TUPPERWARE BRANDS CORP
Form 10-Q
November 02, 2010
Table of Contents

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

x **Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**
For the 13 weeks ended September 25, 2010

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 1-11657

TUPPERWARE BRANDS CORPORATION

(Exact name of registrant as specified in its charter)

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

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

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

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

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

Large accelerated filer	x	Accelerated filer	¨
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 28, 2010, 63,148,396 shares of the common stock, $0.01 par value, of the registrant were outstanding.

Table of Contents

TABLE OF CONTENTS

Table of Contents

TUPPERWARE BRANDS CORPORATION

CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

(Dollars in millions, except per share amounts)	**13 Weeks Ended September 25, 2010**	**13 Weeks Ended September 26, 2009**
Net sales	$ 523.2	$ 514.0
Cost of products sold	176.8	172.4
Gross margin	346.4	341.6
Delivery, sales and administrative expense	284.6	284.4
Re-engineering and impairment charges	0.4	2.4
Gains on disposal of assets including insurance recoveries	0.2	0.0
Operating income	61.6	54.8
Interest income	0.6	0.8
Interest expense	7.1	8.4
Other expense	2.0	4.9
Income before income taxes	53.1	42.3
Provision for income taxes	13.2	10.0
Net income	$ 39.9	$ 32.3
Earnings per share:		
Basic	$ 0.64	$ 0.52
Diluted	0.62	0.50
Weighted-average shares outstanding:		
Basic	62.6	62.5
Diluted	63.8	64.0
Dividends declared per common share	$ 0.25	$ 0.22

See accompanying Notes to Consolidated Financial Statements (Unaudited).

Table of Contents

TUPPERWARE BRANDS CORPORATION

CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

(Dollars in millions, except per share amounts)	**39 Weeks Ended September 25, 2010**	**39 Weeks Ended September 26, 2009**
Net sales	$ 1,645.4	$ 1,501.5
Cost of products sold	542.6	508.4
Gross margin	1,102.8	993.1
Delivery, sales and administrative expense	886.7	817.4
Re-engineering and impairment charges	4.0	6.5
Impairment of goodwill and intangible assets	0.0	28.1
Gains on disposal of assets including insurance recoveries	0.2	10.1
Operating income	212.3	151.2
Interest income	1.7	2.6
Interest expense	21.6	23.8
Other expense	2.6	6.4
Income before income taxes	189.8	123.6
Provision for income taxes	44.9	32.7
Net income	$ 144.9	$ 90.9
Earnings per share:		
Basic	$ 2.31	$ 1.46
Diluted	2.26	1.44
Weighted-average shares outstanding:		
Basic	62.6	62.2
Diluted	63.9	63.1
Dividends declared per common share	$ 0.75	$ 0.66

See accompanying Notes to Consolidated Financial Statements (Unaudited).

Table of Contents

TUPPERWARE BRANDS CORPORATION

CONSOLIDATED BALANCE SHEETS

(Unaudited)

(Dollars in millions, except share amounts)	September 25, 2010	December 26, 2009
ASSETS		
Cash and cash equivalents	$ 122.8	$ 112.4
Accounts receivable, less allowances of $29.2 million in 2010 and $32.8 million in 2009	176.5	181.0
Inventories	313.7	265.5
Deferred income tax benefits, net	70.4	71.5
Non-trade amounts receivable, net	40.4	41.0
Prepaid expenses and other current assets	27.7	25.4
Total current assets	751.5	696.8
Deferred income tax benefits, net	359.2	335.7
Property, plant and equipment, net	247.3	254.6
Long-term receivables, less allowances of $22.6 million in 2010 and $17.1 million in 2009	19.9	22.6
Trademarks and tradenames	168.7	163.6
Other intangible assets, net	11.0	13.6
Goodwill	280.6	275.5
Other assets, net	29.3	32.9
Total assets	$ 1,867.5	$ 1,795.3
LIABILITIES AND SHAREHOLDERS EQUITY		
Accounts payable	$ 123.4	$ 140.7
Short-term borrowings and current portion of long-term debt and capital lease obligations	2.3	1.9
Accrued liabilities	316.6	317.9
Total current liabilities	442.3	460.5
Long-term debt and capital lease obligations	427.2	426.2
Other liabilities	262.9	270.9
Shareholders equity:		
Preferred stock, $0.01 par value, 200,000,000 shares authorized; none issued	0.0	0.0
Common stock, $0.01 par value, 600,000,000 shares authorized; 63,607,090 shares issued	0.6	0.6
Paid-in capital	102.2	91.1
Retained earnings	912.3	836.1
Treasury stock 474,494 and 552,463 shares in 2010 and 2009, respectively, at cost	(21.0)	(26.8)
Accumulated other comprehensive loss	(259.0)	(263.3)
Total shareholders equity	735.1	637.7

Total liabilities and shareholders equity	$ 1,867.5	$ 1,795.3

See accompanying Notes to Consolidated Financial Statements (Unaudited).

Table of Contents

TUPPERWARE BRANDS CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

	39 Weeks Ended	
(In millions)	**September 25, 2010**	**September 26, 2009**
Operating Activities:		
Net income	$ 144.9	$ 90.9
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	37.0	37.7
Equity compensation	8.0	7.4
Amortization of debt issuance costs	0.5	0.9
Net gain on disposal of assets, including insurance recoveries	(0.1)	(10.0)
Provision for bad debts	9.4	7.3
Writedown of inventories and LIFO adjustments	16.0	14.0
Non-cash impact of re-engineering and impairment costs	0.0	30.1
Net change in deferred income taxes	(10.0)	0.3
Excess tax benefits from share-based payment arrangements	(5.4)	(8.4)
Changes in assets and liabilities:		
Accounts and notes receivable	(7.8)	(23.4)
Inventories	(64.7)	(4.7)
Non-trade amounts receivable	(4.8)	(2.8)
Prepaid expenses	(3.9)	(6.5)
Other assets	(2.0)	(1.5)
Accounts payable and accrued liabilities	0.2	(2.8)
Income taxes payable	(7.7)	(16.2)
Other liabilities	2.0	(0.6)
Net cash impact from hedging activity	(7.6)	16.9
Other	(0.5)	0.0
Net cash provided by operating activities	103.5	128.6
Investing Activities:		
Capital expenditures	(34.6)	(25.8)
Proceeds from disposal of property, plant and equipment	9.5	2.9
Proceeds from insurance settlements	0.0	2.7
Net cash used in investing activities	(25.1)	(20.2)
Financing Activities:		
Dividend payments to shareholders	(47.2)	(41.1)
Proceeds from exercise of stock options	12.9	22.5
Repurchase of common stock	(30.6)	(32.3)
Repayment of long-term debt and capital lease obligations	(1.7)	(81.3)
Net change in short-term debt	0.6	(1.9)
Excess tax benefits from share-based payment arrangements	5.4	8.4
Net cash used in financing activities	(60.6)	(125.7)

Effect of exchange rate changes on cash and cash equivalents	(7.4)	12.1
Net change in cash and cash equivalents	10.4	(5.2)
Cash and cash equivalents at beginning of year	112.4	124.8
Cash and cash equivalents at end of period	$ 122.8	$ 119.6

See accompanying Notes to Consolidated Financial Statements (Unaudited).

Table of Contents

TUPPERWARE BRANDS CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

Note 1: Summary of Significant Accounting Policies

Basis of Presentation: The condensed consolidated financial statements include the accounts of Tupperware Brands Corporation and its subsidiaries, collectively Tupperware or the Company , with all intercompany transactions and balances having been eliminated. These condensed consolidated financial statements and related notes should be read in conjunction with the 2009 audited financial statements included in the Company s Annual Report on Form 10-K for the year ended December 26, 2009.

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

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

Out-of-Period Amounts: In the second quarter of 2010, the Company identified certain accounting errors in its Consolidated Financial Statements for the first quarter of 2010 and periods prior to 2010. These errors were corrected in the second quarter of 2010 and the negative net income impact on the net income comparison for the year-to-date period of 2010 was $6.0 million. The amounts related to errors identified in the financial reporting at the Company s Russian subsidiary, which resulted in overstatements of sales, including promotional credits that had not been recorded timely, prepaid expenses that should have been reflected in expenses in earlier time periods, inappropriate levels of accruals for certain promotional events and other operating liabilities and insufficient bad debt reserves. The Company determined that the errors were not material to the financial statements in the periods in which they originated or the period in which they were corrected and, accordingly, a restatement of the financial statements was not necessary.

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

Note 2: Shipping and Handling Costs

The cost of products sold line item includes costs related to the purchase and manufacture of goods sold by the Company. Among these costs are inbound freight charges, purchasing and receiving costs, inspection costs, depreciation expense, internal transfer costs and warehousing costs of raw material, work in process and packing materials. The warehousing and distribution costs of finished goods are included in the delivery, sales and administrative expense (DS&A) line item. Distribution costs are comprised of outbound freight and associated labor costs. Fees billed to customers associated with the distribution of products are classified as revenue. The shipping and handling costs included in DS&A totaled $31.7 million and $30.7 million for the third quarters of 2010 and 2009, respectively, and $98.5 million and $89.0 million for the year-to-date periods ended September 25, 2010 and September 26, 2009, respectively.

Note 3: Promotional Accruals

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

The Company accrues for the costs of these awards during the period over which the sales force qualifies for the award and reports these costs primarily as delivery, sales and administrative expense. These accruals require estimates as to the cost of the awards based upon expected achievement and actual cost to be incurred. During the qualification period, actual results are monitored and changes to the original estimates are made when known. Total promotional and other sales force compensation expenses included in DS&A totaled $87.6 million and $88.8 million for the third quarters of 2010 and 2009, respectively, and $287.5 million and $266.0 million for the year-to-date periods ended September 25, 2010 and September 26, 2009, respectively.

Table of Contents

Note 4: Inventories

	September 25, 2010	December 26, 2009
	(in millions)	
Finished goods	$ 210.1	$ 182.4
Work in process	24.9	19.6
Raw materials and supplies	78.7	63.5
Total inventories	$ 313.7	$ 265.5

Note 5: Net Income Per Common Share

Basic per share information is calculated by dividing net income by the weighted average number of shares outstanding. Diluted per share information is calculated by also considering the impact of potential common stock on both net income and the weighted average number of shares outstanding. The Company s potential common stock consists of employee and director stock options, restricted stock, restricted stock units and performance share units. Performance share awards are included in the diluted per share calculation when the performance criteria are achieved. The Company s potential common stock is excluded from the basic per share calculation and is included in the diluted per share calculation when doing so would not be anti-dilutive.

The Company accounts for unvested share based payment awards with a nonforfeitable right to receive dividends (participating securities) using the two-class method of computing earnings per share. The Company had 0.1 million in unvested share-based payment awards outstanding in the third quarter of 2010 and 0.2 million in unvested share-based payment awards outstanding in the third quarter of 2009 and the year-to-date periods of 2010 and 2009 that were classified as participating securities. The two-class method is an earnings allocation formula that determines earnings per share for common stock and participating securities, according to dividends declared and participation rights in undistributed earnings. Under this method, net income is reduced by the amount of dividends declared in the current period for common shareholders and participating security holders. The remaining earnings or undistributed earnings are allocated between common stock and participating securities to the extent that each security may share in earnings as if all of the earnings for the period had been distributed. In applying the two-class method, the Company has determined that undistributed earnings should be allocated equally on a per share basis for common stock and participating securities due to the rights of the participating security holders and the Company s history of paying dividends equally on a per share basis.

Table of Contents

The elements of the earnings per share computations were as follows (in millions except per share amounts):

	13 Weeks Ended September 25, 2010	13 Weeks Ended September 26, 2009	39 Weeks Ended September 25, 2010	39 Weeks Ended September 26, 2009
Net income	$ 39.9	$ 32.3	$ 144.9	$ 90.9
Less dividends declared:				
To common shareholders	15.9	13.9	47.4	41.5
To participating security holders	0.0	0.0	0.2	0.1
Total undistributed earnings	$ 24.0	$ 18.4	$ 97.3	$ 49.3
Undistributed earnings to common shareholders	$ 23.9	$ 18.3	$ 97.0	$ 49.1
Undistributed earnings to participating security holders	0.1	0.1	0.3	0.2
Net income available to common shareholders for basic and diluted earnings per share	$ 39.8	$ 32.2	$ 144.4	$ 90.6
Weighted-average shares of common stock outstanding	62.6	62.5	62.6	62.2
Common equivalent shares:				
Assumed exercise of dilutive options, restricted shares, restricted stock units and performance share units	1.2	1.5	1.3	0.9
Weighted-average common and common equivalent shares outstanding	63.8	64.0	63.9	63.1
Basic earnings per share	$ 0.64	$ 0.52	$ 2.31	$ 1.46
Diluted earnings per share	$ 0.62	$ 0.50	$ 2.26	$ 1.44
Shares excluded from the determination of potential common stock because inclusion would have been anti-dilutive	0.5	0.5	0.5	2.1

Table of Contents

Note 6: Comprehensive Income

In addition to net income, comprehensive income included certain amounts recorded directly in equity. The components of comprehensive income, net of related income tax effects, for the respective periods were as follows (in millions):

	13 Weeks Ended September 25, 2010	13 Weeks Ended September 26, 2009	39 Weeks Ended September 25, 2010	39 Weeks Ended September 26, 2009
Net income	$ 39.9	$ 32.3	$ 144.9	$ 90.9
Foreign currency translation adjustments	22.9	43.7	3.2	71.6
Deferred gain (loss) on cash flow hedges, net of tax benefit of $0.1 and $0.4 million for the third quarters of 2010 and 2009 and tax benefit of $0.3 and tax provision of $1.0 million for the year-to-date periods of 2010 and 2009, respectively.	(0.3)	(1.0)	(0.7)	1.1
Pension and other post-retirement costs, net of tax provision of $0.2 and $0.3 million for the third quarters of 2010 and 2009 and $0.6 and $1.6 million for the 2010 and 2009 year-to-date periods, respectively.	0.5	0.6	1.8	2.5
Comprehensive income	$ 63.0	$ 75.6	$ 149.2	$ 166.1

Accumulated other comprehensive income is comprised of pension liabilities, foreign currency translation adjustments and hedge activity.

Note 7: Re-engineering Costs

The Company recorded $0.4 million and $4.0 million in re-engineering and impairment charges during the third quarter and year-to-date periods of 2010, respectively, primarily related to severance costs incurred in its Argentina, Australia, BeautiControl, France, Greece, Japan and Mexico operations, mainly due to implementing changes in the businesses management structures and relocation costs in Japan.

The Company recorded $2.4 million and $6.5 million in re-engineering and impairment charges during the third quarter and year-to-date periods of 2009, respectively, primarily related to severance costs incurred in the Company s Argentina, Australia, BeautiControl, Japan and Mexico operations also mainly due to implementing changes in the businesses management structures. Also included was $2.0 million related to the impairment of software and property, plant and equipment.

The balances, included in accrued liabilities, related to re-engineering and impairment charges as of September 25, 2010 and December 26, 2009 were as follows (in millions):

	September 25, 2010	December 26, 2009
Beginning of the year balance	$ 1.5	$ 2.2
Provision	4.0	8.0
Cash expenditures:		
Severance	(3.9)	(5.4)
Other	(0.8)	(1.2)
Non-cash impairments	(0.0)	(2.1)

End of period balance	$	0.8	$	1.5

The remaining accrual balance of $0.8 million as of September 25, 2010, related primarily to severance payments expected to be made by several units during 2011.

Note 8: Goodwill and Intangible Assets

The Company s goodwill and intangible assets relate primarily to the December 2005 acquisition of the direct selling businesses of Sara Lee Corporation and the October 2000 acquisition of BeautiControl.

The Company does not amortize its tradename intangible assets and goodwill. Instead, the Company tests these assets for impairment annually, or more frequently if events or changes in circumstances indicate they may be impaired. The impairment test for the Company s tradenames involves comparing the estimated fair value of the assets to their carrying amounts to determine if a write-down to fair value is required. If the carrying amount of a tradename exceeds its estimated fair value, an impairment charge is recognized in an amount equal to the excess. The impairment test for goodwill involves comparing the fair value of a reporting unit to its carrying amount, including goodwill, and after any asset impairment charges. If the carrying amount of the reporting unit exceeds its fair value, a second step is required to measure for any goodwill impairment loss. This step revalues all assets and liabilities of the reporting unit to their current fair value and then compares the implied fair value of the reporting unit s goodwill to the carrying amount of that goodwill. If the carrying amount of the reporting unit s goodwill exceeds the implied fair value of the goodwill, an impairment loss is recognized in an amount equal to the excess.

In prior years, the Company recorded impairment charges related to its NaturCare, Nutrimetics and South African businesses, in part, due to the fact that current and forecasted future results of operations were below its prior projections. This resulted from benefits related to strategies implemented since the acquisition of these businesses in 2005 not occurring as quickly or significantly as had been projected. Also contributing to the previous impairments was an overall increase to the assumed discount rates used in the valuations. In the second quarter of 2009, the Company recorded a $10.1 million impairment to the Nutrimetics tradename, a $4.2 million impairment to the NaturCare tradename and a $2.0 million impairment to the Avroy Shlain tradename. In addition to the impairment of tradenames, the Company also recognized impairments of goodwill of $8.6 million and $3.2 million relating to the Nutrimetics and South African beauty reporting units. In the third quarter of 2010, the Company completed the annual impairment tests for all of the reporting units and tradenames, other than BeautiControl which was completed in the second quarter, and determined there was no further impairment.

Fair value of the reporting units is determined by the Company using either the income approach or a combination of the income and market approach with a greater weighting on the income approach (75 percent). The income approach, or discounted cash flow approach, requires significant assumptions to determine the fair value of each reporting unit. The significant assumptions used in the income approach include estimates regarding future operations and the ability to generate cash flows, including projections of revenue, costs, utilization of assets and capital requirements. It also requires estimates as to the appropriate discount rates to be used. The most sensitive estimate in this valuation is the projection of operating cash flows, as these provide the basis for the fair market valuation. The Company s cash flow model uses forecasts for periods of about 10 years and a terminal value. The significant 2010 assumptions for these forecasts included annual revenue growth rates ranging from 1 percent to 14 percent with an average growth rate of 7.0 percent. The growth rates are determined by reviewing historical results of these units and the historical results of other of the Company s business units that are similar to those of the reporting units, along with the expected contribution from growth strategies implemented in the units. Terminal values for all reporting units were calculated using a long-term growth rate of 3 percent. In estimating the fair value of the reporting units in 2010, the Company applied discount rates to its reporting units projected cash flows ranging from 13 to 25 percent. The discount rate at the high end of this range was for the South African and Latin American reporting units due to higher country-specific risk. The market approach relies on an analysis of publicly-traded companies similar to Tupperware and deriving a range of revenue and profit multiples. The publicly-traded companies used in the market approach were selected based on their having similar product lines of consumer goods, beauty products and/or companies using a direct-selling distribution method. The resulting multiples were then applied to the reporting unit to determine fair value.

The fair value of the Company s tradenames was determined using the relief from royalty method, which is a form of the income approach. In this method, the value of the asset is calculated by selecting royalty rates, which estimate the amount a company would be willing to pay for the use of the asset. These rates were applied to the Company s projected revenue, tax affected and discounted to present value using an appropriate rate. Royalty rates used were selected by reviewing comparable trademark licensing agreements in the market, and a range from 3 to 4.75 percent was used in 2010. In estimating the fair value of the tradenames, the Company also applied a discount rate ranging from 14 to 29 percent, and revenue growth ranging from 1 to 14 percent, with an average growth rate of 7.0 percent, and a long-term terminal growth rate of 3 percent. Similar to the rates used in valuing the goodwill, the discount rates towards the high end of the range related to tradenames located in areas with higher country risks, such as revenue generated in the Company s Argentina, Philippines, South Africa and Uruguay markets under the Fuller tradename in Argentina and the Philippines, the Avroy Shlain and Swissgarde tradenames in South Africa, and the Nuvo tradename in Uruguay.

With the 2009 goodwill impairments recorded for the Nutrimetics and South African reporting units, these units are at a higher risk of additional impairments in future periods if changes in certain assumptions occur. This is also the case for the Nutrimetics, Avroy Shlain and NaturCare tradename values, as the fair value in these cases was set equal to carrying value in the second quarter of 2009. The fair value of the Fuller Mexico, NaturCare and BeautiControl reporting units and the Nuvo trade name exceeded the carrying value by over 60 percent at the last valuation date resulting in a lower risk that these assets could be impaired in future

Table of Contents

periods. The fair value of the Fuller and Swissgarde tradenames exceeded its carrying value by almost 30 percent making future impairments less likely to occur. The fair value of the Company s Fuller Latin America reporting unit showed an excess of 20 percent over carrying value, which could indicate a higher risk of future impairments. Given the sensitivity of the valuation to changes in cash flow or market multiples, the Company may be required to recognize an impairment of goodwill or intangible assets in the future due to changes in market conditions or other factors related to the Company s performance. Actual results below forecasted results or a decrease in the forecasted future results of the Company s business plan or changes in interest rates could also result in an impairment charge, as could changes in market characteristics including additional declines in valuation multiples of comparable publicly-traded companies. Further impairment charges would have an adverse impact on the Company s net income.

Note 9: Segment Information

The Company manufactures and distributes a broad portfolio of products primarily through independent direct sales consultants. Certain operating segments have been aggregated based upon consistency of economic substance, products, production process, class of customers and distribution method. Sales and segment profit are from transactions with customers, with inter-segment profit eliminated. The Company s reportable segments include the following businesses:

Tupperware: Europe Asia Pacific North America	Primarily design-centric preparation, storage and serving solutions for the kitchen and home marketed through the Tupperware® brand. Europe includes Avroy Shlain® and Swissgarde®, which are beauty and personal care units in Southern Africa. Asia Pacific includes NaturCare®, a beauty and personal care unit in Japan.
Beauty North America	Primarily cosmetics, skin care and personal care products marketed under the BeautiControl® and Armand Dupree® brands in the United States, Canada and Puerto Rico and the Fuller Cosmetics® brand in Mexico.
Beauty Other	Beauty and personal care products marketed mainly in Australia under the Nutrimetics® brand. Both kitchen and beauty products marketed in the Philippines and South America under the Fuller®, Nuvo® and Tupperware® brands.

Table of Contents

Worldwide sales of beauty and personal care products totaled $158.9 million and $155.1 million in the third quarters of 2010 and 2009, respectively, and $475.8 million and $451.1 million for the year-to-date periods ended September 25, 2010 and September 26, 2009, respectively.

(In millions)	13 Weeks Ended September 25, 2010	13 Weeks Ended September 26, 2009	39 Weeks Ended September 25, 2010	39 Weeks Ended September 26, 2009
Net sales:				
Tupperware:				
Europe	$ 152.0	$ 157.6	$ 553.8	$ 514.8
Asia Pacific	114.4	103.0	321.2	266.2
North America	76.5	77.2	241.3	217.3
Beauty:				
North America	96.7	97.2	296.7	287.7
Other	83.6	79.0	232.4	215.5
Total net sales	$ 523.2	$ 514.0	$ 1,645.4	$ 1,501.5
Segment profit:				
Tupperware:				
Europe	$ 17.6	$ 19.3	$ 91.0	$ 80.7
Asia Pacific	26.7	22.9	69.3	50.3
North America	8.7	9.6	35.8	24.6
Beauty:				
North America	12.5	9.8	39.4	36.8
Other	10.3	2.0	19.3	12.2
Total segment profit	75.8	63.6	254.8	204.6
Unallocated expenses	(16.0)	(11.3)	(41.3)	(35.3)