agreement for letters of credit as long as the aggregate amount of borrowings of Revolving Loans and letters of credit under such multicurrency revolving loan facility do not exceed the amount of the commitment under such multicurrency revolving loan facility. The Credit Agreement provides for payment to the applicable lenders of a letter of credit fee equal to the applicable margin in effect for Revolving Loans and to the issuers of the letters of credit of a facing fee of the greater of (x) $500 per annum and (y) 0.25 percent per annum, calculated on the aggregate stated amount of all letters of credit for their stated duration.

The indebtedness under the Credit Agreement is guaranteed by Silgan and certain of its U.S. and Canadian subsidiaries. The stock of certain of our subsidiaries has also been pledged as security to the lenders under the Credit Agreement. The Credit Agreement contains certain financial and operating covenants which limit, subject to certain exceptions, among other things, our ability to incur additional indebtedness; create liens; consolidate, merge or sell assets; make certain advances, investments or loans; enter into certain transactions with affiliates; engage in any business other than the packaging business; pay dividends; and repurchase stock. In addition, we are required to meet specified financial covenants including Interest Coverage and Total Leverage Ratios, each as defined in the Credit Agreement. We are currently in compliance with all covenants under the Credit Agreement.

All amounts owed under our previous senior secured credit facility were repaid on July 28, 2011 with proceeds from the Credit Agreement. As a result of this refinancing, we recorded a pre-tax charge of $1.0 million for the loss on early extinguishment of debt during the quarter ending September 30, 2011.

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Note 7. Financial Instruments

The financial instruments recorded in our Condensed Consolidated Balance Sheets include cash and cash equivalents, trade accounts receivable, trade accounts payable, debt obligations and swap agreements. Due to their short-term maturity, the carrying amounts of trade accounts receivable and trade accounts payable approximate their fair market values. The following table summarizes the carrying amounts and estimated fair values of our other financial instruments at September 30, 2011:

	Carrying Amount	Fair Value
	(Dollars in thousands)	
Assets:		
Cash and cash equivalents	$ 140,465	$ 140,465
Liabilities:		
Bank debt	1,185,925	1,185,925
7¼% Senior Notes	245,025	263,750
Interest rate swap agreements	11,593	11,593
Natural gas swap agreements	328	328

Fair Value Measurements

Financial Instruments Measured at Fair Value

GAAP defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). GAAP classifies the inputs used to measure fair value into a hierarchy consisting of three levels. Level 1 inputs represent unadjusted quoted prices in active markets for identical assets or liabilities. Level 2 inputs represent unadjusted quoted prices in active markets for similar assets or liabilities, or unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs other than quoted prices that are observable for the asset or liability. Level 3 inputs represent unobservable inputs for the asset or liability. Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

The financial assets and liabilities that are measured on a recurring basis at September 30, 2011 consist of our cash and cash equivalents, interest rate swap agreements and natural gas swap agreements. We measured the fair value of cash and cash equivalents using Level 1 inputs. We measured the fair value of the swap agreements using the income approach. The fair value of these agreements reflects the estimated amounts that we would pay based on the present value of the expected cash flows derived from market interest rates and prices. As such, these derivative instruments are classified within Level 2.

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Note 7. Financial Instruments (continued)

Financial Instruments Not Measured at Fair Value

Our bank debt and 7¼% Senior Notes are recorded at historical amounts in our Condensed Consolidated Balance Sheets as we have not elected to record them at fair value. The carrying amounts of our variable rate bank debt approximate their fair values. Fair values of our 7¼% Senior Notes are estimated based on quoted market prices.

Derivative Instruments and Hedging Activities

Our derivative financial instruments are recorded in the Condensed Consolidated Balance Sheets at their fair values. Changes in fair values of derivatives are recorded in each period in earnings or comprehensive income, depending on whether a derivative is designated as part of a hedge transaction and, if it is, the type of hedge transaction.

We utilize certain derivative financial instruments to manage a portion of our interest rate and natural gas cost exposures. We limit our use of derivative financial instruments to interest rate and natural gas swap agreements. We do not engage in trading or other speculative uses of these financial instruments. For a financial instrument to qualify as a hedge, we must be exposed to interest rate or price risk, and the financial instrument must reduce the exposure and be designated as a hedge. Financial instruments qualifying for hedge accounting must maintain a high correlation between the hedging instrument and the item being hedged, both at inception and throughout the hedged period.

We utilize certain internal hedging strategies to minimize our foreign currency exchange rate risk. Net investment hedges that qualify for hedge accounting result in the recognition of foreign currency gains or losses, net of tax, in accumulated other comprehensive (loss) income. We generally do not utilize external derivative financial instruments to manage our foreign currency exchange rate risk.

Our interest rate and natural gas swap agreements are accounted for as cash flow hedges. During the first nine months of 2011, our hedges were fully effective. The fair value of our outstanding swap agreements in effect at September 30, 2011 was recorded in our Condensed Consolidated Balance Sheet as a liability of $11.9 million, of which $4.3 million was included in accrued liabilities and $7.6 million was included in other liabilities.

The amount reclassified to earnings from the change in fair value of derivatives component of accumulated other comprehensive (loss) income for the nine months ended September 30, 2011 was a loss of $2.3 million, net of income taxes. We estimate that we will reclassify losses of $2.3 million, net of income taxes, from the change in fair value of derivatives component of accumulated other comprehensive (loss) income to earnings during the next twelve months. The actual amount that will be reclassified to earnings will vary from this amount as a result of changes in market conditions.

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Note 7. Financial Instruments (continued)

Interest Rate Swap Agreements

We have entered into Euro interest rate swap agreements to manage a portion of our exposure to interest rate fluctuations. At September 30, 2011, the aggregate notional principal amount of our outstanding interest rate swap agreements was €125.0 million. The difference between amounts to be paid or received on our interest rate swap agreements is recorded in interest and other debt expense in our Condensed Consolidated Statements of Income. For the nine months ended September 30, 2011, net payments under our interest rate swap agreements were $3.7 million. These agreements are with a financial institution which is expected to fully perform under the terms thereof.

Natural Gas Swap Agreements

We have entered into natural gas swap agreements with a major financial institution to manage a portion of our exposure to fluctuations in natural gas prices. At September 30, 2011, the aggregate notional principal amount of our natural gas swap agreements was 653,000 MMBtu of natural gas with fixed prices ranging from $4.210 to $4.985 per MMBtu, which hedges approximately 20 percent of our estimated twelve month exposure to fluctuations in natural gas prices. The difference between amounts to be paid or received on our natural gas swap agreements is recorded in cost of goods sold in our Condensed Consolidated Statements of Income. For the nine months ended September 30, 2011, net payments under our natural gas swap agreements were $0.3 million. These agreements are with a financial institution which is expected to fully perform under the terms thereof.

Foreign Currency Exchange Rate Risk

In an effort to minimize foreign currency exchange rate risk, we have financed acquisitions of foreign operations primarily with term and revolving loans denominated in Euros and Canadian dollars. In addition, where available, we have borrowed funds in local currency or implemented certain internal hedging strategies to minimize our foreign currency exchange rate risk related to foreign operations. We have designated Euro denominated borrowings totaling €320.0 million as net investment hedges. Foreign currency losses related to our net investment hedges included in accumulated other comprehensive (loss) income for the nine months ended September 30, 2011 were $5.9 million, net of a deferred tax benefit of $2.4 million.

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Note 8. Retirement Benefits

The components of the net periodic pension benefit costs are as follows:

	Three Months Ended		Nine Months Ended	
	Sept. 30, 2011	Sept. 30, 2010	Sept. 30, 2011	Sept. 30, 2010
	(Dollars in thousands)			
Service cost	$ 2,925	$3,293	$10,435	$10,078
Interest cost	7,162	7,151	21,477	21,171
Expected return on plan assets	(10,213)	(9,375)	(30,613)	(26,168)
Amortization of prior service cost	512	516	1,533	1,549
Amortization of actuarial losses	2,105	2,100	6,090	6,299
Curtailment gain	(449)	-	(449)	-
Net periodic benefit cost	$ 2,042	$3,685	$8,473	$12,929

The components of the net periodic other postretirement benefits costs are as follows:

	Three Months Ended		Nine Months Ended	
	Sept. 30, 2011	Sept. 30, 2010	Sept. 30, 2011	Sept. 30, 2010
	(Dollars in thousands)			
Service cost	$129	$225	$647	$ 691
Interest cost	514	685	1,829	2,088
Amortization of prior service credit	(650)	(643)	(1,935)	(1,926)
Amortization of actuarial losses	(191)	72	93	215
Net periodic benefit (credit) cost	$(198)	$339	$634	$1,068

As previously disclosed in our consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2010, there are no significant minimum required contributions to our pension plans in 2011.

Note 9. Income Taxes

Silgan and its subsidiaries file U.S. Federal income tax returns, as well as income tax returns in various states and foreign jurisdictions. The Internal Revenue Service, or IRS, has commenced an examination of Silgan's income tax return for the periods ended December 31, 2004 through December 31, 2007. It is reasonably possible that this IRS audit and IRS audits for prior periods will be concluded within the next twelve months, and that the conclusion of these audits may result in a significant change to our reported unrecognized tax benefits. Due to the ongoing nature of these audits, we are unable to estimate the amount of this potential impact.

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Note 10. Dividends

In each of March, June and September of 2011, we paid a quarterly cash dividend on our common stock of $0.11 per share, as approved by our Board of Directors. The aggregate cash payments related to these dividends totaled $23.4 million.

On November 4, 2011, our Board of Directors declared a quarterly cash dividend on our common stock of $0.11 per share, payable on December 15, 2011 to holders of record of our common stock on December 1, 2011. The cash payment related to this dividend is expected to be $7.8 million.

Note 11. Treasury Stock

On August 5, 2011, our Board of Directors authorized the repurchase of up to $300 million of our common stock, inclusive of prior authorizations, from time to time through and including December 31, 2014. Pursuant to this authorization, we repurchased 441,416 shares of our common stock at an average price per share of $35.79, for a total purchase price of $15.8 million, during the quarter ended September 30, 2011.

During the first nine months of 2011, we issued 370,071 treasury shares which had an average cost of $6.63 per share for restricted stock units that vested during the period. In accordance with the Silgan Holdings Inc. 2004 Stock Incentive Plan, we repurchased 140,233 shares of our common stock at an average cost of $36.57 to satisfy minimum employee withholding tax requirements resulting from certain restricted stock units becoming vested. We account for the treasury shares using the first-in, first-out (FIFO) cost method. As of September 30, 2011, 17,638,060 shares were held in treasury.

Note 12. Stock-Based Compensation

We currently have one stock-based compensation plan in effect, under which we have issued options and restricted stock units to our officers, other key employees and outside directors. During the first nine months of 2011, 37,900 restricted stock units were granted to certain of our officers and key employees. The fair value of these restricted stock units at the grant date was $1.4 million, which is being amortized ratably over the five-year vesting period from the grant date. In addition, in the first quarter of 2011, a performance award for 120,000 restricted stock units was granted to one of our officers, which award is subject to forfeiture unless certain performance criteria for the year ended December 31, 2011 is achieved. These restricted stock units vest at the conclusion of the three-year period from the grant date. The fair value of these restricted stock units at the grant date was $4.4 million, which is being amortized ratably over the three-year vesting period from the grant date.

In June 2011, we granted 6,738 restricted stock units to non-employee members of our Board of Directors, which vest in full one year from the date of grant. The fair value of these restricted stock units at the date of grant was $0.3 million.

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Note 13. Business Segment Information

Reportable business segment information for the three and nine months ended September 30 is as follows:

	Metal Containers(1)	Closures	Plastic Containers	Corporate	Total
			(Dollars in thousands)		
Three Months Ended September 30, 2011					
Net sales	$798,663	$189,554	$159,791	$ -	$1,148,008
Depreciation and amortization(2)	20,498	8,353	11,269	417	40,537
Rationalization charges	-	339	343	-	682
Segment income from operations	111,745	24,369	3,802	(3,865)	136,051
Three Months Ended September 30, 2010					
Net sales	$688,901	$162,769	$150,386	$ -	$1,002,056
Depreciation and amortization(2)	16,697	7,055	11,408	420	35,580
Rationalization charges	381	-	590	-	971
Segment income from operations(3)	95,274	22,028	8,206	(4,554)	120,954
Nine Months Ended September 30, 2011					
Net sales	$1,671,404	$534,133	$467,781	$-	$2,673,318
Depreciation and amortization(2)	58,481	25,074	33,576	1,264	118,395
Rationalization charges	1,378	1,731	1,673	-	4,782
Segment income from operations(4) (5)	192,984	62,866	14,629	13,677	284,156
Nine Months Ended September 30, 2010					
Net sales	$1,442,015	$472,588	$445,337	$-	$2,359,940
Depreciation and amortization(2)	50,299	21,114	34,146	1,259	106,818
Rationalization charges	694	-	3,039	-	3,733
Segment income from operations(3) (6)	185,698	57,078	15,080	(13,138)	244,718

(1) Our metal containers segment includes the operations formerly categorized as metal food containers and the VN operations acquired in March 2011.
(2) Depreciation and amortization excludes amortization of debt discount and issuance costs of $0.9 million and $0.8 million for the three months ended September 30, 2011 and 2010, respectively, and $2.5 million and $2.1 million for the nine months ended September 30, 2011 and 2010, respectively.
(3) Income from operations for corporate includes costs attributable to announced acquisitions of $0.5 million for the three and nine months ended September 30, 2010.
(4)

Income from operations for corporate includes income of $25.2 million for proceeds received as a result of the termination of the Graham Packaging merger agreement, net of costs associated with certain corporate development activities.

(5) Income from operations of the metal containers segment includes a charge for the resolution of a past product liability dispute of $3.3 million.

(6) Income from operations for the closures segment includes a charge of $3.2 million for the remeasurement of net assets in the Venezuela operations to the devalued official Bolivar exchange rate.

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Note 13. Business Segment Information (continued)

Total segment income from operations is reconciled to income before income taxes as follows:

	Three Months Ended		Nine Months Ended	
	Sept. 30, 2011	Sept. 30, 2010	Sept. 30, 2011	Sept. 30, 2010
	(Dollars in thousands)			
Total segment income from operations	$136,051	$120,954	$284,156	$244,718
Interest and other debt expense	17,268	20,477	47,654	44,983
Income before income taxes	$118,783	$100,477	$236,502	$199,735

Sales and income from operations of our metal container business are dependent, in part, upon the vegetable and fruit harvests in the midwest and western regions of the United States and, to a lesser degree, various geographies in Central and Eastern Europe. Our closures business is also dependent, in part, upon vegetable and fruit harvests. The size and quality of these harvests varies from year to year, depending in large part upon the weather conditions in applicable 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.

Item 2.

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

Statements included in "Management's Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere in this Quarterly Report on Form 10-Q 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 Securities Exchange Act of 1934. Such forward-looking statements are made based upon management's expectations and beliefs concerning future events impacting us and therefore involve a number of uncertainties and risks, including, but not limited to, those described in our Annual Report on Form 10-K for the fiscal year ended December 31, 2010 and in our other filings with the Securities and Exchange Commission. 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.

General

We are a leading supplier of rigid packaging for consumer goods products. We currently produce steel and aluminum containers for human and pet food and general line products; metal, composite and plastic vacuum closures for food and beverage products and plastic closures for the dairy and juice markets; and custom designed plastic containers, tubes and closures for personal care, health care, pharmaceutical, household and industrial chemical, food, pet care, agricultural chemical, automotive and marine chemical products. We are a leading manufacturer of metal containers in North America and Europe, a leading worldwide manufacturer of metal, composite and plastic vacuum closures for food and beverage products and a leading manufacturer of plastic containers in North America for a variety of markets, including the personal care, health care, household and industrial chemical and food markets.

Our objective is to increase shareholder value by efficiently deploying capital and management resources to grow our business, reduce operating costs and build sustainable competitive positions, or franchises, and to complete acquisitions that generate attractive cash returns. We have grown our net sales and income from operations over the years, largely through acquisitions but also through internal growth, and we continue to evaluate acquisition opportunities in the consumer goods packaging market. If acquisition opportunities are not identified over a longer period of time, we may use our cash flow to repay debt, repurchase shares of our common stock or increase dividends to our stockholders or for other permitted purposes.

On March 1, 2011, we acquired the metal container operations of Vogel & Noot which is headquartered in Vienna, Austria. VN manufactures metal food and general line containers, with manufacturing facilities in Central and Eastern Europe and several new facilities in other developing Eastern countries scheduled to be opened in the near term. We acquired these operations for a total purchase price of €212.4 million ($292.7 million translated at the U.S. dollar exchange rate at the date of acquisition), net of cash acquired.

In June 2011, Graham Packaging terminated our definitive merger agreement and paid us a termination fee of $39.5 million in accordance with the terms of such merger agreement. The proceeds from the termination fee and costs associated with corporate development activities have been recorded in selling, general and administrative expenses in the Condensed Consolidated Statement of Income for the nine months ended September 30, 2011.

RESULTS OF OPERATIONS

The following table sets forth certain unaudited income statement data expressed as a percentage of net sales for the periods presented:

	Three Months Ended		Nine Months Ended	
	Sept. 30, 2011	Sept. 30, 2010	Sept. 30, 2011	Sept. 30, 2010
Net sales				
Metal containers(1)	69.6 %	68.8 %	62.5 %	61.1 %
Closures	16.5	16.2	20.0	20.0
Plastic containers	13.9	15.0	17.5	18.9
Consolidated	100.0	100.0	100.0	100.0
Cost of goods sold	84.0	83.8	85.0	84.1
Gross profit	16.0	16.2	15.0	15.9
Selling, general and administrative expenses	4.0	4.0	4.2	5.3
Rationalization charges	0.1	0.1	0.2	0.2
Income from operations	11.9	12.1	10.6	10.4
Interest and other debt expense	1.5	2.1	1.8	2.0
Income before income taxes	10.4	10.0	8.8	8.4
Provision for income taxes	3.5	3.5	3.0	3.0
Net income	6.9 %	6.5 %	5.8 %	5.4 %

(1) Our metal containers segment includes the operations formerly categorized as metal food containers and the VN operations acquired in March 2011.

Summary unaudited results of operations for the three and nine months ended September 30, 2011 and 2010 are provided below.

	Three Months Ended		Nine Months Ended	
	Sept. 30, 2011	Sept. 30, 2010	Sept. 30, 2011	Sept. 30, 2010
	(Dollars in millions)			
Net sales				
Metal containers(1)	$798.7	$688.9	$1,671.4	$1,442.0
Closures	189.5	162.8	534.1	472.6
Plastic containers	159.8	150.4	467.8	445.3
Consolidated	$1,148.0	$1,002.1	$2,673.3	$2,359.9
Income from operations				
Metal containers (1) (2)	$111.7	$95.3	$193.0	$185.7
Closures (3)	24.4	22.0	62.9	57.1
Plastic containers (4)	3.8	8.2	14.6	15.1
Corporate(5)	(3.8)	(4.5)	13.7	(13.2)
Consolidated	$136.1	$121.0	$284.2	$244.7

(1) Our metal containers segment includes the operations formerly categorized as metal food containers and the VN operations acquired in March 2011.

(2) Includes rationalization charges of $0.4 million for the three months ended September 30, 2010, and $1.4 million and $0.7 million for the nine months ended September 30, 2011 and September 30, 2010, respectively, and a charge for the resolution of a past product liability dispute of $3.3 million for the nine months ended September 30, 2011.

(3) Includes rationalization charges of $0.3 million and $1.7 million for the three and nine months ended September 30, 2011, respectively, and a charge of $3.2 million for the remeasurement of net assets in the Venezuela operations for the nine months ended September 30, 2010.

(4) Includes rationalization charges of $0.3 million and $0.6 million for the three months ended September 30, 2011 and 2010, respectively, and $1.7 million and $3.0 million for the nine months ended September 30, 2011 and 2010, respectively.

(5) Includes income of $25.2 million for the nine months ended September 30, 2011 for proceeds received as a result of the termination of the Graham Packaging merger agreement, net of costs associated with certain corporate development activities. Includes costs attributable to announced acquisitions of $0.5 million for the three and nine months ended September 30, 2010.

Three Months Ended September 30, 2011 Compared with Three Months Ended September 30, 2010

Overview. Consolidated net sales were $1,148.0 million in the third quarter of 2011, representing a 14.6 percent increase as compared to the third quarter of 2010 primarily as a result of higher net sales across all businesses principally due to the inclusion of the VN, IPEC Global Inc., or IPEC, and DGS acquired operations, higher average selling prices largely attributable to the pass through of higher raw material costs and the impact of favorable foreign currency translation, partially offset by lower unit volumes across all businesses, excluding the impact from acquisitions, and a less favorable mix of products sold in the plastic container business. Income from operations for the third quarter of 2011 of $136.1 million increased by $15.1 million, or 12.5 percent, as compared to the same period in 2010 primarily due to the inclusion of VN, IPEC and DGS, the favorable year-over-year comparison resulting from the timing of certain contractual pass throughs of changes in manufacturing costs in the metal container business, ongoing cost control and improved manufacturing efficiencies and lower rationalization charges, partially offset by lower unit volumes across all businesses, excluding the impact from acquisitions and a less favorable mix of products sold in the plastic container business. Results for 2011 included a loss on early extinguishment of debt of $1.0 million and rationalization charges of $0.6 million. Results for 2010 included a loss on early extinguishment of debt of $4.5 million and rationalization charges of $1.0 million. Net income for the third quarter of 2011 was $78.8 million, or $1.12 per diluted share, as compared to $65.2 million, or $0.84 per diluted share, for the same period in 2010.

Net Sales. The $145.9 million increase in consolidated net sales in the third quarter of 2011 as compared to the third quarter of 2010 was the result of higher net sales across all businesses.

Net sales for the metal container business increased $109.8 million, or 15.9 percent, in the third quarter of 2011 as compared to the same period in 2010. This increase was primarily due to the inclusion of net sales from VN, which had net sales of $103.2 million in the third quarter of 2011, and higher average selling prices as a result of the pass through of higher raw material and other manufacturing costs, partially offset by lower unit volumes in the U.S. as a result of a weaker fruit and vegetable pack in 2011 as compared to 2010 and inventory reductions by certain customers.

Net sales for the closures business increased $26.7 million, or 16.4 percent, in the third quarter of 2011 as compared to the same period in 2010. This increase was primarily the result of higher unit volumes due to the inclusion of net sales from IPEC and DGS, which had aggregate net sales of $11.6 million in the third quarter of 2011, the impact of favorable foreign currency translation of approximately $7.4 million and higher average selling prices due to the pass through of higher raw material costs, partially offset by lower unit volumes in the single-serve beverage market.

Net sales for the plastic container business in the third quarter of 2011 increased $9.4 million, or 6.3 percent, as compared to the same period in 2010. This increase was principally due to higher average selling prices as a result of the pass through of higher resin costs and the impact of favorable foreign currency translation of approximately $1.9 million, partially offset by a decrease in unit volumes and a less favorable mix of products sold.

Gross Profit. Gross profit margin decreased 0.2 percentage points to 16.0 percent in the third quarter of 2011 as compared to the same period in 2010 for the reasons discussed below in “Income from Operations.”

Selling, General and Administrative Expenses. Selling, general and administrative expenses as a percentage of consolidated net sales remained flat at 4.0 percent for the third quarter of 2011 as compared to the same period in 2010. Selling, general and administrative expenses increased $5.9 million to $46.3 million in the third quarter of 2011 as compared to $40.4 million for the same period last year. This increase was primarily due to our recent acquisitions.

Income from Operations. Income from operations for the third quarter of 2011 increased by $15.1 million as compared to the third quarter of 2010, while operating margin decreased to 11.9 percent from 12.1 percent over the same periods.

Income from operations of the metal container business for the third quarter of 2011 increased $16.4 million, or 17.2 percent, as compared to the same period in 2010, and operating margin increased to 14.0 percent from 13.8 percent over the same periods. These increases were primarily the result of the inclusion of VN, the favorable year-over-year comparison resulting from the timing of certain contractual pass throughs of changes in manufacturing costs, ongoing cost control and improved manufacturing efficiencies and a decrease in rationalization charges, partially offset by lower unit volumes in the U.S. Rationalization charges of $0.4 million were recognized in the third quarter of 2010.

Income from operations of the closures business for the third quarter of 2011 increased $2.4 million, or 10.9 percent, as compared to the same period in 2010, while operating margin decreased to 12.9 percent from 13.5 percent over the same periods. The increase in income from operations was primarily attributable to the inclusion of IPEC and DGS, the benefits of our prior year restructuring in Germany and improved manufacturing efficiencies, partially offset by the negative impact of the lagged pass through of significant increases in polypropylene resin costs, lower unit volumes in the single-serve beverage market and an increase in rationalization charges in the third quarter of 2011. Rationalization charges of $0.3 million were recognized in the third quarter of 2011.

Income from operations of the plastic container business for the third quarter of 2011 decreased $4.4 million, or 53.7 percent, as compared to the same period in 2010, and operating margin decreased to 2.4 percent from 5.5 percent over the same periods. These decreases were primarily attributable to a decrease in unit volumes and a less favorable mix of products sold, partially offset by lower rationalization charges. Rationalization charges of $0.3 million and $0.6 million were recognized in the third quarters of 2011 and 2010, respectively.

Interest and Other Debt Expense. Interest and other debt expense for the third quarter of 2011 increased $0.3 million to $16.3 million as compared to the same period in 2010. Loss on early extinguishment of debt of $1.0 million and $4.5 million in the third quarter of 2011 and 2010, respectively, was the result of the refinancing of the senior secured credit facility in each of those periods.

Provision for Income Taxes. The effective tax rate for the third quarter of 2011 was 33.7 percent as compared to 35.1 percent in the same period of 2010. The decrease was primarily attributable to the reassessment of tax positions that arose in prior years and more foreign sourced income due to VN for which the effective tax rate is lower than domestic sourced income.

Nine Months Ended September 30, 2011 Compared with Nine Months Ended September 30, 2010

Overview. Consolidated net sales were $2.67 billion in the first nine months of 2011, representing a 13.3 percent increase as compared to the first nine months of 2010 primarily due to the inclusion of sales from the VN, IPEC and DGS operations, higher average selling prices in each of the businesses due to the pass through of higher raw material and other manufacturing costs and the impact of favorable foreign currency translation, partially offset by lower unit volumes in each of our businesses, excluding the impact from acquisitions, and a less favorable mix of products sold in the plastic container business. Income from operations for the first nine months of 2011 increased by $39.5 million, or 16.1 percent, as compared to the same period in 2010 primarily as a result of income of $25.2 million from proceeds received as a result of the termination of the Graham Packaging merger agreement, net of costs attributable to certain corporate development activities. This increase was also attributable to the inclusion of the VN, IPEC and DGS operations, improved manufacturing efficiencies and ongoing cost controls, the favorable year-over-year comparison resulting from the timing of certain contractual pass throughs of changes in manufacturing costs in the metal container business and a $3.2 million charge recognized in 2010 for the remeasurement of net assets in the Venezuela operations. These increases were partially offset by lower unit volumes in each of our businesses, excluding the impact of acquisitions, a less favorable mix of products sold in the plastic container business, a $3.3 million charge for the resolution of a past product liability dispute in the metal container business and higher rationalization charges in 2011. Results for the first nine months of 2011 and 2010 included rationalization charges of $4.8 million and $3.7 million, respectively, and a loss on early extinguishment of debt of $1.0 million and $4.5 million, respectively. Net income for the first nine months of 2011 was $156.1 million, or $2.22 per diluted share, as compared to $128.3 million, or $1.66 per diluted share, for the same period in 2010.

Net Sales. The $313.4 million increase in consolidated net sales in the first nine months of 2011 as compared to the first nine months of 2010 was due to higher net sales across all businesses.

Net sales for the metal container business increased $229.4 million, or 15.9 percent, in the first nine months of 2011 as compared to the same period in 2010. This increase was primarily attributable to the inclusion of net sales of $203.7 million from VN and higher average selling prices as a result of the pass through of higher raw material costs, partially offset by lower unit volumes in the U.S. as a result of a weaker fruit and vegetable pack in 2011, inventory reductions by certain customers and the impact of the customer buy-ahead at the end of 2010.

Net sales for the closures business in the first nine months of 2011 increased $61.5 million, or 13.0 percent, as compared to the same period in 2010. This increase was primarily the result of the inclusion of net sales of $33.8 million in the aggregate from IPEC and DGS, higher average selling prices as a result of the pass through of higher raw material costs and the impact of favorable foreign currency translation of approximately $16.5 million, partially offset by lower unit volumes in the single-serve beverage market.

Net sales for the plastic container business in the first nine months of 2011 increased $22.5 million, or 5.1 percent, as compared to the same period in 2010. This increase was primarily the result of the impact of higher average selling prices as a result of the pass through of higher raw material costs and favorable foreign currency translation of approximately $5.6 million, partially offset by a decrease in unit volumes and a less favorable mix of products sold.

Gross Profit. Gross Profit margin decreased 0.9 percentage points to 15.0 percent for the first nine months of 2011 as compared to the same period in 2010 for the reasons discussed below in “Income from Operations.”

Selling, General and Administrative Expenses. Selling, general and administrative expenses decreased $13.1 million to $112.8 million for the nine months ended September 30, 2011 as compared to $125.9 million for the same period in 2010. Selling, general and administrative expenses as a percentage of consolidated net sales decreased to 4.2 percent for the first nine months of 2011 as compared to 5.3 percent for the same period in 2010. These decreases were primarily due to $25.2 million of income from proceeds received as a result of the termination of the Graham Packaging merger agreement, net of costs attributable to certain corporate development activities, and a $3.2 million charge recognized in 2010 for the remeasurement of net assets in the Venezuela operations, partially offset by the inclusion of selling, general and administrative expenses from recent acquisitions and a charge of $3.3 million for the resolution of a past product liability dispute.

Income from Operations. Income from operations for the first nine months of 2011 increased by $39.5 million, or 16.1 percent, as compared to the first nine months of 2010, and operating margin increased to 10.6 percent from 10.4 percent over the same periods.

Income from operations of the metal container business for the first nine months of 2011 increased $7.3 million, or 3.9 percent, as compared to the same period in 2010, while operating margin decreased to 11.5 percent from 12.9 percent over the same periods. The increase in income from operations was due to the inclusion of the VN operations, ongoing cost control and improved manufacturing efficiencies and the favorable year-over-year comparison resulting from the timing of certain contractual pass throughs of changes in manufacturing costs, partially offset by lower unit volumes in the U.S., a $3.3 million charge related to the resolution of a past product liability dispute and higher rationalization charges. Rationalization charges of $1.4 million and $0.7 million were recognized in the first nine months of 2011 and 2010, respectively. The decrease in operating margin was primarily due to the pre-tax negative impact of $5.5 million of expense related to the inventory write-up for VN as a result of purchase accounting in connection with the acquisition.

Income from operations of the closures business for the first nine months of 2011 increased $5.8 million, or 10.2 percent, as compared to the same period in 2010, while operating margin decreased to 11.8 percent from 12.1 percent over the same periods. The increase in income from operations was primarily attributable to the inclusion of IPEC and DGS, the benefits of ongoing cost reduction initiatives and improved manufacturing efficiencies and a $3.2 million charge recognized in 2010 for the remeasurement of net assets in the Venezuela operations, partially offset by the negative impact of the lagged pass through of significant increases in polypropylene resin costs and higher rationalization charges. Rationalization charges of $1.7 million were recognized in the first nine months of 2011 for a reduction in workforce at the operating facility in Germany.

Income from operations of the plastic container business for the first nine months of 2011 decreased $0.5 million, or 3.3 percent, as compared to the same period in 2010, and operating margin decreased to 3.1 percent from 3.4 percent over the same periods. These decreases were primarily attributable to lower unit volumes and a less favorable mix of products sold, partially offset by benefits from cost reduction initiatives and lower rationalization charges. Rationalization charges of $1.7 million and $3.0 million were recognized in the first nine months of 2011 and 2010, respectively.

Interest and Other Debt Expense. Interest and other debt expense before loss on early extinguishment of debt for the first nine months of 2011 increased $6.2 million to $46.7 million as compared to the same period in 2010. This increase was primarily due to higher average outstanding borrowings principally as a result of additional borrowings in connection with the refinancing of our senior secured credit facility in July 2010 and borrowings to fund acquisitions. Loss on early extinguishment of debt of $1.0 million and $4.5 million in the first nine months of 2011 and 2010, respectively, was a result of the refinancing of the senior secured credit facility in each of those periods.

Provision for Income Taxes. The effective tax rate for the first nine months of 2011 was 34.0 percent as compared to 35.8 percent in the same period of 2010. The effective tax rate for the first nine months of 2010 was negatively impacted by the non-deductible portion of the charge for the remeasurement of net assets in the Venezuela operations.

CAPITAL RESOURCES AND LIQUIDITY

Our principal sources of liquidity have been net cash from operating activities and borrowings under our debt instruments, including our senior secured credit facility. Our liquidity requirements arise primarily from our obligations under the indebtedness incurred in connection with our acquisitions and the refinancing of that indebtedness, capital investment in new and existing equipment and the funding of our seasonal working capital needs.

On July 28, 2011, we completed the refinancing of our previous senior secured credit facility by entering into a new $1.9 billion senior secured credit facility, or the Credit Agreement. Our Credit Agreement provides us with Term Loans and Revolving Loans. The Term Loans provided under the Credit Agreement refinanced the term loans under our previous senior secured credit facility and certain Euro revolving loan borrowings used to finance the VN acquisition in March 2011 and certain U.S. dollar revolving loan borrowings under our previous senior secured credit facility. The Term Loans consist of $520 million of U.S. term loans, €335 million of Euro term loans and Cdn $81 million of Canadian term loans. The Revolving Loans consist of a $790 million multicurrency revolving loan facility and a Cdn $10 million Canadian revolving loan facility. Our Credit Agreement also provides us with an uncommitted multicurrency incremental loan facility for up to an additional U.S. $750 million, which may be used to finance acquisitions and for other permitted purposes.

Under the Credit Agreement, total Term Loans of $1.055 billion are payable as follows: $158.3 million in each of 2013 and 2014, $211.0 million in each of 2015 and 2016, and $316.6 million in 2017 (non-U.S. dollar debt has been translated into U.S. dollars at exchange rates in effect at the balance sheet date).

Under the Credit Agreement, the interest rate for U.S. term loans will be either LIBOR or the base rate under the Credit Agreement plus a margin, the interest rate for Euro term loans will be the Euribor rate under the Credit Agreement plus a margin and the interest rate for Canadian term loans will be either the Bankers' Acceptance discount rate or the Canadian prime rate under the Credit Agreement plus a margin. Initially, for Term Loans and Revolving Loans maintained as LIBOR, Euribor or Bankers' Acceptance loans, the margin was 1.75 percent, and for Term Loans and Revolving Loans maintained as base rate or Canadian prime rate loans the margin was 0.75 percent. The Credit Agreement provides for the payment of a commitment fee ranging from 0.25 percent to 0.375 percent per annum on the daily average unused portion of commitments available under the Revolving Loans. Initially, the commitment fee was 0.375 percent per annum. The margins for Term Loans, Revolving Loans and the commitment fee are subject to adjustment quarterly based upon our Total Leverage Ratio as provided in the Credit Agreement.

All amounts owed under our previous senior secured credit facility were repaid on July 28, 2011 with proceeds from the Credit Agreement. As a result of this refinancing, we recorded a pre-tax charge of $1.0 million for the loss on early extinguishment of debt during the quarter ending September 30, 2011.

You should also read Note 6 to our Condensed Consolidated Financial Statements for the three and nine months ended September 30, 2011 included elsewhere in this Quarterly Report.

For the nine months ended September 30, 2011, we used proceeds from long-term debt of $1,088.8 million, net borrowings of revolving loans of $46.3 million, cash provided by operating activities of $76.2 million (which includes the benefit of $25.2 million of proceeds received as a result of the termination of the Graham

Packaging merger agreement, net of costs attributable to certain corporate development activities) and cash and cash equivalents of $34.8 million to fund the repayment of long-term debt of $689.6 million, the acquisitions of VN, DGS and NPPC for $289.4 million, decreases in outstanding checks of $92.9 million, net capital expenditures of $119.9 million, repurchases of our common stock of $15.8 million, debt issuance costs of $12.9 million related to the Credit Agreement, dividends paid on our common stock of $23.4 million and net payments for stock based compensation issuances of $2.2 million. The increase in net capital expenditures in 2011 as compared to 2010 was the result of our decision to take advantage of certain domestic tax benefits available in 2011 and capital expenditures related to the expansion of our metal container business into several developing Eastern countries.

For the nine months ended September 30, 2010, we used proceeds from our senior secured credit facility of $634.4 million and net proceeds from stock-based compensation issuances of $0.7 million to fund the repayment of term loans under our previous senior secured credit facility of $318.5 million, cash used in operations of $27.6 million (which included $92.3 million of contributions to our pension benefit plans), decreases in outstanding checks of $89.8 million, net capital expenditures of $75.3 million, net payments of revolving loans of $0.3 million, debt issuance costs of $11.7 million related to the refinancing of our senior secured credit facility and dividends paid on our common stock of $24.5 million and to increase our cash and cash equivalents by $87.4 million.

Because we sell metal containers used in fruit and vegetable pack processing, we have seasonal sales. As is common in the industry, we must utilize working capital to build inventory and then carry accounts receivable for some customers beyond the end of the packing season. Due to our seasonal requirements, which generally peak sometime in the summer or early fall, we may incur short-term indebtedness to finance our working capital requirements. In recent years, our seasonal working capital requirements have peaked at approximately $300 million, which were funded through a combination of revolving loans under our senior secured credit facility and cash on hand. We may use the available portion of revolving loans, after taking into account our seasonal needs and outstanding letters of credit, for other general corporate purposes including acquisitions, dividends, stock repurchases and to refinance or repurchase other debt.

At September 30, 2011, we had $15.0 million of Revolving Loans outstanding under the Credit Agreement. After taking into account outstanding letters of credit, the available portion of Revolving Loans under the Credit Agreement at September 30, 2011 was $753.2 million.

On August 5, 2011, our Board of Directors authorized the repurchase of up to $300 million of our common stock, inclusive of prior authorizations, from time to time through and including December 31, 2014. Pursuant to this authorization, we repurchased 441,416 shares of our common stock at an average price per share of $35.79, for a total purchase price of $15.8 million, during the quarter ended September 30, 2011.

On November 4, 2011, our Board of Directors declared a quarterly cash dividend on our common stock of $0.11 per share, payable on December 15, 2011 to holders of record of our common stock on December 1, 2011. The cash payment related to this dividend is expected to be $7.8 million.

We believe that cash generated from operations and funds from borrowings available under the Credit Agreement will be sufficient to meet our expected operating needs, planned capital expenditures, debt service, tax obligations, pension benefit plan contributions, share repurchases and common stock dividends for the foreseeable future. We continue to evaluate acquisition opportunities in the consumer goods packaging market and may incur additional indebtedness, including indebtedness under the Credit Agreement, to finance any such acquisition.

We are in compliance with all financial and operating covenants contained in our financing agreements and believe that we will continue to be in compliance during 2011 with all of these covenants.

Rationalization Charges

Under our rationalization plans, we made cash payments of $10.8 million and $4.4 million for the nine months ended September 30, 2011 and 2010, respectively. Total future cash spending of $12.4 million is expected for our outstanding rationalization plans in the current year and thereafter.

You should also read Note 3 to our Condensed Consolidated Financial Statements for the three and nine months ended September 30, 2011 included elsewhere in this Quarterly Report.

We continually evaluate cost reduction opportunities in our business, including rationalizations of our existing facilities through plant closings and downsizings. We use a disciplined approach to identify opportunities that generate attractive cash returns.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risks relating to our operations result primarily from changes in interest rates and, with respect to our international metal container and closures operations and our Canadian plastic container operations, from foreign currency exchange rates. In the normal course of business, we also have risk related to commodity price changes for items such as natural gas. We employ established policies and procedures to manage our exposure to these risks. Interest rate, foreign currency and commodity pricing transactions are used only to the extent considered necessary to meet our objectives. We do not utilize derivative financial instruments for trading or other speculative purposes.

Information regarding our interest rate risk, foreign currency exchange rate risk and commodity pricing risk has been disclosed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2010. Since such filing, other than the changes discussed in Notes 2 and 6 to our Condensed Consolidated Financial Statements for the three and nine months ended September 30, 2011 included elsewhere in this Quarterly Report, there has not been a material change to our interest rate risk, foreign currency exchange rate risk or commodity pricing risk or to our policies and procedures to manage our exposure to these risks.

You should also read Notes 2, 6 and 7 to our Condensed Consolidated Financial Statements for the three and nine months ended September 30, 2011 included elsewhere in this Quarterly Report.

Item 4. CONTROLS AND PROCEDURES

As required by Rule 13a-15(e) of the Securities Exchange Act of 1934, or the Exchange Act, we carried out an evaluation, under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures. Based upon that evaluation, as of the end of the period covered by this Quarterly Report, our Chief Executive Officer and Chief Financial Officer concluded that the disclosure controls and procedures were effective to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission’s rules and forms, and that our disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports we file or submit under the Exchange Act is accumulated and communicated to our management, including the Principal Executive Officer and the Principal Financial Officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

There were no changes in our internal controls over financial reporting during the period covered by this Quarterly Report that have materially affected, or are reasonably likely to materially affect, these internal controls.

During March 2011, we acquired the metal container operations of VN. You should read Note 2 to our Condensed Consolidated Financial Statements for the three and nine months ended September 30, 2011 included elsewhere in this Quarterly Report for further information on our acquisition of VN. We are currently in the process of integrating the internal controls and procedures of VN into our internal controls over financial reporting. As provided under the Sarbanes-Oxley Act of 2002 and the applicable rules and regulations of the Securities and Exchange Commission, we will include the internal controls and procedures of VN in our annual assessment of the effectiveness of our internal control over financial reporting for our 2012 fiscal year.

Part II. Other Information

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

(c) Purchases of Equity Securities By the Issuer and Affiliated Purchasers

The following table provides information about shares of our common stock that we repurchased during the third quarter of 2011 pursuant to the authorization of our Board of Directors on August 5, 2011 to repurchase up to $300 million of our common stock, inclusive of prior authorizations, from time to time through and including December 31, 2014:

ISSUER PURCHASES OF EQUITY SECURITIES (i)

	(a) Total Number of Shares Purchased	(b) Average Price Paid per Share	(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	(d) Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (in millions)
July 1-31, 2011	-	-	-	$ 53.0
August 1-31, 2011	441,416	$ 35.79	441,416	$ 284.2
September 1-30, 2011	-	-	-	$ 284.2
Total	441,416	$ 35.79	441,416	$ 284.2

(i) On August 5, 2011, our Board of Directors authorized the repurchase of up to $300 million of our common stock, inclusive of prior authorizations, from time to time through and including December 31, 2014. We announced this repurchase authorization in a press release dated August 8, 2011. Previously, on June 2, 2010 our Board of Directors had authorized the repurchase of up to $300 million of our common stock over a period of three years. We announced this repurchase authorization in a press release dated June 2, 2010. In November 2010, we repurchased $247 million of our common stock pursuant to such authorization, leaving $53 million yet to be repurchased under such authorization which amount was included in the August 5, 2011 repurchase authorization.

Item 6. Exhibits

Exhibit Number	Description
12	Ratio of Earnings to Fixed Charges for the three and nine months ended September 30, 2011 and 2010.
31.1	Certification by the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act.
31.2	Certification by the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act.
32.1	Certification by the Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act.
32.2	Certification by the Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act.
101.INS*	XBRL Instance Document.
101.SCH*	XBRL Taxonomy Extension Schema Document.
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document.

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* XBRL information is furnished and not filed for purposes of Sections 11 and 12 of the Securities Act of 1933 and Section 18 of the Securities Exchange Act of 1934, and is not subject to liability under those sections, is not part of any registration statement or prospectus to which it relates and is not incorporated or deemed to be incorporated by reference into any registration statement, prospectus or other document.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Quarterly Report to be signed on its behalf by the undersigned thereunto duly authorized.

SILGAN HOLDINGS INC.

Dated: November 9, 2011

/s/ Robert B. Lewis
Robert B. Lewis
Executive Vice President and
Chief Financial Officer

EXHIBIT INDEX

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